Camellia Plc

2003

Camellia Plc

Report and Accounts 2003

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Directors and Advisers

Chairman Emeritus	H. K. FitzGerald	
Directors	M. C. Perkins, FCA	Chairman†
	P. A. Leggatt, MBE	
	A. K. Mathur, FCA	Finance director
	D. A. Reeves, MSc.	Non executive director†
	A. S. M. O. Subhan, MPhil	
	C. P. T. Vaughan-Johnson, FCIB	Independent non executive director†
	† Member of audit committee	
Secretary	M. D. Conway, FCIS	
Registered Office	Linton Park Linton Near Maidstone Kent ME17 4AB (Registered No. 29559)	
Registrars	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU	
Auditors	Moore Stephens Chartered Accountants St. Paul's House Warwick Lane London EC4P 4BN	

Notice of Meeting

Notice is hereby given that the annual general meeting of Camellia Plc will be held at The Goring Hotel, Beeston Place, Grosvenor Gardens, London SW1W 0JW on Thursday 27 May 2004 at 2.30 p.m. for the following purposes:

1. To receive and consider the report of the directors and the statement of accounts for the year ended 31 December 2003.
2. To approve the directors' remuneration report for the year ended 31 December 2003.
3. To declare a final dividend.
4. To re-elect the following directors who, in accordance with the company's articles of association, will retire at this annual general meeting.

   A Mr M C Perkins

   B Mr P A Leggatt

   C Mr A K Mathur

   D Mr D A Reeves

   E Mr A S M O Subhan

   F Mr C P T Vaughan-Johnson
5. To re-appoint Moore Stephens as auditors and authorise the directors to agree their remuneration.
6. As special business, to consider, and if thought fit, to pass the following resolution, which will be proposed as a special resolution.

That the company be and is hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) on the London Stock Exchange of ordinary shares of 10p each of the company ("ordinary shares") provided that:

(a) the maximum number of ordinary shares hereby authorised to be acquired is 259,532 representing 10 per cent of the issued ordinary share capital;

(b) the minimum price which may be paid for such shares is 10p per share (exclusive of expenses);

(c) the company does not pay more than 5 per cent above the average of the middle market quotations for the ordinary shares of the company derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the shares are contracted to be purchased;

(d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the company next following the meeting at which this resolution is passed or fifteen months thereafter, whichever is the earlier; and

(e) the company may, under the authority hereby conferred and prior to the expiry of that authority, make a contract to purchase its own shares which will or may be executed wholly or partly after the expiry of that authority and may make a purchase of its own shares in pursuance of any such contract.

By Order of the Board

M. D. CONWAY

Secretary

27 April 2004

Notes:

1 A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the company.

2 In the case of a corporation, the form of proxy must be executed under its common seal or under the hand of a duly authorised officer or attorney.

3 If the form of proxy is returned without any indication as to how the person(s) appointed shall vote on the resolution, such person(s) will exercise his/her/their discretion as to how to vote or whether to abstain from voting.

4 For the purposes of determining who is entitled to vote (whether on a poll or otherwise) at the meeting a person must be entered in the register of members not later than forty-eight hours before the time of the meeting (or any adjournment thereof).

5 The instrument appointing a proxy must be lodged at the office of the company's registrars, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, not less than forty-eight hours before the meeting.

Chairman's Statement

Pre-tax profit for the year ended 31 December 2003 was £27.52 million compared with £15.43 million in 2002. The profit attributable to shareholders was £25.98 million compared with £7.15 million in 2002 and earnings increased from 269.57p per share to 999.18p per share.

The results were dominated by a profit of £21.20 million which was realised on the sale of the Group's warehouse complex situated at Banbury. Siegfried also made a substantial contribution to profits but these positive factors were to some extent countered by low tea and coffee prices and the impact of a substantial appreciation in the values of the South African rand and Australian dollar against the US dollar.

Dividend

The Board is recommending a final dividend of 67p per share, which, together with the interim dividend already paid of 20p per share, brings the total distribution for the year to 87p per share compared with 86p per share in 2002.

Agriculture and Horticulture

Tea

India

Unfortunately the depressed price situation experienced over the last three years continued in 2003. The market was adversely affected by lower exports, increased production and a smaller than anticipated increase in domestic consumption. These factors were aggravated by continuing pressure from small growers in Northern India and the bought leaf factories. However, during 2003 weather conditions were favourable and the Goodricke Group and our other companies in Assam produced satisfactory crops. The quality of tea manufactured was the Group's paramount interest and this generated prices at auction which were above the district averages and this policy will continue in the current year. Unfortunately the Group Gardens, despite a crop of 28.24 million kgs which was only slightly down on the previous year, produced a loss of £496,000 before exceptional items.

The Instant Tea Factory at Aibheel operated at full capacity during the year and additional equipment has now been installed to cater for increased demand for this high quality product.

