CAMELLIA PLC

Final results for the year ended 31 December 2023

- Difficult conditions in key agriculture markets impact 2023 performance; continue to focus on our primary agricultural businesses and investment to diversify activities by crop and location
- Revenue of £272.3 million (2022: £297.2 million)
- Trading loss for Agriculture of £5.6 million (2022: trading profit of £15.5 million)
  - Tea production up 6% but tea prices significantly lower and wage costs were up in all regions resulting in a £9.8 million fall in profit
  - Strong competition and cost of living constraints in the packet and branded tea markets resulting in a £1.9 million fall in profit
  - 9% higher macadamia kernel equivalent production failed to compensate for the expected lower prices resulting in a loss (£5.8 million fall in profit)
  - Trading profit from avocado more than doubled despite lower prices due to improved fruit quality and higher export quantities (£2.6 million increase in profit)
  - Other agriculture (including other fruits) profits down £6.2 million. This was caused by significantly lower prices for cereal crops (despite higher production) and lower volumes and low market prices for apples
- Operating loss before tax for continuing operations of £1.3 million (2022: £5.6 million loss) despite significantly improved trading contribution from BF&M and after the reversal of an impairment on BF&M of £19 million following the agreement to sell this holding. This was as a result of a number of one off items including: impairments, restructuring and dilapidations costs of £8.9 million incurred in relation to Bardsley due to its restructuring in early 2023 and the subsequent decision to close that operation.
- Net cash of £21.7 million and an investment portfolio with a market value of £38.1 million at 31 March 2024
- Net assets attributable to owners of Camellia Plc of £325.8 million at 31 December 2023 (2022 £365.0 million)

Strategic developments

- Continued investment to diversify agriculture activities by crop and location
- Non-core sales continue: items from the collections, property owned by Bardsley and other assets generated net proceeds of £3.7 million with a gain on sale of £2.1 million
- Linton Park estate and a number of other properties are being marketed for sale. Two commercial properties were sold in Q1 2024.
- Bardsley wind down is underway with all farming and packing operations now closed. To date in 2024, Bardsley successfully exited one long leasehold property reducing ongoing maintenance obligations and interest costs. Exit plans are in place for other freeholds, leaseholds and other assets.
- Scope 1 and 2 emissions have been measured with a net reduction recorded in these levels. Scope 3 emissions have also been measured but the final values will be released in the H1 results

Outlook

- The outlook for 2024 remains challenging, however revenues are expected to be above 2023 but with a significantly higher adjusted loss before tax. This reflects the effect of continuing low tea prices, lower macadamia and soya crop volumes, lower cereal pricing, the consequence of strengthening of the Kenya shilling as well as the as yet unclear impact of the Red Sea crisis on shipping times and therefore on avocado exports.

- The Board is not recommending a final dividend for the year due to the financial performance in 2023 and the uncertain outlook for 2024. Consideration will be given to an interim dividend after reviewing the 2024 half year results and outlook.

Byron Coombs, Chief Executive, stated:

"The primary agricultural industry is always challenging, but the last two years have been particularly tough. In 2023 Camellia's results suffered from the impact of lower tea prices in what is a significantly oversupplied market, and serious demand disruption from COVID legacies on macadamia prices. Despite higher avocado exports due to improved quality, higher macadamia volumes, and an increased contribution from BF&M, the Group's profitability was hit hard. That said, the skill and commitment of our people meant that we were able to continue to drive forward our strategy of expanding in areas of expertise while selling non-core businesses.

Looking to 2024; tea markets are very tough, but there are signs that macadamia demand and prices are recovering, albeit that volumes will be lower than 2023. Avocado prices are currently in line with last year. The soya harvest in Brazil is complete but volumes have been affected by drought and pests and prices are soft. 2024 will be the final year in which Bardsley will have a significant negative impact on results. The recent strength of the Kenya shilling is currently proving to be a substantial headwind to performance. Further, due to its expected disposal, the contribution from BF&M to Group results is expected to be significantly reduced.

Whilst our shareholders will appreciate it is still too early in the season to make firm predictions, we currently expect revenues for 2024 to be marginally above 2023, but the adjusted loss before tax is expected to be significantly higher than that of last year. The Board recognises that the Company's financial performance falls short of shareholder expectations and is working with the Group companies to identify potential operational improvements, and actively examining the long term risks and opportunities for the Company more broadly. Despite the outlook, our substantial cash resources, our investment portfolio and limited gearing mean we are well placed to withstand these difficult market conditions."

Financial highlights

	Year ended 31 December 2023 £'m		Year ended 31 December 2022 £'m *Restated***	
Continuing operations				
Revenue	272.3		297.2	
Adjusted operating (loss)/profit before tax *	(14.4)		2.7	
Separately disclosed significant items	13.1		(8.3)	
Profit/(Loss) before tax	3.8		(4.3)	
Adjusted (loss)/profit before tax	(9.3)		4.0	
Taxation	(5.2)		(12.2)	
(Loss)/profit after tax for the year	(1.4)		(8.9)	
(Loss)/earnings per share from continuing operations	(134.0)	p	(767.6)	p
(Loss)/earnings per share from continuing and discontinued operations	(134.0)	p	(492.4)	p
Total dividend for the year	44	p	146	p

* Profit before tax excluding separately disclosed significant items, details of which can be found in note 1 and note 4 to the Accounts later in this announcement

** Prior period comparatives have been restated following a previously recognised associate transitioning to IFRS17 'Insurance Contracts'

This announcement contains inside information for the purpose of Article 7 of the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

ENQUIRIES

Camellia Plc	01622 746655
Byron Coombs, Chief Executive	
Susan Walker, Chief Financial Officer	
Panmure Gordon (UK) Limited	020 7886 2500
Nominated Adviser and Broker	
Emma Earl	
Rupert Dearden	
H/Advisers Maitland	
PR	
William Clutterbuck	07785 292617

CAMELLIA AT A GLANCE

We are an international Group of companies headquartered in the UK and focused on agriculture.

As a Group we are committed to doing the right thing: ethically and commercially.

Good stewardship is a core ethos of the Group; holding sustainable businesses in trust for future generations. Group companies continuously seek to improve the long-term stability and wellbeing of their businesses and the communities and environments in which they operate. We promote the use of sustainable agricultural practices and encourage Group companies to protect and enhance their environment and communities.

Purpose and strategy
We aim through our Group companies to generate long-term value for shareholders and other stakeholders, which include employees, customers, suppliers and communities.

The Group's strategy is to focus on agriculture and the sustainable production of all its crops, whilst continuously assessing opportunities to diversify by both crop and origin. We aim to continually improve operational efficiency and sustainability which is not only a driving force for enhancing profitability but also a powerful tool to reduce environmental impact and benefit communities.

As previously communicated, execution of this strategy will involve divesting non-agriculture assets as appropriate opportunities arise.

Our business is made up as follows:

Agriculture
2023: Revenue – £255.6 million (2022: £283.0 million), trading loss £5.6 million (2022: £15.5 million profit)

	Locations	*Mature Area Ha*	*Immature Area Ha*
Tea			
Production and manufacturing	India, Bangladesh, Kenya, Malawi	34,462	2,132
Instant tea, branded tea and tea lounges	India, UK	–	–
Nuts and fruits			
Macadamia	Kenya, Malawi, South Africa	3,336	574
Avocado	Kenya, Tanzania, South Africa	821	587
Other fruits	Kenya, South Africa	418	53
Other agriculture			
Forestry	Kenya, Malawi, Brazil	2,602	2,984
Arable	Brazil	3,860	–
Rubber	Bangladesh	1,654	26
Livestock	Kenya	4,506 head	–

Other investments

Engineering
2023: Revenue – £15.7 million (2022: £13.2 million), trading loss £0.3 million (2022: £0.8 million loss)

	Location
AJT Engineering	UK

Investments

	Locations	*Market value at 31/12/2023 £'m*
Investment Portfolio	Global	38.1
Investment Property	UK, Malawi	23.3
Collections (stated at cost)	UK, India	7.5
Assets held for sale	UK, Bermuda	82.3*

* Includes investment property, items from the Collections and BF&M categorised as held for sale

Associates
2023: Share of results after taxation – £3.4 million profit* (2022: £3.7 million loss)

	Locations	*Holding %*	*Market value at 31/12/2023 £'m*
United Finance (Banking)	Bangladesh	38.4	8.1
United Insurance (Non-life insurance)	Bangladesh	37.0	5.3

* Includes share of results of BF&M until it was reclassified as held for sale

DIRECTORS AND ADVISERS

Directors	Simon Turner	*Non-executive Chairman*
	Byron Coombs	*Chief Executive*
	Graham Mclean	*Director of Agriculture*
	Susan Walker	*Chief Financial Officer*
	Stephen Buckland	*Non-executive Director*
	Rachel English	*Independent non-executive Director*
	Frédéric Vuilleumier	*Independent non-executive Director*

Board committee membership is detailed on pages 35 to 38

Company Secretary Anita Denise Bodri

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CHAIRMAN'S STATEMENT

It is a great honour to take on the role of Chairman of Camellia Plc. The Board joins with the Camellia family in thanking Malcolm Perkins for over five decades of dedicated service to the Group and wishes him a long and happy retirement.

We have also recently announced that Susan Walker, Chief Financial Officer, has chosen to pursue a portfolio career and will not stand for re-election as CFO and Director at the forthcoming AGM. I thank Susan for her significant contribution and dedication over the past nine years and wish her well for the future. Having undertaken an extensive search, we are pleased to announce the appointment of Oliver Capon as the new CFO, and to propose his election to the Board at the AGM. Oliver is an experienced and commercial CFO with thirty years of experience, initially at Arthur Andersen and subsequently at Shell Plc, and we believe he will bring valuable skills to the executive team. In addition, we have previously indicated that we would increase the number and breadth of expertise of the Board's independent non-executive Directors, and I can confirm that we are making good progress in this matter.

It seems appropriate, with so many global challenges impacting society, business and many of our Group's markets and communities, to pause and reflect on the past as well as looking towards the future. Our new Chief Executive, Byron Coombs, has been doing just that, formulating a future business strategy which engages the Camellia culture and values. We believe that in difficult market conditions our values become even more important in maintaining our Group companies' licence to operate in each of their communities. The foundations of the Camellia philosophy will therefore underpin all that we seek to achieve in the years ahead, as they did in the past.

At this time of transition, it is worth reiterating the essence of this approach. The Board considers that the operational and financial success of Camellia is of the utmost importance because it is fundamental to the fulfilment of the responsibility it feels both to shareholders as well as others closely related to the Company. This sense of responsibility requires us to run a sustainable business with a patient, long-term perspective, which aims to deliver an attractive return to shareholders, at the same time as providing meaningful employment and development opportunities to its staff in a positive working environment. It demands that we exercise good stewardship as a stable and supportive shareholder to Group companies so that they can be run effectively and sustainably: providing goods and services of the highest quality to their customers, having a real concern for the welfare of their employees and communities and working in harmony with the natural environment. Moreover, it obliges us in all our activities to promote integrity, professionalism, fairness and humility – good 'corporate citizenship' – throughout the Group, for the benefit of society generally.

We will not always succeed, and we are aware that a combination of circumstances has given rise to what is, at present, an unsatisfactory financial performance. Our belief is that, through a renewed focus on Camellia's fundamental strengths, the Company will face its challenges more successfully and make better use of its core skills and capabilities. Camellia will therefore move into the future with a clarity of purpose matched by a clear commitment to its values and principles; this is a commitment instilled in me through over a decade of close connection with this unique company, whose former Chairman, Gordon Fox, the architect of the original structure of the Group, embedded in it the view that business could be run 'with a human face'.

We thank all our staff, and the boards and employees of the Group companies, for their hard work, dedication and goodwill, and hope that they feel appreciated for all that they have achieved.

Simon Turner
Chairman

28 April 2024

CHIEF EXECUTIVE'S STATEMENT

It is a privilege to be appointed CEO of Camellia Plc, a company with a long history of investing in primary agriculture businesses alongside a range of other asset investments. I take on this role at a difficult time in our history but supported by a strong balance sheet and some excellent Group companies.

Since joining last September, I have been visiting our main Group companies and spending time with their management teams. More recently I have been working with the UK Board and executive team to assess the current business conditions and our longer-term opportunities.

The primary agricultural industry is always challenging, but the past two years have been particularly tough in our markets. The global supply of tea is running ahead of consumption, and more recently, the macadamia market suffered serious demand disruption because of COVID legacies. The weak market conditions in tea and macadamia, together with the well-publicised difficulties faced by Bardsley (and other similar UK fruit businesses) have resulted in poor operating results.

Group revenues in 2023 were £272.3 million and the trading loss was £15.6 million, both significantly below our expectations at the start of the year. The profit before tax was £3.8 million, benefitting from the recognition of the embedded value in our holding in BF&M which is being sold, improved results from associates and investments, and asset disposals. These 2023 results, and the results of recent years, are reflected in our share price which is understandably of concern to shareholders. I would like to reassure our investors that the Camellia Board acknowledges their disappointment and recognises that Camellia's financial performance must improve.

As a result of the poor operating performance in 2023 and the current operating outlook for 2024, the Directors will not be recommending payment of an annual dividend. The Board will consider a payment of an interim dividend for 2024 after reviewing the half year results and outlook for the remainder of the year. The Board acknowledges the declining share price and limited liquidity and restates its intention to consider a share buy-back, subject to the sale of BF&M completing, and the Group's balance sheet permitting.

We currently have three strands to our strategy: selling non-core assets, supporting our existing Group companies whose activities are in primary food production and processing, and continuing our investment in non-tea crops.

Several of the Group's investment properties, including the Linton Park estate, have been placed on the market. One investment property in Brazil was sold in 2023, and two UK commercial properties were sold in Q1 2024. Parts of the Group's Collections were sold in 2023, with further items planned for auction in 2024.

We announced in June 2023 a contract to sell our 37% holding in BF&M for US$100m to Argus Group Holdings. The purchase of an investment in Argus by BF&M in late 2023 introduced a complicating factor which has slowed regulatory approvals. We expect these approvals to be obtained in Q2 2024.

In recent years Camellia has been transitioning its business to focus on those Group companies whose activities are in primary food production and processing. The Group's most significant interest remains the production and processing of tea, but progress has been made towards our goal of diversifying into other crops – principally avocados and macadamias.

In line with this, in 2023 our Group companies continued their investment in new avocado and macadamia plantations, using the experience of the Kenyan business and employing the Group's market knowledge and scale. The continued developments in Tanzania and South Africa also help diversify production sites - taking advantage of the climate and water benefits these locations offer. These investments will extend the market window for the Group's fruit deliveries to the main markets that it supplies.

The Kenyan business continues to explore blueberries as a future significant crop for the Group. The experience being gained from the current commercial blueberry trial is crucial to the decision to expand beyond the trial stage.

While we have worked to diversify the Group's crop production, not all our efforts have paid off; the investment in Bardsley has not been successful. We have recognised this and acted accordingly.

Camellia assesses its core operations and other investments to evaluate their strategic fit, contribution to mitigating the Group's risk profile, and their profit potential. The goal is to ensure that we build Camellia around the Group's established skills, experience, and market position, and thereby improve profitability and financial performance.

Alongside our priority of generating better returns for our shareholders we will continue to respect the interests of our employees, support the development of communities and economies, and help sustain the environment in which Group companies operate. These commitments are at the heart of our values and are crucial to being a trusted partner to our stakeholders. They underpin our ability to generate long term value for our shareholders.

Looking to 2024: tea markets remain very tough, there are some signs that demand and prices for macadamia are slowly recovering, but volumes in aggregate will be lower than in 2023. The market for avocados is currently in line with that of last year. The soya harvest in Brazil is complete but volumes have been significantly impacted by drought and pests whilst prices remain disappointing. 2024 will represent the final year in which Bardsley will have a significant negative impact. Currency markets are volatile and in 2024 to date the strengthening of the Kenya Shilling has had a substantial adverse impact on profits.

Whilst our shareholders will appreciate it is still too early in the season to make firm predictions, we currently expect revenues for 2024 to be marginally above that of 2023 but the adjusted loss before tax for 2024 to be significantly higher than that of last year. With our substantial cash resources, our investment portfolio and limited gearing, we continue to be well placed to withstand the current challenging market conditions.

Beyond 2024: ongoing investment in developing crops, rising volumes from increasingly mature plantings, and the Group companies' efforts to improve operational efficiency, form the basis for better financial performance in the years ahead. In addition to improvements in operational performance the Board will continue to examine more strategic opportunities to enhance shareholder value.

Byron Coombs
Chief Executive

28 April 2024

OPERATIONAL REPORT

Overview
Revenue from continuing operations for the Group decreased 8% to £272.3 million from £297.2 million in 2022. This reflects a decrease in revenue in Agriculture to £255.6 million (2022: £283.0 million) where the benefit of higher tea and avocado crops and higher avocado selling prices were insufficient to offset the impact of lower tea, macadamia, soya and apple average prices in all jurisdictions.

The results for 2023 show a profit before tax for continuing operations of £3.8 million (2022: £4.3 million loss) reflecting significantly higher contribution from BF&M but a loss from Agriculture. It also reflects a number of separately disclosed items, predominantly gains on disposal of assets, changes to impairment provisions and restructuring costs which are discussed in more detail later in this Operational Report and in note 4 to the Accounts. Excluding these separately disclosed items, the adjusted loss before tax for continuing operations for the year was £9.3 million (2022: £4.0 million profit).

The Agriculture division incurred a trading loss of £5.6 million in 2023 despite the continued strong focus on consistent quality to maximise prices, cost control and efficiency initiatives and despite volume growth in tea and avocado. The reduced profitability for the division arose from lower average pricing for tea, macadamia, apples and arable crops combined with of significant levels of wage cost inflation across all businesses.

As previously announced, due to the very high input cost inflation experienced in the UK fruit sector, coupled with severe customer price sensitivity, a decision was taken in January 2024 to close Bardsley. The 2023 results reflect Bardsley's restructuring in early 2023, dilapidation costs and impairment charges arising from the subsequent closure decision in January 2024 totaling £8.9 million (see pages 85 and 86). Further closure related costs will be incurred and reflected in the 2024 results as will the results of the eventual asset sales. Further details of activity in 2024 so far is set out on page 13.

The Engineering division's revenue and profitability improved in 2023 as a result of higher levels of activity and through a strong focus on cost control and efficiency initiatives.

Our results also benefited from a significant improvement in the performance of our associate, BF&M in the first quarter of 2023 (i.e. prior to it being recategorised as held for sale), with our share of BF&M's results for that period being £3.1 million. In addition, BF&M contributed £2.3 million as investment income in 2023; a total of £5.4 million contribution to operating profit in 2023. In contrast, in 2022 BF&M contributed a loss of £4.3 million.

Performance

Agriculture
In total, Agriculture made a trading loss of £5.6 million (2022: £15.5 million profit) on revenue of £255.6 million (2022: £283.0 million), as set out in note 1 to the Accounts.

Tea

	Tea estate production and manufacturing		*Instant tea, branded tea and tea lounges*	
	2023	*2022*	*2023*	*2022*
	£'m	*£'m*	*£'m*	*£'m*
Revenue	154.9	*177.6*	31.4	*32.5*
Adjusted trading (loss)/profit*	(3.2)	*9.1*	(1.7)	*0.2*
Trading (loss)/profit	(0.7)	*9.1*	(1.7)	*0.2*

* See note 1 to the Accounts

Estate production and manufacturing
Group tea production in 2023 was 98.6mkg, up 6% on 2022 levels (2022: 92.9mkg) due to good growing conditions in nearly all countries of operations.

	Mature area Ha	*Immature area Ha*	*2023 Production Volume mkg*	*2022 Production Volume mkg*
India	16,496	956	28.3	*26.8*
Bangladesh	8,729	645	15.2	*11.4*
Kenya	3,813	345	15.1	*13.3*
Malawi	5,424	186	17.5	*19.0*
Total own estates	34,462	2,132	76.1	*70.5*
Bought leaf production			17.6	*17.8*
Managed client production			4.9	*4.6*
Total made tea production			98.6	*92.9*

Pricing and operations
Tea pricing for all regions decreased significantly through the year. This was on the back of ever rising global supply which is increasingly further ahead of demand in major consumer countries. The lack of foreign exchange, sanctions and conflict in a number of these regions further hampered levels of demand. The cost of living crisis is affecting consumption in many regions and tea is becoming priced as a luxury in Egypt and Pakistan due to the impact of weakening exchange rates.

Logistics improved through the year and rates returned to pre-COVID levels. This was until the latest crisis in the Red Sea which has serious implications for supply chain timelines and is leading to increased shipping times and costs. To date, this has not impacted our revenues.

India
Our estate crop in 2023 was up 6% on last year with improved growing conditions in all four regions. However, Assam and Dooars continue to be impacted by climate change with increased temperatures and volatile weather impacting rainfall, which led to increased instances of pest and disease on the crop. In addition, the Dooars suffered from severe hail in the early part of the season.

Although this year has seen increased production, the impact of reduced prices and increased costs due to wage increases in both West Bengal and Assam of 7.7%, has continued to put pressure on the business.

There has been increased national production with North India registering its second highest crop. Prices were impacted by this increased production with Assam region average pricing down 8% and Dooars region average pricing down 17% on prior year. Demand for orthodox tea, which constitutes a significant proportion of our production in Assam, was severely affected by market conditions, in particular, the return of Sri Lanka production to the market and the impact of sanctions and foreign exchange shortages on key buyers' ability to transact.

Darjeeling pricing remained under pressure, down 6% on previous year, reflecting the impact of reduced demand and price competition from Nepal. However, our average prices, due to higher quality, remain above the market average but despite that, given cost increases and lower demand for the product, returns remain elusive.

North Indian market pricing was down 7% on the back of increased production. Export volumes were down 7% on last year due to competition from Sri Lanka for Orthodox and the availability of cheaper African teas. North India export prices have also been impacted and were down 5% on 2022.

Investment in replanting continues with 135Ha replanted in 2023 (2022:122Ha) and a further 71ha uprooted in preparation for future planting.

To date in 2024, India has been relatively dry which delayed the start to the season and in Darjeeling in particular, the very dry conditions have severely impacted the First Flush.

Bangladesh
2023 saw record production for our estate crop, up 33% on prior year. This significant differential is due partly to the low levels of crop produced in 2022 due to strike action but it also reflects better growing conditions in 2023. It also reflects a return on investment from replanting and infilling done in preceding years meaning our production in Bangladesh has steadily increased over the last seven years.

As a result of the increased crop experienced by all producers in Bangladesh and the continued growth of the smallholder sector, the market was oversupplied, and our average net selling price suffered, down 2% on prior year. Country wide carry forward stocks from 2023 into 2024 were high and have adversely impacted pricing in the year so far and will continue to impact going forward.

National production achieved levels over 100mkg for the first time. Contributing to this rise in volume is the increase in Bought leaf production which reached record levels in 2023 at just under 18mkgs. This represents an increase of 74% since 2020. The bought leaf sector continues to be unregulated and is increasing annually.

As previously announced, in August 2023 the government established a Wages Board for the tea industry and announced that wage increases from 2024 to 2026 would be at 5% per annum effective in August each year. This provides some stability to costs for the future, but the need to increase productivity must also be addressed by the industry.

The total area planted in 2023 was 59Ha (2022: 145Ha) of which 53Ha was replanting and 6Ha was newly planted areas. Planting was greatly reduced due to dry, hot weather experienced during planting time impacting our ability to plant out. The area uprooted for future planting was also reduced.

In Bangladesh the start to the new season appears to be progressing in line with expectations. The market, however, is still heavily supplied with last year's brought forward stocks and prices for this have been very low. The new season teas are expected to see better prices, but this could be somewhat subdued by the levels of tea in the market.

Kenya
Our estate production for the year was up 13% on 2022. National production was up 7% on last year and is the highest production on record, with a total of eight monthly records.

This increased production led to an oversupplied market with pressure on prices. Our average selling price was down 8%. However, we have continued to pursue a policy of quality tea production to ensure the best possible prices resulting in our pricing continuing to be above our commercial grower competitors.

The Mombasa ‘All Auction Average’ price was down 10% on last year driven by 15% higher volumes of tea available at auction. However, the major cause for concern is the volume of reprints (i.e. unsold teas being re-presented to buyers) appearing in the Auction which were up 86% on last year, amounting to c.100mkg. Teas sold at auction were down 6% on last year. This critical build-up of aging and poor-quality teas is severely impacting the global export market as it consistently drags down the prices of fresh and better quality tea.

Demand for Kenya teas in 2023 was severely affected by hard currency shortages in the key markets of Pakistan and Egypt and conflicts in the Middle East, Africa and Europe. However, the position improved in Q4 of 2023.

A total of 52Ha (2022: 53Ha) was replanted whilst 53Ha was uprooted for replanting in 2024.

In 2024 our prices to date have been significantly below that of the same period of 2023 reflecting the continuing high levels of oversupply in the market, despite greatly improved demand from Pakistan and a slight improvement from Egypt. Pricing levels looking forward, will depend on production volumes and quality and the availability of hard currency in these regions. Our cropping levels for Q1 2024 are significantly ahead of the same period last year.

Malawi
Our Malawi crop in 2023 was 7% down on that of 2022 due to the legacy impact of cyclone Freddy which was followed by severe drought conditions in southern Malawi leading to lower production levels.

In mid-March 2023 cyclone Freddy hit southern Malawi with our eastern Mulanje operations the worst affected. Production was maintained throughout, although at lower than expected levels.

Our pricing and sales were negatively impacted by the oversupplied Mombasa market with average prices down 10% on the previous year.

A much-anticipated devaluation of the Kwacha was announced on 9 November 2023. The Tea Association of Malawi increased wages in December 2023 by 26.4% effective from 18 December 2023. However, the government has since increased the National Minimum Wage which has further impacted our cost base as any wage rates below the new minimum wage were increased again in February 2024. Given the low pricing environment, this places huge pressure on margins in the tea operations for 2024. An exercise to significantly uplift productivity and drive further operational efficiencies has been commenced.

Our average sales prices in Q1 2024 have continued to be below that of 2023, given the market position described above in Mombasa. It is difficult to see where a significant improvement to pricing could come from, given these market dynamics.

Instant tea, branded tea and tea lounges

India
Sales volumes of our packet tea in India fell by 6%, and net selling prices reduced by 9%. Despite increasing demand for tea, our packet tea sales continued to suffer from competitive pressure in the branded market as

well as reduced demand for private label teas. However, the operation has continued to innovate with new product development and a focus on the effectiveness of its sales and marketing activities.

Instant tea sales volumes decreased 12% but average prices were up by 11% reflecting the mix of products sold.

UK
Revenue increased and trading improved for Jing Tea as COVID restrictions were finally lifted in China. Other markets also showed growth except for the Middle East which was impacted by overstocking and supply chain issues for parts of the year. Margins have been maintained but increased overheads have meant overall losses are higher than those experienced in 2022.

Nuts and fruits

	Macadamia		*Avocado*		*Other fruits*	
	2023	*2022*	*2023*	*2022*	*2023*	*2022*
	£'m	*£'m*	*£'m*	*£'m*	*£'m*	*£'m*
Revenue	11.6	*14.9*	22.7	*19.2*	18.2	*23.0*
Adjusted trading profit/(loss)*	(2.9)	*2.9*	4.9	*2.3*	(5.7)	*(5.3)*
Trading profit/(loss)	(2.9)	*2.9*	4.9	*2.3*	(5.7)	*(5.3)*

* See note 1 to the Accounts

Macadamia

	Mature area Ha	*Immature area Ha*	*2023 Production Tonnes**	*2022 Production Tonnes**
Malawi	1,491	96	616	*540*
South Africa	843	268	620	*486*
Kenya	1,032	210	600	*660*
Total	3,366	574	1,836	*1,686*

* Kernel equivalent

The Group's kernel equivalent production was up 9% on last year with improvements in yield in both South Africa and Malawi, which were up 28% and 14% respectively. In Kenya, volumes were down 9% on prior year but it is expected that yields will improve in 2024, in part due to additional areas becoming more mature.

2023 was a very tough year for macadamia pricing with heavy discounting as a result of large COVID legacy inventories and a cost of living crisis impacting demand for premium goods. This resulted in our average pricing being down 48% in 2023. However, to address the pressure on kernel sales, the Group diversified for the first time into Nut in Shell (NIS) sales, with good success, which allowed us to maximise revenue and save costs in a weak market. We expect to make further NIS sales in 2024 for similar reasons and are investing in appropriate equipment in South Africa to achieve this.

Global production continues to rise as plantings mature. Chinese consumption continues to increase and that has brought an improvement in market demand over the last few months. With the decline in macadamia prices, there has been a resurgence of interest in developing new products using macadamia which is a highly versatile ingredient and suitable for many different consumer products. Historically the "ingredient" macadamia market has been hampered by a lack of supply certainty and high product pricing, making retail consumer products unaffordable. This has been an impediment to the development of new products (e.g. snack bars, ice cream inclusions, pastes and butters). As global volumes increase and prices recover to allow margin generation at a producer level, hopefully consideration will be given to this important segment of the market to allow a great deal more macadamia to enter the retail supply chains in many different and exciting formats.

Harvesting of the 2024 crop is well advanced across all of our locations with expectations of lower aggregate volumes than that produced last year, due to the now evident and significant impact of cyclone Freddy on yields in Malawi. Initial market pricing shows an upturn in value, indicating firmer demand following a significant drop in inventory levels during 2023.

We continue to pursue our strategy of diversification with plantings of macadamia in Kenya, with 113Ha planted in 2023 and a further 160Ha to be established in 2024 to conclude the planned development.

Avocado

	Mature	*Immature*	*2023*	*2022*

	area Ha	area Ha	Production mkg	Production mkg
Kenya – Estate Hass	688	258	12.3	*12.4*
Kenya – Estate Pinkerton	133	–	2.2	*2.0*
Tanzania – Estate Hass	–	250	–	–
South Africa – Estate Hass	–	79	–	–
Total own estate production	821	587	14.5	*14.4*
Smallholders			0.9	*1.2*

Our Hass avocado harvest for 2023 was in line with the previous year, due to it being an "off year", but export volumes were up 10% due to higher pack out levels on the back of good quality. Pricing was slightly lower than 2022, down 2%, with the market impacted by large volumes of Peruvian imports which led to an oversupplied market. Although the market did not drop as much in price terms as it did in 2022, lower prices persisted for longer due to an extended period of high volumes from Peru. Smallholders volumes declined 24% in the year due to stiff competition from other exporters and the very strict maturity standards that Kakuzi maintains for this fruit to avoid shipping immature avocados. Expectations for 2024 are for an increased harvest given it is an "on year" and young orchards are maturing.

Kakuzi's Pinkerton production continues to rise, and this has extended the export season with early and late fruit due to the timing of this variety's flowering. Production in 2023 was up 6%, however, exports were down 1% on the previous year due to lower pack out levels.

The 2024 season is earlier this year and production is developing in line with expectations. The Pinkerton season has started and some Carmen (a Hass variety) has been shipped. The market for avocados is similar to last year. The current logistics challenges presented in the Red Sea are significant and potential solutions are being worked through with the shipping companies. A number of shipments are underway to Europe around the Cape of Good Hope.

We continue to pursue our strategy of diversification through planting of avocado in Tanzania, with 98Ha planted in 2023, bringing it to a total of 250Ha and South Africa now having a total of 79Ha of immature orchards.

Other fruits

	Mature area Ha	*Immature area Ha*	*2023 Production Tonnes*	*2022 Production Tonnes*
Apples – own estate	238	50	8,790	*17,610*
Apples – partner growers			1,356	*8,650*
Pears – own estate	43	3	1,203	*1,470*
Pears – partner growers			465	*470*
Stone fruit	34	–	409	*666*
Grapes	93	–	1,094	*774*
Blueberries	10	–	12	*28*

Bardsley
The harvest this year has been greatly reduced (down 50% on last year) with the discontinuation in the early part of the year of farming in certain unprofitable orchards which were returned to landlords. Partner grower fruit purchases were also largely discontinued due to the unviable market price relative to the cost of fruit. A great deal of focus was applied to improving fruit quality resulting in improved pack out percentages. Customers programmes for the 2023 harvest have been supported with the last of the production now sold.

As announced in January 2024, Bardsley is proceeding with an orderly wind down and closure of its operations. This, together with the restructuring in early 2023, resulted in certain restructuring costs, dilapidations and impairment provisions amounting to £8.9 million being reflected in the 2023 results.

Packing operations were ceased in April 2024 and the River Farm packhouse is on the market. Disposals of other freehold properties are well progressed and farm and packhouse equipment sales are ongoing. All right of use assets have been fully impaired in 2023 in line with accounting principles. To date in 2024, Bardsley has successfully exited one long leasehold property reducing ongoing maintenance obligations and interest costs and releasing £1.1 million of liabilities to profit and loss account in 2024. Exit plans are in place for the remaining leasehold properties which when concluded will release Bardsley from further liabilities. Redundancy costs estimated at £0.6 million will be reflected in the 2024 results, as will further gains or costs associated with the early termination of leases and any gains or losses realised on asset disposals.

Grapes
Production in both our South African and UK farms have had a successful year, up 41% on the previous year. The South African production was an all-time record for the farm, whilst the UK crop was the first full production season from the newly mature vineyard. The 2024 grape harvest in the Cape is complete with another record year achieved and volumes up on last year's record levels.

Blueberries
This trial is ongoing and is in the process of phasing out one variety in favour of new varieties which Kakuzi has identified with its advisers, should suit the Kenyan climate better. As such 9Ha was replanted to new varieties which are already proving to be more successful.

Most of the crop produced was sold in Kenya.

Other agriculture
2023: Revenue – £17.0 million (2022: £15.8 million), trading profit £0.5 million (2022: £6.3 million)

	Mature area Ha	*Immature area Ha*	*2023 Production Tonnes*	*2022 Production Tonnes*
Arable	3,860	–	37,704	*40,621*
Rubber	1,654	26	572	*658*
			m^3	*m^3*
Forestry	2,602	2,984	81,406*	*45,354**
			Births	*Births*
Livestock			941	*681*

* Volumes quoted are for conversion to value addition products rather than fuel wood for own use.

Arable
Our total Soya production was up 4% on last year due to more area planted but the yield was down 5% due to dry weather. Pricing was 11% down for the year due to an oversupplied market with Brazilian and USA country production being significantly higher than in 2022. A revaluation of the Brazilian Real also had a dampening impact on prices. Wheat yields were down nearly 6% due to dry weather conditions.

The soya harvest is complete for 2024 but volumes have been significantly impacted by drought and pests whilst prices remain disappointing. The outcome of the Brazilian country crop will help determine prices for the remainder of 2024. On current pricing, results from this operation for 2024 are expected to be significantly lower than 2023. The maize crop appears to be developing well and contracted prices are in line with expectations.

Rubber
Rubber production (RSS) declined 13% and pricing was also down for the second consecutive year by 13%. Demand weakened with stiff price competition from cheaper Government rubber operations. Pricing currently remains significantly below the cost of production.

Forestry
Forestry production is up 79% on last year with increased demand for fencing posts and timber. Sales of forestry production from the Brazilian operation in the form of pine and eucalyptus was four times higher than prior year as significant areas reached maturity.