The company has for some time sought to rationalise its extensive tea holdings in Darjeeling, which have not been profitable for several years. However, mindful of its obligations to the workers and their families, it had been resolved to seek wholly suitable purchasers. Such an opportunity arose at the end of 2003 and accordingly the shares of Dooteriah and Kalej Valley Tea Estates Private Ltd were sold to an Indian concern in February 2004 leading to an impairment provision of £1.90 million. An agreement was also completed by Tiru Tea Limited for the sale of 4 small Tea Gardens, namely Nurbong, Sivitar, Mullotar and Monteviot, of which only one has a factory, to a local tea concern. The company will now be concentrating on radical improvements for field, factory and welfare for its remaining Darjeeling Gardens. The security situation in Assam, while still not normal, has improved due to tough measures taken to remove insurgents operating from the Kingdom of Bhutan.

Bangladesh

As weather conditions were largely satisfactory, the ten Longbourne Gardens produced a total of 11.16 million kgs, which was almost a record crop. Prices were satisfactory for the whole of 2003 due to good export demand from Pakistan and a healthy domestic market. As a result, the Longbourne Group has produced a profit of £905,000. The company's small tea packaging operations have been relocated at the warehouse in Chittagong and are operating satisfactorily. A residential school for boys from the workers' community aged from 10 to 14 was opened in March 2004. This is a further example of our wish to improve the facilities offered to our workers on the gardens.

Africa

Tea production by subsidiary undertakings increased in 2003 and amounted to 39.1 million kilos. This production can be considered satisfactory when viewed with the effects of "El Nino", the cycle of which

started in late 2002. Tea prices were reasonable in US dollar terms but were substantially reduced when translated into local currencies, in particular the South African rand. The strengthening of the South African rand, which appreciated by 22% during the year has resulted in a substantial loss from the Sapekoe tea operations. This is particularly disappointing, as so much has been achieved in restructuring the management of that company to make it competitive in world markets. We are not alone in suffering from the impact of the strong rand which unfortunately has continued to strengthen against the dollar in 2004 resulting in projected losses which cannot be sustained. Unless we can be confident that the rand will weaken in the near future we will have no alternative but to severely reduce the scale of our tea operations in South Africa. The Group has continued its emphasis on producing quality teas and this has contributed to a successful year in both Kenya and Malawi.

Nepal

Himalaya Goodricke Private Limited produced a record crop of 311,000 kgs but will show a loss of £18,000 compared with a loss of £17,000 in 2002. The planned improvements to the factory have been satisfactorily completed. In early 2004 the Group, along with its Nepali Partners, entered into a memorandum of understanding to sell the assets and goodwill of Gorkha Lawrie Private Limited to a local party. Unfortunately this company had been making losses for several years due to increasing local tea packaging activity with which it was difficult to compete.

Coffee

The fortunes of our coffee operations in Kenya and Malawi did not improve in 2003. Prices continued to fall in world markets particularly for the arabica coffee that was grown on our plantations. Production has increased substantially in countries where the cost of production is lower than in Kenya. In addition, the demand for arabica coffee appears to be reducing as technological advances allow greater quantities of the cheaper robusta coffee to be used in the production of instant coffee. During the last few years the Kakuzi coffee operations have lost approximately US$1 million per annum and, due to the fact that there seemed little likelihood of an imminent improvement in the prospects for this commodity, the decision was made to remove all coffee bushes and prepare the land for replanting with alternative crops. This decision has far-reaching consequences for Kakuzi and the surrounding communities and we are attempting to mitigate these problems as far as possible. It will, however, inevitably take sometime before the newly planted crops make a contribution to profits. This decision also resulted in an impairment provision being required of £4.19 million of which £1.63 million is shown in the profit and loss account. During the year work started on replanting the coffee areas in Malawi to fuel wood plantations for use in our tea operations.

Citrus

Yandilla Park experienced a difficult year in 2003 with considerably reduced production and very competitive market conditions. A large part of our exports are shipped to America and, as previously noted, the Australian dollar strengthened substantially against the US dollar resulting in lower returns. Both Chile and South Africa increased their production of citrus as these plantings continue to mature. The new orchards in California enjoyed a most encouraging first year of production being nearly 300% up on our original projection. Planting of further areas of citrus is presently being undertaken on land that was previously planted with almonds.

Edible Nuts

2003 was an "off" year for pistachios in California, with only minimal production. Both South Africa and Malawi increased their production of macadamia nuts and achieved higher prices. Prospects for our macadamia interests remain encouraging and since the year end we have increased our shareholding to over 50% in the macadamia processing factory in South Africa.