Livestock
Livestock sales are up 12% on last year. A goat herd has also been introduced to the farm in Kenya with a view to expanding and diversifying the livestock operation.

Other investments
Engineering – A JT Engineering
Trading losses more than halved to £0.3 million (2022: £0.8 million loss) on revenue of £15.7 million (2022: £13.2 million). The loss in 2023 was lower than prior year due to improved activity levels and pricing in both the Engineering and Site Services divisions despite the impact of high energy costs on the BHT division.

The Engineering division's OEM customers are forecasting higher activity levels and the Site Services division has agreed encouraging levels of work with customers through 2024 and 2025. The business is also exploring opportunities to further expand its service offering into the renewable energy sector. The BHT division, which was loss making, has now ceased trading, further improving prospects for AJT Engineering for 2024.

Associates
2023 Share of results: Profit of £3.4 million (2022: Loss of £3.7 million)
BF&M
As previously reported, following the agreement for the sale (subject to tax and regulatory approvals) of our holding in BF&M, we ceased equity accounting for our investment and it has been re-categorised as an 'asset held for sale'. This resulted in a release of a previous impairment of £19.0 million. The share of BF&M results

recognised until this change in categorisation amounts to a profit of £3.1 million (2022: £4.3 million loss). Investment income also includes £2.3 million (2022: £nil) of dividends received from BF&M.

United Finance and United Insurance
United Finance's net operating income was 3% lower than that of the prior year due to regulatory restrictions on the size of the net interest margin earned. However, strict cost control resulted in a profit broadly in line with the prior year in local currency terms.

The profit after tax for United Insurance increased in local currency terms due to an increase in premium income, higher interest income and gains on investment.

Investment portfolio
The total value of the portfolio at 31 December 2023 was £38.1 million (2022: £35.6 million).

Sustainability and safeguarding
The Board remains committed to further enhancing the Group's environmental and sustainability practices.

Group companies have continued to review and develop their social and grievance procedures and, where appropriate, to establish operational-level grievance mechanisms in accordance with the UN Guiding Principles on Business and Human Rights. Group companies have also enhanced their reporting and training by raising awareness across their management, employees and communities.

Financial year 2023 is the Group's first year of reporting Climate Related Financial disclosures (CFD) in line with the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 requirements. The Group is currently capturing and calculating its Scope 3 emissions. Once finalised, in conjunction with Scope 1 and 2 emission data, the Group will be in a position to consider Science Based Targets for emission reduction.

Further details are outlined in the Environmental and Social Report.

Investment activities
Capital expenditure in 2023 for continuing operations amounted to £11.0 million. Within this, substantial investment was made in Kenya, Tanzania and South Africa expanding our macadamia and avocado orchards with a total of 158Ha of new avocado and 113Ha of new macadamia planted. 240Ha of tea was replanted and 6Ha was newly planted across the Group in the year.

We expect capital expenditure in 2024 to be at similar levels.

Progress on refocusing investments
Properties
The Group sold a residential property in Rio de Janeiro in December 2023. As previously announced, we continue to consider opportunities to realise our property investments and are currently marketing our previous office at Linton Park as well as properties in London and Bristol. In 2024, two of the Group's commercial properties (one in Bristol and one in London) have been sold raising £2.4 million and generating a gain on sale of £0.2 million.

Collections
Part of the Camellia Collection was sold during 2023, predominantly at auction, for £2.9 million realising a gain on sale of £2.1 million, the majority of the proceeds for which were received in January 2024. Further items are due to be sold during 2024.

Currencies
Over the course of the year, Sterling strengthened against the majority of our operating currencies. This resulted in a loss on foreign exchange translation of £43.2 million (2022: gain £9.2 million) which is reflected in the Statement of Comprehensive Income. Had we translated our profit before tax for the year using the same average rates as prior year, our results for 2023 would have been £1.7 million higher. Our profit before tax includes an exchange gain of £3.4 million on transactions during the year (2022: gain £1.5 million).

Currencies have continued to be volatile into 2024 with the 15% appreciation in the value of the Kenya Shilling in particular having had a significant adverse impact on our results for 2024 to date.

Tax and other provisions
The Group's tax charge reflects the losses in the UK and impairment charges/releases which are not deductible for tax. It also reflects losses in overseas operations where related deferred tax assets have not been recognised. As is normal at this time of the year, we have ongoing wage negotiations relating to prior periods in India and Bangladesh. We consider we have made adequate provision for their likely outcome.

Despite progress being made during 2023 on historic tax matters, tax authorities in a number of jurisdictions have been active and we have a number of new significant uncertain tax situations details of which are set out in note 43 to the Accounts.

Pensions and other employment benefits
The Group operates a number of defined benefit pension schemes, the largest of which is in the UK. On an IAS 19 basis, at the end of 2023 the UK scheme had a deficit of £4.2 million. The next triennial valuation will be finalised during 2024 with deficit reduction contributions expected to be required thereafter.

Accounting for defined benefit schemes is prescribed by IAS 19 and the quantum of the deficit continues to be highly sensitive to small changes in assumptions as regards wage inflation and gilt yields in the relevant jurisdictions and to asset performance. This year a net actuarial loss after tax of £3.1 million (2022: post tax net loss £9.3 million) is reflected in the Statement of Comprehensive Income arising primarily from the UK scheme where asset performance was significantly lower than expected.

ENVIRONMENTAL AND SOCIAL REPORT

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT
The success of Group companies is intrinsically connected to the communities, the environments and wider supply chains in which they operate. ESG is therefore fundamental to the Group and an ethos of stewardship enables Group companies' assets to be maintained and developed in a manner that assures their long term value to all stakeholders.

The Group's approach to ESG is described in detail in this section and is the responsibility of the Board, supported by the Sustainability and Safeguarding Committee. The boards of Group companies closely consider their respective governance protocols and the environmental and social impact of their ongoing operations and investment decisions, with regard to both Group expectations and applicable regulations and legislation where they operate. The Group's approach to Governance is set out in the Corporate Governance report.

The Group's sustainability strategy consists of five guiding pillars which are set out below and aligned with 10 of the United Nations Sustainable Development Goals (SDGs):

Group guiding pillars	*SDG**
Environment	6, 13 and 15
Emissions	3, 7, 12, 13 and 15
Social Sustainability	3, 4, 5, 6 and 8
Safeguarding	5, 8, 12 and 16
Health and safety	3 and 8

* SDG 3 (Good health and wellbeing); SDG 4 (Quality education); SDG 5 (Gender equality); SDG 6 (Clean water and sanitation); SDG 7 (Affordable and clean energy); SDG 8 (Decent work and economic growth); SDG 12 (Responsible consumption and production); SDG 13 (Climate action); SDG 15 (Life on land) and SDG 16 (Peace, justice, and strong institutions).

Within these five guiding pillars there are currently five key focus areas:

- Water stewardship
- Climate action and decarbonisation
- Access to clean drinking water and sanitation
- Safeguarding
- Health and safety

These are highly complex areas and progress is being made to devise, as well as implement, time bound action plans and initiatives. To address the various challenges facing the Group and achieve our desired outcomes. In some areas, solutions do not yet exist, but possibilities are being actively sought and trialled where practical and economically feasible. Examples of initiatives being undertaken by Group companies in the five key focus areas are set out in this report. A number of the Group's operations also publish ESG reports, which contain further information on projects and initiatives (available on their websites).

Areas including biodiversity, reforestation, healthcare, education and housing are all initiatives also being undertaken within individual Group companies.

The Camellia Board sets the Group's strategy for the management of environmental and social risks and opportunities and monitors its implementation. Such risks are identified, assessed, and managed in the same way as other material risks that could impact the Group's operations. Responsibility for implementing the strategy and developing detailed individual initiatives is devolved to Group companies.

During 2024 the current SSC committee became a Board Committee, which will oversee the Group's ESG responsibilities. The Sustainability and Safeguarding Committee's (SSC) remit includes the enhancement of the

Group's environmental and sustainability practices through advising and reporting to the Board on operational matters relating to CFD and monitoring progress against ESG matters. During 2023, the above monitoring and reporting was carried out by the environmental focus group (with members drawn from Group companies) and the Strategy Committee, with reports to the Board where appropriate.

This environmental focus group discusses a variety of topical environmental matters, including practical initiatives to support Group company climate resilience activities. It also provides a flow of information to Group company boards and to the Camellia Board. This approach provides oversight at an operational level and helps to identify, quantify and prioritise risks and opportunities. A similar social focus group has been established for social initiatives.

An annual assessment of risks, including climate-related risks, is undertaken by the Group and key risks are recorded and reviewed by the Board, together with mitigations and changes in the Group's exposure year-on-year. This information is included on pages 39 to 45 of this Annual Report.

Environmental

Climate change is a significant long-term risk to the Group's agricultural operations. The Group seeks to mitigate this risk by diversifying agricultural production by origin and crop. Group companies continue to plant more drought resistant crop varieties and incorporate other initiatives, such as greater use of regenerative farming methods and more sustainable irrigation.

In addition to the Group's efforts to minimise its environmental impact, Group companies work to protect and enhance forests and water bodies to promote biodiversity. The material environmental impacts that arise from the Group's operations fall broadly into three categories: (i) greenhouse gas emissions from on-site combustion of fuels to power factories, with a focus on tea driers; (ii) use of fertilisers; and (iii) utilisation of water for irrigation of crops. Water is utilised from a variety of sources, but efforts are made to maximise rainwater capture by creating large reservoirs wherever possible from which to irrigate sustainably.

The Group oversees c.9,200Ha of indigenous forests and conservation areas and a further 5,586Ha of commercial forestry (eucalyptus, pine and cypress). These areas, in combination with fields of perennial crops sequester significant amounts of carbon and act as an important carbon sink, which once quantified will offset some of the Group's emissions. As a Group we have estimated sequestration of our core crops and our managed eucalyptus estates. Sequestration forms an integral part of the Group's ambition to become net zero and we continue to assess how to reflect this as part of the Group's sustainability strategy and carbon footprint reporting. The GHG Land Sector and Removals Guidance is expected to be finalised in 2024.

Specialist partners support the Group in delivering environmental protection and emission footprint reduction initiatives and are continuously exploring technologies that can reduce our environmental impact.

The Group has prioritised two key environmental related focus areas: water stewardship and climate action and decarbonisation. Within water stewardship the Group seeks to use water sustainably, reduce waste, protect the ecosystems in which the Group operates, and work to improve the resilience of its estates and smallholders to climate change. As part of the climate action and decarbonisation focus area, the Group's strives to reduce emissions from its value chain through improved efficiency and transitioning to more renewable fuels.

Based on prior year Scope 1 and Scope 2 carbon footprint investigation and analysis, the Group determined that its priority for the reduction in emissions should focus on the thermal and electrical energy requirements of tea manufacture. Thermal energy demand reflects the highest levels of emissions and accordingly initiatives have been targeted towards reducing the quantity of fuel (coal, gas, wood) consumed.

There are various initiatives that have been implemented or are in the process of being implemented within these two focus areas, examples of which are as follows:

Water stewardship

- EP Kenya rehabilitation wetlands at its Kibabet tea estate. The area had been utilised for livestock which was negatively impacting on the area. After a community sensitisation campaign in partnership with government environmental agencies, EP Kenya restored the wetland to its former status. The flora and fauna recovered, supporting the long-term sustainability of the natural water filtration and storage. The project won a Silver Medal in the USA International Tea Association awards in 2023.

- Over the last two years, Kakuzi facilitated the construction of twelve 10,000 litre rainwater harvesting systems in schools, benefiting over 4,500 students.

Climate action and decarbonisation

- Goodricke Group encourages regenerative agricultural practices across all its estates. Its dairy unit produces large volumes of manure, which is mixed with natural plant matter and left to ferment, creating a tonic which is then applied to tea fields. This provides tea bushes with a nutritious boost and elicits a level of protection against pests and disease. In a similar example, Duncan Brothers uses vermicompost in its nurseries and new tea plantings to reduce the reliance on chemical fertilisers and improve soil and plant health.

- EP Malawi supports communities with reforestation initiatives, such as raising and donating tree seedlings to smallholder farmers and other community members; over 12,000 indigenous tree seedlings are donated annually. It also maintains and rehabilitates its estates' natural forests through a replanting program; c. 3,000 Ha of its land is under vegetative cover, of which more than 10% is natural forest. c. 125 Ha of EP Malawi's land is replanted annually with eucalyptus and indigenous trees.

The Group continues to report under the Streamlined Energy & Carbon Reporting regulations (SECR), which is set out below.

Climate-related financial disclosures

The climate-related financial disclosures made by the Group are in accordance with the requirements of the Companies Act 2006 as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD). Financial Year 2023 is the Group's first year of reporting CFD-aligned climate disclosures.

Climate change is especially pertinent to the Group as its primary activity is agriculture. The Group is experiencing the physical and transitional impacts of climate change, to varying degrees, and is aware that without intervention at an operational and global level, this will only increase. As science progresses, our understanding of the impact of climate change will evolve and influence how the Group mitigates and adapts to these risks. The transition may, in due course, present opportunities and the Group continues in its efforts to work collaboratively and dynamically.

Governance

The Camellia Board sets the Group's strategy for the management of climate-related risks and opportunities and monitors its implementation. Climate-related risks are identified, assessed, and managed in the same way as other material risks that could impact the Group's operations. Responsibility for implementing the strategy and developing detailed individual initiatives is devolved to Group companies.

During 2024 the current SSC committee became a Board Committee, which will oversee the Group's ESG responsibilities. The Sustainability and Safeguarding Committee's (SSC) remit includes the enhancement of the Group's environmental and sustainability practices through advising and reporting to the Board on operational matters relating to CFD and monitoring progress against climate-related matters. During 2023, the above monitoring and reporting was carried out by the environmental focus group and the Strategy Committee, with reports to the Board where appropriate.

A Camellia CFD working group has been established to support the implementation and adoption of the CFD requirements. The working group is a cross-functional team, which includes the Strategy Committee and operates on an ad hoc basis e.g. to consider key CFD matters or for preparation of the annual CFD report. The working group makes recommendations on CFD matters referred to it to the Board and reports as required, to the Audit Committee, SSC or the Board on operational and financial matters.

Given the diversity of locations in which the Group operates and the accompanying climate-related risks, an environmental focus group has been established with members drawn from Group companies. This group discusses a variety of topical environmental matters, including practical initiatives to support Group company climate resilience activities. It also provides a flow of information to Group company boards and to the Camellia Board. This approach provides oversight at an operational level and helps to identify, quantify and prioritise risks and opportunities.

Strategy

Most Group companies operate upstream within agricultural supply chains. Whilst Group companies operate within their location, there are also effects of global climate change further upstream and downstream in their supply chains. The impact of climate-related risks and opportunities on the Group differs greatly by location and business activity.

Agriculture

The Group's assessment of risks and opportunities focused on the Group's Agriculture division, which comprises in aggregate 94% of the Group's revenue and almost all of its Scope 1 and 2 emissions and water use. To capture risks and opportunities, each Group company has considered the potential risks and opportunities that climate change may present to them based on their management's assessment, and whether physical or transitional. The risks and opportunities were also analysed over three set timeframes, as shown below.

Short Term	0 – 3 years
Medium Term	3 – 10 years
Long Term	10+ years

These timeframes were chosen to be aligned with the Group's forecasting and planning cycles, including longer-term planning cycles, an essential part of bearer crop agricultural investment.

The detailed risks and opportunities identified by the agricultural Group companies are summarised in the table below. These risks and opportunities will impact all Group companies across the various geographies, in different ways and to different extents.

Risk	*Impact*	*Mitigation*
Changes in weather patterns *Physical Risk (Chronic)* Time Horizon: Medium to Long term	■ Uneconomic yields and returns ■ Changes in pests and diseases, including more widespread occurrence ■ Decline of site viability, including reduced smallholder supply and reduced employment opportunities ■ Shifting of growing seasons and impact on market supply and pricing ■ Increased capital expenditure and operating costs ■ Negative impact on natural ecosystems (loss of biodiversity) ■ Drought and flood risks ■ Crop and soil health, including increased agrochemical requirements ■ Changing working environment for labour force ■ Damage to property, plant and equipment and resulting disruption to operations ■ Reduced reliability of national energy generation	■ Diversify into new, lower climate impact crops and markets, including advice, support and training to smallholders ■ Enhance biodiversity through interplanting and rewilding ■ Replant with more climate-resilient varietals ■ Continue to enhance farming practices, including relating to soil health and integrated pest management ■ Invest in and expand sustainable energy supplies ■ Invest in technologies, including resource circularity, to increase energy efficiency and reduce resource consumption, as well as those to monitor and forecast changing weather patterns
Increased frequency and intensity of extreme weather events *Physical Risk (Acute)* Time Horizon: Short to Long Term	■ Increase in price volatility ■ Damage to property, plant and equipment, including crops, and resulting disruption to operations and increased maintenance costs ■ Soil erosion ■ Damage to smallholders' crop ■ Damage to community infrastructure ■ Disruption to supply chains and resultant impact on operations	■ Re-excavation of reservoirs to capture rainwater, providing resilience against drought ■ Crop and business insurance, where available ■ Diversifying supply chains and trading routes ■ Planting erosion-prevention crops
Community and workforce disruption *Transitional Risk (Policy and legal)* Time Horizon: Short to Long Term	■ Physiological impact of climate change on labour productivity ■ Psychological stresses due to loss of livelihoods, including displacement of communities ■ Increased employee health and safety regulations and associated costs of providing hospitals and clinics ■ Increased threat of community conflict	■ Employee welfare support ■ Monitor working practices ■ Community partnership projects and climate change awareness forums to increase their climate resilience ■ More engagement with SMEs to support geographically localised economies
Green technologies *Transitional Risk (Technology)*	■ Investment in sub-optimal technologies ■ Operational adaptive challenges	■ Investigate potential decarbonisation and cost reduction solutions, including appropriate

Time Horizon: Medium to Long Term	■ Resistance to new technologies and mechanisation from workforce and communities, leading to increased costs of implementation ■ Obsolescence of existing assets and infrastructure ■ Threat of theft ■ Potential higher operating costs ■ Investment in climate change adaption and resilience by suppliers could lead to higher operating costs	security measures ■ Increase efficiencies in the use of water, energy and agrochemicals, as well as reduced waste ■ Reduce reliance on unstable external energy supplies
Regulatory changes *Transitional Risk (Policy and legal)* Time Horizon: Short to Long Term	■ Restrictions on use of business-critical inputs, including land, energy, water and agrochemicals ■ Investment in climate change adaption and resilience by suppliers could lead to higher costs ■ Inflationary impact of carbon taxes and tariffs across the supply chains ■ Increased compliance costs ■ Potential barriers to market due to lack of solutions ■ Disparity in regulations between markets could create barriers to trade ■ Obsolescence of existing assets and infrastructure ■ Misalignment of regulations and the business' commercial and operational ability to adapt	■ Consideration and adoption of climate-friendly inputs ■ Investigate potential decarbonisation solutions ■ Encourage restoration of ecosystems and biodiversity
Access to inputs from suppliers *Transitional Risk (Market)* Time Horizon: Short to Long Term	■ Supply/demand imbalance for inputs, such as water, fertilisers and energy, impacting availability and cost ■ Disruption to smallholder supply	■ Promote regenerative agriculture and circularity practices to improve soil health and reduce the use of agrochemicals and composting ■ Enhance procurement policies and collaboration with key suppliers ■ Invest in green energy to reduce reliance on the grid and fossil fuels
Changing customer's supply chain policies *Transitional Risk (Market)* Time Horizon: Short to Long Term	■ Risk to reputation, if sustainability policies and certifications are not met ■ Loss of access to markets, customers for Group operations and/or smallholders ■ Increased operational and compliance costs ■ Obsolescence of existing assets	■ Invest in people and systems to ensure compliance with evolving policies ■ Collaborate with suppliers and customers to foster sustainable policies throughout the supply chain ■ Explore lower-carbon options to reduce Scope 3 emissions ■ Pivot to producing new, lower climate impact crops, including support to smallholders

The Group has been working on implementing these mitigating actions, particularly those relating to weather and green technologies, progressively over the last 5 to 8 years and expects to continue with initiatives across all the risk areas.

Many of the possible risk mitigation measures noted above could also present potential opportunities to the Group's business model and strategy. The main potential opportunities identified are:

- New revenue streams and enhanced profitability through diversification into new, lower climate impact crops and markets

- Improved yield and more resilient harvests following a review of agronomic practices, including enhanced biodiversity through interplanting, mulching and rewilding, replanting with more climate-resilient varietals and enhanced farming practices
- Reduced costs and less reliance on unstable external energy and water supplies by investing in sustainable energy and water supplies and technologies
- Commercialisation of infertile land e.g. installing solar fields on redundant land; and establishment of poly tunnels for intensive hydroponic based crop production systems
- Lower carbon emissions and costs via cooperation across the value chain.

Detailed quantitative modelling of climate impacts on the Group's operations is required to deepen our understanding of the potential materiality, scope and financial impact of the identified risks and opportunities. This assessment may also reveal additional risks and opportunities. The Group is exploring options for this analysis and anticipates commencement of quantitative modelling in 2025.

The impact of the risks and opportunities identified will vary depending on which of the climate scenarios outlined within the UN's Intergovernmental Panel on Climate Change (IPCC) Representative Concentration Pathways (RCP's) transpire. The risks and opportunities that the Group identified have not yet been modelled in line with the RCP's.

As described in more detail in the table above, the Group anticipates that the following may affect different RCP's:

- Rainfall patterns, including when rainfall occurs and changes in the amounts and severity. This may impact seasonal crop growth patterns, crop yields and levels of pests and diseases
- Heat levels, such as prolonged heat and higher temperatures, can also have a significant impact on crop yields and levels of pests and diseases as well as employees health and ability to work
- Prolonged periods of drought similarly impact yield and levels of pests and diseases and ultimately the survival of the crop
- The occurrence of more extreme weather events will impact crops and yields and may adversely impact Group companies' critical infrastructure and their supply chains.

With the more intense RCP's, where the global mean temperatures are modelled to rise more extensively, the impact of the physical risks identified by the Group will be more severe.

Engineering
AJT Engineering, which serves the oil and gas and renewable energy sectors, identified risks and opportunities like the agricultural Group companies, such as the impact from increased extreme weather events, regulatory changes and changing supply chain policies. The market risks and opportunities that relate to the global energy transition are specifically pertinent to AJT Engineering, which is exploring commercial opportunities arising from the transition towards clean energy.

Impact on business strategy and financial planning
Climate-related risks and opportunities have a significant impact on the Group's business strategy and sustainability. Climate change considerations are monitored and are integral to the Group's strategic investment and divestment decision making process. Examples include the disposal of Californian agricultural assets and the Group's acquisition of land in Tanzania, both in 2020. The short-term risks and opportunities identified are relevant to the operation's forecasting cycle, with medium and longer-term risks and opportunities pertinent to the Group's strategic planning.

Risk management
The Group's risk management process encompasses principal risks identified at Camellia Group level and at Group company level. Climate-related risks are identified, assessed and managed in the same way as other material risks that could impact Group operations.

Camellia's decentralised operating model requires Group company management teams, with the support of the environmental focus group, to identify, evaluate and manage climate-related risks that are relevant to their geographic location and markets.

The categories of risks considered and detailed in the table above are based on guidance issued by CFD.
The materiality and relative significance of climate-related risks in relation to other Group company risks will be determined by considering a risk's likely impact on business sustainability and resilience, financial resources and social impact in the short, medium and long term. Management of risks may include mitigation, transfer, acceptance or control.

Existing and emerging regulatory requirements related to climate change (e.g. limits on emissions, carbon tax, regulatory energy saving requirements) have been considered by the CFD working group in the compilation of the CFD disclosures. External experts and consultants are engaged to advise where relevant, such as site level water risk assessments, soil sequestration studies and carbon emissions reporting. Analysis and any recommendations, where relevant, are considered by Group company management teams, the environmental focus group and the Strategy Committee.

An annual assessment of risks, including climate-related risks, is undertaken by the Group and key risks are recorded and reviewed by the Board, together with mitigations and changes in the Group's exposure year-on-year. This information is included on pages 39 to 45 of this Annual Report.

Metrics and targets
Group companies capture and monitor site-level climate data, such as rainfall and temperature, generating trends and highlighting potential changes in the climate. The Group has reported under Streamlined Energy & Carbon Reporting (SECR) since 2020. Group companies report on the energy savings initiatives they have installed and further energy savings initiatives that they are investigating for implementation in the next five years. This reduces Group companies' reliance on GHG emitting fuels. Since 2015, the Group has measured its Scope 1 and 2 emissions, along with water use and waste. In 2023, the Group began collecting data to measure its Scope 3 footprint, measuring emissions throughout the value chain. The Group's most recent Scope 1 and 2 emissions, as well as tea carbon intensity metrics, are set out in the table below:

Reporting year	*2023*	*2022***
Group sectors reported	*Group*	*Group*
Scope 1 (tCO_2e)*	149,995	*155,985*
Scope 2 (tCO_2e)	46,346	*44,444*
Total gross Scope 1 and Scope 2 emissions (location-based) (tCO_2e)	196,341	*200,429*
Outside of Scopes emissions (tCO_2e)***	86,382	*85,231*
Intensity ratio: Kg CO_2e/Kg of made tea	1.29	*1.36*

* tCO_2e – tonnes of carbon dioxide equivalent

** following the refinement of the emission factors for a number of fertilisers the 2022 figures have been restated

*** The Outside of Scopes emissions do not include any bioenergy elements of the grid electricity consumed and fossil fuels used for transport and on-site combustion

The Group's emissions and made tea carbon intensity are monitored to track its impact on the environment and assess areas of materiality for change.

On completion of the Group's quantitative modelling exercise, further KPIs may be identified and reported. The Group's existing site-level climate data will help inform this modelling. The Group will then endeavour to generate plans to improve the KPIs, to mitigate the impact of the identified risks and harness the opportunities.

The Group aims to set a carbon emissions footprint baseline in 2024. Carbon sequestration will form an integral part of the carbon balance calculations. The GHG Land Sector and Removals Guidance is expected to be finalised in 2024, which will enable the Group to calculate a Forest, Land and Agriculture (FLAG) baseline.

For further information, please refer to the SECR disclosures below.

The Group has prepared a preliminary water footprint and also expects to complete the full analysis in 2024 to identify operational basin water risks.

The Group is mindful of its impact on nature and biodiversity and is closely following the developments around the Taskforce for Nature-related Financial Disclosures (TNFD).

Streamlined Energy & Carbon Reporting (SECR)
The Group continues to measure and monitor its energy use and emissions under SECR. Energy saving initiatives disclosed as part of the Group's SECR reporting form part of the Group's mitigating actions against the impact of climate change, as identified under CFD.

Global GHG* emissions (excluding UK) and energy use data for the year to 31 December

	2023	*2022***
Reporting year	*Global*	*Global*
Group sectors reported	*(Excluding UK)*	*(Excluding UK)*
Emissions from the combustion of fuels, fertilisers, waste, livestock, land use change and refrigerants (Scope 1) (tCO_2e)	148,638	*150,240*
Emissions from purchase of electricity, heat, steam, and cooling	45,336	*40,276*

purchased for own use (Scope 2, location- based) (tCO_2e)		
Total gross Scope 1 and Scope 2 emissions (location-based) (tCO_2e)	193,974	*190,516*
Outside of Scopes emissions (tCO_2e)***	86,382	*85,231*
Intensity ratio: Kg CO_2e/Kg of made tea	1.29	*1.36*

* Greenhouse gas

** Following the refinement of the emission factors for a number of fertilisers, the figures for 2022 have been restated

*** The Outside of Scopes emissions do not include any bioenergy elements of the grid electricity consumed and fossil fuels used for transport and on-site combustion

Refer to Appendix 1 for more detailed data including 2019 to 2021 data and Appendix 3 for the methodology.

There is no market-based data available for global (excluding UK).

Changes in Scope 1 and Scope 2 emissions
The Group's Scope 1 and Scope 2 location-based emissions (excluding UK) in the reporting period increased by 2.6%, which was primarily due to increases in electricity grid emission factors for India, Bangladesh and Kenya. Where possible, and with infrastructure permitting, cleaner fuel sources and efficiency improvements are being implemented.

The made tea intensity ratio (2023: 1.29 kg CO_2e per kg of made tea; 2022:1.36kg CO_2e per kg of made tea) is reported and investment continues to be made to improve the carbon efficiency of the Group's tea factories. There has been a 5% decrease in the Group's location-based made tea carbon intensity, mainly due to more carbon efficient production in Bangladesh. In comparison to 2022, green leaf volumes received into factories increased, improving factory capacity optimisation. The Group's Kenyan and Malawian tea operations' made tea intensity benefitted from a reduction in the Defra/BEIS emission factor for wood combustion.

UK GHG emissions and energy use data for the year to 31 December

Reporting year	*2023**	*2022***
Group sectors reported	*UK*	*UK*
Emissions from the combustion of fuels, fertilisers, waste, livestock, land use change and refrigerants (Scope 1) (tCO_2e)	1,357	*5,745*
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location-based) (tCO_2e)	1,010	*4,168*
Total gross Scope 1 and Scope 2 emissions*** (location-based) (tCO_2e)	2,367	*9,913*

* ACS&T's Scopes 1 and 2 emissions were included in 2023 up to the date of its divestment by the Group, 10 January 2023

** Following the refinement of the emission factors for a number of fertilisers, the figures for 2022 have been restated

*** Outside of Scopes emissions are not reported for UK GHG emissions because the Group's UK businesses do not combust biofuels. Due to lack of availability of data, the Group does not state the emissions from any bioenergy elements of the grid electricity consumed and fossil fuels used for transport and on-site combustion

Refer to Appendix 2 for more detailed data including market-based data and Appendix 3 for the methodology.

Environmental certifications
AJT Engineering is ISO 14001 certified, the framework of which helps entities improve building energy efficiency, reduce waste streams, and increase awareness of potential environmental risk factors. Many of our global operations are Rainforest Alliance certified and some are Global G.A.P. certified.

Energy efficiency action taken
In the period covered by the report, the Group's operations have implemented a range of energy efficiency initiatives. Key examples are set out below:

Operation	*Energy Saving Initiatives*	*Expected Saving per annum (MWh)*
Malawi	Installation of a new steam trap solution within one drier at one tea factory	200
South Africa	Installation of variable speed drives on irrigation pumps	15
South Africa	Replacement of lighting with LED lighting	10

2022 Key examples were:

Operation	Energy Saving Initiatives	Expected Saving per annum (MWh)
Kenya	Improved fuelwood management and site suitability at all tea factories	3,534
Kenya	Installing new more energy efficient irrigation pumps	150
UK	Installation of fast close doors at cold stores, reducing the amount of ambient air flow	146
Kenya	Installation of variable flow controllers on irrigation pumps	100
Kenya	Variable speed drives fitted to air inlet fans at two of its tea factories	100

In aggregate, it is expected that the above energy saving initiatives will result in 0.2 GWh (2022: 4.1 GWh) saving in energy per annum. EP Kenya initiated the installation of thermal energy recovery from boiler flue gases in 2023 within a number of its factories. It is also continuing further rollout of improved firewood storage and management, solar water heating for bungalows and factory laundry systems, in addition to installing high efficiency withering fans. These initiatives are expected to be concluded in 2024.

Group companies are also continuing to replace existing energy sources with renewables and in 2023 installed additional capacity expected to produce 1,460 MWh. Further on-site solar generation capacity was installed in Brazil and India. In the UK, a number of sites are on green tariff electricity contracts. Group companies operations have also assessed potential energy efficiency initiatives that can be implemented over the next five years to provide significant savings. Key initiatives are set out below:

Operation	*Energy Saving Initiatives*
Tea	Replacing inefficient withering fans
	Continuous green leaf withering to improve the efficiency of the withering process
	Introduction of more energy efficient driers in factories
	Testing alternative steam trap systems
	Variable frequency drives fitted to green leaf maceration equipment
	Variable speed drives fitted to air inlet fans for tea driers
	Improved fuelwood management and site suitability
	Installation of heat exchangers to recycle exhaust heat from boilers and driers
Avocado	Installation of more efficient cold rooms
Agriculture	Variable speed drives fitted to irrigation pumps
	Replacement of lighting with more energy efficient LED lighting

The Group will continue with its program of replacing existing energy sources with renewables where possible with a focus on increasing installed solar capacity. Our ultimate intention is to set energy use and emission reduction targets across our operations.

Social

The Group's businesses are fundamentally connected to the welfare of the communities in which they operate. Our focus is on the long-term stability, security and continuity of our businesses and those communities. To this end, Group companies are working with supply chains, customers, national governments, trade unions and NGOs to help improve the livelihoods of their employees and their communities.

As noted above the Group has currently identified three key social related focus areas: access to clean drinking water and sanitation, safeguarding and health and safety. Within the access to clean drinking water and sanitation focus area the Group seeks to ensure access to clean drinking water and sanitation for all staff and their families in line with internationally recognised standards. As part of the safeguarding focus area, the Group champions equality, empowerment and inclusion to enable everyone in the Group to feel safe and have equal opportunity, whilst upholding and fostering a culture of zero tolerance on harassment and discrimination. Finally, within the health and safety focus area the Group seeks to encourage its operations to provide safe working environments which comply with international standards.

A social focus group has been established with members drawn from Group companies to discuss a variety of topical social matters, including practical initiatives to support the key focus areas noted above. This approach provides oversight at an operational level and helps to identify, quantify and prioritise challenges and opportunities. Examples of the Group's social focus areas include:

Access to clean drinking water and sanitation

- EP Kenya invests in the maintenance, improvement and refurbishment of water supply infrastructure serving the villages on its estates including its clinics and schools. For example, it funded the installation of an anaerobic biodigester at Kepchomo's primary school

- Goodricke participates in the Swajaldhara Water Supply and Jal Jeevan Mission schemes, to support and improve existing water supply infrastructure and to address the need for clean and safe drinking water among tea estate communities. Launched by the government and implemented in partnership with tea estates' management, these schemes promote the involvement of local communities in both the planning and maintenance of the water supply infrastructure

Safeguarding

- Kakuzi continues to implement SIKIKA, its validated and Independent Grievance Mechanism, aligned to the UN Guiding Principles on Business and Human Rights (UN GPs). SIKIKA offers a systematic and confidential process through which complaints may be registered, investigated and remedied. Within SIKIKA, there are supports and safeguards to help protect human rights. SIKIKA has specific measures addressing gender-based violence, retaliation and exploitation. In 2023, EP Kenya also established a validated and independent Grievance Mechanism, called Tweguu Akase. Like Kakuzi and EPM external subject matter experts will be contracted to undertake independent reports on the compliance with the UN GPs. EP Malawi has a validated and independent Grievance Mechanism, called Tikumveni

- EP Malawi continues with its Community Civic Education program using drama (Theatre for Development) to address gender inequality and gender-based violence in communities. The program reaches over 50 communities. Community members participate in identifying and addressing gender related concerns

Health and safety

- Duncan Brothers runs preventive healthcare visits to its villages, and it also runs vaccination and general health camps in its tea estates

- EP Malawi conducts an average of over 3,000 health talks in a year within its surrounding communities, on different topics relating to preventive measures to improve health

Refer to the Group companies' individual ESG reports for more information, including other initiatives.