Chairman's Statement

Other Horticulture

The pineapple joint venture in Kenya with Del Monte substantially increased its production at prices somewhat higher than the previous year. We are in discussions with our partner concerning the possibility of extending the area under pineapple. The avocado production in Kenya showed a further increase in 2003 and prices were also beneficial. Here again we are looking at further investment in the avocado sector as we are confident that the growing conditions in Kenya are excellent, as is the timing of the exports into European markets.

Production from our wine grapes in Australia was slightly ahead of the previous year although prices were considerably reduced as a result of the present glut in production. In South Africa we enjoyed a very successful harvest but market conditions for South Africa are also difficult due to the strength of the rand and over production. We are re-vamping our marketing operations and are now selling wine in a number of European countries as well as in North America. Our premium wines continue to attract considerable interest.

The rubber plantations in Bangladesh had a successful year and production totalled 638 tonnes which is in line with budget. A new semi automated gas-fired dryer went into operation at Lungla Garden.

It is pleasing to report a very good result from our operations in Brazil. Growing conditions were good resulting in an increased yield and prices, particularly for soya, were beneficial. Whilst the conditions relating to the 2003 year were to some extent exceptional, the prospects for our operations in Brazil remain encouraging and local management are to be congratulated in all that they have achieved over the last two years.

Food Storage and Distribution

The results for Associated Cold Stores & Transport were most disappointing. The expected savings as a result of the implementation of a new IT system are taking longer to materialise than we had hoped and business is very competitive with rates being forced down due to over capacity and cost pressure particularly from the major supermarkets. It appears inevitable that some form of rationalisation must take place in the cold storage industry. Insurance costs have stabilised albeit at a high level and we must also be concerned about the effects of the revised Working Time Directive due to be implemented in 2005 particularly as it relates to our drivers.

Losses continued at W G White due to reduced caviar sales. It appeared unlikely that the fortunes of W G White would improve to an extent that we would consider satisfactory and we have, therefore, disposed of this business in early 2004.

The Affish Group enjoyed a better year in 2003 with the fish trading side of the business being particularly profitable. There has, however, been little improvement in the fortunes of our distribution business servicing the Dutch restaurant sector.

Engineering

The engineering sector continued to operate in a challenging environment. As anticipated last year it has proved difficult for Abbey to recover to the level of turnover achieved prior to the fire in 2000. Business interruption insurance income has now ceased.

The North Sea oil and gas industry servicing companies improved their results over the previous year but much still needs to be done to return these companies to an acceptable level of return on capital. The impact of major oil companies disposing of their North Sea interests to smaller operating companies is definitely changing the environment in which we operate but there are good opportunities to develop. British Metal Treatments experienced mixed fortunes with good contributions from the galvanising operations in Great Yarmouth and the plating operation in Port Glasgow offset by losses at our Birmingham operation. This has now been closed and some work will transfer to Port Glasgow, which should help to further increase the viability of that site. General Utilities has now moved on to one site and the benefits of this should flow through in 2004.

Property Leasing and Philately

Property leasing again produced useful profits and, as previously noted, we have disposed of our interest in the warehouse complex situated at Banbury. The directors considered that a buoyant commercial property market combined with historically low interest rates and the eventual requirement for the total redevelopment of the site all contributed to it being the right time to dispose of this investment. Further modest activity within the Group's philately operation continued during the year. Rationalisation of the stock will be carried out during 2004 giving the opportunity of increased sales.

Banking

It is pleasing to report a significant turnaround in the results of Duncan Lawrie Limited. A profit in 2003 of just over £400,000 compares with a loss in 2002 of £878,000. The profit this year is after accounting for the exceptional one-off costs of the move of business support staff to Wrotham in July 2003 amounting to £142,000. The increase of prices on the London Stock Exchange has contributed to a better result from our investment management business and opportunities are being examined to see how we might increase our presence in this sector. A rise in interest rates will, of course, also help the profitability of the bank, and whilst the prospects look much more encouraging than a year ago further work is necessary to be able to grow the bank in the niche markets in which it operates.

Pharmaceutical

The Siegfried Group generated revenues of SFr. 366.2 million which represented a decrease of 8.2% in SFr. but only 4% in local currency terms. Profits after tax were SFr. 53.3 million, which compares with SFr. 56.2 million in the record year of 2002.

The "Siegfried Division" which comprises the Group's activities for active pharmaceutical ingredients (API's), Generics and Biologics felt the full impact of weaker demand for API's which led to a substantial drop in capacity utilisation. The generics and biologics business however continued to grow in sales and in profits. With effect from January 2004 the Division was reorganised into three business units. The Siegfried Actives business develops and manufactures API's for patent protected pharmaceuticals. The Siegfried Generics business unit develops dossiers for product registration and develops finished dosage forms for mainly European generics companies. Siegfried Biologics, located in Germany, develops and manufactures biotechnology-based pharmaceutical active substances.