Healthcare, education and housing

As mentioned above, in addition to Group activities, healthcare, education and housing continue to be integral parts of the individual Group company operations. For example, most tea estates in India and Bangladesh have a hospital and a qualified doctor, in addition to central referral hospitals owned and managed by the operations. African operations run estate dispensaries, offering medical services and care to employees, their dependents, and people from surrounding communities. These are manned by qualified company medical personnel and services are free to employees and their dependents. The Group continues to operate 50 hospitals and 72 dispensaries that are owned and/or operated. In 2023, the Group performed 775,000 patient treatments, of which 435,000 were for employees.

Many Group operations provide childcare and education for their employees' families, from creches and nursery schools to secondary school. During the year, Group operations continued to run 180 nurseries and creches and 50 primary schools with more than 12,000 children being educated. In certain circumstances, Group operations provide land or other resources to contribute to the running of schools which are not owned and/or operated by them.

Housing is provided to a large number of Group operation's employees and their families, which is owned and managed by Group companies in line with widely recognised international certifications. Across the Group, operations own c.48,000 houses accommodating c.295,000 people, of whom c.66,000 are employed.

STRATEGIC REPORT

The Strategic Report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report. These statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

Business review

The Company is required to set out in this report a fair review of the business of the Group during the year ended 31 December 2023 and a description of the principal risks and uncertainties that the Group faces. A fair review of the business of the Group is incorporated within the CEO's Statement and the Operational Report on pages 6 to 16. The CEO's Statement and Operational Report, together with information contained within the Report of the Directors, highlights the key factors affecting the Group's development and the financial performance of the Group (see pages 6 to 16 of the CEO's Statement and the Operational Report). Principal risks and uncertainties are referred to in this Strategic Report, with further details set out on pages 39 to 45 of the Corporate Governance section. Other matters are dealt with below.

Group strategy
The Board has adopted the following strategy for the Group:

- To generate long-term value for shareholders and stakeholders which include employees, customers, suppliers and the communities in which Group companies operate
- To develop an international group of profitable and resilient agricultural and food businesses
- To focus on sustainable production of its crops whilst continuously assessing opportunities to diversify both crop and origin
- To invest in the environment, and the sustainability of the communities in which Group companies do business
- To set the principles which the Group companies need to live by, and need to achieve through their policies and procedures to ensure that the quality and safety of their products and services meet international standards
- To promote equality, empowerment and inclusion to enable everyone in the Group to feel safe and have equal opportunity. To advance safe working environments for Group company employees, which meet international standards
- To maintain a Group-wide policy of limiting exposure to financial gearing to enhance resilience through an economic cycle

The progress against this strategy during the year is set out in further detail in the CEO's Statement, the Operational Report, the Environmental and Social Report, and within the Report of the Directors.

Business model
The Group is principally engaged in Agriculture but also has other business investments and Associates.

Camellia operates a decentralised business model which empowers the management teams in Group companies to run their businesses with the opportunity and accountability to identify and implement initiatives that create value for the Group. Our devolved approach enables decisions to be made by those closest to the issues and the stakeholders that may be affected, thereby fostering resilience and flexibility in planning and enabling timely responses to challenges and opportunities.

Regular reports are made to the Board on performance against the annual budget, and each Group company is expected to perform against an agreed strategy with goals and targets for the short, medium and long-term.

The Group Principal Policies (GPPs) (see Corporate Governance pages 45 to 47) set out the Group's expectations on key policy matters. In order to monitor the activities of Group companies, Camellia executives have representation on major Group company boards and make regular site visits. Group companies participate in focus group meetings (refer to the Environmental and Social Report for more detail) and the annual agricultural executive committee meeting, which brings together all CEOs and finance directors to discuss group company performance and strategy.

Agriculture
The Group's agricultural strategy has been to expand its macadamia and avocado businesses to provide a counterweight to its established businesses in tea production. The focus remains on building in those areas where we believe as a Group that we can achieve sufficient scale to be competitive, and where the long-term risks can be mitigated. In addition to avocados and macadamias, we continue to explore other opportunities to broaden the range of crops grown across the Group. We seek to retain the diversity of production location which has historically proven valuable in spreading the Group's political and commodity price risk.

The benefit of the strategy of establishing avocado and macadamia businesses has yet to reach full fruition. We expect increasing volumes of production in the future from these investments as the orchards continue to mature and come into full bearing. There are currently 638Ha of immature macadamia and 390Ha of avocado that are maturing and will deliver growth in revenue over the short to medium term.

Group companies consider the potential threats arising from politics and climate change, particularly in water-stressed areas.

Other investments and Associates
AJT Engineering. To keep our presence in the energy sector under review, in line with our strategy of divesting

non-core businesses.

Investment portfolio. To retain a financial reserve invested principally in listed equities which are high quality companies that we believe offer long-term value. This portfolio has been constructed to provide an element of geographic diversification.

Investment property and Collections. Parts of these portfolios are being realised to facilitate the increased focus on the Group's core agricultural businesses.

Associates. The Group has two associate companies in the financial services sector in Bangladesh. We continually monitor our investments and may increase or decrease our holding in the future.

Assets held for sale. In addition to a number of properties held for sale, the Group's holding in BF&M is categorised as held for sale following an agreement to sell this holding, subject to regulatory and tax approvals.

Principal risks and uncertainties
The Group is exposed to a variety of possible risks and uncertainties that could impact the Group's operations and future performance. The Group regularly monitors these risks at operational and Group level.

Our decentralised operating model enables Group company management teams to identify, evaluate and manage risks that are relevant to their geographic location and markets. The Strategy Committee regularly considers and reviews the risks faced by individual Group companies, and where appropriate raises them to the Board and/or the Audit Committee. In addition, the Strategy Committee considers the overall mix of businesses and assets held by the Group and advises the Board of the Group's risk profile. As the risks facing our businesses evolve the Board will adjust the portfolio to reflect the changing circumstances. Information on the Group's financial risks is disclosed in note 44 of the Accounts. An assessment of the material risks and uncertainties relating to the Group's principal operations, with key mitigations and assessment of change in risk year-on-year are set out on pages 39 to 45 of the Corporate Governance section.

Group Principal Policies (GPPs)
The range of policy issues that are important to the Group and to all Group companies are set out in the GPPs on pages 45 to 47 of the Corporate Governance section of this Annual Report. These include Anti-Bribery and Corruption, Whistleblowing, Modern Slavery, Tax Principles, Certification and Traceability, Health and Safety, Environmental, Employee Welfare and Human Rights.

Key financial performance indicators
Details of the key financial performance indicators used are set out on page 47 of the Corporate Governance section.

Non-Financial and Sustainability Information Statement (NFSI)

This can be found on pages 17 to 28 of the Environmental and Social Report.

Section 172 statement
Section 172 requires the Directors to promote the success of the Company, to do so for the benefit of its members as a whole, and in doing so, to have regard to six principles.

The table below sets out the six principles of the Section 172 statement with the appropriate and respective references to the relevant disclosure in this annual report.

Section 172 principle	*Location of more information*
Likely consequences of any decision in the long term	Chairman's Statement (page 5) Chief Executive's Statement (pages 6 to 7) Group strategy (page 29) Business model (pages 29 to 30) Key financial performance indicators and Non-financial performance indicators (pages 47 to 48) Going concern (pages 51 to 52) Internal control and risk management systems and principal risks and uncertainties (pages 38 to 39) Climate related financial disclosures in the (pages 19 to 25) The Board and descriptions of the activities of Board committees (pages 35 to 38 and pages 49 to 50) Statement of Directors' Responsibilities (page 55)
The interests of employees	Support to employees and their communities (pages 32 to 33) Employees below
The need to foster business	Chief Executive's Statement (pages 6 to 7)

relationships with customers, suppliers and others	Environmental and Social Report (pages 17 to 28) Strategic Report (pages 29 to 30) Corporate Governance (page 35) Report of the Directors (page 51)
Community and the environment	Chairman's Statement (page 5) Environmental and Social Report (pages 17 to 28)
High standard of business conduct	Group principal policies (pages 45 to 47)
The need to act fairly as between members of the Company	Stakeholders (page 33) Relationship with largest shareholder (note 46 of the Accounts) AGM (page 51)

In performing their duty under section 172(1) (a) to (f) of the Companies Act 2006, Directors have acted in a way that they have considered, in good faith, to promote the success of the Group as a whole, whilst carefully considering the interests of shareholders and other stakeholders which have an impact on the long-term success and sustainability of the Group, including suppliers, customers, employees, the communities in which the Group operates, and the Group's impact on the environment.

Long-term

The Board is undertaking a series of measures aimed at re-balancing the Group's portfolio of investments in order to take better advantage of its strengths and to improve profitability. The Group operations have particular expertise in management of plantation crop developments and production as well as the social and environmental matters within their jurisdictions. To take advantage of these strengths, investment continues in agricultural crop diversification. Action is being taken to refocus the portfolio through the divestment of assets that are considered to be non-core, details of which are covered on page 30. In addition, Group companies invest in social and environmental initiatives to mitigate the impact of climate change and support social and community initiatives. Examples include tea replanting and macadamia development with more drought resistant varieties as well as construction of large-scale dams, irrigation systems, solar and other renewable energy projects. Group operations also invest in a large number of community projects such as the provision of boreholes, medical facilities, maintenance and building of new schools. Examples of the Group's companies environmental and social initiatives are set out in the Environmental and Social Report.

By way of example: In early 2023 the Group conducted a restructuring of Bardsley which unfortunately had limited impact on profitability. In January 2024, following continued significant losses, Bardsley announced the closure and orderly wind down of the business. Bardsley throughout both these processes and consulted closely with its employees and suppliers and has honoured its obligations to supply customers. The Group is continuing to support Bardsley and its stakeholders throughout the closure process. The key objective of the actions taken was to mitigate losses to the Group for the benefit of its long-term success while seeking to ensure fair treatment of the affected stakeholders during the process.

Employees

Group companies have established various processes and procedures to ensure the fair treatment of employees and the communication of employees' views to senior management. The Board monitors the position, principally through the Strategy Committee and focus groups, to ensure that mechanisms and feedback loops operate effectively, such as the provisions for health and welfare meetings with employees in India, the panchayet meetings in Bangladesh and the grievance mechanisms established in Malawi and Kenya. Group companies' boards engage in close monitoring of these systems and some of the companies employ other feedback mechanisms, such as the employee satisfaction survey at Kakuzi.

Group companies' employees are kept informed on matters affecting them and the performance of the Group by their management as well as through their internal publications, visits by Directors to Group companies, the Camellia Plc website and social media. For example, Kenyan and Indian Group companies have social media platforms which support employee engagement and Kakuzi uses YouTube videos to communicate company news and information about staff and their roles within the business.

In the UK and in line with the culture of seeking ongoing feedback, the annual employee engagement survey, Your Voice, was undertaken during 2023. The results of the survey are continuing to be used to provide insights to the UK companies' boards to plan and track key initiatives and progress.

As set out in the Group's Employee Welfare Policy, operating companies are expected to give due consideration to employment applications received from disabled persons and give employees who become disabled every opportunity to continue their employment.

The table below provides a breakdown of the gender of the Board of Directors and Group employees on 31 December 2023.

	Men	*Women*
Company Directors	5	2

All employees (full time, part-time, temporary)	50,011	54,717

Diversity including Board diversity is a matter that is addressed within the Group's Employee Welfare GPP which Group companies are expected to subscribe to (see page 46). There is a significant level of diversity represented in the Group companies' boards. The Board of Directors is responsible for the effective operation of this policy. The Board includes two female Directors. As part of its recruitment process, the Company requires recruitment agencies to provide diverse candidates for Board positions.

In addition, the Company has a Dignity at Work and Equal Opportunities policy. The key principle of this policy is that there should be equal opportunities for employees to reach their potential and this is achieved by empowering people to excel in their careers regardless of race, gender, ethnicity, cognitive or personal strengths, sexual orientation or socio-economic background. The Group's objective is that all staff should feel respected, valued and included.

Stakeholders
The Board recognises the value of stakeholder relationships and the key role that they play in the Group's sustainability and success for the long term. Group companies foster relationships with stakeholders, such as suppliers, customers, communities, local and national governments, through regular interaction. Community engagement programmes facilitated by Group companies during the reporting period include tea projects that engage interaction and participation from customers and local government. There are also many interactive education programmes and provision of technical support opportunities to our substantial smallholder communities in tea and avocado.

Good progress continues to be made across Group companies in initiatives to protect and promote human rights. This encompasses the principles of peaceful, long-term and mutually beneficial relationship between the activities of businesses within the companies and the communities affected by them. Many environmental and social projects are initiated by staff in Group companies each year, which are highlighted on their websites and various social media platforms. Further information can also be found in the Environmental and Social Report. Views of stakeholders are provided to the Board through Group company management reporting, committees, meetings and operational visits. The Board works to ensure that Group companies continue to consider engaging effectively with stakeholders through ongoing dialogue with the respective board members. The Camellia Board seeks engagement with a full range of its stakeholders to ensure that it is well informed of their views and takes these into consideration.

Community and the environment
The Board recognises the importance of the impact it has on the communities and environments within which the Group companies operate. The Sustainability and Safeguarding Committee is responsible for promoting human rights across the Group and further enhancing the Group's environmental and sustainability practices.

During 2023 the Group conducted a preliminary water footprint that identifies the Group's operations potential impact on local water basins. It also conducts an annual assessment of its Scopes 1 and 2 emissions and it is currently developing its Scope 3 emissions footprint.

Significant Group companies have representation by Camellia Board directors on their boards, which helps facilitate the monitoring of social and environmental KPIs. Additionally, site visits are conducted by the Company's executives and management to observe the various ongoing and planned social and environmental investments and initiatives.

Refer to the Environmental and Social report for more detail.

High standard of business conduct
Group Principal Policies (GPPs) are used to promote a high standard of business conduct by Group companies and support their licence to operate in the countries in which they are situated. Refer to pages 45 and 47 of the Corporate Governance section.

The Group requires Group companies to uphold its principal values of integrity, professionalism, fairness and humility in all of their dealings with stakeholders.

Members
The annual general meeting provides an opportunity for members to raise queries with the Board and make their views known. Board members meet with significant shareholders periodically and also respond to queries raised throughout the year. Regulatory News Service announcements keep members informed.

The relationship between Camellia Plc and its controlling shareholders is reflected in Note 46 of this Annual Report.

Approved by the Board

Byron Coombs

Chief Executive

28 April 2024

CORPORATE GOVERNANCE

Statement of compliance
The Company is committed to complying with the Quoted Companies Alliance's (QCA) Corporate Governance Code for Small and Mid-size Quoted Companies (QCA Code). The Chairman considers the application of standards of corporate governance that are appropriate for the Group's nature, status, profile, size and circumstances to be important in ensuring the Group is managed for the long-term benefit of all stakeholders. The table on our website sets out how we comply with the ten principles of the QCA Code.

The Group consists of a portfolio of businesses which are managed through their boards under the supervision of the Strategy Committee. These businesses report into the Board against various metrics including budgets and business plans.

The Board
The Board currently comprises seven Directors, four of whom are non-executive Directors, including the Chairman, as set out on page 4. The remaining Directors are executive Directors. The names and brief biographical details of each Director appear on pages 49 and 50.

The Board has established Remuneration, Audit, Nomination and Sustainability and Safeguarding Committees. Terms of reference of each of the Committees can be viewed on the Company's website.

The Board is responsible for managing the Group's business and has adopted a schedule of matters reserved for its approval. The schedule is reviewed periodically and covers, inter alia, the following areas:

- Strategy
- Acquisitions and disposals
- Financial reporting and control
- Internal controls
- Approval of expenditure above specified limits
- Approval of transactions and contracts above specified limits
- Responsibilities for corporate governance
- Board membership and Board Committees
- Approval of changes to capital structure

A full copy of the schedule is available on the Company's website.

A report summarising the Group's financial and operational performance is provided to Directors each month. Each Director has sufficient information before Board meetings to enable informed judgements on matters referred to the Board.

Board and Committees attendance
Attendance by Directors at Board and Committee meetings held during the year was as follows:

Director	*Board**	*Audit*	*Remuneration*	*Nomination**
Malcolm Perkins	11/11	–	–	2/2
Byron Coombs	3/3			
Graham Mclean	12/12	–	–	–
Susan Walker	12/12	–	–	–
Stephen Buckland	12/12	3/3	–	–
Rachel English	12/12	3/3	3/3	2/2
Simon Turner	12/12	–	3/3	2/2
Frédéric Vuilleumier	12/12	3/3	3/3	2/2

* Malcolm Perkins' attendance reflects the period up to 30 November 2023 and Byron Coombs' attendance

reflects the period from 25 September 2023.

Board evaluation
The Board agreed to undertake a performance evaluation by way of internal review every three years. The last evaluation was conducted in 2021. Details of the next review will be disclosed once completed at the end of 2024.

Nomination Committee
The Committee is chaired by Simon Turner. Its other members are Rachel English and Frédéric Vuilleumier.

The principal responsibilities of the Committee are set out below:

- Review the balance and composition (including gender and diversity) of the Board, ensuring that they remain appropriate
- Be responsible for overseeing the Board's succession planning requirements including the identification and assessment of potential Board candidates and making recommendations to the Board for its approval
- Keep under review the leadership needs of, and succession planning for, the Group in relation to both its executive and non-executive Directors and other senior executives

Audit Committee
The Committee is chaired by Rachel English. The other members of the Committee during the year were Stephen Buckland and Frédéric Vuilleumier.

The principal responsibilities of the Committee are set out below and were undertaken during the year:

- Monitor the effectiveness of the Group's risk management practices
- Review the effectiveness of the Group's internal control system. The Committee reviews the effectiveness of internal audit activities carried out by the Group's accounting function and senior management
- Review and monitor the financial statements of the Company and the audit of those statements and monitor compliance with relevant financial reporting requirements and legislation
- Monitor the effectiveness and independence of the external auditors
- Review any non-audit services provided by the external auditors

The Audit Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgements.

Ensuring the integrity of the financial statements and associated announcements is a fundamental responsibility of the Audit Committee. During the year it formally reviewed the Group's interim and annual reports. These reviews considered:

- The description of performance in the Annual Report to ensure it was fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy
- The accounting principles, policies and practices adopted in the Group's financial statements, any proposed changes to them, and the adequacy of their disclosure
- Important accounting issues or areas of complexity, the actions, estimates and judgements of management in relation to financial reporting and in particular the assumptions underlying the going concern statement
- Any significant adjustments to financial reporting arising from the audit
- Tax contingencies and compliance with statutory tax obligations

A key responsibility of the Audit Committee is to consider the significant areas of complexity, management judgement and estimation that have been applied in the preparation of the financial statements. The Committee, with support from Deloitte LLP (Deloitte) as external auditor, reviewed the suitability of the accounting policies adopted and whether management made appropriate estimates and judgements. Set out below are the significant areas of accounting judgement or management estimation and a description of how the Committee concluded that such judgements and estimates were appropriate.

Pensions
The valuation of the pension schemes obligations is conducted by independent actuaries and due to the size of the obligation a relatively minor change to the assumptions made could result in a material change in the quantum of the obligation. The Committee considered the competence of the actuaries and the key

assumptions adopted and concluded that the work performed is sufficient to support the valuation.

Carrying value of intangible assets
The Group's carrying values of the JING Tea and Tea City brands and of the goodwill relating to two Assam estates were discussed in light of the expected trading of those businesses. The Committee considered the fair value of the Group's holdings and whether any impairment in the carrying value had occurred and agreed that, in light of the likely lower future yield profile of the Assam estates and expected lower rates of future revenue growth for JING Tea, impairments of £0.3 million and £1.1 million respectively had occurred.

Carrying value of tangible assets
The Committee considered the fair value of the Group's investment property portfolio, the carrying value of plant and equipment at the engineering subsidiary, and the carrying value of certain of the Indian and Bangladesh estates in the context of recent trading and third party valuations. The Committee agreed that an impairment of £0.2 million had occurred during the year in relation to the investment property portfolio.

The carrying value of the underlying property, plant and equipment assets (including right of use assets) used in Bardsley's business was also considered in light of the planned closure of that business and with reference to market pricing for such assets. The Committee agreed that an impairment of £7.8 million had occurred.

BF&M
The Group's carrying value of BF&M was lower than the price agreed for the sale of the Group's shareholding. The Committee considered the fair value of the Group's holding on the recategorisation of the holding to 'assets held for sale' and concluded a release of a previous impairment of £19 million was required. The Committee also considered the criteria for classifying the asset as held for sale.

Provisions
The bases of provisions for material uncertain tax situations were considered by the Committee as were the provisions for wage increases in Bangladesh and India. The Committee is satisfied that the provisions represent best estimates of the likely liabilities.

Consideration was given to various potential tax exposures in Bangladesh, Malawi and Kenya. In light of the relevant circumstances the committee is satisfied that these should be disclosed as contingent liabilities.

External auditor
To assess the effectiveness of the external audit process, the external auditor is required to report to the Audit Committee and confirm their independence in accordance with ethical standards and that they had maintained appropriate internal safeguards to ensure their independence and objectivity. In addition to the steps taken by the Board to safeguard the auditor's objectivity, Deloitte operates a five-year rotation policy for audit partners for a listed entity.

The Committee reviewed those non-audit services provided by the external auditor and satisfied itself that the scale and nature of those services were such that the external auditors objectivity and independence were safeguarded.

Remuneration Committee
The Committee is chaired by Rachel English and the other members are Simon Turner and Frédéric Vuilleumier.

The responsibilities of the Committee include:

- The review of the Group's policy relating to remuneration of the Chairman, executive Directors and the Company Secretary
- To determine the terms of employment and remuneration of the Chairman, executive Directors and Company Secretary with a view to ensuring that those individuals are fairly and responsibly rewarded
- To approve compensation packages or arrangements following the severance of any executive Director's service contract

The Remuneration Report appears on pages 53 to 54.

Sustainability and Safeguarding Committee
The Sustainability and Safeguarding Committee is responsible for promoting human rights across the Group and further enhancing the Group's environmental and sustainability practices. In 2024 the Board agreed to review the Committee's terms of reference and changed its role from an advisory committee to a Board Committee. The Committee is chaired by Rachel English and the other member is Simon Turner. The Committee advises the Board on strategy in these areas and monitors and reports on progress against the agreed strategy. The updated terms of reference of the Committee are available on the Company's website.

Executive Committee
The Strategy Committee consists of the Chief Executive, the executive Directors of the Board and the Group

General Counsel.

Insurance
The Company purchases insurance to cover its Directors and officers, and those of its subsidiaries in respect of legal actions against them in their capacity as Directors of the Company. All Directors have access to independent professional advice at the Company's expense.

Share capital structure
The share capital of the Company is set out in note 38.

Internal control and risk management systems
The Directors acknowledge that they are responsible for maintaining a sound system of internal control. During the year, the Audit Committee, on behalf of the Board, reviewed the effectiveness of the framework of the Group's system of internal control, the principal features of which are described below.

The key management philosophy of the Company is that the responsibility for efficient day to day operations remains with Group company management at an operational level. Accountability and delegation of authority are clearly defined with regular communication between the Group senior management and the management of the individual Group companies. Key Group companies have internal audit functions reporting to their respective audit committees. The performance of each Group company is continually monitored centrally, including a critical review of annual budgets, forecasts and monthly sales, profits and cash reports. Financial results and key operational statistics and variances from approved plans are carefully monitored. Group senior management regularly visit Group companies. However, any system of internal control can provide only reasonable, and not absolute, assurance against material mis-statement or loss.

Principal risks and uncertainties
The Board has assessed the material risks and uncertainties relating to the Group's principal operations, with key mitigations and made an assessment of change in risk year-on-year. These are set out in the table below. All of the risks present potential material financial impacts to the Group in the medium term. Diversification by crop and location helps mitigate the impact of individual risks but the majority are common to Group companies, albeit in varying degrees.

Key:

↑ increased risk

↔ unchanged risk

↓ decreased risk

Agriculture

Risk	*Assessment of change in risk year-on-year*	*Potential Impact*	*Mitigation*
Climate change	↑	Current agricultural patterns and practices become unsustainable Land values and communities are impacted at Group company level Flooding/drought/frost affecting crop yields	Geographic spread of operations to lessen the impact of extreme weather on the Group Investment in irrigation, water storage and drought resistant crop varieties Investment in sustainable water solutions, regenerative soil management, integrated pest management, energy saving initiatives and renewable energy sources Enhanced biodiversity Refer to the Climate Related Financial Disclosures section on pages 19 to 25 of this report for more detail
Price volatility	↑	The effect of climate change and global events (pandemic, geo politics) on crop volumes and/or prolonged depressed commodity pricing either individually or in combinations, would have a	Use of forward contracts, product and crop diversification and building long-term strategic relationships with key customers Value-added products production to access and supply markets

		material impact on Group profitability	addresses customer demands whilst having greater control over pricing Diversifying supply chains and trading routes Maximising efficiency in cost of production Refer to the Climate Related Financial Disclosures section on pages 19 to 25 of this report for more detail
Currency fluctuation	↑	Profit volatility arising from sales in US Dollars and Euros where there is no natural hedge against the impact on cost of production in the currency where a Group company operates Non sterling denominated asset values impacted	Monitoring of foreign exchange rates and cash management
Cost of production	↑	Increased wage costs, cost of inputs and other costs of production with no mitigating increase in price, resulting in lower profitability	Introduction of more efficient and productive working practices and the increased use of mechanisation and automation Reduction of energy consumption and/or increased use of renewable energy
Long-term political issues over land ownership	↑	Potentially losing access to farms and estates or paying more for existing property (for example if freeholds become leaseholds)	Monitoring changes to Group company land legislation with the assistance of lawyers and trade associations. Maintaining collaborative relationships with governments at Group company and national levels
Civil unrest, political instability and war	↑	Periodic interruptions to the operation of the businesses at a Group company level Supply chain disruption, lack of availability of key inputs Impact of ability to get product to market Reduced demand for products	Increasing security for our workers and operations during times of civil unrest Maintain market supply options and carrying buffer stocks Maintaining diverse customer base
Corruption	↔	Environment leads to an inability to carry on business in a legal and ethical way, resulting in the suspension of business and/or payment of fines and reputational damage	Strict adherence to anti-bribery legislation and the implementation of the Group Principal Policies Staff training
Health and safety	↔	Vulnerability of employees to injury at work due to the use of machinery and chemicals Physiological impact of climate change on employee productivity Payment of fines and claims, criminal prosecutions and reputational damage	Strict compliance with legislation and training employees to adopt safe working practices. Regular external compliance reviews Refer to the Climate Related Financial Disclosures section on pages 19 to 25 of this report for more detail
Human rights (current and historic)	↔	Adverse impact on financial results from legal and reputational costs. Media and political pressure impacting operations or customers preparedness to buy products	Continuing to implement human rights strategies to protect, respect and remedy. Understanding the salient human rights risks (via audits and assessments). Implementing measures to mitigate and prevent such risks from crystalising

			Providing on-going training and raising awareness across the Group and communities. Strengthening governance protocols, by way of policies and increased reporting Providing appropriate mechanisms to bring forward any allegations and redress (such as whistleblowing and operational-level grievance mechanisms)

Engineering

Risk	*Assessment of change in risk year-on-year*	*Potential Impact*	*Mitigation*
Key customer dependence	↔	Losing a major customer would have a significant adverse impact on revenue and profitability	Seeking to diversify the customer base and careful customer relationship management
Dependence on the oil and gas sector	↔	Changes in market conditions, including the impact of climate change initiatives leading to lower demand for services. Refer to the Climate Related Financial Disclosures section on pages 19 to 25 of this report for more detail	Diversification into other sectors. Close monitoring of the oil and gas sector
Health and safety	↔	Vulnerability of the employees to injury at work due to the use of machinery and chemicals. Payment of fines and claims and reputational damage	Strict compliance with legislation and training employees to adopt safe working practices. Regular external compliance reviews

Investments and Associates

Risk	*Assessment of change in risk year-on-year*	*Potential Impact*	*Mitigation*
Market	↔	Decline in the value of investments and property	Portfolio diversification, careful stock selection, the regular monitoring of individual company stock performance and a diversified property portfolio
Adverse weather events in the Caribbean	↔	Risk of substantial claims materially impacting dividend income	Maintaining strong capital base and use of underwriting and reinsurance to reduce risk

Group

Risk	*Assessment of change in risk year-on-year*	*Potential Impact*	*Mitigation*
Prolonged impact of a pandemic	↔	Interruption to production and/or disruption of supply to customers Volatile equity markets impacting the value of, and yield from, the investment portfolio; and/or impacting the pension schemes' deficits with a resultant increase in the funding requirement Increased risk of bank failure, and foreign exchange volatility resulting in increased costs. Risk	Contingency plans Ongoing monitoring of banking partners and country credit ratings

		of imposition of currency controls leading to the inability to remit funds from overseas operations	
Defined benefit pensions Increases in inflation and/or reductions in long-term government bond yields Lower than expected asset return Changes in Group company laws restricting the investment choices for the schemes' assets	↔	Increase in the pension schemes' deficits with a resultant increase in the funding required from the Group	Regular monitoring of the funding position of the pension schemes and their investment performance Improvement to the investment strategy and hedging key exposures when appropriate
Environmental	↔	Contamination of environment where Group companies operate and wider environment due to the use of machinery and chemicals Payment of fines and claims, criminal prosecutions and reputational damage	Strict compliance with legislation, training employees to adopt safe working practices and lessen the impact on the environment Proactively seek to reduce our impact on the environment
Uncertainties in the interpretation of complex tax legislation, or arising from changes in tax legislation Risk that the Group's judgements are challenged by tax authorities Increasing political focus towards increasing tax revenues	↑	Future adjustments to taxable income and/or expense deductions previously recorded or increases to the cash tax costs incurred by the Group in future	Tax exposures are considered individually, and judgements made with support from experienced tax professionals and external advisors
Legal and regulatory uncertainties in relation to the application of English or other law or changes in case law	↔	Group legal risk in relation to the activities of overseas operations (including potential litigation in the UK) and incurring costs in relation to the same	Monitoring the interpretation of law and taking appropriate advice and monitoring and auditing compliance with new developments
Potential cyber- threats such as computer viruses IT malfunctions or external cyber-attacks	↑	Loss or theft of data Interruption to services for customers and the business	Developing our technology systems Investing in developing the IT skills and capabilities of our people Actively monitoring and mitigating any cyber-threats and suspicious IT activity Disaster recovery plans for

Group principal policies (GPPs)
There are a range of issues that are important to the Group and to all Group companies, whatever sector they operate in. These are set out in the GPPs which are periodically cascaded across the Group. Each Group company is required to determine and develop its own policies based upon the GPPs, thus enabling continuity, development, and progressive growth of these individual enterprises in an ethical and responsible way that is relevant to their jurisdictions and cultures. Annually, each Group company confirms to the Group its adherence with the GPPs.

The overall responsibility for the implementation and enforcement of the GPPs rests with the management of each Group company. Certain GPPs, i.e. the compliance GPPs, such as the Anti-Bribery and Corruption GPP, the Whistleblowing GPP, the Modern Slavery GPP and the Tax GPP, include provisions which must be observed in order for Camellia Plc to comply with its own legal and regulatory obligations.

The GPPs can therefore be grouped into the following categories:

- High-level GPPs
- Compliance GPPs

The High-level GPPs comprise Certification and Traceability, Health and Safety, Environmental, Employee Welfare and Human Rights. The Compliance GPPs comprise Anti-Bribery and Corruption, Whistleblowing, Modern Slavery and the Tax Principles. A summary of each principal policy is set out below and they are set out in full on our website.

High-level GPPs
Certification and traceability
As part of the Group companies end to end supply chain management, Group companies are required to meet the requirements of their customers and suppliers in terms of certification and traceability. Most tea operations are Rainforest Alliance certified and all macadamia and avocado processing facilities are FSSC 22000 certified. Across the Group, many Group companies have also obtained ISO14001, ISO9001 and ISO45001 and many other appropriate accreditations, such as Spring (Global G.A.P.) at the Kakuzi operation.

Health and safety
Group companies are responsible for promoting good health and providing a safe and healthy workplace to protect all employees, contractors, visitors and the public from foreseeable work hazards. All Group companies must comply with health and safety legislation and regulations where they operate and obtain the necessary certifications from external authorities.

Environmental
We are mindful of the environment in which the Group operates, recognising that Group companies require natural resources and that these generate emissions and waste. Group companies understand and comply with current applicable legislation in the jurisdictions in which they operate. Each company is required to commit to policies which reduce their environmental footprint and which include (where appropriate), using water sustainably, reducing waste, protecting the ecosystems within which the Group operates, and working to improve the resilience of estates and farmers to climate change.

Employee welfare
Employees' safety and welfare are paramount, as described in the Environmental and Social Report. Group companies have policies and procedures in place (where appropriate) which cover equality, health, personal development, training, diversity, education, housing and sanitation.

We consciously and continuously work towards encouraging equality in management positions across the Group. Group companies comply with applicable regulations to encourage employees with disabilities to work and, where necessary, make appropriate adjustments to working practices.

Human rights
Camellia Plc and its Group companies strive to protect and respect human rights and provide access to remedy when required. This includes protecting and respecting the dignity, well-being and human rights of Group company employees, the communities in which they exist and those with whom Group companies have relationships or those who may be impacted by their operations.

The Group is committed to upholding internationally recognised human rights in line with the principles and guidance contained in the UN Guiding Principles on Business and Human Rights, including those set out in the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Where national law and international human rights standards differ, we endeavour to follow the higher standard; where they are in conflict, we adhere to national law, while seeking ways to respect international human rights to the greatest extent possible.

Compliance GPPs
Anti-Bribery and corruption
The Company has adopted an anti-bribery policy which complies primarily with the requirements of the UK Bribery Act 2010 although the Board also requires compliance with the laws of all countries in which Group companies operate.

All Group employees, officers and executives, and all those acting for or on behalf of a Group company are strictly prohibited from offering, paying, soliciting or accepting bribes or kickbacks, including facilitation payments.

Compliance with the anti-bribery policy is monitored by individual Group companies and incidents are reported to the anti-bribery officer for the applicable operation.

In addition, the Board has adopted an anti-facilitation of tax evasion policy which complies with the requirements of the UK Criminal Finances Act 2017. The policy has been introduced across the Group and its compliance is monitored at Group level and by individual Group companies.

Whistleblowing
The Group whistleblowing policy provides guidelines for people who feel they need to raise certain issues in confidence. It is designed to protect those raising a genuine concern, in line with the Public Interest Disclosure Act 1998 or other jurisdictional legislation. Each Group company is required to have a designated whistleblowing officer. Group company employees can access the whistleblowing officer for their individual operation, the Group whistleblowing officer or the chair of their relevant audit committee.

Modern slavery
The Group continues to comply with the requirements of the Modern Slavery Act 2015, to ensure that modern slavery and human trafficking are not taking place either within the Group companies or their supply chains. A copy of the statement for the year ended 31 December 2023 is available on the Company's website. In some countries, it is both the cultural norm and permissible for parents to involve their children in the production process. We do not subscribe to this approach and the use of child labour is prohibited across all Group companies which are required to confirm this statement annually and adopt policies and procedures to ensure continued compliance. This includes setting out codes of conduct when working alongside customers and suppliers.

Tax principles
The Group's tax principles include: compliance with applicable tax laws; payment of the correct tax amounts; interpretation of tax law; undertaking tax planning based on commercial rationale; and transparency with tax authorities.

Key financial performance indicators
The nature of the Group's principal activities is such that the Board takes a long-term view of Group company operations, particularly Agriculture. The Board reviews monthly reports with a range of financial and other indicators to monitor each division's performance depending on the applicable Group company's operations.

For the Agriculture division, the Board receives monthly revenue, profit, cashflow and operating performance information including data on average selling prices per unit of sale and sales volumes, costs of production by unit of production and crop volumes against budget. Rainfall and other climate data are also considered.

For the Engineering division, the Board receives monthly profit and operating performance information by service line.

For Investments, the value and performance of the share portfolio is reviewed quarterly.

For Associates, the Board receives revenue and profitability information when those companies release information to their respective shareholders.

Several of the key financial performance indicators considered by the Board are included in the Operational Report on pages 8 to 16.

Non-financial performance indicators
Each Group company has developed non-financial KPIs that are relevant to its operation. These are regularly monitored and include:

- Market trends – including tea auction volumes, demand for each product by country where available, supply data and market prices
- Health and Safety – including days lost to injury, number of accidents and fatalities, whistleblowing incidents and updates to legislation

- Grievances – including employee, welfare and social issues
- Industrial disputes – including days lost to strike action and other significant employee issues
- Land and politics – including elections, material new regulation or case law
- Changes in key personnel – including promotions, resignations and retirements of senior management
- Weather and climate – including rainfall, temperatures and long-term meteorological trends
- Carbon footprint – including for key inputs and operating sites

Market trends and volumes for a number of the Group companies' products including tea, macadamia and avocado are discussed in the Chief Executive's Statement and the Operational Report. Refer to the Environmental and Social Report for discussion in relation to the Group's carbon footprint.

The Board considers such KPIs by exception where Group companies notify that significant material issues have emerged.

REPORT OF THE DIRECTORS

The Directors present their report together with the audited consolidated accounts for the year ended 31 December 2023.

Principal activities
The Company is a public company limited by shares, which is quoted on the AIM Market of the London Stock Exchange and incorporated and domiciled in England and Wales. The principal activity of Camellia Plc is a holding company and the principal activities of its subsidiary undertakings comprise:

- Agriculture
- Engineering
- Other Investments including Associates

Fostering business relationships is of paramount importance to the Directors, as set out in the s172 Statement on page 33 of the Strategic Report. Further details of the Group's activities are included in the Strategic Report, the Chairman's Statement, CEO's Statement and the Operational Report.

Results and dividends
The loss after tax for the year amounted to £1.4 million (2022: Loss after tax £8.9 million). The Board is not proposing a final dividend for the year 2023 for the reasons set out in the Chief Executive's Statement. Therefore, the total dividend payable for 2023 is 44p per share (2022: 146p per share). Details are shown in note 13 to the Accounts.

Directors
The Directors are listed on page 4. The following Directors had beneficial interests in the shares of the Company.

Camellia Plc ordinary shares of 10p each:	31 December 2023	1 January 2023
Susan Walker	220	220

Under the Company's articles of association all the Directors are required to retire annually. Accordingly, Simon Turner, Graham Mclean, Frédéric Vuilleumier, Rachel English and Stephen Buckland will retire and, being eligible, will seek re-election at the forthcoming Annual General Meeting ("AGM"). Susan Walker has indicated that she does not wish to stand for re-election and will step down from the Board at the conclusion of the AGM. Byron Coombs was appointed as a Director effective from 25 September 2023 and will seek election to the Board at the AGM. As announced on 25 April 2024, Oliver Capon is also seeking election at the forthcoming AGM.

None of the Directors or their families had a material interest in any contract of significance with the Company or any Group company during, or at the end of, the financial year.

Executive directors
Byron Coombs was appointed Chief Executive on 25 September 2023. He has extensive experience in the financial and investment management sectors and served as CEO of the Group's private bank, Duncan Lawrie, from 2014 until its sale in 2017, since when Byron has been employed by the Group as Investment Director.

Graham Mclean, a qualified agriculturalist, was appointed as Director of Agriculture in October 2014. He was previously regional director of the Group's operations in Africa and has worked for the Group for more than 30 years. He is a non-executive director of Kakuzi Plc.

Susan Walker was appointed Chief Financial Officer for the Group on 4 June 2015. She joined Camellia as Finance Director Designate on 1 July 2014. She is a chartered certified accountant and a non-executive director of Goodricke Group Limited and of United Finance Limited.

Proposed director

Oliver Capon has been appointed as Finance Director Designate and will commence his role on 28 May 2024. He seeks election to the board at the forthcoming AGM and will become CFO following the AGM. Oliver is an experienced CFO with thirty years of experience, initially at Arthur Andersen and subsequently at Shell Plc, where he worked in the UK and internationally. He has an MEng in Engineering Science from Cambridge University and is a Fellow of the Institute of Chartered Accountants of England & Wales. He is a director of Oleah Consulting Limited and was previously a director of Shell Shared Service Centre – Glasgow Limited.

Non-executive directors

Simon Turner was appointed non-executive Chairman on 1 December 2023, having served as a non-executive Director since March 2020. After spending the early part of his career in the legal profession he became Chairman of the Camellia Foundation, stepping down in November 2023. He is chair of the Nomination Committee and a member of the Remuneration Committee. He became a member of the Sustainability and Safeguarding Committee in March 2024.

Stephen Buckland was appointed as a non-executive Director in 2021. He previously held positions within the Camellia Group's agricultural and banking businesses. He holds an executive position within The Camellia Foundation, a UK charity whose primary donor of the same name is the ultimate majority shareholder of Camellia Plc. He is also a director of the Camellia Private Trust Company, president of the board of the trustee of The Camellia Foundation (Bermuda), director of Camellia Holding AG and became the chair of Goodricke Group Limited in January 2024. He is a member of the Audit Committee.

Rachel English was appointed as an independent non-executive director in May 2022. She is a chartered accountant with extensive international and general management experience, having founded and served on the board of several significant businesses. She has substantial experience and interest in ESG matters. She is chair of the Audit, Remuneration and Sustainability and Safeguarding Committees and a member of the Nomination Committee.

Frédéric Vuilleumier was appointed as an independent non-executive Director in March 2013. He is a partner of Oberson Abels SA, a law office based in Geneva, Switzerland. He is a member of the Audit, Remuneration and Nomination Committees.

Company Secretary

Anita Denise Bodri was appointed Company Secretary on 31 December 2023 on an interim basis. She is a qualified solicitor of England and Wales.

Substantial shareholdings

As at 5 April 2024 the Company has been advised of the following interests in its share capital:

Shareholder	*No. of Shares*	*% of total voting rights*
Camellia Holding AG	1,427,000	51.67
Nokia Bell Pensioenfonds OFP	374,093	13.54
Quaero Capital SA	139,148	5.04

Share capital and purchase of own shares

The Company's share capital comprises one class of ordinary shares of 10p per share which carry no restrictions on the transfer of shares or on voting rights (other than as set out in the Company's articles of association). There are no agreements known to the Company between shareholders in the Company which may result in restrictions on the transfer of shares or on voting rights in relation to the Company. Details of the issued share capital are contained in note 38 to the Accounts.

At the AGM in 2023, shareholders gave authority for the Company to purchase up to 276,200 of its own shares. This authority expires at the conclusion of the 2024 AGM at which a resolution proposing renewal of the authority will be submitted to shareholders.

AGM

The AGM of Camellia Plc will be held at The Goring Hotel, Beeston Place, Grosvenor Gardens, London SW1W 0JW on 6 June 2024 at 11.30 a.m. The Notice of Meeting together with explanatory notes and the Form of Proxy accompanies the Annual Report and Accounts.

Auditors

A resolution proposing the reappointment of Deloitte LLP will be put to the 2024 AGM.

Each of the persons who were Directors at the time when this Report of the Directors was approved has confirmed that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are unaware.
- Each Director has taken all the steps that ought to have been taken as a Director, including making appropriate enquiries of fellow Directors and of the Company's auditors for that purpose, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Climate, energy and carbon disclosure
In compliance with the SECR and CFD requirements, our greenhouse gas emissions, energy consumption and energy reduction initiatives are reported within the Environment and Social Report on pages 19 to 27.

Employees and stakeholders
The Directors have had regard to the need to foster the Company's business relationships with employees, suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year. Details in relation to employees and stakeholders are set out in the section 172 Statement on pages 32 to 33.

Research and development
The Group invests in research and development projects within its operations in order to improve efficiency, productivity and grow revenues. In Kenya, Malawi and India, technical departments in conjunction with specialised departmental teams are focused on numerous projects to improve operational efficiencies (both field and factory), including pest and disease control, improving energy efficiencies and the implementation of new technologies to enhance automation.

We continue to collaborate with various organisations involved in a range of areas relevant to future business strategy.

Kenya is running a commercial blueberry trial to evaluate the viability of different varieties. In Brazil, research and development is ongoing into water saving irrigation systems, satellite imaging to identify climate impact and plant nutrient requirements and the use of drones to apply integrated pest management measures, amongst other uses. These initiatives will further support the implementation of precision farming technologies.

Future development
Details of future developments are set out in the Chief Executive's Statement, the Operational Report and in the Strategic Report.

Going concern
The Directors, at the time of approving the financial statements, considered the main trends and factors likely to affect the Group's business activities and the most recent business performance as described in the Chairman's Statement, the CEO's Statement and in the Operational Report on pages 5 to 16.

They also considered the potential impact of the current operating environment and the known risks arising from the Ukraine and Middle East conflicts on the business for the next 15 months.

The Directors have considered several variables which may impact on revenue, profits and cash flows. In light of the nature of our Group companies' and our experience of trading through these conflicts, we expect our Agriculture businesses will continue to operate broadly as set out in the Chairman's Statement, the CEO's Statement and in the Operational Report.

At 31 December 2023, the Group had cash and cash equivalents net of borrowings of £26.0 million. In addition, the Group had undrawn short-term loan and overdraft facilities of £10.2 million and a portfolio of investments with a fair market value of £38.1 million. It is expected and assumed that short-term loans and overdrafts due for renewal during the next 12 months will be renewed in the ordinary course.

In Q1 2024, £5.1 million in cash was received from the sale of property and manuscripts. Despite the Linton Park estate and the Bardsley packhouse being marketed for sale and the agreed sale of the Group's holding in BF&M for US$100 million in cash, conditional on regulatory and tax approvals, no proceeds have been reflected in our downside scenario for these assets.

The Directors have modelled various severe but plausible scenarios using assumptions including the combined effect of lower than expected sales volumes for tea, avocado and for macadamia during 2024. The revenue and operational impact of such volume reductions across our operations would negatively impact Group profitability. We have also considered the combined impact of the risk of price reductions during 2024 for our tea, macadamia, avocado and soya crops.

Historically in the Tea operations, restrictions on, or reductions in, the supply of tea either regionally or globally have led to higher selling prices. However, for our downside scenario planning we have not reflected increased selling prices for tea nor any significant mitigating reductions to our operating cost base in our tea operations. We have assumed that in certain scenarios aspects of our investment programme would be curtailed.

Under both the base case and the downside scenario, the Group is expected to continue to have sufficient headroom relative to the funding available to it.

The Directors believe that the Company and the Group are well placed to manage their financing and other business risks satisfactorily and, have a reasonable expectation that the Company and the Group will have adequate resources to continue in operational existence for the foreseeable future. The Directors therefore continue to adopt the going concern basis in preparing the financial statements.

Financial risk management
Information on the Group's financial risk management objectives and policies and on the exposure of the Group to relevant risks in respect of financial instruments is set out in note 44 of the Accounts.

Corporate governance
The Company's statement on corporate governance can be found in the Corporate Governance Report on pages 35 to 39.

Political donations
The Company has no political affiliations and does not make political donations. Its operations work with governments and other parties around the world on issues that are important to our customers, stakeholders, communities and to the interests of the business.

Approved by the Board

Byron Coombs
Chief Executive

28 April 2024

REMUNERATION REPORT

This report is drawn up in accordance with the Companies Act 2006 and the AIM Rules for Companies.

Remuneration Committee
Details of the Remuneration Committee are set out on page 38.

Policy on Directors' remuneration
The policy agreed by the Committee is as follows:

- To seek to provide remuneration packages that will attract, retain and motivate the right people for the roles
- So far as is practicable to align the interests of the executives with those of shareholders
- To reflect the overriding remuneration philosophy and the principles of the wider Group

In implementing the second point, the Company does not operate profit related bonus, share option or share incentive schemes for Directors as the Group's activities are based largely on agriculture, which is highly dependent on factors outside management control such as the weather and market prices.

The policy is designed to ensure that the Directors manage the Group's businesses for the long-term in line with the strategy of the Group.

In determining this remuneration policy and the remuneration of Directors, consideration has been given to the relevant provisions of the QCA Guidelines.

The remuneration policy was approved by shareholders at the 2023 AGM and applies for a period of three years. The remuneration policy shall be reconsidered for shareholder approval at the AGM in 2026. The Committee considers any views expressed by shareholders on Directors' remuneration.

At the AGM on 8 June 2023, the Remuneration Report for the year to 31 December 2022 was approved by shareholders with 99.59% of the votes cast in favour, 0.16% of the votes cast against and 508 votes withheld.

Service contracts
Byron Coombs, Graham Mclean and Susan Walker are each employed on rolling service contracts.

Director	*Date of Service Contract*
Byron Coombs	16 July 2023
Graham Mclean	10 April 2015

Susan Walker	14 April 2015

The service contracts are terminable at any time by a one year period of notice from the Company or the Director. Following their initial appointment non-executive Directors may seek re-election by shareholders at each subsequent Annual General Meeting. Non-executive Directors do not have service agreements. The Company has in place appropriate director's and officers' liability insurance cover in respect of legal action against its executive and non-executive Directors, amongst others.

There are no specific contractual provisions for compensation upon early termination of a non-executive Director's employment.

The following sections on Directors' remuneration and pensions have been audited.

Directors' remuneration

	Remuneration		Benefits in Kind		Loss of Office		Total	
	2023	*2022*	2023	*2022*	2023	*2022*	2023	*2022*
	£	*£*	£	*£*	£	*£*	£	*£*
Executive								
Byron Coombs	178,162	–	7,450	–	–	–	185,612	–
Malcolm Perkins	554,831	*414,785*	34,690	*19,210*	54,753	–	644,274	*433,995*
Susan Walker	449,117	*408,288*	29,140	*28,908*	–	–	478,257	*437,196*
Graham Mclean	483,141	*439,219*	30,170	*29,881*	–	–	513,311	*469,100*
Tom Franks	–	*318,146*	–	*17,580*	–	*661,443*	–	*997,169*
Non-executive								
Simon Turner	65,678	*49,276*	400	–	–	–	66,078	*49,276*
Stephen Buckland	61,612	*49,276*	–	–	–	–	61,612	*49,276*
Rachel English	91,675	*49,494*	–	*1,955*	–	–	91,675	*51,449*
Frédéric Vuilleumier	56,240	*53,560*	–	–	–	–	56,240	*53,560*
Gautam Dalal	–	*27,238*	–	–	–	–	–	*27,238*
William Gibson	–	*27,805*	–	–	–	–	–	*27,805*
Total	1,940,456	*1,837,087*	101,850	*97,534*	54,753	*661,443*	2,097,059	*2,596,064*

Notes

(i) The executive Directors' benefits in kind include the value attributed to medical insurance, permanent health insurance, spouse/partner travel and cash alternatives to company cars and medical insurance.

(ii) Simon Turner received an additional fee for the role of Non-exec Chairman from 1 December 2023.

(iii) Byron Coombs received payment as Chief Executive from 25 September 2023.

(iv) Stephen Buckland received an additional fee for the role of Non-executive Director of Goodricke Group Limited from 10 August 2023.

(v) Malcolm Perkins retired from the Board on 30 November 2023 and received a payment of £54,753 for loss of office. This included a payment in lieu of notice and benefits in kind.

(vi) Gautam Dalal and William Gibson's fees relate to the period 1 January 2022 to 30 June 2022.

(vii) Rachel English's fees relate to the period from 6 May 2022.

Directors' pensions
Malcolm Perkins received no payment for pensionable service during 2023. Byron Coombs, Graham Mclean and Susan Walker received an excess non-pensionable salary supplement equivalent to 10% of base salary.

Approved by the Board

Rachel English
Chair of the Remuneration Committee

28 April 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with United Kingdom adopted international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements also comply with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board.

The Directors have also chosen to prepare the parent company financial statements under United Kingdom adopted international accounting standards. Under Company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance
- Make an assessment of the Company's ability to continue as a going concern

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

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

Responsibility statement
We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face
- The Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy

This responsibility statement was approved by the Board of Directors on 28 April 2024.

Simon Turner
Chairman

28 April 2024

CONSOLIDATED INCOME STATEMENT
for the year ended 31 December 2023

	Notes	2023 £'m	*2022 £'m Restated*
Continuing operations			
Revenue	2	272.3	*297.2*
Cost of sales		(222.1)	*(226.7)*
Gross profit		50.2	*70.5*
Other operating income		3.4	*4.4*
Distribution costs		(22.0)	*(23.0)*
Administrative expenses	3	(47.2)	*(45.8)*
Trading (loss)/profit	1,3	(15.6)	*6.1*
Share of associates' results	5	3.4	*(3.7)*
Profit on disposal of assets classified as held for sale	6	2.1	*1.8*
Reversal of impairment of investment in associate		19.0	–
Impairments of intangible assets, investment properties, property, plant and equipment and right-of-use assets	7	(9.4)	*(10.1)*
Provisions and costs associated with restructuring and dilapidations	8	(1.1)	–
Profit on disposal and fair value movements on money market investments		0.3	*0.3*
Operating loss		(1.3)	*(5.6)*
Investment income		2.9	*0.4*

Finance income	9	2.2	*2.0*
Finance costs	9	(3.0)	*(2.2)*
Net exchange gain	9	3.4	*1.5*
Employee benefit expense	9	(0.4)	*(0.4)*
Net finance income	9	2.2	*0.9*
Profit/(loss) before tax		3.8	*(4.3)*
Taxation	10	(5.2)	*(12.2)*
Loss for the year from continuing operations		(1.4)	*(16.5)*
Discontinued operations			
Profit for the year from discontinued operations	11	–	*7.6*
Loss after tax		(1.4)	*(8.9)*
(Loss)/profit attributable to:			
Owners of Camellia Plc		(3.7)	*(13.6)*
Non-controlling interests		2.3	*4.7*
		(1.4)	*(8.9)*
Loss per share - basic and diluted			
From continuing operations	14	(134.0) p	*(767.6) p*
From continuing and discontinued operations	14	(134.0) p	*(492.4) p*

Note

Prior period comparatives have been restated following a previously recognised associate transitioning to IFRS 17 'Insurance Contracts'. See page 63 for further details.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Notes	2023 £'m	*2022 £'m Restated*
Group			
Loss for the year		(1.4)	*(8.9)*
Other comprehensive (expense)/income:			
Items that will not be reclassified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income:			
Fair value adjustment for the financial assets disposed		(0.2)	*0.1*
Corporation tax arising on financial asset disposals before utilisation of losses			*(0.2)*
Unwind of deferred tax on financial assets		(0.5)	*0.2*
Changes in the fair value of financial assets	24	5.1	*(2.6)*
Remeasurements of post employment benefit obligations	37	(3.9)	*(12.8)*
Deferred tax movement in relation to post employment benefit obligations	36	0.2	*3.6*
Corporation tax movement in relation to post employment benefit obligations		–	*(0.4)*
		0.7	*(12.1)*
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences		(43.2)	*9.2*
Share of other comprehensive income of associates		(0.1)	*0.1*
		(43.3)	*9.3*
Other comprehensive expense for the year, net of tax		(42.6)	*(2.8)*
Total comprehensive expense for the year		(44.0)	*(11.7)*
Total comprehensive (expense)/income attributable to:			
Owners of Camellia Plc		(35.3)	*(17.1)*
Non-controlling interests		(8.7)	*5.4*
		(44.0)	*(11.7)*
Company			
Profit/(loss) for the year	12	4.5	*(1.6)*
Total comprehensive income/(expense) for the year		4.5	*(1.6)*

Note

Prior period comparatives have been restated following a previously recognised associate transitioning to IFRS 17 'Insurance Contracts'. See page 63 for further details.

CONSOLIDATED BALANCE SHEET

at 31 December 2023

	Notes	31 December 2023 £'m	*31 December 2022 £'m Restated*	*1 January 2022 £'m Restated*
ASSETS				
Non-current assets				
Intangible assets	17	4.7	*6.3*	*10.1*
Property, plant and equipment	18	151.8	*184.5*	*202.1*
Right-of-use assets	19	12.5	*26.1*	*28.8*
Investment properties	20	23.3	*25.4*	*23.1*
Biological assets	21	11.2	*14.1*	*13.4*
Investments in associates	23	10.4	*69.4*	*69.7*
Equity investments at fair value through other comprehensive income	24	30.6	*25.7*	*27.7*
Money market investments at fair value through profit or loss	25	6.5	*7.3*	*7.2*
Debt investments at amortised cost	26	–	*1.3*	*1.3*
Other investments - heritage assets	27	7.5	*8.8*	*8.7*
Retirement benefit surplus	37	–	*0.8*	*14.8*
Trade and other receivables	29	2.7	*3.1*	*2.7*
Total non-current assets		261.2	*372.8*	*409.6*
Current assets				
Inventories	28	49.4	*60.4*	*51.7*
Biological assets	21	8.8	*10.8*	*7.8*
Trade and other receivables	29	48.2	*67.6*	*48.5*
Money market investments at fair value through profit or loss	25	–	*1.3*	*2.7*
Debt investments at amortised cost	26	1.0	*–*	*1.3*
Current income tax assets		0.9	*1.1*	*0.6*
Cash and cash equivalents (excluding bank overdrafts)	30	47.9	*49.3*	*61.8*
		156.2	*190.5*	*174.4*
Assets classified as held for sale	31	82.3	*4.6*	*6.6*
Total current assets		238.5	*195.1*	*181.0*
LIABILITIES				
Current liabilities				
Financial liabilities - borrowings	33	(18.6)	*(5.1)*	*(3.3)*
Lease liabilities	34	(2.2)	*(2.3)*	*(3.2)*
Trade and other payables	32	(52.2)	*(59.8)*	*(59.2)*
Current income tax liabilities		(1.6)	*(4.4)*	*(3.0)*
Employee benefit obligations	37	(1.6)	*(1.1)*	*(1.1)*
Provisions	35	(7.6)	*(10.8)*	*(11.8)*
		(83.8)	*(83.5)*	*(81.6)*
Liabilities related to assets classified as held for sale	31	(2.1)	*(2.0)*	*(2.0)*
Total current liabilities		(85.9)	*(85.5)*	*(83.6)*
Net current assets		152.6	*109.6*	*97.4*
Total assets less current liabilities		413.8	*482.4*	*507.0*
Non-current liabilities				
Financial liabilities - borrowings	33	(3.3)	*(4.4)*	*(4.5)*
Lease liabilities	34	(9.1)	*(19.1)*	*(21.5)*
Deferred tax liabilities	36	(28.4)	*(37.0)*	*(38.0)*
Employee benefit obligations	37	(9.7)	*(8.1)*	*(8.6)*
Total non-current liabilities		(50.5)	*(68.6)*	*(72.6)*
Net assets		363.3	*413.8*	*434.4*
EQUITY				
Called up share capital	38	0.3	*0.3*	*0.3*
Share premium		15.3	*15.3*	*15.3*
Reserves		310.2	*349.4*	*370.1*
Equity attributable to owners of Camellia Plc		325.8	*365.0*	*385.7*
Non-controlling interests		37.5	*48.8*	*48.7*
Total equity		363.3	*413.8*	*434.4*

COMPANY BALANCE SHEET

at 31 December 2023

	Notes	2023 £'m	*2022 £'m*
ASSETS			

Non-current assets			
Investments in subsidiaries	22	73.5	*73.5*
Other investments - heritage assets	27	7.6	*8.9*
Total non-current assets		81.1	*82.4*
Current assets			
Trade and other receivables	29	3.1	*0.2*
Current income tax asset		0.1	*0.1*
Amounts due from group undertakings		2.2	*2.1*
Cash and cash equivalents	30	0.1	*0.1*
		5.5	*2.5*
Assets classified as held for sale	31	0.9	*0.5*
Total current assets		6.4	*3.0*
LIABILITIES			
Current liabilities			
Trade and other payables	32	(1.3)	*(1.0)*
Amounts due to group undertakings		(21.9)	*(20.3)*
Total current liabilities		(23.2)	*(21.3)*
Net current liabilities		(16.8)	*(18.3)*
Total assets less current liabilities		64.3	*64.1*
Non-current liabilities			
Deferred tax liabilities	36	–	*(0.2)*
Total non-current liabilities		–	*(0.2)*
Net assets		64.3	*63.9*
EQUITY			
Called up share capital	38	0.3	*0.3*
Share premium		15.3	*15.3*
Reserves		48.7	*48.3*
Total equity		64.3	*63.9*

The profit/(loss) for the company is shown in note 12.

The notes on pages 63 to 135 form part of the financial statements.

The financial statements on pages 56 to 135 were approved on 28 April 2024 by the board of Directors and signed on their behalf by:

Byron Coombs
Chief Executive

Registered Number 00029559

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2023

	Notes	2023 £'m	*2022* *£'m*
Cash generated from operations			
Cash flows from operating activities	39	(7.3)	*2.6*
Interest received		2.2	*2.0*
Interest paid		(3.0)	*(2.2)*
Income taxes paid		(6.8)	*(8.3)*
Net cash flow from operating activities		(14.9)	*(5.9)*
Cash flows from investing activities			
Purchase of property, plant and equipment		(11.6)	*(14.4)*
Proceeds from sale of non-current assets		1.2	*0.9*
Proceeds from sale of assets held for sale		1.0	*4.5*
Purchase of heritage assets		–	*(0.1)*
Additions to investment property		–	*(2.5)*
Biological assets: non-current - disposals		0.9	*0.8*
Cash leaving the Group on disposal of subsidiary		–	*(1.6)*
Proceeds from disposal of subsidiary		16.6	*–*
Dividends received from associates		1.0	*3.2*
Purchase of investments		(6.1)	*(2.9)*
Proceeds from sale of investments		4.1	*8.5*
Income from investments		2.9	*0.4*
Net cash flow from investing activities		10.0	*(3.2)*
Cash flows from financing activities			
Equity dividends paid		(4.0)	*(4.0)*

Dividends paid to non-controlling interests		(2.6)	*(5.3)*
New loans	40	4.8	*1.4*
Loans repaid	40	(2.0)	*(1.6)*
Payments of lease liabilities	40	(2.1)	*(2.6)*
Net cash flow from financing activities		(5.9)	*(12.1)*
Net decrease in cash and cash equivalents from continuing operations		(10.8)	*(21.2)*
Net cash inflow from discontinued operation	11	–	*3.8*
Cash and cash equivalents at beginning of year	30	45.6	*59.9*
Exchange (losses)/gains on cash		(0.9)	*3.1*
Cash and cash equivalents at end of year	30	33.9	*45.6*

For the purposes of the cash flow statement, cash and cash equivalents are included net of overdrafts repayable on demand.

COMPANY CASH FLOW STATEMENT

for the year ended 31 December 2023

	Notes	2023 £'m	*2022 £'m*
Cash generated from operations			
Profit/(loss) before tax		4.3	*(1.6)*
Adjustments for:			
Interest income		(0.3)	*(0.3)*
Profit on disposal of assets held for sale		(2.1)	*(0.4)*
Dividends from group companies		(4.0)	*–*
Decrease in trade and other receivables		0.2	*0.2*
Increase in trade and other payables		–	*0.1*
Net movement in intra-group balances		1.4	*3.5*
Cash (used in)/generated from operations		(0.5)	*1.5*
Interest received		0.3	*0.3*
Net cash flow from operating activities		(0.2)	*1.8*
Cash flows from investing activities			
Purchase of other investments - heritage assets		–	*(0.1)*
Proceeds from sale of assets held for sale		0.3	*1.8*
Dividends received		4.0	*–*
Net cash flow from investing activities		4.3	*1.7*
Cash flows from financing activities			
Equity dividends paid		(4.1)	*(4.1)*
Net cash flow from financing activities		(4.1)	*(4.1)*
Net movement in cash and cash equivalents		–	*(0.6)*
Cash and cash equivalents at beginning of year	30	0.1	*0.7*
Cash and cash equivalents at end of year	30	0.1	*0.1*

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

Group	Notes	Share capital £'m	Share premium £'m	Treasury shares £'m	Retained earnings £'m Restated	Other reserves £'m	Total £'m Restated	Non-controlling interests £'m	Total equity £'m Restated
At 1 January 2022		0.3	15.3	(0.4)	377.1	(3.7)	388.6	48.7	437.3
Adoption of IFRS 17 by associate (see page 63)		–	–	–	(2.9)	–	(2.9)	–	(2.9)
At 1 January 2022 - restated		0.3	15.3	(0.4)	374.2	(3.7)	385.7	48.7	434.4
(Loss)/profit for the year		–	–	–	(13.6)	-	(13.6)	4.7	(8.9)
Other comprehensive (expense)/income for the year		–	–	–	(10.0)	6.5	(3.5)	0.7	(2.8)
Transfer of realised gains on disposal of financial assets		–	–	–	1.1	(1.1)	–	–	–
Dividends	13	–	–	–	(4.0)	–	(4.0)	(5.3)	(9.3)

Share of associates' other equity movements		–	–	–	0.4	–	0.4	–	0.4
At 31 December 2022		0.3	15.3	(0.4)	348.1	1.7	365.0	48.8	413.8
Loss for the year		–	–	–	(3.7)	–	(3.7)	2.3	(1.4)
Other comprehensive expense for the year		–	–	–	(4.1)	(27.5)	(31.)	(11.0)	(42.6)
Transfer of realised gains on disposal of financial assets		–	–	–	0.4	(0.4)	–	–	–
Dividends	13	–	–	–	(4.0)	–	(4.0)	(2.6)	(6.6)
Share of associates' other equity movements		–	–	–	0.1	–	0.1	–	0.1
At 31 December 2023		0.3	15.3	(0.4)	336.8	(26.2)	325.8	37.5	363.3
Company									
At 1 January 2022		0.3	15.3	–	41.9	12.1	69.6	–	69.6
Total comprehensive expense for the year		–	–	–	(1.6)	–	(1.6)	–	(1.6)
Dividends	13	–	–	–	(4.1)	–	(4.1)	–	(4.1)
At 31 December 2022		0.3	15.3	–	36.2	12.1	63.9	–	63.9
Total comprehensive income for the year		–	–	–	4.5	–	4.5	–	4.5
Dividends	13	–	–	–	(4.1)	–	(4.1)	–	(4.1)
At 31 December 2023		0.3	15.3	–	36.6	12.1	64.3	–	64.3

In relation to the reserves of the Company, £36.6 million (2022: £36.2 million) is distributable. Other reserves of the Company include capital redemption and revaluation reserves.

Other reserves of the Group include fair value reserves and net exchange differences of £71.6 million deficit (2022: £44.1 million deficit).

Group retained earnings includes £123.7 million (2022: £155.4 million) which would require exchange control permission for remittance as dividends.

ACCOUNTING POLICIES

Camellia Plc (the Company) is a public Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The registered office can be found on page 4 and its principal activity is included in the Directors report.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation
The consolidated financial statements have been prepared in accordance with United Kingdom adopted International Financial Reporting Standards (IFRS), IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Standards Board (IASB).

The consolidated financial statements have been prepared on the historical cost basis as modified by the revaluation of biological assets, financial assets and financial liabilities, assets held for sale and employee benefit obligations.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

The Group previously recognised associate company, BF&M Limited adopted IFRS 17—Insurance Contracts on 1 January 2023. IFRS 17 has been applied retrospectively unless impracticable, in which case the fair value approach to transition was utilised. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. The most significant changes precipitated by IFRS 17 that affected the Group associate company included valuation changes due to new discounting and risk adjustment methodologies, changes to presentation, and changes when certain assumption and estimate adjustments are recognised within net income. For long-duration contracts, insurance contract liabilities are measured at the estimated present value of fulfilment cash flows, adjusted for an explicit risk adjustment for non-financial risk, and the contractual service margin, which represents unearned contractual profits. The contractual service margin is recognised in net income as services are provided, while the risk adjustment is released into net income as non-financial risk diminishes. Short-duration contracts, including the majority of the Group's general insurance and group life and health contracts, are measured using the simplified premium allocation approach and were minimally affected by the adoption of IFRS 17. The measurement of reinsurance contracts held generally follows the measurement of the underlying direct contracts to which they relate. BF&M has therefore restated its opening balance sheet as at 1 January 2022 and its results for 2022. In accordance with our accounting policy to use the equity method accounting for our associate undertakings, the impact of this restatement, has been to decrease the carrying value of our investment in associates at 1 January 2022 by £2.9 million, with a corresponding reduction in the Group's reserves. The share of our associates results for the for the full year ended 31 December 2022 has decreased by £0.6 million.

Going concern
The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation
Subsidiaries
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Subsidiaries are those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

On acquisition, the assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair values of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets. Any difference that arises from the acquisition of additional shares of an already consolidated subsidiary is taken directly to equity.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated Income Statement from the effective date of acquisition or disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group.

All Intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Associates
An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of that entity.

Investments in associates are accounted for by the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of associates is recognised in the Income Statement and its share of post-acquisition movements in reserves is recognised in reserves.

Foreign currency translation
Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Translation differences on non-monetary items carried at fair value are reported as part of the fair value gain or loss. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

The consolidated financial statements are presented in sterling which is the Company's functional and presentation currency. On consolidation, income statements and cash flows of foreign entities are translated into pounds sterling at average exchange rates for the year and their balance sheets are translated at the exchange rates ruling at the balance sheet date. Exchange differences arising from the translation of the net investment in foreign entities are taken to equity. When a foreign entity is sold such exchange differences arising since 1 January 2004 are recognised in the Income Statement as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate ruling on the date of acquisition. The Group has elected to treat goodwill and fair value adjustments arising on acquisitions prior to 1 January 2004, the date of the Group's transition from UK GAAP to IFRS, as sterling denominated assets and liabilities.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes and after eliminating intra-group sales.

Revenue from the sale of goods is recognised when the following five core principles of the model framework have been delivered:

- The identification of contract(s) with customers
- The identification of the performance obligations in the contract
- The determination of the transaction price
- The allocation of the transaction price to the performance obligations in the contract
- The recognition of revenue when (or as) a performance obligation has been satisfied

In respect of agricultural produce, revenue is recognised when the performance obligations have been satisfied, which is once control of the produce has transferred from the Group to the buyer. Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties. Revenue related to the sale of produce is recognised when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset.