The Sidroga Division develops and markets plant-based natural medicines and wellness products, particularly teas. After adjusting for the closing of the tea packing activities in Bremen, Germany, a 5.4% growth in sales for 2003 resulted. At the same time, innovative products made an important contribution.

Other Associated Undertakings and Investments

The United Leasing Company Limited had another good year and generated a profit before tax of £2.25 million compared with £2.32 million in 2002. However, the Bangladesh economy is affected by political uncertainties and there is increased competition for leasing business and other financial products, thus the current year may be more difficult.

The United Insurance Company Limited also had a satisfactory year with a profit of £307,000 compared with £329,000 in the previous year. The Group's associated tea company, Surmah Valley Tea Company Limited, also had a satisfactory year.

A water bottling plant for 20 litre office and institutional jars opened in Dhaka in the latter part of 2003. It is planned to move the bottling plant in Chittagong from its existing site to a new plant adjacent to the tea warehouse.

Our Bermuda investments have shown a very satisfactory capital appreciation and also contributed good investment income. There are less opportunities for further investment in Bermuda due to very illiquid markets and the opportunity is being taken to examine other investments in markets presently considered to be undervalued.

Chairman's Statement

Development

2003 has been a very difficult year in certain parts of the Group but we continue to invest in bringing immature plantings to maturity. We are also continuing to invest in the facilities and amenities on our plantations and as noted above we have increased the capacity of our instant tea plant in India. There remain good opportunities for further development in the edible nut sector and also in citrus in South Africa, Chile and California.

Staff

2003 was again a very difficult year for many of our operations. These difficulties have, however, been met with resilience and good humour by our staff and I extend my thanks to them for their positive contribution.

M C Perkins

Chairman

27 April 2004

Report of the Directors

The directors present their report together with the audited accounts for the year ended 31 December 2003.

Principal activities

The company is a holding company and the principal activities of its subsidiary and associated undertakings comprise:

Agriculture and horticulture – The production of tea, coffee, citrus, edible nuts, grapes, other horticultural produce, general farming, milling paprika and extracting oleoresin.

Engineering – Metal finishing, heat treatment, fabrication and precision engineering.

Food storage and distribution.

Trading and agency.

Pharmaceutical.

Property leasing.

Private banking services.

The holding of investments.

Further details of the group's activities are included in the chairman's statement on pages 4 to 8.

Results and dividends	£'000	£'000
The profit for the year amounted to:		25,982
From which the following dividends are deducted:		
Interim paid on 7 November 2003 of 20.0p per share	519	
Proposed final dividend payable on 2 July 2004 of 67.0p per share	1,739	2,258
Balance transferred to reserves		23,724

The board has proposed a final dividend for the year of 67.0p per share. The total dividend for 2003 is therefore 87.0p per share (*2002: 86.0p*).

Directors

The directors of the company are listed on page 2. The following directors had beneficial interests in the share capital of the company and Linton Park Plc as set out below:

	31 December 2003	1 January 2003
Camellia Plc ordinary shares of 10p each:		
M C Perkins	200	200
C P T Vaughan-Johnson	700	700
Linton Park Plc ordinary shares of 50p each:		
M C Perkins	13,500	13,500

There have been no changes in the interests of directors between 31 December 2003 and the date of this report.

Report of the Directors

Under the terms of the articles of association all the directors are required to retire annually. Accordingly, Mr M C Perkins, Mr P A Leggatt, Mr A K Mathur, Mr D A Reeves, Mr A S M O Subhan and Mr C P T Vaughan-Johnson retire and being eligible seek re-election.

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

Executive directors

M C Perkins was appointed a director in 1999 and chairman in 2001. He is a chartered accountant and is a member of the audit committee. Mr Perkins is also chairman of Linton Park Plc, having joined Eastern Produce (Holdings) Limited (now Linton Park Plc) in 1972. Aged 59.

P A Leggatt is chairman of Goodricke Group Limited and a director of Linton Park Plc. He was appointed a director in 1999, having joined the group in 1988. Aged 61.

A K Mathur, who is a chartered accountant joined the group in 1981 and was appointed finance director in 1999. He is also a director of Linton Park Plc. Aged 56.

Mr A S M O Subhan was appointed a director in 2001 and is chief executive and director of the Bangladesh group. Mr Subhan joined the group in 1983. Aged 62.

Non executive directors

Mr D A Reeves was appointed a director in 2001 and was formerly managing director of Duncan Lawrie Limited, having joined the group in 1998. He became a non executive director of the company in 2002 and is a member of the audit committee. Aged 57.

C P T Vaughan-Johnson, who was formerly president and chief executive officer of the Bank of Bermuda, was appointed a director in 1999. He is a member of the audit committee and is also a non executive director of Linton Park Plc and Duncan Lawrie Limited. Aged 70.

Changes in group structure

On 22 January 2003 British Traders & Shippers Limited, a 74.9 per cent. subsidiary of Linton Park Plc, was sold to The Nippon Synthetic Chemical company, the minority shareholder. The consideration was £1,472,000.