In respect of engineering services, revenue is recognised at either the point in time that the customer has accepted return of the asset or control of the asset has been re-established and there is a present obligation to pay for services rendered or revenue is recognised based upon the stage of completion and includes costs incurred to date, plus accrued profits.

In respect of rental income, revenue is recognised on a straight-line basis over the lease term. Contingent rent, being lease payments that are based on the future amount of a factor that changes other than with the passage of time, is recognised when it is received or receivable.

Investment income
Investment income is recognised when the right to receive payment of a dividend is established.

Segmental reporting
IFRS 8 requires operating segments to be identified on the basis of internal reports used to assess performance and allocate resources by the chief operating decision maker. The chief operating decision maker has been identified as the Strategy Committee led by the Chief Executive. Inter segment sales are not significant.

Exceptional items
Exceptional items are those significant items which are separately disclosed by virtue of their size or incidence to enable a full understanding of the Group's financial performance.

Government grants
Government grants are recognised when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received.

Government grants are recognised in the Income Statement within other operating income so as to match with the related costs that they are intended to compensate for. Grants for the purchase or production of property, plant and equipment are deducted from the cost of the related assets and reduce future depreciation expense accordingly.

Intangible assets
(i) Goodwill
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary or associate at the date of acquisition.

Goodwill is recognised as an asset and reviewed for impairment at least annually or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is recognised immediately in the income statement and is not subsequently reversed.

On disposal of a subsidiary or associate, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Identifiable intangible assets
Indefinite life identifiable intangible assets include certain brands acquired. They are not amortised but tested for impairment annually or more frequently if an impairment indicator is triggered, any impairment is charged to the income statement as it arises. The assessment of the classification of intangible assets as indefinite is reviewed annually.

Finite life identifiable intangible assets include certain brands, customer relationships and other intangible assets acquired on the acquisition of subsidiaries. Acquired intangible assets with finite lives are initially recognised at cost and amortised on a straight-line basis over their estimated useful lives, not exceeding

20 years. Intangible assets' estimated lives are re-evaluated annually and an impairment test is carried out if certain indicators of impairment exist.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

(iii) Computer software
Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software licences are held at cost and are amortised on a straight-line basis over 3 to 7 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and which are expected to generate economic benefits exceeding costs beyond one year, are recognised as an intangible asset and amortised over their estimated useful lives.

Property, plant and equipment
Property, plant and equipment includes biological assets (bearer plants) which are accounted for under IAS 16.

Land and buildings comprises mainly factories and offices. All property, plant and equipment is shown at cost less subsequent depreciation and impairment, except for land, which is shown at cost less impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

On transition to IFRS, the Group followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost. On the application of the amendments to IAS 41 Agriculture and IAS 16 Property, plant and equipment the Directors elected to state the Group's bearer plants at deemed cost being the fair value recognised as at 1 January 2015 less the fair value at that date of the growing produce which is disclosed in current assets under biological assets. Additions after that date are recognised at historical cost. Costs incurred in maintaining the bearer plants until the date of maturity are capitalised.

Subsequent costs are included in the assets' carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

No depreciation is provided on freehold land. Depreciation of other property, plant and equipment is calculated to write off their cost less residual value over their expected useful lives.

The rates of depreciation used for the other assets are as follows:-

Biological assets (Bearer plants)	20 to 50 years
Freehold and long leasehold buildings	nil to 50 years
Other short leasehold land and buildings	unexpired term of the lease
Plant, machinery, fixtures, fittings and equipment	3 to 25 years

No depreciation is provided on bearer plants until maturity when commercial levels of production have been reached.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the Income Statement.

Right-of-use assets
The Group recognises right-of-use assets for land and buildings and plant and machinery at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use asset is depreciated over the shorter of its estimated useful life and lease term.

Investment properties
Properties held to earn rental income rather than for the purpose of the Group’s principal activities are classified as Investment properties. Investment properties are recorded at cost less accumulated depreciation and any recognised impairment loss. The depreciation policy is consistent with those described for other Group properties.

Income from Investment properties is disclosed in ‘Revenue’. The related operating costs are immaterial and are included within administrative expenses.

Biological assets: non-current
Biological assets are measured at each balance sheet date at fair value and are generally valued at each year end by independent professional valuers. Any changes in fair value are recognised in the Income Statement in the year in which they arise. Costs of new areas planted are included as “new planting additions” in the biological assets note. As timber is harvested the value accumulated to the date of harvest is treated as “decrease due to harvesting” and charged to cost of sales in the Income Statement.

Biological assets: current
Produce is valued on the basis of net present values of expected future cash flows and includes certain assumptions about future yields, selling prices, costs and discount rates. As the crop is harvested it is transferred to inventory at fair value.

Financial assets
Classification of financial assets
(i) Equity instruments designated as at fair value through other comprehensive income (FVTOCI)
On initial recognition, the Group made an irrevocable election (on an instrument by instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments designated as FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included as investment income in the consolidated income statement.

(ii) Financial assets at fair value through profit or loss '(FVTPL)'
Financial assets that do not meet the criteria for being measured FVTOCI or at amortised cost (see (i) above and (iii) below) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

(iii) Amortised cost and effective interest method
The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

The effective interest method is a method of calculating the amortised cost and of allocating interest income over the relevant period. Interest income is recognised in profit or loss and is included in the "finance income – interest income" line item (note 9).

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

(i) Significant increase in credit risk
In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk

of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating
- Significant deterioration in external market indicators of credit risk for a particular financial instrument
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations
- An actual or expected significant deterioration in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

(i) The financial instrument has a low risk of default,
(ii) The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(iii) Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying any significant increase in credit risk before the amount becomes past due.

(ii) Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- When there is a breach of financial covenants by the debtor; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that different default criterion is more appropriate.

(iii) Credit impaired financial assets
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

(a) Significant financial difficulty of the issuer or the borrower;
(b) A breach of contract, such as a default or past due event (see (ii) above);
(c) The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) A disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in reserves, and does not reduce the carrying amount of the financial asset in the balance sheet.

Derecognition of financial assets
The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Other investments – heritage assets
Other investments comprise fine art, documents, manuscripts and philately which are measured at cost as fair value cannot be reliably measured.

Investments in subsidiary companies
Investments in subsidiary companies are included at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors when there has been an indication of potential impairment.

Impairment of non-financial assets
The Group has significant investments in intangible assets, property, plant and equipment, investment properties, biological assets, associated companies, financial assets and other investments. These assets are tested for impairment when circumstances indicate there may be a potential impairment. Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually. Factors considered which could trigger an impairment review include a significant fall in market values, significant underperformance relative to historical or projected future operating results, a major change in market conditions or negative cash flows.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Inventories
Agricultural produce included within inventory largely comprises stock of 'black' tea. In accordance with IAS 41, on initial recognition, agricultural produce is required to be measured at fair value less estimated point of sale costs.

Other inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and selling expenses.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Discontinued operations and assets classified as held for sale
A discontinued operation is a separate major line of business or geographic area of operation that has either been disposed of, abandoned or is part of a plan to dispose of a major line of business or geographic area. An operation is classified as a discontinued operation in the year that the above criteria are met. In the consolidated Income Statement, profit/loss from discontinued operations is reported separately from the results from continuing operations. Prior periods Income Statement and cash flow are presented on a comparable basis.

Assets classified as held for sale are measured at the lower of the carrying amount and fair value less costs to sell.

Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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

Borrowings
Interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the Income Statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Lease liabilities
At the commencement date of the lease, the Group recognises lease liabilities measured at the present value

of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below £0.01 million). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Employee benefits
(i) Pension obligations
Group companies operate various pension schemes. The schemes are funded through payments to insurance companies or trustee-administered funds. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate fund. The Group has no legal or constructive obligations to pay further contributions to the fund. Contributions are recognised as an expense in the Income Statement when they are due.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The pension cost for defined benefit schemes is assessed in accordance with the advice of qualified independent actuaries using the "projected unit" funding method.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. Independent actuaries calculate the obligation annually using the "projected unit" funding method. Actuarial gains and losses arising from experience adjustments and changes in actuarial adjustments are recognised in full in the period in which they occur, they are not recognised in the Income Statement and are presented in the Statement of Comprehensive Income.

Past service costs are recognised directly in the Income Statement.

(ii) Other post-employment benefit obligations
Some Group companies have unfunded obligations to pay terminal gratuities to employees. Provisions are made for the estimated liability for gratuities as a result of services rendered by employees up to the balance sheet date and any movement in the provision is recognised in the Income Statement.

The estimated monetary liability for employees' accrued annual leave entitlement and workers profit participation at the balance sheet date is recognised as an accrual.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company’s equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company’s equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company’s equity holders.

Dividend distribution
Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders. Interim dividends are recognised when paid.

Critical accounting judgements and key sources of estimation uncertainty
In the view of the Directors, the following accounting judgements and estimations have been made in the process of applying the Group’s accounting policies which have a significant effect on the amounts recognised in financial statements.

Critical judgements in applying the Group's accounting policies
The following are critical judgements not being judgements involving estimations (which are dealt with below) that the Directors have made in the process of applying the Group's accounting policies.

Significant judgement in determining the reclassification of investment in associate to asset classified as held for sale
As announced in June 2023, the Company agreed the sale of its entire holding in BF&M to Bermuda Life Insurance Company Limited, a subsidiary of Argus Group Holdings Limited (“Argus”) for a cash consideration of $100m (the “Sale”), conditional on receipt of a number of regulatory and tax approvals. The Group’s interest was immediately classified as held for sale with effect from June 2023. The Group has not applied equity accounting in relation to its investment following this date and reversed £19.0m of its previously recorded impairment. Following the announcement of this proposed disposal, BF&M’s board implemented a shareholder rights agreement, the objective of which was to act as a ‘poison pill’ in the event of any new shareholder seeking to register a more than 15% shareholding without BF&M’s consent. This shareholder rights agreement has since been removed. However, BF&M thereafter separately announced a partnership with Equilibria Capital Management Limited (Argus’ major shareholder) under which Equilibria granted BF&M an exclusive option to acquire a 13.7% stake in Argus and BF&M has invested in a dedicated Equilibria investment fund which includes a 16.3% stake in Argus. The Group is contractually bound to complete the sale and remains committed to it. Whilst the events since signing of the agreement have extended the timetable for regulatory approvals the Board believes it is still highly probable that the sale will complete within one year.

Significant judgement in determining the lease term of contracts with renewal options
The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

Key sources of estimation uncertainty
Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting will, by definition, seldom equal the actual results. The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(i) Estimation of useful lives of bearer plants
Estimates and assumptions made to determine bearer plants carrying values and related depreciation are significant to the Group's financial position and performance. The annual depreciation charge is determined after estimating an asset's expected useful life and its residual value at the end of its life. The useful lives and residual values of the Group's bearer plants are determined by management at the time of acquisition or planting and reviewed annually for appropriateness. The Group derives useful economic lives based on experience of similar assets, including use of third party experts at the time of acquisition of assets. Climate change will also impact useful lives. In the short-term an increase in the volatility of weather patterns has the potential to increase plant deaths. Long-term these factors could reduce useful lives by suppressing yields and/or increasing the cost of taking mitigating actions. Emerging governmental policies relating to climate change are also considered when reviewing the appropriateness of useful economic lives. A decrease in the average useful life for all our bearer plants in aggregate by 10% or 20% would result in additional depreciation of £0.5 million or £1.0 million respectively.

(ii) Impairment of assets
The assessment of the recoverable amount for each group of CGUs is subject to a number of assumptions.

Periodic reviews of goodwill and other intangible and tangible assets for indications of impairment. The Group estimates the value in use of the cash-generating units to which the goodwill, intangible and tangible assets with indefinite/finite useful life are allocated. Estimating the value in use requires the Group, with the help of independent professional valuers where applicable, to make an estimate of the expected future cash flows from the cash-generating units and also to choose suitable discount rates in order to calculate the present value of those cash flows. Impairment tests are sensitive to forecasted EBITDA, growth rates and discount rates and changes in these assumptions may result in changes in recoverable values.

An impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing the asset. The Group had engaged independent professional valuers, where relevant to assess the fair values for certain assets using recognised valuation techniques.

Impairment tests are sensitive to forecasted EBITDA, growth rates and discount rates and changes in these assumptions may result in changes in recoverable values. The carrying amount of the Group's goodwill and indefinite/finite life intangible assets at the balance sheet date is disclosed in note 17 including sensitivity analysis.

The Group has recognised a value for BF&M above its market value, some of this surplus may need to be impaired if the disposal does not complete.

(iii) Biological assets
Biological assets are carried at fair value less estimated point-of-sale costs. Where meaningful market-determined prices do not exist to assess the fair value of biological assets, the fair value has been determined based on the net present value of expected future cash flows from those assets, discounted at appropriate pre-tax rates. In determining the fair value of biological assets where the discounting of expected future cash flows has been used, the Directors have made certain assumptions about expected life-span of the plantings, yields, selling prices, costs and discount rates. Details of assumptions made and sensitivity analysis are given in note 21.

(iv) Retirement benefit obligations
Pension accounting requires certain assumptions to be made in order to value obligations and to determine the impact on the Income Statement. These figures are particularly sensitive to assumptions for discount rates, life expectancy and inflation rates. Details of assumptions made and sensitivity analysis are given in note 37.

(v) Taxation and other liabilities
Income tax liabilities include a number of provisions including in respect of open tax years based on management's interpretation of country specific tax law and the likelihood of settlement. This can involve a significant amount of judgement as tax legislation can be complex and open to different interpretation. Management uses professional firms and previous experience when assessing tax risks. Where actual tax liabilities differ from the provisions, adjustments are made which can have a material impact on the Group's profits for the year. The Group records reasoned estimates of uncertain tax positions where it is assessed on the balance of probabilities that an adjustment is likely. It is not practicable to quantify the range of outcomes with the application of sensitivity analyses. Tax provision movements are disclosed in note 10. Significant unprovided contingent tax liabilities are disclosed in note 43.

Changes in accounting policy and disclosures
(i) New and amended standards adopted by the Group

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies
The Group has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities aris-ing from a Single Transaction
The Group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

Amendments to IAS 8 Accounting Polices, Changes in Accounting Estimates and Errors— Definition of Accounting Estimates
The Group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. The definition of a change in accounting estimates was deleted.

(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group
At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods, except as indicated below.

Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent’s profit or loss only to the extent of the unrelated investors’ interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current
The amendments to IAS 1, published in January 2020, affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants
The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements
The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- the terms and conditions of the arrangements;
- the carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements;
- the carrying amount, and associated line items for which the suppliers have already received payment from the finance providers;
- ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement; and
- liquidity risk information.

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback
The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an illustrative example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

NOTES TO THE ACCOUNTS

1 Business and geographical segments

The principal activities of the Group are as follows:

Agriculture Engineering

For management reporting purposes these activities form the basis on which the Group reports its primary divisions.

In addition, the Group holds a number of other investments including associates.

Segment information about these businesses is presented below:

	Agriculture		Engineering		Unallocated		Consolidated	
	2023	*2022*	2023	*2022*	2023	*2022*	2023	*2022*
Continuing operations	£'m	*£'m*	£'m	*£'m*	£'m	*£'m*	£'m	*£'m*
Revenue						*Restated*		*Restated*
External sales	255.6	*283.0*	15.7	*13.2*	1.0	*1.0*	272.3	*297.2*
Adjusted trading (loss)/profit	(8.1)	*15.5*	(0.3)	*(0.8)*	(9.7)	*(8.6)*	(18.1)	*6.1*
Separately disclosed items (note 4)	2.5	*–*		*–*	–	*–*	2.5	*–*
Trading (loss)/profit	(5.6)	*15.5*	(0.3)	*(0.8)*	(9.7)	*(8.6)*	(15.6)	*6.1*
Share of associates' results	–	*–*	–	*–*	3.4	*(3.7)*	3.4	*(3.7)*
Profit on disposal of assets classified as held for sale	–	*–*	–	*–*	2.1	*1.8*	2.1	*1.8*
Impairments of intangible assets, investment properties, property, plant and equipment and right-of-use assets	(9.2)	*(10.0)*	–	*–*	(0.2)	*(0.1)*	(9.4)	*(10.1)*
Reversal of impairment of investment in associate	–	*–*	–	*–*	19.0	*–*	19.0	*–*
Provisions and costs associated with the restructuring and dilapidations	(1.1)	*–*		*–*	–	*–*	(1.1)	*–*
Profit on disposal of financial assets	0.3	*0.3*	–	*–*	–	*–*	0.3	*0.3*
Operating (loss)/profit	(15.6)	*5.8*	(0.3)	*(0.8)*	14.6	*(10.6)*	(1.3)	*(5.6)*
Comprising								
– adjusted operating (loss)/profit before tax	(7.8)	*15.8*	(0.3)	*(0.8)*	(6.3)	*(12.3)*	(14.4)	*2.7*
– profit on disposal of assets classified as held for sale	–	*–*	–	*–*	2.1	*1.8*	2.1	*1.8*
– impairments of intangible assets, investment properties, property, plant and equipment and right-of-use assets	(9.2)	*(10.0)*	–	*–*	(0.2)	*(0.1)*	(9.4)	*(10.1)*
– reversal of impairment of investment in associate	–	*–*	–	*–*	19.0	*–*	19.0	*–*
– provisions and costs associated with the								

	Agriculture 2023	Agriculture 2022	Engineering 2023	Engineering 2022	Unallocated 2023	Unallocated 2022	Consolidated 2023	Consolidated 2022
restructuring and dilapidations	(1.1)	–	–	–	–	–	(1.1)	–
– release of creditor not required	2.5	–	–	–	–	–	2.5	–
	(15.6)	5.8	(0.3)	(0.8)	14.6	(10.6)	(1.3)	(5.6)
Investment income							2.9	0.4
Net finance income							2.2	0.9
Profit/(loss) before tax							3.8	(4.3)
Taxation							(5.2)	(12.2)
Loss for the year from continuing operations							(1.4)	(16.5)
Profit for the year from discontinued operations							–	7.6
Loss after tax							(1.4)	(8.9)
Other information								
Segment assets	284.4	373.9	11.1	10.8			295.5	384.7
Investments in associates							10.4	73.3
Unallocated assets							193.8	113.8
Consolidated total assets							499.7	571.8
Segment liabilities	(71.4)	(82.7)	(8.4)	(7.4)			(79.8)	(90.1)
Unallocated liabilities							(56.6)	(64.0)
Consolidated total liabilities							(136.4)	(154.1)

	Agriculture		Engineering		Unallocated		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
						Restated		Restated
Capital expenditure	10.6	14.1	–	0.3	0.4	2.5	11.0	16.9
Depreciation	(12.1)	(13.8)	(0.5)	(0.5)	(0.1)	(0.1)	(12.7)	(14.4)
Amortisation	(0.1)	(0.1)	–	–	–	–	(0.1)	(0.1)
Impairments	(9.2)	(10.0)	–	–	(0.2)	(0.1)	(9.4)	(10.1)
Reversal of impairment	–	–	–	–	19.0	–	19.0	–

Segment assets consist primarily of intangible assets, property, plant and equipment, investment properties, biological assets, prepaid operating leases, inventories, trade and other receivables and cash and cash equivalents. Receivables for tax have been excluded. Investments in associates, valued using the equity method, have been shown separately in the segment information. Segment liabilities are primarily those relating to the operating activities and generally exclude liabilities for taxes, short-term loans, finance leases and non-current liabilities.

Geographical segments

The Group operations are based in eight main geographical areas. The United Kingdom is the home country of the parent. The principal geographical areas in which the Group operates are as follows:

United Kingdom
Bangladesh
India
Kenya
Malawi
South Africa
Tanzania
South America

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major geographical regions:

	At a point in time		Over time		Total	
	2023	2022	2023	2022	2023	2022
	£'m	£'m	£'m	£'m	£'m	£'m
United Kingdom	54.2	54.1	0.9	0.9	55.1	55.0
Continental Europe	33.0	29.9	–	–	33.0	29.9
Bangladesh	18.5	24.2	–	–	18.5	24.2
India	83.4	97.5	–	–	83.4	97.5
Kenya	39.6	38.0	–	–	39.6	38.0
Malawi	5.0	6.9	0.1	0.1	5.1	7.0
South Africa	3.2	2.0	–	–	3.2	2.0
North America	2.2	8.4	–	–	2.2	8.4
South America	13.2	13.4	–	–	13.2	13.4
Other	19.0	21.8	–	–	19.0	21.8
	271.3	296.2	1.0	1.0	272.3	297.2

The following is an analysis of the carrying amount of segment assets and additions to property, plant and equipment and investment properties, analysed by the geographical area in which the assets are located:

	Carrying amount of segment assets	Additions to property, plant and equipment	Additions to investment properties

	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
United Kingdom	19.4	*55.9*	0.9	*1.6*	–	*2.5*
Bangladesh	45.5	*50.9*	2.0	*2.4*	–	–
India	94.6	*101.1*	2.7	*2.8*	–	–
Kenya	73.3	*96.4*	2.3	*3.8*	–	–
Malawi	29.4	*45.3*	0.3	*0.6*	–	–
South Africa	13.8	*15.9*	0.6	*1.4*	–	–
Tanzania	4.7	*4.1*	0.9	*1.1*	–	–
South America	14.8	*15.1*	1.3	*0.7*	–	–
Continuing	295.5	*384.7*	11.0	*14.4*	–	*2.5*
Discontinued - United Kingdom	–	*18.0*	–	*0.4*	–	–
	295.5	*402.7*	11.0	*14.8*	–	*2.5*

2 Revenue

An analysis of the Group's revenue is as follows:

	2023 £'m	*2022 £'m*
Sale of goods	255.6	*283.0*
Engineering services revenue	15.7	*13.2*
Property rental revenue	1.0	*1.0*
Total Group revenue	272.3	*297.2*
Other operating income	3.4	*4.4*
Investment income	2.9	*0.4*
Interest income	2.2	*2.0*
Total Group income	280.8	*304.0*

Disaggregation of revenue from contracts with customers:

	At a point in time		Over time	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Sale of goods	255.6	*283.0*	–	–
Engineering services revenue	15.7	*13.2*	–	–
Property rental revenue	–	–	1.0	*1.0*
Total Group revenue	271.3	*296.2*	1.0	*1.0*

3 Trading (loss)/profit

	2023 £'m	*2022 £'m*
The following items have been included in arriving at trading (loss)/profit:		
Employment costs (note 15)	115.0	*118.1*
Inventories:		
Cost of inventories recognised as an expense (included in cost of sales)	175.5	*181.8*
Cost of inventories provision recognised as an expense (included in cost of sales)	1.0	*2.7*
Fair value gain included in made Tea	0.6	–
Depreciation of property, plant and equipment:		
Owned assets	10.5	*13.4*
Right-of-use assets	2.2	*2.7*
Amortisation of intangibles (included in administrative expenses)	0.1	*0.1*
Gain from change in fair value of non-current biological assets	2.2	*1.5*
(Loss)/profit on disposal of property, plant and equipment	(0.4)	*0.1*
Profit on disposal of investment property	0.3	*0.1*
Repairs and maintenance expenditure on property, plant and equipment	8.8	*9.9*

Currency exchange losses/(gains) charged/(credited) to income include:		
Revenue	1.3	*(0.4)*
Cost of sales	(2.0)	*0.3*
Distribution costs	(0.4)	*(0.2)*
Administrative expenses	0.1	–
Other operating income	–	*(0.1)*
Finance income and costs	(3.4)	*(1.5)*
	(4.4)	*(1.9)*

During the year the Group (including its overseas subsidiaries) obtained the following services from the Company's auditor and its associates:

Audit services:		
Statutory audit:		
Parent company and consolidated financial statements	0.5	*0.5*
Subsidiary companies	0.8	*0.9*
	1.3	*1.4*

4 Adjusted (loss)/profit

The Group's income statement and segmental analysis separately identify a number of Alternative Performance Measures (APMs) in addition to those reported under IFRS. The Directors believe that the presentation of the results in this way, which is not meant to be a substitute for or superior to IFRS measures, is relevant to an understanding of the Group's underlying trends, financial performance and position. These APMs are also used to enhance the comparability of information between reporting periods and the Group's divisions, by adjusting for non-recurring or uncontrollable factors which affect IFRS measures, to aid the user in understanding the underlying performance. Our KPIs are aligned to our strategy. Consequently, APMs are consistent with how the business performance is planned and reported internally to the Board and Operating Committees to aid their decision making.

	2023 £'m	*2022 £'m Restated*
Trading (loss)/profit	(15.6)	*6.1*
Exceptions or items considered non-operational:		
Release of creditor not required	2.5	*–*
Adjusted trading (loss)/profit	(18.1)	*6.1*
Operating loss	(1.3)	*(5.6)*
Exceptions or items considered non-operational:		
Release of creditor not required	2.5	*–*
Profit on disposal of assets classified as held for sale	2.1	*1.8*
Reversal of impairment of investment in associate	19.0	*–*
Impairments of intangible assets, investment properties, property, plant and equipment and right-of-use assets	(9.4)	*(10.1)*
Provisions and costs associated with restructuring and dilapidations	(1.1)	*–*
Adjusted operating (loss)/profit before tax	(14.4)	*2.7*
Investment income	2.9	*0.4*
Net finance income	2.2	*0.9*
Adjusted (loss)/profit before tax	(9.3)	*4.0*

The following items have been excluded from the adjusted (loss)/profit measure and have been separately disclosed:

- A £2.5 million credit to costs of sales in relation to a tea cess creditor, which had been provided for over a number of years and was subject to a court appeal. During 2023, this accrual has been reversed, following an agreement with the local government
- During the year, assets previously classified as held for sale which included properties owned by Bardsley and a number of the Group's art and manuscripts have been sold, realising a profit of £2.1 million
- Reversal of impairment of the Group's investment in BF&M Limited (note 23) of £19.0 million
- Impairment charges of £7.8 million in relation to the property, plant and equipment and right-of-use assets relating to Bardsley which arose following the decision to wind down the operation
- An impairment charge of £1.1 million has been recognised in relation to the Jing Tea brand reflecting lower than anticipated growth expectations
- An impairment charge of £0.3 million has been recognised in relation to the goodwill on the acquisition of a tea estate in India, following a reassessment of achievable future yields
- An impairment charge of £0.2 million in relation to investment properties
- £0.6 million of restructuring costs incurred in early 2023 and £0.5 million of dilapidation provisions provided in relation to leased properties in relation to Bardsley

In 2022, the following items were excluded from the adjusted profit measure and were separately disclosed:

- During the year, assets previously classified as held for sale including a London property and a number of the Group's heritage assets and other items of art have been sold, realising a profit of £1.8 million
- Impairment charges of £10.0 million in relation to the goodwill and property, plant and equipment relating to Bardsley which arose from lower expected profitability of the operation
- An impairment charge of £0.1 million in relation to one of the Group's investment properties

5 Share of associates' results

The Group's share of the results of associates is analysed below:

	2023 £'m	*2022* *£'m* *Restated*
Profit/(loss) before tax	3.9	*(3.3)*
Taxation	(0.5)	*(0.4)*
Profit after tax	3.4	*(3.7)*

See page 63 for explanation in relation to restatement.

6 Profit on disposal of assets classified as held for sale

During the year, properties owned by Bardsley and a number of the Group's heritage assets and other items of art have been sold, realising a profit of £2.1 million. Total cash consideration was £3.7 million, of which £1.0 million was received during 2023 and £2.7 million was received in early 2024.

7 Impairments of intangible assets, investment properties, property, plant and equipment and right-of-use assets

Impairment charges relating to Bardsley of £7.8 million (2022: £10.0 million) were recognised, of which £4.5 million (2022: £6.4 million) relates to property, plant and equipment, £3.3 million (2022: £nil) relates to right-of-use assets and £nil (2022: £3.6 million) related to goodwill. These have arisen due to the decision to wind down the operation as further discussed on page 8.

An impairment charge of £1.1 million due to lower than anticipated growth expectations, has been recognised in relation to the brand associated with Jing Tea, a UK subsidiary which operates within the global tourism and hospitality sector. A sensitivity analysis in relation to the brand impairment is set out in note 17.

Following the Group's annual impairment test and a reassessment of expected future yields, an impairment charge of £0.3 million has been recognised in relation to the goodwill on the acquisition of a tea estate in India. The carrying value of this goodwill is now £nil.

In addition, an impairment charge of £0.2 million (2022:£0.1 million) was incurred in relation to UK investment properties.

8 Provisions and costs associated with restructuring and dilapidations

On 4 January 2024, the Group announced that Bardsley was consulting with its employees on a proposed orderly wind down of the business. This consultation has completed, with closure of all its operations expected in Q2 2024. Dilapidation provisions of £0.5 million have been provided in relation to leased properties. In addition £0.6 million of restructuring costs were incurred in early 2023 in relation to an earlier restructuring. The costs in relation to the closure of Bardsley including redundancy costs will be recognised in 2024.

9 Finance income and costs

	2023 £'m	*2022* *£'m*
Interest payable on loans and bank overdrafts	(2.2)	*(1.3)*
Interest payable on leases	(0.7)	*(0.8)*
Other interest payable	(0.1)	*(0.1)*
Finance costs	(3.0)	*(2.2)*
Finance income - interest income on short-term bank deposits	2.2	*2.0*
Net exchange gain on foreign cash balances	3.4	*1.5*
Employee benefit expense (note 37)	(0.4)	*(0.4)*
Net finance income	2.2	*0.9*

10 Taxation

Analysis of charge in the year	2023	*2022*

	£'m	£'m	*£'m*
Current tax			
UK corporation tax			
UK corporation tax at 23.50 per cent. (2022: 19.00 per cent.)	–		*–*
Use of losses to shelter capital gain on disposal of financial assets	–		*(0.2)*
		–	*(0.2)*
Foreign tax			
Corporation tax	6.9		*9.1*
Adjustment in respect of prior years	(0.7)		*–*
		6.2	*9.1*
Total current tax		6.2	*8.9*
Deferred tax			
Origination and reversal of timing differences			
United Kingdom	(0.1)		*3.7*
Overseas	(0.9)		*(0.4)*
		(1.0)	*3.3*
Tax on profit/(loss) from ordinary activities		5.2	*12.2*

	2023	*2022*
Factors affecting tax charge for the year	£'m	*£'m*
Profit/(loss) before tax	3.8	*(3.7)*
Share of associated undertakings (profit)/loss	(3.4)	*3.1*
Group profit/(loss) before tax	0.4	*(0.6)*
Tax at the standard rate of corporation tax in the UK of 23.50 per cent. (2022: 19.00 per cent.)	0.1	*(0.1)*
Effects of:		
Adjustment to tax in respect of prior years	(0.9)	*(0.7)*
Utilisation of tax losses not previously recognised	0.5	*–*
Expenses not deductible for tax purposes	0.4	*0.3*
Net (impairment reversals)/impairments not (chargeable)/ deductible for tax purposes	(2.3)	*1.9*
Adjustment in respect of foreign tax rates	0.3	*0.8*
Additional tax arising on dividends from overseas companies	0.7	*1.7*
Profits on disposals not subject to tax	–	*(0.2)*
Other income not charged to tax	(0.5)	*(0.4)*
Change in deferred tax not recognised	6.8	*3.7*
Increase in tax losses carried forward	–	*3.7*
Movement in other timing differences	0.1	*1.5*
Total tax charge for the year	5.2	*12.2*

In 2022 the tax charge includes a deferred tax charge of £3.7 million relating to the reversal of deferred tax losses able to be utilised to offset losses in the UK pension scheme surplus recognised through other comprehensive income where the related equal and opposite charge arises in the Statement of Comprehensive Income.

The tax charge includes a credit of £0.4m (2022: £0.4 million) relating to the recognition of deferred tax losses able to be utilised to offset gains in value of financial assets at fair value through other comprehensive income where the related equal and opposite charge arises in the Statement of Comprehensive Income.

11 Discontinued operations

On 16 December 2022, the Group entered into an unconditional agreement to sell Associated Cold Stores & Transport Limited, which was the Group's Food Service operation. The disposal, which completed on 10 January 2023, was effected in order to support the Group's strategy of focussing its investment activity on its core agriculture operations and for general working capital purposes. The effective date of the transaction is 26 November 2022. Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposal, are disclosed in note 41.

The results of the discontinued operations, which were included in the profit for 2022, were as follows:

	Period ending 26 November 2022 £'m
Revenue	*23.7*
Cost of sales	*(18.4)*
Gross profit	*5.3*

Other operating income	–
Administrative expenses	*(4.0)*
Profit on disposal of property, plant and equipment	*0.5*
Net finance costs	*(0.1)*
Profit before tax	*1.7*
Profit on disposal of discontinued operations	*3.8*
Attributable tax credit	*2.1*
Net profit attributable to discontinued operations (attributable to owners of the Company)	*7.6*

In 2022, Associated Cold Stores & Transport Limited contributed £4.0 million to the Group's net operating cash flows, paid £0.3 million in respect of investing activities and paid 2022: £0.4 million) in respect of financing activities.

In 2022, a profit of £3.8 million arose on the disposal of Associated Cold Stores & Transport Limited, being the difference between the proceeds of disposal and the carrying amount of the subsidiary's net assets at the effective date of disposal.

12 Profit/(loss) for the year

	2023 £'m	*2022 £'m*
The profit/(loss) of the Company was:	4.5	*(1.6)*

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 not to disclose its income statement.

13 Equity dividends

Amounts recognised as distributions to equity holders in the period:	2023 £'m	*2022 £'m*
Final dividend for the year ended 31 December 2022 of 102p (2021: 102p) per share	2.8	*2.8*
Interim dividend for the year ended 31 December 2023 of 44p (2022: 44p) per share	1.2	*1.2*
	4.0	*4.0*

Dividends amounting to £0.1 million (2022: £0.1 million) have not been included as group companies hold 62,500 issued shares in the Company. These are classified as treasury shares.

Proposed final dividend for the year ended 31 December 2023 of nil (2022: 102p) per share	–	*2.8*

14 Loss per share (EPS)

	Loss £'m	2023 Weighted average number of shares Number	EPS Pence	*Loss £'m Restated*	*2022 Weighted average number of shares Number*	*EPS Pence Restated*
Basic and diluted EPS						
Attributable to ordinary shareholders - continuing operations	(3.7)	2,762,000	(134.0)	*(21.2)*	*2,762,000*	*(767.6)*
Attributable to ordinary shareholders - continuing and discontinued operations	(3.7)	2,762,000	(134.0)	*(13.6)*	*2,762,000*	*(492.4)*

Basic and diluted earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period, excluding those held by the Group as treasury shares (note 38).

15 Employees

	Continuing operations		Continuing and discontinued operations	
	2023	*2022*	2023	*2022*

	Number	*Number*	Number	*Number*
Average number of employees by activity:				
Agriculture	80,628	*79,447*	80,628	*79,447*
Engineering	124	*132*	124	*132*
Food Service	–	*–*	–	*246*
Central Management	31	*35*	31	*35*
	80,783	*79,614*	80,783	*79,860*

		2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Employment costs:					
Wages and salaries		103.8	*107.9*	103.8	*115.1*
Social security costs		2.6	*2.2*	2.6	*2.9*
Employee benefit obligations (note 37)	– UK	0.8	*0.6*	0.8	*1.2*
	– Overseas	7.8	*7.4*	7.8	*7.4*
		115.0	*118.1*	115.0	*126.6*

Total remuneration paid to key employees who are members of the Executive Committees, excluding Directors of Camellia Plc, amounted to £1.9 million (2022: £1.9 million).

16 Emoluments of the Directors

	2023 £'m	*2022 £'m*
Aggregate emoluments excluding pension contributions	2.1	*2.6*

Emoluments of the highest paid director excluding pension contributions were £0.6 million (2022: £1.0 million), which included a loss of office payment of £0.1 million (2022: £0.7 million).

Further details of directors' emoluments are set out on pages 53 to 54.

17 Intangible assets

Group	Goodwill £'m	Brands £'m	Computer software £'m	Total £'m
Cost				
At 1 January 2022	*4.9*	*8.7*	*1.3*	*14.9*
Subsidiary leaving the group	*–*	*–*	*(0.7)*	*(0.7)*
At 1 January 2023	4.9	8.7	0.6	14.2
Exchange differences	(0.1)	(0.1)	–	(0.2)
Additions	–	–	0.1	0.1
At 31 December 2023	4.8	8.6	0.7	14.1
Amortisation				
At 1 January 2022	*0.3*	*3.5*	*1.0*	*4.8*
Charge for the year	*–*	*–*	*0.1*	*0.1*
Subsidiary leaving the group	*–*	*–*	*(0.6)*	*(0.6)*
Impairment provision	*3.6*	*–*	*–*	*3.6*
At 1 January 2023	3.9	3.5	0.5	7.9
Charge for the year	–	–	0.1	0.1
Impairment provision	0.3	1.1	–	1.4
At 31 December 2023	4.2	4.6	0.6	9.4
Net book value at 31 December 2023	0.6	4.0	0.1	4.7
Net book value at 31 December 2022	*1.0*	*5.2*	*0.1*	*6.3*

In accordance with the Group's accounting policy, goodwill and intangible assets are tested annually for impairment. As a result of this testing, an impairment of £0.3 million was made in relation to the goodwill on acquisition of a tea estate acquired in Assam India and £1.1 million was made in relation to a brand owned relating to Jing Tea, following a reassessment of achievable future yields and growth expectations respectively.

Goodwill consists of the following:

Segment	Cash Generating Unit (CGU)	2023 Net Book Value £'m	*2022 Net Book Value £'m*

Agriculture	Tea estates acquired in Assam, India	0.6	*1.0*

Tea estates acquired in Assam, India
The recoverable value was considered to exceed the carrying value by £0.4 million. The valuation is based on multiples of the annual average crop production of the relevant estates. A change in either the multiple or the average crop would create a possibility of an impairment, as they are variables in the calculation of the estate value (rate multiplied by average production). But keeping one factor constant, the other factor would have to go down by 6.5% for an impairment to arise.

Intangibles comprise brands owned relating to Jing Tea with a net book value of £2.1 million and £1.9 million for the Indian packet tea operations. The brands are assessed to have indefinite lives.

Indian brands
The fair value less costs to sell of the Indian packet tea brands were significantly in excess of the carrying value. The underlying cash flow supporting this fair value is dependent on growth assumed for each of volumes, selling price, costs and overheads. The degree of change required in the various assumptions to bring about a possible impairment is considered to be improbable based on current management estimates and therefore no reasonably possible change in the key assumptions would result in an impairment.

Jing Tea
The fair value of the brand owned by Jing Tea was calculated using the Royalty Forgiven methodology. This is sensitive to input assumptions, particularly in relation to future growth, notably customer demand growth. A range of scenarios has been considered and the recoverable amount derived from these shows a recoverable amount in excess of the carrying value. The key assumptions and sensitivities are set out below:

	Assumption	Change in assumption Impact on fair value of the brand +1% £'m	–1% £'m
Royalty rate	3.2%	0.7	(0.7)
Discount rate	11.5%	(0.2)	0.3

If forecasted revenues were to change by +/-10 % in every year it would have the effect of a decrease/increase in the fair value of the brand of £0.2 million.

Bardsley
The valuation of the goodwill associated with Bardsley was re-assessed in 2022 due to the impact of inflation arising from the Ukraine war on the expected profitability of the business. The recoverable value of the goodwill was considered to be £nil.

18 Property, plant and equipment

Group	Bearer plants £'m	Land and buildings £'m	Plant and machinery £'m	Fixtures, fittings and equipment £'m	Total £'m
Deemed cost					
At 1 January 2022	*135.6*	*110.8*	*103.3*	*16.1*	*365.8*
Exchange differences	*(4.1)*	*0.1*	*0.3*	*0.1*	*(3.6)*
Additions	*5.7*	*2.9*	*5.3*	*0.9*	*14.8*
Disposals	*(0.2)*	*(0.6)*	*(3.8)*	*(0.3)*	*(4.9)*
Transfer between categories	–	*(0.1)*	*0.1*	–	–
Subsidiary leaving the group	–	*(31.4)*	*(15.7)*	*(2.4)*	*(49.5)*
Reclassification to held for sale	–	*(0.8)*	–	–	*(0.8)*
At 1 January 2023	137.0	80.9	89.5	14.4	321.8
Exchange differences	(26.0)	(9.9)	(11.5)	(1.4)	(48.8)
Additions	4.3	2.6	3.2	0.9	11.0
Disposals	(1.1)	(0.1)	(1.6)	(0.6)	(3.4)
Transfer between categories	–	(0.2)	1.1	(0.9)	–
Reclassification from investment properties	–	1.0	–	–	1.0
At 31 December 2023	114.2	74.3	80.7	12.4	281.6
Depreciation					
At 1 January 2022	*32.2*	*54.7*	*67.5*	*9.3*	*163.7*
Exchange differences	*(1.3)*	*(0.1)*	*0.2*	*0.1*	*(1.1)*
Charge for the year	*4.5*	*2.4*	*5.7*	*0.8*	*13.4*
Disposals	*(0.1)*	*(0.3)*	*(3.1)*	*(0.3)*	*(3.8)*
Subsidiary leaving the group	–	*(26.1)*	*(13.6)*	*(1.5)*	*(41.2)*
Reclassification to held for sale	–	*(0.1)*	–	–	*(0.1)*

Impairment provision	*2.7*	*0.6*	*3.0*	*0.1*	*6.4*
At 1 January 2023	38.0	31.1	59.7	8.5	137.3
Exchange differences	(8.0)	(4.1)	(7.2)	(1.0)	(20.3)
Charge for the year	3.8	1.9	4.3	0.5	10.5
Disposals	(0.6)	(0.5)	(0.7)	(0.4)	(2.2)
Transfer between categories	–	0.2	0.2	(0.4)	–
Impairment provision	0.5	2.6	1.1	0.3	4.5
At 31 December 2023	33.7	31.2	57.4	7.5	129.8
Net book value at 31 December 2023	80.5	43.1	23.3	4.9	151.8
Net book value at 31 December 2022	*99.0*	*49.8*	*29.8*	*5.9*	*184.5*
Assets in the course of construction included in the above:					
2022					
Additions	*3.9*	*0.9*	*1.4*	*0.2*	*6.4*
Net book value at 31 December 2022	*9.7*	*0.7*	*0.9*	*–*	*11.3*
2023					
Exchange differences	(1.1)	(0.1)	(0.1)		(1.3)
Additions	3.2	1.2	0.9	0.1	5.4
Transfer upon completion	(1.9)	(1.0)	(1.5)	(0.1)	(4.5)
Disposals	(0.2)	–	–	–	(0.2)
Impairment provision	(0.5)	(0.1)	–	–	(0.6)
Net book value at 31 December 2023	9.2	0.7	0.2	–	10.1

The impairment of £4.5 million (2022: £6.4 million) relates to Bardsley and arose from the decision to wind down the operation.

19 Right-of-use assets

	Land and buildings £'m	Plant and machinery £'m	Total £'m
Group			
Deemed cost			
At 1 January 2022	*29.5*	*2.4*	*31.9*
Exchange differences	*0.1*	*–*	*0.1*
Additions	*0.3*	*1.4*	*1.7*
Disposals	*(0.2)*	*(0.4)*	*(0.6)*
Subsidiary leaving the group	*(1.3)*	*(1.1)*	*(2.4)*
At 1 January 2023	28.4	2.3	30.7
Exchange differences	(0.9)	(0.2)	(1.1)
Additions	1.0	0.5	1.5
Disposals	(11.3)	(0.5)	(11.8)
At 31 December 2023	17.2	2.1	19.3
Depreciation			
At 1 January 2022	*2.1*	*1.0*	*3.1*
Charge for the year	*1.9*	*0.8*	*2.7*
Disposals	*(0.1)*	*(0.2)*	*(0.3)*
Subsidiary leaving the group	*(0.5)*	*(0.4)*	*(0.9)*
At 1 January 2023	3.4	1.2	4.6
Exchange differences	(0.1)	(0.1)	(0.2)
Charge for the year	1.6	0.6	2.2
Disposals	(2.6)	(0.5)	(3.1)
Impairment provision	2.9	0.4	3.3
At 31 December 2023	5.2	1.6	6.8
Net book value at 31 December 2023	12.0	0.5	12.5
Net book value at 31 December 2022	*25.0*	*1.1*	*26.1*

The impairment of £3.3 million (2022: £nil) relates to Bardsley and arose from the decision to wind down the operation.

The Group leases many assets including land, buildings and plant. The average lease term is 73 years (2022: 74 years).

Leases that expired in the year and were replaced by new leases for identical or the same underlying assets resulted in additions to right-of-use assets of £1.1 million (2022: £1.4 million).

The maturity analysis of lease liabilities is presented in note 34.

	2023	*2022*

	£'m	*£'m*
Amounts recognised in the consolidated income statement:		
Interest expense on lease liabilities	0.7	*0.8*
Expense relating to short-term leases	0.1	*0.2*

20 Investment properties

	£'m
Group	
Cost	
At 1 January 2022	*24.5*
Additions	*2.5*
At 1 January 2023	27.0
Disposals	(0.1)
Reclassification to property, plant and equipment	(1.0)
Reclassification to held for sale	(1.8)
At 31 December 2023	24.1
Depreciation	
At 1 January 2022	*1.4*
Charge for the year	*0.1*
Impairment provision	*0.1*
At 1 January 2023	1.6
Reclassification to held for sale	(1.0)
Impairment provision	0.2
At 31 December 2023	0.8
Net book value at 31 December 2023	23.3
Net book value at 31 December 2022	*25.4*

Included in revenue is £1.0 million (2022: £1.0 million) of rental income generated from investment properties. Direct operating expenses relating to the investment property, the majority of which generated rental income in the period, amounted to £0.3 million (2022: £0.3 million).

At the end of the year the fair value of investment properties was £39.3 million (2022: £35.1 million) based on vacant possession. Investment properties were valued by the Directors (fair value hierarchy Level 2).

21 Biological assets

Non-current:	Forestry £'m	Livestock £'m	Total £'m
Group			
At 1 January 2022	*12.4*	*1.0*	*13.4*
Exchange differences	*(0.1)*	–	*(0.1)*
Additions	*0.2*	–	*0.2*
Gains arising from changes in fair value less estimated point-of-sale costs	*1.1*	*0.4*	*1.5*
Decreases due to harvesting/sales	*(0.6)*	*(0.3)*	*(0.9)*
At 1 January 2023	13.0	1.1	14.1
Exchange differences	(3.9)	(0.3)	(4.2)
Additions	0.4	–	0.4
Gains arising from changes in fair value less estimated point-of-sale costs	1.9	0.3	2.2
Decreases due to harvesting/sales	(1.0)	(0.3)	(1.3)
At 31 December 2023	10.4	0.8	11.2

Current:	2023 £'m	*2022 £'m*
Group		
Tea	0.4	*0.4*
Macadamia	2.1	*2.5*
Soya	3.3	*5.3*
Avocado	2.8	*2.5*
Other	0.2	*0.1*
	8.8	*10.8*

Biological assets are carried at fair value. Where meaningful market-determined prices do not exist to assess the fair value of biological assets, the fair value has been determined based on the net present value of expected future cash flows from those assets, discounted at appropriate pre-tax rates. In determining the fair value of biological assets where the discounting of expected future cash flows has been used, the Directors have made certain assumptions about the expected life-span of the plantings, yields, selling prices and costs taking account of variety of factors including the related impact of weather patterns. There are no individually significant unobservable inputs. The fair value of livestock is based on market prices of livestock of similar age and sex.

New planting additions represent new areas planted to the particular crop at cost.

As at 31 December 2023 the area planted to Forestry amounted to 5,586 Hectares (2022: 5,798) from which 171,375 cubic metres (2022: 145,856) were harvested during the year.

Livestock numbers were 4,506 head (2022: 4,246) at 31 December 2023.

Fair value measurement
All of the biological assets fall under level 3 of the hierarchy defined in IFRS 13.

The basis upon which the valuations are determined is set out in accounting policies on page 67.

Valuations by external professional valuers and those derived from discounted cash flows both make assumptions based on observable inputs of: yields, an increase in which will raise the value; costs, an increase in which will decrease the value; market prices, an increase in which will raise the value; life span of the plantings, an increase in which will raise the value; discount rates, an increase in which will decrease the value. These assumptions vary significantly across different countries, crops and varieties. In preparing these valuations a long term view is taken on the yields and prices achievable.

The fair value of biological assets is sensitive to these assumptions, the more significant of which are as follows:

Non-current:

- Forestry - a 10% movement in the market price for trees or volume of trees assumed would result in a £1.0 million (2022: £1.3 million) increase/decrease in the fair value of forestry.

Current:

- Macadamia - a 10% increase/decrease in the volumes or the prices assumed would result in a £0.5 million (2022: £1.1 million) increase/decrease in the fair value of macadamia growing crop.
- Avocados - a 10% increase/decrease in the volumes assumed would result in a £0.5 million (2022: £0.2 million) increase/decrease in the fair value of Hass avocados growing crop. A 10% increase/decrease in selling price assumed would result in a £0.7 million (2022: £0.3 million) increase/decrease in the fair value of Hass avocados growing crop.
- Soya - a 10% increase/decrease in the volume or the price assumed would result in a £0.3 million (2022: £0.6 million) increase/decrease in the fair value of soya growing crop.

Financial risk management strategies
The Group is exposed to financial risks arising from changes in the prices of the agricultural products it produces. There are no futures markets available for the majority of crops grown by the Group. The Group's exposure to this risk is, in part, mitigated by the geographical spread of its operations, selective forward selling in certain instances when considered appropriate, and regular reviews of available market data on sales and production. The Group monitors closely the returns it achieves from its crops and considers replacing its biological assets when yields decline with age or markets change.

Further financial risk arises from changes in market prices of key cost components. Such costs are closely monitored.

22 Investments in subsidiaries

	2023 £'m	*2022* *£'m*
Company		
Cost		
At 1 January and 31 December	73.5	*73.5*

23 Investments in associates

	2023 £'m	*2022* *£'m* *Restated*
Group		

	2023	2022
At 1 January	99.0	*98.9*
Adoption of IFRS 17	–	*(2.9)*
At 1 January restated	99.0	*96.0*
Exchange differences	(4.1)	*9.4*
Share of profit/(loss) (note 5)	3.4	*(3.7)*
Dividends	(1.0)	*(3.2)*
Other equity movements	–	*0.5*
Reclassification to held for sale	(86.9)	–
At 31 December	10.4	*99.0*
Provision for diminution in value		
At 1 January	29.6	*26.3*
Exchange differences	(0.9)	*3.3*
Reversal of impairment	(19.0)	–
Reclassification to held for sale	(9.7)	–
At 31 December	–	*29.6*
Net book value at 31 December	10.4	*69.4*

See page 63 for explanation in relation to restatement.

On 6 June 2023, the Group entered into an agreement to sell it's entire holding in BF&M Limited, to Bermuda Life Insurance Company Limited, subject to regulatory and tax approvals. Net proceeds are estimated to be approximately US$95.8 million and the transaction is expected in be completed in Q2 2024. As a result of this, £19.0 million of impairments previously provided for, have been reversed and credited to the income statement. This investment has been reclassified as held for sale and is no longer equity accounted.

Details of the Group's associates are shown in note 45.

The Group's share of the results of its principal associates and its share of the assets (including goodwill) and liabilities are as follows:

	Country of incorporation	Assets £'m	Liabilities £'m	Revenues £'m	(Loss)/ profit £'m	Interest held %	Market value £'m
2023							
Listed							
United Finance Limited	Bangladesh	78.5	(70.2)	2.6	0.4	38.4	8.1
United Insurance Company Limited	Bangladesh	3.9	(1.8)	0.3	(0.1)	37.0	5.3
		82.4	(72.0)	2.9	0.3		13.4
2022							
Listed							
BF&M	Bermuda	*665.5*	*(574.4)*	*41.2*	*(3.7)*	*36.9*	*59.3*
United Finance Limited	Bangladesh	*83.8*	*(74.6)*	*3.1*	*0.5*	*38.4*	*9.2*
United Insurance Company Limited	Bangladesh	*4.4*	*(1.8)*	*0.3*	*0.1*	*37.0*	*6.1*
		753.7	*(650.8)*	*44.6*	*(3.1)*		*74.6*

24 Equity investments at fair value through other comprehensive income

	Group 2023 £'m	Group *2022 £'m*	Company 2023 £'m	Company *2022 £'m*
Cost or fair value				
At 1 January	26.4	*28.4*	0.2	*0.2*
Exchange differences	(2.9)	*2.7*	–	–
Fair value adjustment	5.1	*(2.6)*	–	–
Additions	4.1	*0.1*	–	–
Disposals	(1.0)	*(1.1)*	–	–
Fair value adjustment for disposal	(0.4)	*(1.1)*	–	–
At 31 December	31.3	*26.4*	0.2	*0.2*
Provision for diminution in value				
At 1 January	0.7	*0.7*	0.2	*0.2*
Exchange differences	–	*0.1*	–	–

Disposals	–	*(0.1)*	–	*–*
At 31 December	0.7	*0.7*	0.2	*0.2*
Net book value at 31 December	30.6	*25.7*	–	*–*

The disposal during the year arose following the Group taking advantage of one of its investments undertaking a share buy back.

Equity investments at fair value through other comprehensive income include the following:

	Group	
	2023	*2022*
	£'m	*£'m*
Listed securities:		
Equity securities - Bermuda	–	*0.9*
Equity securities - Japan	8.7	*7.2*
Equity securities - Switzerland	8.6	*8.5*
Equity securities - US	2.2	*2.0*
Equity securities - India	1.0	*0.8*
Equity securities - Europe	0.5	*0.5*
Equity securities - United Kingdom	9.2	*5.4*
Equity securities - Other	0.4	*0.4*
	30.6	*25.7*

Equity investments at fair value through other comprehensive income are denominated in the following currencies:

	Group	
	2023	*2022*
	£'m	*£'m*
Sterling	9.2	*5.4*
US Dollar	2.2	*2.0*
Euro	0.5	*0.5*
Swiss Franc	8.6	*8.5*
Indian Rupee	1.0	*0.8*
Bermudian Dollar	–	*0.9*
Japanese Yen	8.7	*7.2*
Other	0.4	*0.4*
	30.6	*25.7*

25 Money market investments at fair value through profit or loss

	Group	
	2023	*2022*
	£'m	*£'m*
At 1 January	8.6	*9.9*
Exchange differences	(0.3)	*0.2*
Fair value adjustment	0.3	*0.3*
Additions	2.0	*2.8*
Disposals	(4.1)	*(4.6)*
At 31 December	6.5	*8.6*

Money market investments at fair value through profit or loss include the following:

	Group	
	2023	*2022*
	£'m	*£'m*
Listed securities:		
Money market - Bermuda	0.1	*0.1*
Money market - Brazil	0.6	*0.6*
Money market - India	5.8	*7.9*

	2023	2022
	6.5	*8.6*

Money market investments at fair value through profit or loss are denominated in the following currencies:

	Group	
	2023	*2022*
	£'m	*£'m*
US Dollar	0.1	*0.1*
Brazil Real	0.6	*0.6*
Indian Rupee	5.8	*7.9*
	6.5	*8.6*
Current	–	*1.3*
Non-Current	6.5	*7.3*
	6.5	*8.6*

26 Debt investments at amortised cost

	Group	
	2023	*2022*
	£'m	*£'m*
At 1 January	1.3	*2.6*
Exchange differences	(0.3)	*0.1*
Disposals	–	*(1.4)*
At 31 December	1.0	*1.3*

Debt investments at amortised cost comprises:

	2023	*2022*
	£'m	*£'m*
Treasury infrastructure bonds - 12.5% interest payable twice yearly and redeemable in November 2024 - Kenya	1.0	*1.3*
	1.0	*1.3*
Current	1.0	*–*
Non-Current	–	*1.3*
	1.0	*1.3*

27 Other investments - heritage assets

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Cost				
At 1 January	8.8	*8.7*	8.9	*8.8*
Additions	–	*0.1*	–	*0.1*
Reclassification to held for sale	(1.3)	*–*	(1.3)	*–*
At 31 December	7.5	*8.8*	7.6	*8.9*

Heritage assets comprise the Group's and Company's investment in fine art, philately, documents and manuscripts. The market value of these collections is expected to be in excess of book value.

28 Inventories

	2023	*2022*
	£'m	*£'m*
Group		
Made Tea	26.8	*26.3*
Other agricultural produce	6.2	*13.3*
Work in progress	0.1	*0.1*
Trading stocks	1.2	*1.3*
Raw materials and consumables	15.1	*19.4*
	49.4	*60.4*

Made tea inventories include the fair value of green leaf which includes a fair value uplift of £0.6 million (2022: £nil). Inventories are net of £1.0 million (2022: £2.7 million) provision which has been recognised as an expense.

29 Trade and other receivables

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Group				
Current:				
Trade receivables	25.9	*29.2*	–	–
Amounts owed by associated undertakings	0.2	*0.1*	–	–
Other receivables*	4.5	*23.6*	–	–
Prepayments	9.8	*10.1*	–	–
Accrued income	7.8	*4.6*	3.1	*0.2*
	48.2	*67.6*	3.1	*0.2*

* Included within other receivables in 2022 is £16.6 million of deferred consideration which was received in January 2023 in relation to the disposal of Associated Cold Stores & Transport Limited, see note 41.

Non-current:				
Other receivables	2.7	*3.1*	–	–

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	Group		*Company*	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Current:				
Sterling	13.4	*29.5*	3.1	*0.2*
US Dollar	8.7	*7.7*	–	–
Euro	0.5	*0.9*	–	–
Kenyan Shilling	2.1	*2.3*	–	–
Indian Rupee	16.4	*17.9*	–	–
Malawian Kwacha	1.2	*1.7*	–	–
Bangladesh Taka	2.7	*3.4*	–	–
South African Rand	0.3	*0.2*	–	–
Brazilian Real	1.9	*3.1*	–	–
Other	1.0	*0.8*	–	–
	48.2	*67.5*	3.1	*0.2*
Non-current:				
Sterling	–	*0.3*		
Kenyan Shilling	0.5	*0.6*		
Indian Rupee	1.6	*1.6*		
Malawian Kwacha	0.2	*0.4*		
Bangladesh Taka	0.4	*0.2*		
	2.7	*3.1*		

		Trades receivables - days past due				
		Up to	31-60	61-90	Over	
	Current	30 days	days	days	91 days	Total
As at 31 December 2023	£'m	£'m	£'m	£'m	£'m	£'m
Gross carrying amount - trade receivables	22.3	2.1	0.6	0.4	1.3	26.7
Expected credit loss rate	–	4.8%	0.0%	0.0%	53.8%	3.0%
Lifetime ECL	–	–	–	0.1	0.7	0.8

Net carrying amount	22.3	2.1	0.6	0.3	0.6	25.9

		Trades receivables - days past due				
	Current	*Up to 30 days*	*31-60 days*	*61-90 days*	*Over 91 days*	*Total*
As at 31 December 2022	*£'m*	*£'m*	*£'m*	*£'m*	*£'m*	*£'m*
Gross carrying amount - trade receivables	*24.2*	*3.4*	*0.7*	*0.4*	*1.3*	*30.0*
Expected credit loss rate	–	*2.9%*	*0.0%*	*0.0%*	*53.8%*	*2.7%*
Lifetime ECL	–	*0.1*	–	–	*0.7*	*0.8*
Net carrying amount	*24.2*	*3.3*	*0.7*	*0.4*	*0.6*	*29.2*

The closing loss allowance for trade receivables reconciles to the opening loss allowance as follows:

	2023	*2022*
	£'m	*£'m*
Opening loss allowance	0.8	*0.8*
Exchange losses	(0.1)	–
Increase in loss allowance recognised in profit and loss during the year	0.2	*0.1*
Receivables written off during the year as uncollectable	(0.1)	*(0.1)*
Closing loss allowance	0.8	*0.8*

30 Cash and cash equivalents (excluding bank overdrafts)

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Cash at bank and in hand	18.0	*20.0*	0.1	*0.1*
Short-term bank deposits	18.8	*28.6*	–	–
Short-term liquid investments	11.1	*0.7*	–	–
	47.9	*49.3*	0.1	*0.1*

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Cash and cash equivalents	47.9	*49.3*	0.1	*0.1*
Bank overdrafts (note 33)	(14.0)	*(3.7)*	–	–
	33.9	*45.6*	0.1	*0.1*

	2023	*2022*
Effective interest rate:		
Short-term deposits	0.03 - 15.25%	*1.30 - 11.00%*
Short-term liquid investments	5.00 - 8.00%	*5.00%*
Average maturity period:		
Short-term deposits	53 days	*50 days*
Short-term liquid investments	92 days	*32 days*

31 Assets classified as held for sale / Liabilities related to assets classified as held for sale

During the year the following assets were transferred to held for sale:

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
At 1 January	4.6	*6.6*	0.5	*2.1*
Reclassified from property, plant and equipment	–	*0.7*	–	–
Reclassified from investment properties	0.8	–	–	–
Reclassified from investments in associates	77.2	–	–	–
Reclassified from heritage assets	1.3	–	1.3	–

	83.9	*7.3*	1.8	*2.1*
Disposals during the year	(1.6)	*(2.7)*	(0.9)	*(1.6)*
At 31 December	82.3	*4.6*	0.9	*0.5*

Liabilities related to assets classified as held for sale as at 31 December:

Reclassified from lease liabilities	2.1	*2.0*	–	*–*

During the year, properties owned by Bardsley and a number of the Group's heritage assets and other items of art have been sold, realising a profit of £2.1 million. Total cash consideration was £3.7 million, of which £1.0 million was received during 2023 and £2.7 million was received in early 2024.

Subsequent to the year end, two properties classified as held for sale have been sold, realising cash proceeds of £2.4 million.

32 Trade and other payables

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Current:				
Trade payables	21.8	*22.2*	0.1	*0.1*
Other taxation and social security	3.0	*2.4*	0.4	*–*
Other payables	21.3	*26.4*	0.2	*0.2*
Accruals and deferred income	6.1	*8.8*	0.6	*0.7*
	52.2	*59.8*	1.3	*1.0*

33 Financial liabilities - borrowings

	2023	*2022*
	£'m	*£'m*
Group		
Current:		
Bank overdrafts	14.0	*3.7*
Bank loans	4.6	*1.4*
	18.6	*5.1*
Current borrowings include the following amounts secured on property, plant and equipment and investment properties:		
Bank overdrafts	8.9	*0.6*
Bank loans	4.6	*1.4*
	13.5	*2.0*
Non-current:		
Bank loans	3.3	*4.4*
Non-current borrowings include the following amounts secured on plant and equipment and investment properties:		
Bank loans	3.3	*4.4*
The repayment of bank loans and overdrafts fall due as follows:		
Within one year or on demand (included in current liabilities)	18.6	*5.1*
Between 1 - 2 years	0.4	*1.1*
Between 2 - 5 years	1.0	*1.1*
After 5 years	1.9	*2.2*
	21.9	*9.5*

The rates of interest payable by the Group ranged between:

	2023	*2022*
	%	*%*
Bank overdrafts	7.00 - 27.00	*5.00 - 21.90*
Bank loans	8.00 - 12.00	*7.60 - 10.50*

34 Lease liabilities

	2023	*2022*
	£'m	*£'m*
Group		
Maturity analysis of lease liabilities is as follows:		
Within one year	2.2	*2.3*
Between 1 - 2 years	1.3	*2.3*
Between 2 - 5 years	2.1	*5.4*
Onwards	5.7	*11.4*
	11.3	*21.4*
Analysed as:		
Current	2.2	*2.3*
Non-current	9.1	*19.1*
	11.3	*21.4*

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the individual subsidiaries' finance functions.

35 Provisions

	Wages and salaries £'m	Legal claims £'m	Others £'m	Total £'m
Group				
At 1 January 2022	*9.1*	*1.2*	*1.5*	*11.8*
Utilised in the period	*(6.7)*	*(0.3)*	*(0.1)*	*(7.1)*
Provided in the period	*8.5*	–	–	*8.5*
Subsidiary leaving the group	–	–	*(0.5)*	*(0.5)*
Unused amounts reversed in period	*(1.8)*	–	*(0.1)*	*(1.9)*
At 1 January 2023	9.1	0.9	0.8	10.8
Exchange differences	(0.7)	(0.2)	–	(0.9)
Utilised in the period	(7.6)	(0.4)	–	(8.0)
Provided in the period	6.5	–	0.6	7.1
Unused amounts reversed in period	(1.3)	(0.1)	–	(1.4)
At 31 December 2023	6.0	0.2	1.4	7.6
Current:				
At 31 December 2023	6.0	0.2	1.4	7.6
At 31 December 2022	*9.1*	*0.9*	*0.8*	*10.8*

The wages and salaries provisions are in respect of ongoing wage and bonus negotiations in India and Bangladesh, the majority of which are expected to be utilised during 2024.

Legal claims relate to the cost of the defence of the litigation concerning our East African operations, including settlements and the expected costs of progressive measures.

Others relate to provisions for general claims and dilapidations.

36 Deferred tax

The net movement on the deferred tax account is set out below:

	Group		Company	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
At 1 January	37.0	*38.0*	0.2	*0.2*
Exchange differences	(7.9)	*(0.7)*	–	–
(Credited)/charged to the income statement	(1.0)	*3.3*	(0.2)	–
Charged/(credited) to other comprehensive income	0.3	*(3.6)*	–	–
At 31 December	28.4	*37.0*	–	*0.2*

The movement in deferred tax assets and liabilities is set out below:

Deferred tax liabilities

	Accelerated tax depreciation £'m	Pension scheme assets £'m	Other £'m	Total £'m
At 1 January 2022	*42.3*	*3.7*	*2.4*	*48.4*
Exchange differences	*(0.6)*	*–*	*(0.1)*	*(0.7)*
Charged/(credited) to the income statement	*0.2*	*(0.1)*	*1.5*	*1.6*
(Credited) to other comprehensive income	*–*	*(3.5)*	*–*	*(3.5)*
At 1 January 2023	41.9	0.1	3.8	45.8
Exchange differences	(8.3)	–	(0.6)	(8.9)
(Credited)/charged to the income statement	(0.4)	–	0.1	(0.3)
(Credited)/charged to other comprehensive income	–	(0.1)	0.5	0.4
At 31 December 2023	33.2	–	3.8	37.0
Deferred tax assets offset				(8.6)
Net deferred tax liability after offset				28.4

Deferred tax assets

	Tax losses £'m	Pension scheme liabilities £'m	Other £'m	Total £'m
At 1 January 2022	*5.9*	*0.7*	*3.8*	*10.4*
(Charged)/credited to the income statement	*(2.1)*	*(0.1)*	*0.5*	*(1.7)*
Credited to other comprehensive income	*–*	*0.1*	*–*	*0.1*
At 1 January 2023	3.8	0.7	4.3	8.8
Exchange differences	(0.3)	(0.1)	(0.6)	(1.0)
Credited/(charged) to the income statement	1.1	–	(0.4)	0.7
Credited to other comprehensive income	–	0.1	–	0.1
At 31 December 2023	4.6	0.7	3.3	8.6
Offset against deferred tax liabilities				(8.6)
Net deferred tax asset after offset				–

Deferred tax liabilities of £11.8 million (2022: £13.7 million) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries. Such amounts are permanently reinvested.

Deferred tax assets are recognised for tax losses carried forward only to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group has not recognised deferred tax assets of £31.8 million (2022: £26.4 million) in respect of losses that can be carried forward against future taxable income and £1.1 million in respect of the UK defined benefit pension scheme deficit.

37 Employee benefit obligations

(i) Pensions

Certain Group subsidiaries operate defined contribution and funded defined benefit pension schemes. The most significant is the UK funded, defined benefit scheme. The assets of this scheme are administered by trustees and are kept separate from those of the Group. The performance of the assets is monitored on a regular basis by the trustees and their investment advisors. A full actuarial valuation was undertaken as at 1 July 2020 and updated to 31 December 2023 by a qualified independent actuary. The UK defined benefit pension scheme is closed to new entrants and with effect from 1 November 2016, the scheme was closed to future accruals. Since that date members have participated in a defined contribution scheme.

The overseas schemes are operated in Group subsidiaries located in Bangladesh and India. Actuarial valuations for these schemes have been updated to 31 December 2023 by qualified actuaries.

Assumptions

The major assumptions used in the valuation to determine the present value of the schemes' defined benefit obligations were as follows:

	2023	*2022*

	% per annum	*% per annum*
UK schemes		
Rate of increase in salaries	N/a	*N/a*
Rate of increase to LPI (Limited Price Indexation) pensions in payment	2.40 - 5.00	*2.35 - 5.00*
Discount rate applied to scheme liabilities	4.45	*4.80*
Inflation assumption (CPI/RPI)	2.40/3.00	*2.35/3.05*

Assumptions regarding future mortality experience are based on advice received from independent actuaries. The current mortality tables used are SAPS 3, males 113%/106% and females 112%/108%, on a year of birth basis, with CMI_2022 future improvement factors and subject to a long term annual rate of future improvement of 1.25% per annum, smoothing parameter of 7.0, initial addition parameter of 0.25% pa and w parameter of 0% pa for 2020, 2021 and 50% pa for 2022. This results in males and females aged 65 having life expectancies of 21.1 years (2022: 21.4 years) and 21.8 years respectively (2022: 22.2 years).

	2023	*2022*
	% per annum	*% per annum*
Overseas schemes		
Rate of increase in salaries	6.00	*6.00*
Rate of increase to LPI (Limited Price Indexation) pensions in payment	0.00 - 3.00	*0.00 - 3.00*
Discount rate applied to scheme liabilities	7.00 - 10.80	*6.50 - 8.00*
Inflation assumption	3.00 - 6.00	*3.00 - 6.00*

(ii) Post-employment benefits
Certain Group subsidiaries located in Kenya, India and Bangladesh have an obligation to pay terminal gratuities, based on years of service. These obligations are estimated annually using the projected unit method by qualified independent actuaries. Schemes operated in India are funded but the schemes operated in Kenya and Bangladesh are unfunded. Operations in India and Bangladesh also have an obligation to pay medical benefits upon retirement. These schemes are unfunded.