Substantial shareholdings

As at 27 April 2004 the company has been advised of the following interests in the share capital of the company:

Camellia Holding AG held 1,421,000 ordinary shares (54.75 per cent.).

Alcatel Bell Pensioenfonds VZW held 106,800 ordinary shares (4.12 per cent.).

St. James's Place Capital Plc held (through one of its subsidiaries) 91,002 ordinary shares (3.51 per cent.).

Charitable contributions

During the year the group made charitable donations of £20,895 (*2002: £44,218*). Of this amount £12,458 was paid to overseas charities, £2,621 was paid to local arts and other charities, £2,070 was paid to local hospitals and £1,000 was paid to local schools.

Employees

It is group policy to keep employees informed, through internal publications and other communications, on the performance of the group and on matters affecting them as employees and arrangements to that end are made by the management of individual subsidiary undertakings.

It is also group policy that proper consideration is given to applications for employment received from disabled persons, and to give employees who become disabled every opportunity to continue their employment.

Payment of creditors

It is group policy to agree payment terms with suppliers when negotiating business transactions and to pay suppliers in accordance with contractual or other legal obligations. The company has no trade creditors. Group trade creditors at 31 December 2003 represented 33 days of annual purchases.

Annual general meeting

The annual general meeting will be held on 27 May 2004 and the notice of meeting appears on page 3. The directors are seeking renewal of the authority for the company to purchase its own shares in order to retain the option of making such purchases should the price, opportunity or value occur and coincide with liquidity. The authority being sought is for up to 259,532 ordinary shares (representing ten per cent. of the present issued share capital) at a price which is not more than five per cent. above the average of the middle market quotations of ordinary shares in the company on the London Stock Exchange on the five business days prior to the date of purchase and, in any event, no lower than the nominal value of each share (in each case exclusive of any expenses). This authority is being taken for general use rather than for a specific purchase and your board will exercise this power only when satisfied that it is in the interest of the company to do so. Any shares purchased in this way will be cancelled.

At the annual general meeting in 2003 shareholders gave authority for the company to purchase up to 259,832 of its own shares. This authority expires on 27 May 2004. During the year the company purchased for cancellation 43,500 ordinary shares representing 1.68 per cent. of its issued share capital at a total cost of £1,247,258.

The authority given in Resolution 6 will expire at the conclusion of the 2005 Annual General Meeting or 27 August 2005 if earlier.

By Order of the Board

M D Conway

Secretary

27 April 2004

Corporate Governance

Code of Best Practice

This statement describes how the company applies the provisions of The Principles of Good Governance and Code of Best Practice issued in 1998 ("the Combined Code").

At 31 December 2003 the board consisted of the executive chairman who is also the chief executive officer, three other executive directors and two non executive directors. Every director retires each year at the annual general meeting in accordance with the company's articles of association.

The board is responsible for setting strategy, approving budgets, capital expenditure, investment and disinvestment. The board also undertakes the functions of the nomination and remuneration committees. A report summarising the group's financial and operational performance is sent to directors each month. Each director is provided with sufficient information in advance of board meetings to enable the directors to make informed judgements on matters referred to the board. The board meets at least nine times a year.

The board has established an audit committee the terms of reference of which include:

considering the appointment of the external auditors, the scope of the audit and the audit fee;

reviewing the half year and annual financial statements and reviewing accounting policies and practices and compliance with accounting standards.

The company has complied with the code provisions set out in Section 1 of The Combined Code throughout the year with the following exceptions:

(i) the roles of the chairman and the chief executive were combined;

(ii) the functions of the remuneration committee were undertaken by the board as a whole and were not carried out by a separate committee comprising non executive directors;

(iii) the audit committee comprised one executive and two non executive directors; and

(iv) new board appointments are considered by the full board.

The directors believe that given the size and structure of the group and that there is a controlling shareholder and that the entire board participates in all major decisions, the combination of the roles of chairman and chief executive officer is appropriate. For the same reasons the formation of separate remuneration and nomination committees is not considered necessary.

The New Combined Code

The directors have noted the revised Combined Code on Corporate Governance published by the Financial Reporting Council in July 2003. The directors propose implementing the new Combined Code in a manner that is appropriate given the company's size and structure and that there is a controlling shareholder.

Corporate Governance

Internal Control

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. Decentralisation is a key management philosophy with responsibility for efficient day to day operations delegated to local management. Accountability and delegation of authority are clearly defined with regular communication between group head office and local management. The performance of each company is continually monitored centrally including a critical review of annual budgets, revised forecasts and monthly sales, profits and cash reports. Financial results and key business statistics and variances from approved plans are carefully monitored. However, any system of internal control can provide only reasonable, and not absolute, assurances against material mis-statement or loss. It does not cover the group's associated undertakings.