Assumptions
The major assumptions used in the valuation to determine the present value of the post-employment benefit obligations were as follows:

	2023	*2022*
	% per annum	*% per annum*
Rate of increase in salaries	6.00 - 8.00	*6.00 - 10.95*
Discount rate applied to scheme liabilities	7.00 - 15.70	*7.25 - 14.20*
Inflation assumptions	0.00 - 8.00	*0.00 - 6.00*

(iii) Leave obligations
Certain Group subsidiaries located in India have an obligation to pay leave benefit, based on years of service. These obligations are estimated annually using the projected unit method by qualified independent actuaries. These schemes are unfunded.

(iv) Profit sharing obligations
Certain Group subsidiaries located in Bangladesh may have an obligation to pay sums for workers profit participation for prior years based on a rate of 5 per cent. of post tax profit. Provisions have been made for these sums pending clarification of the applicability of the legislation.

Sensitivity analysis
The sensitivity of the UK defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation
Discount rate	0.5% higher	5.1% decrease
Discount rate	0.5% lower	5.7% increase
Rate of RPI inflation	0.25% higher	1.2% increase
Rate of RPI inflation	0.25% lower	1.2% decrease
Life expectancy	+1 year	5.7% increase
Life expectancy	–1 year	5.6% decrease

The above changes in assumptions may have an impact on the value of the scheme's investment holdings. For example, the scheme holds a proportion of its assets in corporate bonds. A fall in the discount rate as a result of lower UK corporate bond yields would lead to an increase in the value of these assets, thus mitigating the increase in the defined benefit obligation to some extent. The sensitivities have been calculated by changing the key assumption only and leaving all others fixed.

During 2022, the UK funded scheme transferred a significant amount of its investments into a liability-driven investment strategy to reduce overall volatility.

Duration of the scheme liabilities
The weighted average duration of the UK scheme's liabilities is 11 years.

Analysis of scheme liabilities
The liabilities of the UK scheme are split as follows:

	%
Deferred pensioners	40
Current pensioners	60
Total membership	100

(v) Actuarial valuations

		2023			*2022*	
	UK	Overseas	Total	*UK*	*Overseas*	*Total*
	£'m	£'m	£'m	*£'m*	*£'m*	*£'m*
Equities and property	47.4	4.5	51.9	*45.8*	*3.2*	*49.0*
Bonds	12.0	19.9	31.9	*13.0*	*25.5*	*38.5*
Liability-driven investment	48.8	–	48.8	*45.3*	–	*45.3*
Diversified growth	15.2	–	15.2	*17.0*	–	*17.0*
Insurance related products	–	3.6	3.6	–	*3.6*	*3.6*
Cash	1.2	14.5	15.7	*5.6*	*10.1*	*15.7*
Total fair value of plan assets	124.6	42.5	167.1	*126.7*	*42.4*	*169.1*
Present value of defined benefit obligations	(128.8)	(47.9)	(176.7)	*(127.8)*	*(49.7)*	*(177.5)*
Effect of asset ceiling	–	(1.7)	(1.7)	–	–	–
Total deficit in the schemes	(4.2)	(7.1)	(11.3)	*(1.1)*	*(7.3)*	*(8.4)*
Amount recognised as asset in the balance sheet	–	–	–	–	*0.8*	*0.8*
Amount recognised as current liability in the balance sheet	–	(1.6)	(1.6)	–	*(1.1)*	*(1.1)*
Amount recognised as non-current liability in the balance sheet	(4.2)	(5.5)	(9.7)	*(1.1)*	*(7.0)*	*(8.1)*
	(4.2)	(7.1)	(11.3)	*(1.1)*	*(7.3)*	*(8.4)*
Related deferred tax asset (note 36)	–	0.7	0.7	–	*0.2*	*0.2*
Net deficit	(4.2)	(6.4)	(10.6)	*(1.1)*	*(7.1)*	*(8.2)*

Movements in the fair value of scheme assets were as follows:

		2023			*2022*	
	UK	Overseas	Total	*UK*	*Overseas*	*Total*
	£'m	£'m	£'m	*£'m*	*£'m*	*£'m*
At 1 January	126.7	42.4	169.1	*199.3*	*42.0*	*241.3*
Expected return on plan assets	5.9	2.8	8.7	*3.4*	*2.7*	*6.1*
Employer contributions	–	2.9	2.9	–	*2.0*	*2.0*
Contributions paid by plan participants	–	0.4	0.4	–	*0.4*	*0.4*
Benefit payments	(8.7)	(4.1)	(12.8)	*(8.6)*	*(4.2)*	*(12.8)*
Other adjustment	–	0.2	0.2	–	*0.3*	*0.3*
Actuarial gains/(losses)	0.7	1.0	1.7	*(67.4)*	*(0.8)*	*(68.2)*
Exchange differences	–	(3.1)	(3.1)	–	–	–
At 31 December	124.6	42.5	167.1	*126.7*	*42.4*	*169.1*

Movements in the present value of defined benefit obligations were as follows:

	2023 UK £'m	Overseas £'m	Total £'m	2022 UK £'m	Overseas £'m	Total £'m
At 1 January	(127.8)	(49.7)	(177.5)	*(184.6)*	*(51.6)*	*(236.2)*
Current service cost	–	(2.5)	(2.5)	*–*	*(2.1)*	*(2.1)*
Interest cost	(5.9)	(3.2)	(9.1)	*(3.1)*	*(3.4)*	*(6.5)*
Contributions paid by plan participants	–	(0.4)	(0.4)	*–*	*(0.4)*	*(0.4)*
Benefit payments	8.7	4.1	12.8	*8.6*	*4.2*	*12.8*
Other adjustment	–	(0.2)	(0.2)	*–*	*(0.3)*	*(0.3)*
Actuarial (losses)/gains	(3.8)	(0.1)	(3.9)	*51.3*	*4.1*	*55.4*
Exchange differences	–	4.1	4.1	*–*	*(0.2)*	*(0.2)*
At 31 December	(128.8)	(47.9)	(176.7)	*(127.8)*	*(49.7)*	*(177.5)*

In 2021, the total fair value of plan assets was £241.3 million, the present value of defined benefit obligations was £236.2 million and the surplus was £5.1 million. In 2020, the total fair value of plan assets was £236.1 million, the present value of defined benefit obligations was £252.7 million and the deficit was £16.6 million and in 2019, the total fair value of plan assets was £208.5 million, the present value of defined benefit obligations was £230.5 million and the deficit was £22.0 million.

Income Statement
The amounts recognised in the Income Statement are as follows:

	2023 UK £'m	Overseas £'m	Total £'m	2022 UK £'m	Overseas £'m	Total £'m
Amounts (charged)/credited to operating profit:						
Current service cost	–	(2.5)	(2.5)	*–*	*(2.1)*	*(2.1)*
Past service cost	–	–	–	*–*	*–*	*–*
Total operating charge	–	(2.5)	(2.5)	*–*	*(2.1)*	*(2.1)*
Amounts charged to other finance costs:						
Interest income/(expense)	–	(0.4)	(0.4)	*0.3*	*(0.7)*	*(0.4)*
Total (charged)/credited to income statement	–	(2.9)	(2.9)	*0.3*	*(2.8)*	*(2.5)*

Employer contributions to defined contribution schemes are charged to profit when payable and the costs charged were £6.1 million (2022: £5.9 million).

Liabilities for workers profit participation in Bangladesh are charged to profit when the obligation arises.

Actuarial gains and losses recognised in the Statement of Comprehensive Income
The amounts included in the Statement of Comprehensive Income:

	2023 UK £'m	Overseas £'m	Total £'m	2022 UK £'m	Overseas £'m	Total £'m
Remeasurements:						
Return on plan assets, excluding amount included in interest	0.7	1.0	1.7	*(67.4)*	*(0.8)*	*(68.2)*
Gain from changes in demographic assumptions	2.3	–	2.3	*0.6*	*–*	*0.6*
(Loss)/gain from changes in financial assumptions	(4.7)	1.2	(3.5)	*55.5*	*5.3*	*60.8*
Experience losses	(1.4)	(1.3)	(2.7)	*(4.8)*	*(1.2)*	*(6.0)*
Effect of asset ceiling	–	(1.7)	(1.7)	*–*	*–*	*–*
Actuarial (loss)/gain	(3.1)	(0.8)	(3.9)	*(16.1)*	*3.3*	*(12.8)*

Cumulative actuarial losses recognised in the Statement of Comprehensive Income are £14.2 million (2022: £10.3 million loss).

As the UK defined benefit pension scheme is closed to future accrual and active members were transferred to a defined contribution scheme, no employer contributions will be paid for the year commencing 1 January 2024. The 2023 triennial valuation is ongoing and is expected to result in contributions being required from 2024.

Virgin Media case

The Group is aware of the ongoing 'Virgin Media v NTL Pension Trustees Ltd and others' case and that there is a potential for the outcome of the case to have an impact on the UK scheme. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 6 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case has been taken to The Court of Appeal, with the hearing set for June 2024. The potential impact on the UK scheme is not yet known but continues to be assessed.

38 Share capital

	2023 £'m	*2022 £'m*
Authorised: 2,842,000 (2022: 2,842,000) ordinary shares of 10p each	0.3	*0.3*
Allotted, called up and fully paid: ordinary shares of 10p each:		
At 1 January and 31 December- 2,824,500 (2022: 2,824,500) shares	0.3	*0.3*

Group companies hold 62,500 issued shares in the Company. These are classified as treasury shares.

39 Reconciliation of loss from operations to cash flow

	2023 £'m	*2022 £'m* Restated
Group		
Loss from operations	(1.3)	*(5.6)*
Share of associates' results	(3.4)	*3.7*
Depreciation and amortisation	10.6	*12.2*
Depreciation of right-of-use assets	2.2	*2.2*
Impairment of assets	9.4	*10.1*
Reversal of impairment of investment in associate	(19.0)	–
Realised movements on biological assets - non-current	(2.2)	*(1.5)*
Money market investments at fair value through profit or loss - gain	(0.3)	*(0.3)*
Loss/(profit) on disposal of non-current assets	0.1	*(0.1)*
Profit on disposal of assets classified as held for sale	(2.1)	*(1.8)*
Profit on disposal of financial assets	–	*(0.3)*
Movement in provisions	(2.3)	*(0.7)*
Decrease/(increase) in inventories	0.3	*(9.8)*
Decrease/(increase) in biological assets	0.6	*(2.3)*
Increase in trade and other receivables	(1.4)	*(6.5)*
Increase in trade and other payables	1.5	*3.3*
Cash (used in)/generated from operations	(7.3)	*2.6*

40 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans Current £'m	Bank loans Non-current £'m	Lease liabilities Current £'m	Lease liabilities Non-current £'m	Total £'m
At 1 January 2022	*1.4*	*4.5*	*3.2*	*21.5*	*30.6*
Exchange differences	–	*0.1*	–	–	*0.1*
Subsidiary leaving the group	–	–	*(0.5)*	*(1.0)*	*(1.5)*
New loans	*0.6*	*0.8*	–	–	*1.4*
New leases	–	–	*0.7*	*1.1*	*1.8*
Loans repaid	*(1.6)*	–	–	–	*(1.6)*
Lease payments	–	–	*(2.8)*	*(0.6)*	*(3.4)*
Lease disposal	–	–	–	*(0.2)*	*(0.2)*

Transfers	*1.0*	*(1.0)*	*1.7*	*(1.7)*	–
At 1 January 2023	1.4	4.4	2.3	19.1	27.2
Exchange differences	(0.5)	(0.2)	–	(0.3)	(1.0)
New loans	4.8	–	–	–	4.8
New leases	–	–	0.7	0.3	1.0
Loans repaid	(2.0)	–	–	–	(2.0)
Lease payments	–	–	(2.0)	(0.1)	(2.1)
Lease disposal	–	–	(8.7)	–	(8.7)
Transfers	0.9	(0.9)	9.9	(9.9)	–
At 31 December 2023	4.6	3.3	2.2	9.1	19.2

The cash flows from bank loans, loans from related parties and other borrowings make up the net amount of proceeds from borrowings and repayments of borrowings in the cash flow statement.

41 Business combinations - disposal of businesses

	Disposal 2022 £'m Net book value
Intangible assets	*0.1*
Property, plant and equipment	*8.3*
Right of use asset	*1.5*
Deferred tax asset	*2.1*
Inventories	*0.1*
Trade and other receivables	*4.1*
Cash and cash equivalents (excluding bank overdrafts)	*1.6*
Lease liabilities	*(1.6)*
Trade and other payables	*(3.4)*
Provisions	*(0.5)*
	12.3
Profit on disposal	*3.8*
	16.1
Consideration transferred:	
Cash consideration and costs	*(0.5)*
Deferred consideration	*16.6*
Total consideration	*16.1*
Net cash outflow arising on disposals	
Cash consideration and costs	*(0.5)*
Less: cash and cash equivalent balances disposed	*(1.6)*
	(2.1)

Disposal in 2022 - Associated Cold Stores & Transport Limited
As referred to in note 11, on 26 November 2022 the Group effectively disposed of its interest in Associated Cold Stores & Transport Limited.

The cash consideration was paid on 10 January 2023.

The impact of Associated Cold Stores & Transport Limited on the Group's result in 2022 is disclosed in note 11. The gain on disposal was included in the profit for the year from discontinued operations (see note 11).

42 Commitments Capital commitments
Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2023 £'m	*2022 £'m*
Group		
Property, plant and equipment	0.7	*0.8*

43 Contingencies
The Group operates in certain countries where its operations are potentially subject to a number of legal claims. When required, appropriate provisions are made for the expected cost of such claims.

Malawi tax
The Malawi Revenue Authority (MRA) indicated in 2021 that it intended to collect VAT on sales made at auction and under private treaty for export, in the period since 2017. Tea sales intended for the export market were subject to an industry wide agreement with the MRA and the Reserve Bank of Malawi made at

the time the auction was established, resulting in these deemed exports being zero rated for VAT. Following discussions between the Malawi government, the MRA and the tea industry, the MRA has given permission for the auction to continue with teas deemed as export zero rated for VAT. The assessment raised against Eastern Produce Malawi was suspended. Eastern Produce Malawi's estimated contingent liability for VAT on these deemed export sales, excluding any penalties and interest, is approximately £2.8 million.

In 2023 the MRA issued assessment notices amounting to £3.2 million in relation to corporation, value added, non-resident, fringe benefit and PAYE taxes, including related penalties and interest . An amount of £0.6 million has been provided based on external advice received. These assessments are being strongly contested.

Bangladesh tax
Assessments have been received of £8.7 million for corporate income tax and VAT matters. These are being contested on the basis that they are without technical merit.

India tax
Assessments have been received for excise duties of £0.2 million, sales and entry tax of £0.9 million and of £0.8 million for income tax matters. These are being contested on the basis that they are without technical merit.

Also, a long running dispute between our local subsidiaries and the Government of West Bengal over the payment of a land tax, locally called, "Salami", remains unresolved. Lawyers acting for the Group have advised that payment of Salami does not apply, accordingly no provisions have been made. The sum in dispute, excluding fines and penalties, amounts to £1.1 million.

Kenya tax
The Kenya Revenue Authority (KRA) has issued assessments amounting to £3.9 million in relation to corporation, value added and withholding tax matters including related penalties and interest. Having considered professional advice, the relevant companies disagree with these assessments and have filed objections with the Kenyan Tax Appeals Tribunal.

44 Financial instruments

Capital risk management
The Group manages its capital to ensure that it will be able to continue as a going concern, while managing banking and exchange risk to maximise the longer term return to stakeholders through the optimisation of its debt and equity balance. The capital structure of the Group consists of debt, which includes the borrowings and lease liabilities disclosed in notes 33 and 34, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Board reviews the capital structure, with an objective to ensure that debt as a percentage of tangible net assets does not exceed 50 per cent..

The ratio at the year end is as follows:

	2023 £'m	*2022* *£'m* *Restated*
Borrowings	21.9	*9.5*
Lease liabilities	11.3	*21.4*
Debt	33.2	*30.9*
Tangible net assets	321.1	*358.7*
Ratio	10.34%	*8.61%*

Debt is defined as long and short-term borrowings and lease liabilities as detailed in notes 33 and 34.

Tangible net assets includes all capital and reserves of the Group attributable to equity holders of the parent less intangible assets.

Financial instruments by category
At 31 December 2023

Group	Financial assets at fair value through other comprehensive income £'m	Financial asset at fair value through profit or loss £'m	Financial assets at amortised cost £'m	Total £'m
Assets as per Balance Sheet				

Equity investments	30.6	–	–	30.6
Money market investments	–	6.5	–	6.5
Bond investments	–	–	1.0	1.0
Trade and other receivables excluding prepayments	–	–	41.1	41.1
Cash and cash equivalents	–	–	47.9	47.9
	30.6	6.5	90.0	127.1

	Other financial liabilities at amortised cost £'m	Total £'m
Group		
Liabilities as per Balance Sheet		
Borrowings	21.9	21.9
Lease liabilities	11.3	11.3
Trade and other payables	52.2	52.2
	85.4	85.4
Company		
Trade and other payables	1.3	1.3

At 31 December 2022

	Financial assets at fair value through other comprehensive income £'m	*Financial asset at fair value through profit or loss £'m*	*Financial assets at amortised cost £'m*	*Total £'m*
Group				
Assets as per Balance Sheet				
Equity investments	*25.7*	–	–	*25.7*
Money market investments	–	*8.6*	–	*8.6*
Bond investments	–	–	*1.3*	*1.3*
Trade and other receivables excluding prepayments	–	–	*60.6*	*60.6*
Cash and cash equivalents	–	–	*49.3*	*49.3*
	25.7	*8.6*	*112.2*	*145.5*

	Other financial liabilities at amortised cost £'m	*Total £'m*
Group		
Liabilities as per Balance Sheet		
Borrowings	*9.5*	*9.5*
Leases liabilities	*21.4*	*21.4*
Trade and other payables	*59.8*	*59.8*
	90.7	*90.7*
Company		
Trade and other payables	*1.0*	*1.0*

Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The following table presents the Group's financial assets and liabilities that are measured at fair value. See note 21 for disclosures of biological assets that are measured at fair value.

At 31 December 2023

	Level 1	Level 2	Level 3	Total

	£'m	£'m	£'m	£'m
Assets				
Equity investments	30.6	–	–	30.6
Money market investments	6.5	–	–	6.5
Bond investments	1.0	–	–	1.0
	38.1	–	–	38.1

At 31 December 2022

	Level 1	*Level 2*	*Level 3*	*Total*
	£'m	*£'m*	*£'m*	*£'m*
Assets				
Equity investments	*25.7*	–	–	*25.7*
Money market investments	*8.6*	–	–	*8.6*
Bond investments	*1.3*	–	–	*1.3*
	35.6	–	–	35.6

Financial risk management objectives

The Group finances its operations by a mixture of retained profits, bank borrowings, long-term loans and leases. The objective is to maintain a balance between continuity of funding and flexibility through the use of borrowings with a range of maturities. To achieve this, the maturity profile of borrowings and facilities are regularly reviewed. The Group also seeks to maintain sufficient undrawn borrowing facilities to provide flexibility in the management of the Group's liquidity.

Given the nature and diversity of the Group's operations, the Board does not believe a highly complex use of financial instruments would be of significant benefit to the Group. However, where appropriate, the Board does authorise the use of certain financial instruments to mitigate financial risks that face the Group, where it is effective to do so.

Various financial instruments arise directly from the Group's operations, for example cash and cash equivalents, trade receivables and trade payables. In addition, the Group uses financial instruments for two main reasons, namely:

- To finance its operations (to mitigate liquidity risk)
- To manage currency risks arising from its operations and arising from its sources of finance (to mitigate foreign exchange risk)

The Group did not, in accordance with Group policy, trade in financial instruments throughout the period under review.

(A) Market risk

(i) Foreign exchange risk

The Group has a significant exposure to the US Dollar arising from a number of operations having a significant trading exposure to the Dollar and as a consequence the Group holds significant US Dollar funds and Dollar denominated investments. If the exchange rate of the Dollar to Sterling were to move by 5 per cent, the Group's carrying value would increase/decrease by £1.1 million (2022: £1.2 million). In addition, the Group has significant Indian, Japanese and Swiss financial assets and if the exchange rates of the Indian Rupee, Japanese Yen and Swiss Franc to Sterling were to move by 5 per cent, the Group's carrying value would increase/decrease by £0.3 million (2022: £0.6 million), £0.4 million (2022: £0.4 million) and £0.4 million (2022: £0.4 million) respectively.

Currency risks are primarily managed through the use of natural hedging and regularly reviewing when cash should be exchanged into either sterling or another functional currency.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet as financial assets. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The majority of the Group's equity investments are publicly traded and are quoted on stock exchanges located in India, Japan, Switzerland, UK and US. Should these equity indexes increase or decrease by 5 per cent. with all other variables held constant and all the Group's equity instruments move accordingly, the Group's carrying value would increase/decrease by £1.5 million (2022: £1.3 million).

The Group's exposure to commodity price risk is not significant.

(iii) Cash flow and interest rate risk

The Group's interest rate risk arises from interest-bearing assets and short and long-term borrowings.

Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

At 31 December 2023 if interest rates on non-sterling denominated interest-bearing assets and borrowings had been 50 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been less than £0.1 million (2022: £0.1 million) higher/lower.

The interest rate exposure of the Group's interest bearing assets and liabilities by currency, at 31 December was:

	Assets		Liabilities	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Sterling	16.1	*9.7*	8.7	*18.8*
US Dollar	20.3	*21.6*	–	–
Euro	2.0	*0.2*	–	–
Kenyan Shilling	0.9	*10.0*	0.2	*0.2*
Indian Rupee	2.8	*2.9*	11.2	*7.0*
Malawian Kwacha	0.2	*0.7*	2.2	*0.5*
Bangladesh Taka	0.7	*2.6*	7.6	*1.1*
South African Rand	0.8	*0.8*	3.3	*3.3*
Brazilian Real	3.5	*0.4*	–	–
Bermudian Dollar	0.2	*0.2*	–	–
Japanese Yen	0.2	*0.1*	–	–
Swiss Franc	0.2	*0.1*	–	–
	47.9	*49.3*	33.2	*30.9*

(B) Credit risk

The Group has policies in place to limit its exposure to credit risk. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. If customers are independently rated, these ratings are used. Otherwise if there is no independent rating, management assesses the credit quality of the customer taking into account its financial position, past experience and other factors and if appropriate holding liens over stock and receiving payments in advance of services or goods as required. Management monitors the utilisation of credit limits regularly.

The Group has a large number of trade receivables, the largest five receivables at the year end comprise 23 per cent. (2022: 25 per cent.) of total trade receivables.

(C) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of Directors. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and managing the maturity profiles of financial assets and liabilities.

At 31 December 2023, the Group had undrawn committed facilities of £10.2 million (2022: £22.4 million), all of which are due to be reviewed within one year.

The table below analyses the Group's financial assets and liabilities which will be settled on a net basis into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 year £'m	Between 1 and 2 years £'m	Between 2 and 5 years £'m	Over 5 years £'m	Undated £'m	Total £'m
At 31 December 2023						
Assets						
Financial assets at fair value through other comprehensive income	–	–	–	–	30.6	30.6
Financial asset at fair value through profit or loss	–	6.5	–	–	–	6.5
Financial assets at amortised cost	1.0	–	–	–	–	1.0
Trade and other receivables excluding prepayments	38.4	2.7	–	–	–	41.1
Cash and cash equivalents	47.9	–	–	–	–	47.9
	87.3	9.2	–	–	30.6	127.1
Liabilities						
Borrowings	18.6	0.4	1.0	1.9	–	21.9
Lease liabilities	2.2	1.3	2.1	5.7	–	11.3

Trade and other payables excluding taxation	49.2	–	–	–	–	49.2
	70.0	1.7	3.1	7.6	–	82.4
At 31 December 2022						
Assets						
Financial assets at fair value through other comprehensive income	*–*	*–*	*–*	*–*	*25.7*	*25.7*
Financial asset at fair value through profit or loss	*1.3*	*7.3*	*–*	*–*	*–*	*8.6*
Financial assets at amortised cost	*–*	*1.3*	*–*	*–*	*–*	*1.3*
Trade and other receivables excluding prepayments	*57.5*	*3.1*	*–*	*–*	*–*	*60.6*
Cash and cash equivalents	*49.3*	*–*	*–*	*–*	*–*	*49.3*
	108.1	*11.7*	*–*	*–*	*25.7*	*145.5*
Liabilities						
Borrowings	*5.1*	*1.1*	*1.1*	*2.2*	*–*	*9.5*
Lease liabilities	*2.3*	*2.3*	*5.4*	*11.4*	*–*	*21.4*
Trade and other payables excluding taxation	*57.4*	*–*	*–*	*–*	*–*	*57.4*
	64.8	*3.4*	*6.5*	*13.6*	*–*	*88.3*

Included in borrowings due in less than 1 year is £14.0 million (2022: £3.7 million) repayable on demand.

45 Subsidiary and associated undertakings

Subsidiary undertakings
The subsidiary undertakings of the Group at 31 December 2023, are set out below and are wholly owned and incorporated in Great Britain unless otherwise stated. The holdings are in ordinary shares or equivalent unless otherwise stated.

	Principal country of operation	Registered Office
Agriculture		
Amgoorie India Limited (Incorporated in India - 99.8 per cent. holding)	India	*(ii)*
Amo Tea Company Limited	Bangladesh	*(i)*
Bardsley & Sons Limited	UK	*(i)*
Bardsley Fruit Enterprises Limited	UK	*(i)*
Bardsley Fruit Farming Limited	UK	*(i)*
Bardsley HiCo Limited	UK	*(i)*
Bardsley Horticulture Limited	UK	*(i)*
C.C. Lawrie Comércio e Participacões Ltda. (Incorporated in Brazil)	Brazil	*(vi)*
Chittagong Warehouse Limited (Incorporated in Bangladesh - 93.3 per cent. holding)	Bangladesh	*(vii)*
Duncan Brothers Limited (Incorporated in Bangladesh)	Bangladesh	*(vii)*
Eastern Produce Cape (Pty) Limited (Incorporated in South Africa)	South Africa	*(viii)*
Eastern Produce Estates South Africa (Pty) Limited (Incorporated in South Africa - held by Eastern Produce South Africa (Pty) Limited)	South Africa	*(ix)*
Eastern Produce Kenya Limited (Incorporated in Kenya – 70.0 per cent. holding)	Kenya	*(x)*
Eastern Produce Malawi Limited (Incorporated in Malawi– 73.2 per cent. holding)	Malawi	*(xii)*
Eastern Produce Regional Services Limited (Incorporated in Kenya)	Kenya	*(x)*
Eastern Produce South Africa (Pty) Limited (Incorporated in South Africa – 73.2 per cent. holding)	South Africa	*(ix)*
Eastland Camellia Limited (Incorporated in Bangladesh - 93.8 per cent. holding)	Bangladesh	*(vii)*
EP(T) East Africa Limited (Incorporated in Tanzania)	Tanzania	*(xvii)*
Goodricke Group Limited (Incorporated in India - 74.0 per cent. holding)	India	*(iii)*
Goodricke Tech Limited (Incorporated in India - 99.8 per cent. holding)	India	*(iii)*
Kakuzi Plc (Incorporated in Kenya – 50.7 per cent. holding)	Kenya	*(xi)*
Koomber Tea Company Limited (Incorporated in India)	India	*(iv)*
Jing Tea Limited (95.0 per cent. holding)	UK	*(i)*
Newmafruit Limited	UK	*(i)*
Octavius Steel & Company of Bangladesh Limited (Incorporated in Bangladesh)	Bangladesh	*(vii)*
Robertson Bois Dickson Anderson Limited	UK	*(i)*

Stewart Holl (India) Limited (Incorporated in India - 92.0 per cent. holding)	India	*(v)*
Surmah Valley Tea Company Limited	Bangladesh	*(i)*
The Allynugger Tea Company Limited	Bangladesh	*(i)*
The Chandpore Tea Company Limited	Bangladesh	*(i)*
The Lungla (Sylhet) Tea Company Limited	Bangladesh	*(i)*
The Mazdehee Tea Company Limited	Bangladesh	*(i)*
Victoria Investments Limited (Incorporated in Malawi– 73.2 per cent. holding)	Malawi	*(xii)*
Zetmac (Pty) Limited (Incorporated in South Africa - 55.8 per cent. held by Eastern Produce Estates South Africa (Pty) Limited)	South Africa	*(ix)*
Engineering		
AJT Engineering Limited	UK	*(xiv)*
Investment Holding		
Assam-Dooars Holdings Limited	UK	*(i)*
Assam Dooars Investments Limited	UK	*(i)*
Associated Fisheries Limited	UK	*(i)*
Borbam Limited (Incorporated in India - 99.8 per cent. holding)	India	*(iii)*
Bordure Limited	UK	*(i)*
British Indian Tea Company Limited	UK	*(i)*
Dejoo Tea Company Limited	UK	*(i)*
Duncan Properties Limited (Incorporated in Bangladesh)	Bangladesh	*(vii)*
Eastern Produce Investments Limited	UK	*(i)*
Elgin Investments Limited (Incorporated in India - 99.8 per cent. holding)	India	*(iii)*
Endogram Limited	India	*(iii)*
The Endogram Tea Company Limited	UK	*(i)*
EP USA Inc. (Incorporated in the United States of America)	USA	*(xiii)*
EP California Inc. (Incorporated in the United States of America)	USA	*(xiii)*
Jhanzie Tea Association Ltd	UK	*(i)*
John Ingham & Sons Limited	UK	*(i)*
Koomber Properties Limited (Incorporated in India - 94.0 per cent. holding)	India	*(iii)*
Lawrie (Bermuda) Limited (Incorporated in Bermuda)	Bermuda	*(xvi)*
Lawrie Group Plc (Owned directly by the Company)	UK	*(i)*
Lawrie International Limited (Incorporated in Bermuda)	Bermuda	*(xvi)*
Lebong Investments Limited (Incorporated in India - 94.0 per cent. holding)	India	*(iii)*
Linton Park Plc (Owned directly by the Company)	UK	*(i)*
Lintak Investments Limited (Incorporated in Kenya)	Kenya	*(x)*
Longbourne Holdings Limited	Bangladesh	*(i)*
Plantation House Investments Limited (Incorporated in Malawi - 50.2 per cent. held by subsidiaries)	Malawi	*(xii)*
The Harmutty Tea Company Limited	UK	*(i)*
Unochrome Industries Limited	UK	*(i)*
Western Dooars Investments Limited	UK	*(i)*
Western Dooars Tea Holdings Limited	UK	*(i)*
Other		
Duncan Products Limited (Incorporated in Bangladesh)	Bangladesh	*(vii)*
Hobart Place Nominees Limited	UK	*(i)*
Linton Park Services Limited	UK	*(i)*
Dormant companies		
Alex Lawrie & Company Limited	UK	*(i)*
Amgoorie Investments Limited	UK	*(i)*
Associated Fisheries (Europe) Limited	UK	*(i)*
Banbury Tea Warehouses Limited	UK	*(i)*
Black Gold Oil Tools Limited (in liquidation)	UK	*(xiv)*
Blantyre & East Africa Limited	UK	*(xiv)*
Blantyre Insurance & General Agencies Limited (Incorporated in Malawi – Eastern Produce Malawi Limited)	Malawi	*(xii)*
Bonathaba Farms (Pty) Limited (Incorporated in South Africa)	South Africa	*(viii)*
British African Tea Estates (Holdings) Limited	UK	*(i)*
British African Tea Estates Limited	UK	*(i)*
British United Trawlers Limited	UK	*(i)*
BUT Engineers (Fleetwood) Limited (in liquidation)	UK	*(i)*
BUT Engineers (Grimsby) Limited	UK	*(i)*

Camellia Investments Limited	UK	*(i)*
Chisambo Holdings Limited	UK	*(i)*
Chisambo Tea Estate Limited	UK	*(i)*
Cholo Holdings Limited	UK	*(i)*
Craighead Investments Limited	UK	*(i)*
David Field Limited	UK	*(i)*
East African Tea Plantations Limited (Incorporated in Kenya – held by Eastern Produce Kenya Limited)	Kenya	*(x)*
Eastern Produce Africa Limited	UK	*(i)*
Eastern Produce Kakuzi Services Limited (Incorporated in Kenya – held by Kakuzi Limited)	Kenya	*(x)*
EP (RBDA) Limited (Incorporated in Malawi – Eastern Produce Malawi Limited)	Malawi	*(xii)*
Estate Services Limited (Incorporated in Kenya – held by Kakuzi Limited)	Kenya	*(xi)*
Goodricke Lawrie Consultants Limited	UK	*(i)*
Gotha Tea Estates Limited	UK	*(i)*
Granton Transport Limited (in liquidation)	UK	*(xiv)*
Hamstead Village Investments Limited	UK	*(i)*
Hellyer Bros Limited	UK	*(i)*
Horace Hickling & Co. Limited	UK	*(i)*
Humber - St. Andrew's Engineering Company Limited	UK	*(i)*
Isa Bheel Tea Company Limited	UK	*(i)*
Jatel Plc	UK	*(i)*
Jetinga Holdings Limited	UK	*(i)*
Jetinga Valley Tea Company Limited	UK	*(i)*
Kaguru EPZ Limited (Incorporated in Kenya – held by Kakuzi Limited)	Kenya	*(xi)*
Kapsumbeiwa Factory Company Limited	UK	*(i)*
Kip Koimet Limited (Incorporated in Kenya – held by Eastern Produce Kenya Limited)	Kenya	*(x)*
Kumadzi Tea Estates Limited	UK	*(i)*
Lankapara Tea Company Limited	UK	*(i)*
Lawrie Plantation Services Limited	UK	*(i)*
Nasonia Tea Company Limited (Incorporated in Malawi)	Malawi	*(xii)*
Octavius Steel & Company (London) Limited	UK	*(i)*
Robert Hudson Holdings Limited (in liquidation)	UK	*(i)*
Rosehaugh (Africa) Limited	UK	*(i)*
Ruo Estates Limited	UK	*(i)*
Ruo Estates Holdings Limited	UK	*(i)*
Sandbach Export Limited	UK	*(i)*
Sapekoe Pusela (Pty) Limited (Incorporated in South Africa - held by Eastern Produce South Africa (Pty) Limited)	South Africa	*(ix)*
Silverthorne-Gillott Limited	UK	*(i)*
S.I.S. Securities Limited	UK	*(i)*
Sterling Industrial Securities Limited	UK	*(i)*
Stewart Holl Investments Limited	UK	*(i)*
The Amgoorie Tea Estates Limited	UK	*(i)*
The Bagracote Tea Company, Limited	UK	*(i)*
The Ceylon Upcountry Tea Estates Limited	UK	*(i)*
The Dhoolie Tea Company Limited	UK	*(i)*
The Doolahat Tea Company Limited	UK	*(i)*
The Eastern Produce and Estates Company Limited	UK	*(i)*
The Kapsumbeiwa Tea Company Limited	UK	*(i)*
Longai Valley Tea Company Limited	UK	*(i)*
The Tyspane Tea Company Limited	UK	*(i)*
Thyolo Highlands Tea Estates Limited	UK	*(i)*
Vaghamon (Travancore) Tea Company Limited	UK	*(i)*
Walter Duncan & Goodricke Limited	UK	*(i)*
WDG Properties Limited	UK	*(i)*