Going concern

After reviewing the group's budget for 2004 and other forecasts the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Therefore they continue to adopt the going concern basis in preparing the accounts.

Statement of directors' responsibilities

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the group as at the end of its financial year, and of the profit or loss for the financial year. The directors are also required to maintain adequate accounting records.

Suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the accounts. Applicable accounting standards have been followed and the accounts have been prepared on a going concern basis.

The directors are also responsible to the company for taking reasonable steps to safeguard its assets and to prevent and detect fraud and other irregularities.

Remuneration Report

Policy on directors' remuneration

In determining the remuneration of directors, full consideration has been given to the provisions of the 1998 Combined Code on directors remuneration. The directors consider that, given the relatively small size of the board, the functions of the remuneration committee should continue to be undertaken by the board as a whole. In framing its remuneration policy the board has otherwise given full consideration to all of the matters referred to in the Combined Code.

Remuneration of executive directors is determined by the board as a whole. The board seeks to provide remuneration packages that will attract, retain and motivate the best possible person for each position.

The board also wishes to align the interests of executives with shareholders. The group's activities are based largely on agriculture and horticulture, which are highly dependent on factors outside management control (e.g. weather, commodity prices, etc.), and mainly for this reason the company does not operate profit related bonus, share option or share incentive schemes for directors.

Service Contracts

Messrs. Perkins, Leggatt and Mathur are employed on rolling service contracts. Mr Perkins' service contract is dated 25 April 2002, Mr. Mathur's service contract is dated 1 December 2003 and Mr. Leggatt's service contract is dated 1 January 2004. 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. There are no specific contractual provisions for compensation upon early termination of a director's employment.

The board reviews salaries annually and will seek independent professional advice when appropriate.

Directors' remuneration

	Basic Salary 2003 £	*Benefits in Kind 2003* £	*Total 2003* £	*Total 2002* £
Executive				
M C Perkins	267,840	22,231	290,071	*282,005*
P A Leggatt	107,484	17,228	124,712	*120,509*
A K Mathur	105,688	17,809	123,497	*116,514*
A S M O Subhan	17,420	22,589	40,009	*38,003*
Non executive				
D A Reeves	10,000	–	10,000	*92,997*
C P T Vaughan-Johnson	35,000	–	35,000	*35,000*
	543,432	79,857	623,289	*685,028*

Benefits in kind include the value attributed to benefits such as company cars, fuel, medical insurance and accommodation.

Directors' pensions

Most UK employees, including executive directors, are eligible to join defined benefit pension schemes operated within the group. Mr Perkins is a member of the Linton Park Group Pension Scheme. Messrs Leggatt and Mathur are members of the Lawrie Group Pension Scheme. Members of the Linton Park Group Pension Scheme contribute 6 per cent. of basic salary. Members of the Lawrie Group Pension Scheme contribute 1 per cent. of salary up to 31 March 2004, 3.5 per cent. from 1 April 2004 rising to 6 per cent. from 1 April 2005. Pension accrues at the rate of 1/60th of basic final salary per year of service for Messrs Perkins, Leggatt and Mathur. Under the Linton Park Group Pension Scheme the normal retirement age was 63, in respect of service up until 31 December 2003. With effect from 1 January 2004 the normal retirement age was increased to 65.

Under the Lawrie Group Pension Scheme pensions are payable at 63 but early retirement pensions can be paid from age 60 without actuarial reduction. Both schemes provide for a lump sum death in service benefit of four times basic salary and a spouse's pension of half of the member's pension, based on prospective service.

All benefits are subject to Inland Revenue limits. Post retirement pension increases are based on the annual increase in the retail price index, subject to a maximum of 5 per cent.. Under the Linton Park Group Pension Scheme there is a minimum increase of 3 per cent. per annum in respect of service before 1 January 2002. Under the Lawrie Group Pension Scheme pension earned prior to 1 April 2003 is subject to a 5 per cent. increase. In respect of service before 1 March 1999 Mr. Perkins was a member of a group defined contribution pension scheme.

Further information on pension arrangements:

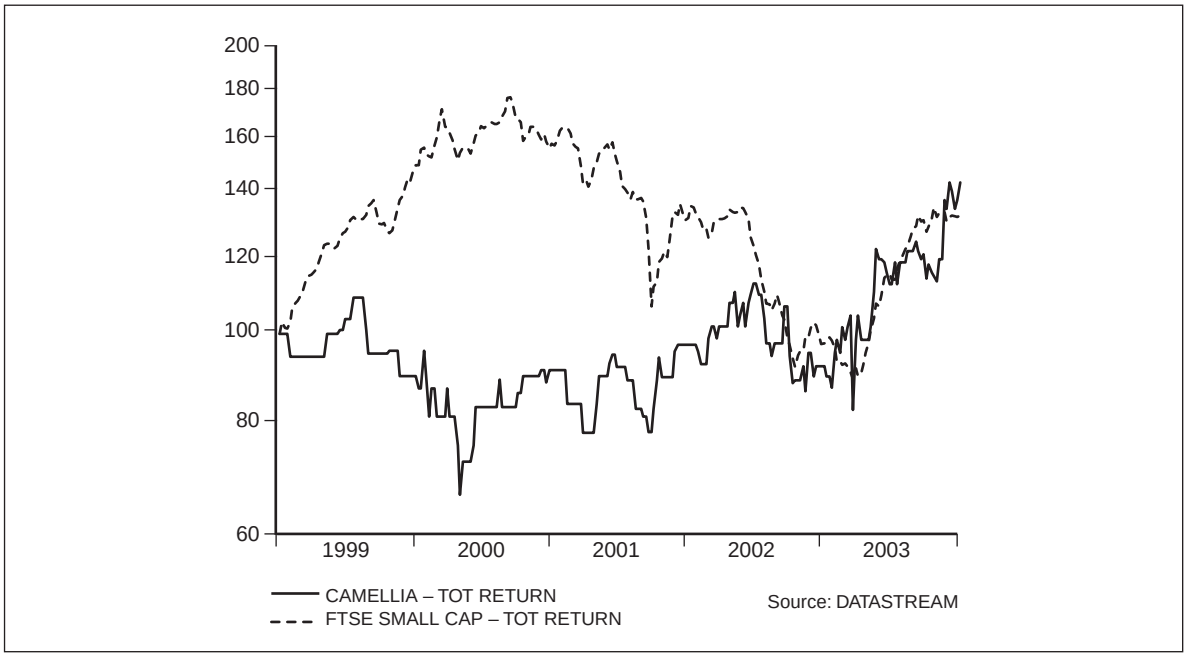
Defined benefit pension schemes

	Age	*Pension accrued in year* £	*Pension accrued in year net of inflation* £	*Pension accrued to 31 Dec 2003* £	*Transfer value of pension accrued in year net of inflation* £	*Transfer value of pension accrued at 31 Dec 2002* £	*Transfer value of pension accrued at 31 Dec 2003* £	*Increase in transfer value in year* £
M C Perkins	59	4,931	4,651	19,219	38,863	139,388	200,232	44,774
P A Leggatt	61	3,494	2,013	56,387	33,796	832,320	946,539	113,413
A K Mathur	56	2,836	1,807	39,552	28,290	530,148	618,924	87,997
D A Reeves	57	–	–	6,689	–	69,064	79,450	10,386
A S M O Subhan	62	505	505	7,716	4,838	50,193	55,031	4,838

Except in respect of Mr Subhan, the transfer values are calculated in accordance with the actuarial guidance note GN11. The increase in transfer value and the transfer value of pension accrued in year are stated net of director's contributions.

Performance Review

The following graph shows the total return on an investment in the company's shares over the 5 years ended 31 December 2003 compared with the return achieved by the FTSE SmallCap index. This index has been selected as there is no specific index that is comparable to the activities of the company.



By Order of the Board

M D Conway

Secretary

27 April 2004

Consolidated Profit and Loss Account
for the year ended 31 December 2003

	Note	2003 £000	*2002 £000*
Turnover – continuing operations	1	170,758	*165,470*
– discontinued operations	1	3,927	*11,053*
		174,685	*176,523*
Cost of sales		136,944	*134,997*
Gross profit		37,741	*41,526*
Net operating expenses – normal activities	2	37,146	*35,537*
– impairment of assets	3	3,304	*–*
		40,450	*35,537*
Operating (loss)/profit – continuing operations		(1,105)	*6,764*
– discontinued operations	1	(1,604)	*(775)*
		(2,709)	*5,989*
Share of associates' results before interest	1	10,278	*11,670*
Operating profit including associates		7,569	*17,659*
Investment income		1,255	*1,431*
Profit on disposal of fixed assets	4	21,799	*195*
Profit on disposal of fixed asset investments		668	*170*
Profit on disposal of a subsidiary and a business	5	302	*255*
Provision for loss on disposal of a business	6	(237)	*–*
Profit on ordinary activities before interest		31,356	*19,710*
Net finance costs	7	3,834	*4,281*
Profit on ordinary activities before taxation		27,522	*15,429*
Taxation on profit on ordinary activities	8	1,192	*4,827*
Profit on ordinary activities after taxation		26,330	*10,602*
Minority interests		348	*3,453*
Profit for the year	9	25,982	*7,149*
Equity dividends	10	2,258	*2,270*
Profit transferred to reserves	24	23,724	*4,879*
Earnings per share	11	999.18p	*269.57p*