Summarised financial information on subsidiaries with material non-controlling interests

Summarised balance sheet

	Eastern Produce Kenya Limited as at 31 December		Eastern Produce Malawi Limited as at 31 December	
	2023	*2022*	2023	*2022*
	£'m	*£'m*	£'m	*£'m*
Current				

	2023 £'m	2022 £'m	2023 £'m	2022 £'m
Assets	18.5	*23.7*	12.4	*18.2*
Liabilities	(13.2)	*(19.0)*	(10.7)	*(14.1)*
Total current net assets	5.3	*4.7*	1.7	*4.1*
Non-current				
Assets	26.0	*28.2*	15.2	*26.8*
Liabilities	(4.9)	*(5.4)*	(4.8)	*(8.8)*
Total non-current net assets	21.1	*22.8*	10.4	*18.0*
Net assets	26.4	*27.5*	12.1	*22.1*

	Eastern Produce South Africa Limited as at 31 December		Goodricke Group Limited as at 31 December	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Current				
Assets	3.2	*3.6*	34.6	*35.2*
Liabilities	(5.9)	*(4.4)*	(30.3)	*(23.9)*
Total current net (liabilities)/assets	(2.7)	*(0.8)*	4.3	*11.3*
Non-current				
Assets	9.1	*10.3*	33.8	*36.5*
Liabilities	(2.0)	*(3.3)*	(10.0)	*(11.6)*
Total non-current net assets	7.1	*7.0*	23.8	*24.9*
Net assets	4.4	*6.2*	28.1	*36.2*

	Kakuzi Plc as at 31 December	
	2023 £'m	*2022 £'m*
Current		
Assets	17.0	*21.6*
Liabilities	(1.7)	*(2.6)*
Total current net assets	15.3	*19.0*
Non-current		
Assets	20.8	*27.6*
Liabilities	(6.5)	*(7.8)*
Total non-current net assets	14.3	*19.8*
Net assets	29.6	*38.8*

Summarised income statement

	Eastern Produce Kenya Limited for year ended 31 December		Eastern Produce Malawi Limited for year ended 31 December	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Revenue	42.5	*40.6*	28.1	*30.1*
Profit/(loss) before tax	13.2	*9.9*	(1.3)	*0.7*
Taxation	(4.0)	*(3.2)*	0.3	*(0.6)*
Other comprehensive (expense)/income	(6.0)	*1.1*	(9.1)	*(2.6)*
Total comprehensive income/(expense)	3.2	*7.8*	(10.1)	*(2.5)*
Total comprehensive income/(expense) allocated to non-controlling interests	1.0	*2.3*	(2.7)	*(0.7)*
Dividends paid to non-controlling interests	1.2	*3.7*	–	–

	Eastern Produce South Africa Limited for year ended 31 December		Goodricke Group Limited for year ended 31 December	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Revenue	4.3	*5.5*	78.6	*90.5*
(Loss)/profit before tax	(2.3)	*(0.8)*	(5.9)	*0.4*
Taxation	1.3	*0.2*	0.3	*(0.3)*
Other comprehensive (expense)/income	(0.9)	*0.4*	(2.4)	*1.4*
Total comprehensive (expense)/income	(1.9)	*(0.2)*	(8.0)	*1.5*

Total comprehensive (expense)/income allocated to non-controlling interests	(0.5)	–	(2.1)	*0.4*
Dividends paid to non-controlling interests	–	–	–	*0.2*

	Kakuzi Plc for year ended 31 December	
	2023 £'m	*2022 £'m*
Revenue	31.0	*30.5*
Profit before tax	5.2	*7.3*
Taxation	(1.6)	*(2.3)*
Other comprehensive (expense)/income	(10.0)	*1.1*
Total comprehensive (expense)/income	(6.4)	*6.1*
Total comprehensive (expense)/income allocated to non-controlling interests	(3.2)	*3.0*
Dividends paid to non-controlling interests	1.3	*1.5*

Summarised cash flows

	Eastern Produce Kenya Limited for year ended 31 December		Eastern Produce Malawi Limited for year ended 31 December	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Cash flows from operating activities				
Cash generated from operations	10.3	*14.0*	(3.4)	*2.6*
Net interest received/(paid)	0.6	*0.9*	(0.8)	*(0.5)*
Income tax (paid)/received	(3.9)	*(3.0)*	0.8	*0.4*
Net cash generated from/(used in) operating activities	7.0	*11.9*	(3.4)	*2.5*
Net cash used in investing activities	(4.8)	*(0.5)*	(0.2)	*(0.6)*
Net cash used in financing activities	(4.2)	*(12.3)*	–	–
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	(2.0)	*(0.9)*	(3.6)	*1.9*
Cash, cash equivalents and bank overdrafts at beginning of year	13.9	*13.6*	1.5	*(0.6)*
Exchange (losses)/gains on cash and cash equivalents	(1.2)	*1.2*	0.7	*0.2*
Cash, cash equivalents and bank overdrafts at end of year	10.7	*13.9*	(1.4)	*1.5*

	Eastern Produce South Africa Limited for year ended 31 December		Goodricke Group Limited for year ended 31 December	
	2023 £'m	*2022 £'m*	2023 £'m	*2022 £'m*
Cash flows from operating activities				
Cash generated from operations	0.9	*0.6*	(1.7)	*1.1*
Net interest paid	(0.4)	*(0.3)*	(0.9)	*(0.7)*
Income tax received/(paid)	–	–	0.1	*(0.1)*
Net cash generated from/(used in) operating activities	0.5	*0.3*	(2.5)	*0.3*
Net cash used in investing activities	(0.6)	*(1.4)*	(1.2)	*(1.6)*
Net cash generated (used in)/from financing activities	(0.3)	*1.2*	(0.9)	*(1.2)*
Net (decrease)/increase in cash and cash equivalents and bank overdrafts	(0.4)	*0.1*	(4.6)	*(2.5)*
Cash, cash equivalents and bank overdrafts at beginning of year	1.3	*1.1*	(1.2)	*1.2*
Exchange (losses)/gains on cash and cash equivalents	(0.3)	*0.1*	0.3	*0.1*
Cash, cash equivalents and bank overdrafts at end of year	0.6	*1.3*	(5.5)	*(1.2)*

	Kakuzi Plc for year ended 31 December 2023 £'m	2022 £'m
Cash flows from operating activities		
Cash generated from operations	12.5	*11.6*
Net interest received	0.3	*0.5*
Income tax paid	(1.5)	*(1.4)*
Net cash generated from operating activities	11.3	*10.7*
Net cash generated used in investing activities	(9.3)	*(10.0)*
Net cash used in financing activities	(2.7)	*(3.0)*
Net decrease in cash and cash equivalents and bank overdrafts	(0.7)	*(2.3)*
Cash, cash equivalents and bank overdrafts at beginning of year	9.5	*10.8*
Exchange (losses)/gains on cash and cash equivalents	(1.8)	*1.0*
Cash, cash equivalents and bank overdrafts at end of year	7.0	*9.5*

Associated undertakings

The principal associated undertakings of the Group at 31 December 2023 were:

	Principal country of operation	Registered Office	Accounting date 2023	Group interest in equity capital per cent.
Insurance and banking				
United Finance Limited (Incorporated in Bangladesh – ordinary shares)	Bangladesh	*(vii)*	31 December	38.4
United Insurance Company Limited (Incorporated in Bangladesh – ordinary shares)	Bangladesh	*(vii)*	31 December	37.0

Registered Offices:

(i) Wrotham Place, Bull Lane, Wrotham, Near Sevenoaks, Kent, TN15 7AE, England

(ii) Amgoorie Tea Garden, PO: Amguri, Haloating - 785 681, Dist: Sibsagar, Assam, India

(iii) Camellia House, 14 Gurusaday Road, Kolkata - 700019, West Bengal, India

(iv) Koomber Tea Garden, PO: Kumbhir, Cachar - 788 108, Assam, India

(v) Sessa Tea Garden, PO: Dibrugarh - 786001, Dist: Dibrugarh, Assam, India

(vii) Camellia House, 22 Kazi Nazrul Islam Avenue, Dhaka 1000, Bangladesh

(viii) Slangrivier Road, Slangrivier Plaas, Wellington, 7655, South Africa

(ix) 7 Windsor Street, Tzaneen, 850, Limpopo Province, South Africa

(x) New Rehema House, Rhapta Road, Westlands, P O Box 45560, GPO 00100, Nairobi, Kenya

(xi) Main Office, Punda Milia Road, Makuyu, P O Box 24, 01000 Thika, Kenya

(xiii) 1368 W Herndon Ave, #103, Fresno, California 93711, USA

(xiv) Craigshaw Crescent, West Tullos, Aberdeen, AB12 3TB, Scotland

(xv) 112 Pitts Bay Road, Pembroke, Bermuda, HM08

(xvi) Clarendon House, 2 Church Street, Hamilton, Bermuda, HM11

(xvii) 3rd Floor, 180 Msasani Bay, Msasani, Dar Es salaam, Tanzania

(vi)	Fazenda Maruque s/n sala 03 Bairro Maruque Itaberá São Paulo Brazil	*(xii)*	PO Box 53 Mulanje Malawi

46 Control of Camellia Plc

Camellia Holding AG continues to hold 1,427,000 ordinary shares of Camellia Plc (representing 51.67 per cent. of the total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Limited, a private trust company incorporated under the laws of Bermuda as trustee of The Camellia Foundation ("the Foundation"). The Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.

The activities of Camellia Plc and its group (the "Camellia Group") are conducted independently of the Foundation. Stephen Buckland, who is a Director of Camellia Plc and Non-executive Chairman of Goodricke Group Limited (a Camellia Plc subsidiary), is also a director of The Camellia Private Trust Company and the president of the board of the trustee of the Foundation; he and Simon Turner (Non-executive Chairman of Camellia Plc) are both appointees of the Foundation to the board of Camellia Plc.

While The Camellia Private Trust Company Limited as a trustee of the Foundation maintains its rights as a shareholder it has not participated in, and has confirmed to the board of Camellia Plc that it has no intention of participating in, the day to day running of the business of the Camellia Group. The Camellia Private Trust Company Limited has also confirmed its agreement that where any director of Camellia Plc is for the time being connected with the Foundation, he should not exercise any voting rights as a director of Camellia Plc in relation to any matter concerning the Camellia Group's interest in any assets in which the Foundation also has a material interest otherwise than through Camellia Plc.

47 Related party transactions

Group

During the year the Group paid contributions to the overseas pension and post-employment schemes of £2,913,690 (2022: £1,930,199).

Company

The Company receives financial and secretarial services from Linton Park Plc, a directly owned subsidiary undertaking. The amount payable for these services for 2023 was £482,304 (2022: £422,081). At 31 December 2023 £3,898,008 (2022: £3,621,361) is owed to Linton Park Plc and is unsecured, interest free and has no fixed terms of repayment.

Amounts due to Lawrie Group Plc, a directly owned subsidiary undertaking of £17,824,492 (2022: £16,519,492) include an unsecured loan note of £4,191,777 (2022: £4,191,777). The company received interest of £167,671 (2022: £167,671) on this unsecured loan note. The remaining balance is unsecured, interest free and has no fixed terms of repayment.

Balances receivable and payable from/to other Group companies at 31 December 2023 amounted to £2,202,565 (2022: £2,052,715) and £193,185 (2022: £193,185) respectively and are unsecured, interest free and have no fixed terms of repayment.

48 Subsequent events

As announced in January 2024, Bardsley is proceeding with an orderly wind down and closure of its operations, with packing operations ceasing in April 2024. To date in 2024, Bardsley has successfully exited one long leasehold property reducing ongoing maintenance obligations and interest costs and releasing £1.1 million of liabilities to profit and loss account in 2024. Further details are set out on page 13.

APPENDICES

Appendix 1: Global (excluding UK) GHG emissions and energy use data for the year to 31 December

Reporting year *Group sectors reported*	*2023 Global (Excluding UK)*	*2022 Global (Excluding UK)*	*2021 Global (Excluding UK)*	*2020 Global (Excluding UK)*	*2019 Global (Excluding UK)*
Emissions from combustion of LPG and Natural gas (Scope 1) (tCO_2e)	21,896	23,019	24,309	21,555	25,350
Emissions from combustion of diesel and petrol for transport and onsite combustion (Scope 1) (tCO_2e)	16,124	15,183	15,012	15,324	17,501

Emissions from the combustion of coal (Scope 1) (tCO_2e)	69,956	72,367	70,999	80,217	88,377
Emissions from combustion of firewood and other fuels (Scope 1) (tCO_2e)	2, 794	3,707	3,863	3,819	3,558
Emissions from fertilisers, waste, livestock, land use change and refrigerants (Scope 1) (tCO_2e)	37,868	35,964	35,626	35,625	37,983
Emissions from purchase of electricity for own use (Scope 2, location-based) (tCO_2e)	45,336	40,276	41,925	42,717	47,625
Emissions from purchase of electricity for own use (Scope 2, market-based*) (tCO_2e)	45,336	40,276	41,909	42,717	47,625
Emissions from purchase of electricity, heat, steam, and cooling purchased for own use (Scope 2, location-based) (tCO_2e)	45,336	40,276	41,925	42,717	47,625
Outside of Scopes emissions (tCO_2e)***	86,382	85,231	89,070	86,958	80,094
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (tCO_2e)**	102	180	132	n/a	n/a
Total gross Scope 1 and Scope 2 emissions (location-based) (tCO_2e)	193,974	190,516	191,734	199,257	220,394
Total gross Scope 1 and Scope 2 emissions (market-based) (tCO_2e)	193,974	190,516	191,719	199,257	220,394
Intensity ratio: Kg CO2e/Kg of made tea	1.29	1.36	1.28	1.40	1.51
Energy equivalent from combustion of LPG and Natural gas (Scope 1) (GWh)	118.8	125.1	131.9	117.0	137.2
Energy equivalent from combustion of diesel and petrol for transport and onsite combustion (Scope 1) (GWh)	66.8	62.1	62.1	62.8	71.0
Energy equivalent from the combustion of coal (Scope 1) (GWh)	216.8	222.9	219.4	250.4	266.3
Energy equivalent from combustion of firewood and other fuels (Scope 1) (GWh)	247.3	242.5	253.5	247.2	227.7
Electricity purchased for own use (Scope 2) (GWh)	95.2	91.5	90.7	90.5	95.5
Renewable electricity generated for own use (Scope 2) (Gwh)	1.7	1.1	1.0	0.9	0.6
Energy equivalent from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (GWh)**	0.5	0.5	0.5	n/a	n/a

* 2020 is the first reporting period for which the Group reported its Scope 2 market-based emissions

** 2021 was the first reporting period for which the Group reported its Scope 3 business travel in rental cars or employee-owned vehicles

*** The Outside of Scopes emissions do not include any bioenergy elements of the grid electricity consumed and fossil fuels used for transport and on-site combustion

**** Following the refinement of the emission factors for a number of fertilisers, the figures for prior years have been restated

Appendix 2: UK GHG emissions and energy use data for the year to 31 December

Reporting year	*2023*	*2022*	*2021*	*2020*	*2019*
Group sectors reported	*UK*	*UK*	*UK*	*UK*	*UK*
Emissions from combustion of LPG and Natural gas (Scope 1) (tCO_2e)	565	801	1,262	1,591	1,939
Emissions from combustion of diesel and petrol for transport and onsite combustion (Scope 1) (tCO_2e)	324	4,086	4,096	3,744	5,069
Emissions from combustion of other fuels (Scope 1) (tCO_2e)	428	637	378	88	122
Emissions from fertilisers, waste, livestock, land use change, and refrigerants (Scope 1) (tCO_2e)	40	221	1	13	17
Emissions from purchase of electricity for own use (Scope 2, location-based) (tCO_2e)	1,010	4,168	4,405	5,130	5,316

Emissions from purchase of electricity for own use (Scope 2, market-based*) (tCO_2e)	750	988	1,171	32	n/a
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2, location- based) (tCO_2e)	1,010	4,168	4,405	5,130	5,316
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel** (Scope 3) (tCO_2e)	11	68	15	n/a	n/a
Total gross Scope 1 and Scope 2 emissions (location-based) (tCO_2e)	2,367	9,913	10,142	10,566	12,463
Total gross Scope 1 and Scope 2 emissions (market-based) (tCO_2e)	2,107	6,733	6,908	5,468	n/a
Energy equivalent from combustion of LPG and Natural gas (Scope 1) (GWh)	3.1	4.3	6.8	8.6	10.5
Energy equivalent from combustion of diesel and petrol for transport and onsite combustion (Scope 1) (GWh)	1.4	17.0	17.4	15.6	20.8
Energy equivalent from combustion of other fuels (Scope 1) (GWh)	1.7	2.5	1.5	0.3	0.5
Electricity purchased for own use (Scope 2) (GWh)	5.1	21.6	21.0	22.0	21.5
Energy equivalent from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3) (GWh)	0.0	0.3	0.0	n/a	n/a

* 2020 is the first reporting period for which we reported our Scope 2 market-based emissions. The increase in market-based emissions in 2021 was primarily due to the inclusion of Bardsley England.

** 2021 was the first reporting period for which we reported our Scope 3 business travel in rental cars or employee-owned vehicles.

*** ACS&T's Scopes 1 and 2 emissions were included in 2023 up to the date of its divestment by the Group, 10 January 2023

Outside of Scopes emissions are not reported for UK GHG emissions because the Group's UK businesses do not combust biofuels. Due to lack of availability of data, the Group does not state the emissions from any bioenergy elements of the grid electricity consumed and fossil fuels used for transport and on-site combustion.

Appendix 3: SECR reporting methodology

The scope of the reporting for SECR purposes was determined by including the businesses in which the Group owns majority holdings and/or fully operates.

It includes GHG (Greenhouse Gas) emissions and energy use by businesses that were divested during the reporting period up to the date of transfer of risk and reward pertaining to those businesses. Similarly, it includes business that were acquired or sold during the reporting period from the date of transfer of risk and reward pertaining to those businesses. The reporting period aligns with the Group's financial reporting period. The reported figures are an aggregation of emissions and energy consumption by the Group's reporting units. A reporting unit is defined as a geographically located operating entity or group of entities. For example, the India group of companies is defined as one reporting unit. Within a reporting unit distinction is made between different sites, field operations and factory operations.

The conversion and emission factors used in calculating the Group's emissions are as per those published by the UK Department for Business, Energy and Industrial Strategy and the UK Department for Environment, Food and Rural Affairs (Defra) and the Intergovernmental Panel on Climate Change (IPCC), which are in line with the GHG Protocol guidance. The non-UK electricity emission factors are sourced from the International Energy Agency for Scope 2 location-based reporting. For Scope 2 market-based reporting they are sourced directly from the electricity suppliers, where available. For global (excluding UK) market-based emissions in regions where renewable energy certificate (REC) systems are not developed, market-based emission factors are calculated using location-based grid average emission factors. For UK market-based emissions, where supplier specific emission rates could not be determined due to unavailability of data, UK residual mix emission factors were used.

A standardised reporting tool is used to capture the Group's environmental and energy data. Year on year trends in the data are analysed and understood. Where estimates are used these are disclosed and assessed in terms of magnitude as part of the overall data quality.

Every effort is made to ensure the environmental data that we report is accurate. However, should more accurate or complete data be available for prior years, we will restate if it results in a movement of at least 5%

in the reported data. We may restate carbon emissions even when there is no change in consumption data, due to corrections to the emissions factors provided by Defra.

The Scope 3 element pertaining to energy use and CO_2e emissions from rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel or where the company reimburses the employee for the fuel has been estimated based on an estimate of the kilometres travelled by employees under this category. We did not estimate this category for prior years since its share of the Group's total carbon footprint is relatively immaterial.

REPORT OF THE INDEPENDENT AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMELLIA PLC

Report on the audit of the financial statements

1. Opinion
In our opinion:

- the financial statements of Camellia Plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statements;
- the basis of preparation and statement of accounting policies;
- the notes 1 to 48 related to the consolidated financial statements; and
- the notes 1 to 48 related to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006.

2. Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: ■ Revenue recognition; ■ Impairment of goodwill and intangible assets; and ■ Accounting for investments in associate held for sale. Within this report, key audit matters are identified as follows: Newly identified Increased level of risk Similar level of risk Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £1.14 million which was determined on the basis of revenue.
Scoping	We consider the principal business units to reflect the components of the Group as this is how management monitor and control the business. Our scope covered 43 components of the Group. Of these, 34 were subjected to a full-scope audit whilst the 9 remaining were subject to specific audit procedures. Our scoping provides coverage of 100% of the Group's revenue, 98% of the Group's result before tax and 96% of the Group's net assets.
Significant changes in our approach	■ Our audit approach is consistent with the previous year with the exception of the following: Following the contract entered in the year to dispose the Group's entire shareholding of its investment in BF&M Limited, we have included the accounting for investments in associate held for sale as a new key audit matter.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- assessing the latest cash flow forecasts of the Group to determine whether these are consistent with the forecasts used during the impairment review;
- assessing copies of any existing and new facilities and assessing the Group's cash forecasts against available facilities and the required repayment profiles of debt and interest;
- assessing the facilities and its availability and compliance with covenants;
- testing the accuracy of the Directors' models, including agreement to the most recent Board approved budgets and forecasts;
- evaluating each of the sensitivities adopted by management and assessing downside scenarios of cash headroom over the forecast period by performing our own sensitivity analyses to assess the solvency of the Group over the going concern review period;
- assessing the reasonability of the assumptions that management have used in their cash forecasts; and
- assessing the appropriateness of the financial statement disclosures in relation to going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1. Revenue Recognition

Key audit matter description

The Group's agricultural operations involve a wide range of customer delivery models, including auction and retail sales. Given the complexity of the Group's operations and the terms of business with buyers, there is a risk of inappropriate timing of revenue recognition around the balance sheet date.

The Group's agricultural revenue is included within Sale of Goods of £255.6 million (2022: £283.0 million) disclosed in note 2 to the financial statements. Further information regarding the agricultural revenue recognition policy is in the principal accounting policies disclosed in the financial statements.

How the scope of our audit responded to the key audit matter

We have performed the following procedures in response to the key audit matter:

- obtained an understanding of the processes and controls used to record revenue transactions;
- assessed commercial arrangements to determine the correct point of revenue recognition of different type of shipments;
- assessed whether revenue was recorded in the correct period by agreeing a sample of revenue transactions during the period either side of the balance sheet date to the relevant terms of business, dispatch or delivery documentation as appropriate; and
- assessed material journal entries that were posted to revenue accounts and obtained supporting evidence to test the appropriateness of revenue recognition.

Key observations

From the work performed, we have concluded that revenue is appropriately recognised in the correct accounting period.

5.2. Impairment of goodwill and intangible assets

Key audit matter description

The Group holds £4.7 million (2022: £6.3 million) of intangible assets including £0.6 million (2022: £1.0 million) allocated to goodwill and £2.1 million (2022: £3.2 million) allocated to the Jing Tea brand.

We have identified a key audit matter in relation to the valuation of intangibles being the (i) Brand value relating to Jing Tea Limited; and (ii) Goodwill on the past acquisition of tea estates in India by Goodricke Group Limited and Amgoorie India Limited.

There is a risk that the above cash generating units (CGUs) or groups of CGUs may not achieve the anticipated business performance to support their carrying value, or that the estimated fair value of the CGUs may not support their carrying value. This could lead to an impairment charge that has not been recognised by management.

The Group's impairment assessment of CGUs to which goodwill is allocated in accordance with IAS 36 *Impairment of Assets* involves fair value less costs to sell calculations which are performed by management with the help of external valuers where applicable. The estimates and assumptions used with the cashflow projections require estimates, including significant assumptions regarding future royalty rates, discount rates and cashflows.

Intangible assets are disclosed in note 17 to the financial statements, the valuation is discussed as sources of estimation uncertainty, and the valuation policy is disclosed in the principal accounting policies.

How the scope of our audit responded to the key audit matter

We have performed the following procedures in response to the key audit matter:

- obtained an understanding of the processes and relevant controls related to the impairment review of intangible assets and goodwill;

	■ tested the arithmetical accuracy of the fair value less cost to sell calculations. We evaluated the current year changes to the key assumptions and assessed retrospectively whether prior year assumptions were appropriate; ■ challenged the appropriateness of the Directors' assessment of CGU groups with reference to the requirements of IAS36 and the level at which operations are managed and goodwill is monitored for internal reporting purposes; ■ involved our valuation specialists in evaluating management's discount rates and royalty rates. We benchmarked the discount rate to comparable assets and considered the underlying assumptions based on our knowledge of the Group and its industry; ■ assessed the accuracy of management's revenue and cash flow projections by comparing historical forecasts with actual cash flows. We assessed whether forecast cash flows were consistent with Board approved forecasts. We also performed sensitivity analysis as part of our overall evaluation of forecast cash flows and considered the key potential impacts of climate change;
How the scope of our audit responded to the key audit matter (continued)	■ assessed the valuation reports issued by third party external valuers by comparing them with similar market transactions. We also held discussions with the valuers to challenge the methods and assumptions used for determining fair value; ■ evaluated the competence, capabilities and objectivity of third-party external valuers; ■ assessed the financial statements disclosures in relation to the impairment assessments performed; and ■ assessed the adequacy of the Group's disclosures including the need to disclose further sensitivities for CGUs where a reasonably possible change in a key assumption would cause an impairment.
Key observations	From the work performed, we have concluded that the impairment of goodwill and intangible assets is appropriately recognised in accordance with IAS 36. In addition, the relevant disclosures are appropriate based on the results of our work.

5.3. Accounting for investments in associate held for sale

Key audit matter description	During the year, in June 2023, the Group announced that it has agreed the sale of its entire shareholding (36.9%) in BF&M Limited ("BF&M") to Bermuda Life Insurance Company Limited (a subsidiary of Argus Group Holdings Limited ("Argus")), subject to regulatory and tax approvals. Net proceeds are estimated to be approximately $95.8 million and the transaction is expected to be completed in Q2 2024. Following the agreement for the sale, the Group ceased equity accounting for their investment in BF&M and their investment has been re-categorised as an 'asset held for sale' in accordance with IFRS 5 Non-Current assets held for sale and discontinued operations. This resulted in the release of a previous impairment of £19.0 million in accordance with IAS 36 Impairment of Assets. Following the announcement of this proposed disposal, as disclosed in the critical judgement note, the events since signing of the sale agreement have extended the timetable for regulatory approvals. There is a risk that the sale is not highly probable, and that the sale will not complete within one year from June 2023. We have considered this as a key audit matter due to the key judgment involved in determining whether the sale is highly probable. Assets classified as held for sale are disclosed in note 31 to the financial statements, the key judgement related to this key matter being whether the sale is highly probable is disclosed as a critical judgement, and the policy on impairment reversal is disclosed in the principal accounting policies.
How the scope of our audit responded to the key audit matter	We have performed the following procedures in response to the key audit matter: ■ reviewed the sale agreement to assess whether the terms include price at arm's length; ■ obtained evidence to validate that the sale is highly probable by assessing whether the progress of the Group's application for regulatory approval is following the

normal course in Bermuda's jurisdiction and consider if any issues or concerns that may result in denial of the application;

- assessed the disposal against the criteria of IFRS 5 to evaluate whether it is appropriate to be classified as held for sale;
- assessed whether the reversal of impairment is appropriately recognised in accordance with IAS 36; and
- evaluated the relevant disclosures regarding the disposal of the BF&M business within Note 23 of the financial statements.

Key observations	From the work performed, we have concluded that the accounting for investments in associate held for sale is appropriately recognised in accordance with the relevant accounting standards. We also concluded that the reversal of impairments is appropriately recognised in accordance with IAS 36. Further, the relevant disclosures are appropriate based on the results of our work.

6. Our application of materiality
6.1. Materiality
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	**Parent company financial statements**
Materiality	£1.14 million (2022: £1.28 million)	£0.4 million (2022: £0.4 million)
Basis for determining materiality	0.2% of Revenue (2022: 0.4% of revenue).	2% of net assets, capped at 35% of group materiality (2022: 2% of net assets, capped at 35% of group materiality)
Rationale for the benchmark applied	The overall size of the business, demonstrated by revenue, has remained broadly consistent with the prior year therefore we conclude that the basis for materiality was appropriate. Revenue is considered an important benchmark for users to determine growth and performance of the Group.	We have used net assets measure given that the parent company is a holding company, generating no revenue

6.2. Performance materiality
We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	**Parent company financial statements**
Performance materiality	70% (2022: 70%) of group materiality	70% (2022: 70%) of parent company materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we have considered the following factors: ■ there have been no changes to the business in their operation or financial reporting process; ■ the de-centralised nature of the Group and lack of common controls and processes; ■ the Group has a history of correcting identified misstatements, and the remaining uncorrected misstatements are historically below performance materiality; and ■ the quality of the control environment, hence the decreased likelihood of significant misstatements occurring.	

6.3. Error reporting threshold
We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £56,000 (2022: £64,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit
7.1. Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. The Group undertakes agricultural operations in countries across Africa, South America, and Asia, with its principal crops grown in Bangladesh, India, Kenya, Malawi. The Group's engineering operations as well as apple and pear orchards, are located in the UK. Of the Group's 54 principal components, 34 were subject to a full audit and 9 were subject to specified audit procedures where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those locations.

These 43 components represent the principal business units and account for 100% (2022: 100%) of the Group's revenue and 98% (2022: 98%) of the Group's results before tax and 96% (2022: 72%) of the Group's net assets. The remaining components were subject to analytical review procedures by the Group audit team or were scoped out on the basis of being dormant or immaterial. Our audit work on these components in addition to the parent entity was executed to lower levels of materiality of £0.4m to (35%) of group materiality (2022: £0.4m (35%)).

In addition to the work performed at a component level the Group audit team also performs audit procedures on the Company financial statements including but not limited to corporate activities such as pensions as well as on the consolidated financial statements themselves, including entity level controls, litigation provisions, the consolidation, financial statement disclosures and risk assessment work on components not included elsewhere in the scope of our audit to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

Revenue	
Full audit scope	94%
Specified audit procedures	6%
Profit before tax	
Full audit scope	91%
Specified audit procedures	7%
Review at group level	2%
Net assets	
Full audit scope	83%
Specified audit procedures	13%
Review at group level	4%

7.2. Our consideration of the control environment

Our risk assessment procedures include obtaining an understanding of relevant controls to the audit.

Consistent with previous years, we have obtained an understanding of relevant controls on the following areas:

- revenue;
- financial reporting process; and
- impairment of intangibles.

This covered some of the key accounting and reporting tools that are used by management and the interface between various systems.

We have tested and relied on revenue controls for certain components such as in Kenya, Malawi and Brazil.

7.3. Working with other auditors

The Group audit team are responsible for the scope and direction of the audit process and provide direct oversight, review, and coordination of our component audit teams. We interacted regularly with the component team during each stage of the audit and reviewed key working papers. In September 2023, we held a group-wide planning meeting, in which we set out the materiality and scoping for component teams, as well as considering significant risks across the Group. We also held planning meetings with each of our specialists, involving our component teams where relevant.

During our interim and year-end audit, we held regular catch-up meetings with components to monitor progress and highlight any issues arising. The Senior Statutory Auditor participated in all of the final close meetings of the group's significant components. The Senior Statutory Auditor or other senior members of the group audit team carried out a review of the component auditor files.

Our oversight of component auditors focused on the planning of their audit work and key judgements made. In particular, our supervision and direction focused on the work performed in relation to key audit matters by component teams including revenue recognition and impairment of intangible assets and goodwill.

As part of our monitoring of component auditors, we performed site visits in four locations (India, Bangladesh, Kenya and Malawi). We have also attended key audit close meetings.

7.4. Our consideration of climate-related risks

Management has considered transition and physical risks when factoring in climate change as part of their risk assessment process when considering the principal risks and uncertainties facing the Group. This is set out in the Corporate Governance section on pages 35 to 48 and the principal risks set out on pages 39 to 45. The areas of the financial statement that are notably impacted by climate-related matters are associated with future forecasts in the medium to long term. From the financial statements' perspective, these risks have been focused on the valuation of goodwill and other intangible assets and Biological assets. This is consistent with our evaluation of the climate-related risks facing the Group and is linked to the key audit matter as highlighted in section 5.2 above, where we have described both the risks related to these assumptions and our audit procedures in relation to the challenge of these assumptions. In addition, we have:

- assessed the key financial statement line items and estimates which are more likely to be materially impacted by climate change risks given the more notable impacts of climate change on the business are expected to arise in the medium to long term.
- challenged how the Directors considered climate change in their assessment on the Group's operations based on our understanding of the business environment and by benchmarking relevant assumptions with market data.
- involved our Environmental Social and Governance (ESG) specialist in challenging the Group's climate risk assessments. ESG specialists were also involved in evaluating the ESG section of the annual report and assessing the Climate-related Financial disclosures (CFD) on pages 17 to 28 against the recommendations of the UK CFD framework.
- read the climate risk disclosures included throughout the corporate governance section of the annual report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. Other information

The other information comprises the information included in the annual report , other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1. Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for Directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors and the Audit Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team including significant component audit teams and relevant internal specialists, including tax, valuations, pensions, ESG and IT specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area - recognition of revenue. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the. UK Companies Act, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the group's health, safety and environmental regulations (carbon reduction, etc), Bribery Act and employee laws.

11.2. Audit response to risks identified
As a result of performing the above, we identified revenue recognition as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit Committee and in-house legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the Directors' report.

13. Matters on which we are required to report by exception

13.1. Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

13.2. Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of Directors' remuneration have not been made.

We have nothing to report in respect of this matter.

14. Use of our report

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.

Makhan Chahal FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor
London, United Kingdom

28 April 2024

FIVE YEAR RECORD

	2023 £'m	2022 £'m *Restated	2021 £'m	2020 £'m	2019 £'m
Revenue-continuing operations	272.3	297.2	255.3	270.1	266.0
(Loss)/profit before tax	3.8	(4.3)	7.1	7.2	20.5
Taxation	(5.2)	(12.2)	(2.6)	(8.6)	(7.2)
(Loss)/profit from continuing operations	(1.4)	(16.5)	4.5	(1.4)	13.3
Profit from discontinued operations	–	7.6	–	0.6	1.8

Profit/(loss) attributable to owners of the parent	(3.7)	(13.6)	2.3	(5.0)	8.3
Equity dividends paid	4.0	4.0	5.2	2.8	4.0
Equity					
Called up share capital	0.3	0.3	0.3	0.3	0.3
Reserves	325.5	364.7	388.3	376.3	395.4
Total shareholders' funds	325.8	365.0	388.6	376.6	395.7
Earnings/(loss) per share - continuing operations	(134.0) p	(767.6) p	83.3 p	(202.8) p	235.3 p
Earnings/(loss) per share - continuing and discontinued operations	(134.0) p	(492.4) p	83.3 p	(181.0) p	300.5 p
Dividend paid per share	146 p	146 p	188 p	102 p	144 p

* The comparative figures for 2022 have been restated following a previously recognised associate transitioning to IFRS 17 'Insurance Contracts'