Consolidated Balance Sheet
at 31 December 2003

	Note	2003 £000	2003 £000	*2002 £000*
Fixed assets				
Intangible assets				
Goodwill:				
Positive		1,157		*1,265*
Negative		(3,038)		*(3,648)*
	14		(1,881)	(2,383)
Tangible assets	15		155,946	*166,232*
Investments	16		83,965	*79,387*
			238,030	*243,236*
Current assets				
Stocks	17	25,053		*31,467*
Debtors	18	47,412		*56,650*
Cash and deposits	19	162,657		*154,738*
		235,122		*242,855*
Creditors: due within one year	20	198,964		*210,650*
Net current assets			36,158	*32,205*
Total assets less current liabilities			274,188	*275,441*
Creditors: due after one year	21	27,970		*38,047*
Provisions for liabilities and charges	22	4,158		*7,240*
			32,128	*45,287*
			242,060	*230,154*
Capital and reserves				
Called up share capital	23		260	*264*
Share premium account	24		423	*423*
Revaluation reserve	24		35,092	*37,273*
Merger reserve	24		242	*242*
Profit and loss account	24		150,465	*132,197*
Equity shareholders' funds			186,482	*170,399*
Equity minority interests			55,578	*59,755*
			242,060	*230,154*

Balance Sheet
at 31 December 2003

	Note	2003 £000	2003 £000	*2002 £000*
Fixed assets				
Investments	16		188,653	*171,014*
Current assets				
Debtors	18	18,290		*7,683*
Cash and deposits		39		*–*
		18,329		*7,683*
Creditors: due within one year	20	20,139		*4,369*
Net current (liabilities)/assets			(1,810)	*3,314*
Total assets less current liabilities			186,843	*174,328*
Creditors: due after one year	21	–		*3,568*
Provisions for liabilities and charges	22	361		*361*
			361	*3,929*
			186,482	*170,399*
Capital and reserves				
Called up share capital	23		260	*264*
Share premium account	24		423	*423*
Revaluation reserve	24		172,135	*154,905*
Profit and loss account	24		13,664	*14,807*
Equity shareholders' funds			186,482	*170,399*

Approved on 27 April 2004 by the board of directors and signed on their behalf by:

M C Perkins

Director

Consolidated Cash Flow Statement
for the year ended 31 December 2003

	Note	2003 £000	2003 £000	2002 £000
Cash flow from operating activities	25		5,419	12,810
Dividends received/capital distribution from associates			2,371	1,031
Returns on investments and servicing of finance				
Interest received		415		682
Interest paid		(4,360)		(4,514)
Income from investments		1,285		1,297
Dividends paid to minority shareholders		(1,866)		(1,485)
			(4,526)	(4,020)
Taxation				
UK taxation		(167)		(140)
Overseas taxation		(2,030)		(2,596)
			(2,197)	(2,736)
Capital expenditure and financial investment				
Purchase of tangible fixed assets		(8,200)		(10,428)
Sale of tangible fixed assets		23,051		1,429
Purchase of investments		(1,396)		(2,226)
Sale of investments		942		590
			14,397	(10,635)
Acquisitions and disposals				
Purchase of minority interests		(349)		(331)
Disposal of businesses	26	1,902		4,030
			1,553	3,699
Equity dividends paid			(2,261)	(2,287)
Cash inflow/(outflow) before financing			14,756	(2,138)
Financing				
New loans		4,107		5,242
Loan repayments		(14,660)		(5,917)
Finance lease repayments		(467)		(347)
Purchase of own shares		(1,229)		(2,079)
	27		(12,249)	(3,101)
Increase/(decrease) in cash in period	28		2,507	(5,239)

Statement of Total Recognised Gains and Losses
for the year ended 31 December 2003

	2003 £000	*2002 £000*
Profit for the year - includes associates £8,289,000 (*2002: £8,386,000*)	25,982	*7,149*
Impairments of previously revalued fixed assets	(1,112)	–
Release of negative goodwill on impairment of fixed assets	(462)	–
Release of negative goodwill on disposal of a business	(308)	–
Exchange differences - including associates £1,562,000 loss (2002: £525,000 gain)	(4,530)	*(6,914)*
Total recognised gains and losses for the year	19,570	*235*
Prior year adjustment	–	*(4,515)*
Total recognised gains and losses	19,570	*(4,280)*

Reconciliation of Movement in Shareholders' Funds
for the year ended 31 December 2003

	2003 £000	*2002 £000*
Profit for the year	25,982	*7,149*
Dividends	(2,258)	*(2,270)*
Retained profit for the year	23,724	*4,879*
Exchange differences	(4,530)	*(6,914)*
Purchase of own shares	(1,229)	*(2,079)*
Impairments of previously revalued fixed assets	(1,112)	–
Release of negative goodwill on impairment of fixed assets	(462)	–
Release of negative goodwill on disposal of a business	(308)	–
Net addition to shareholders' funds	16,083	*(4,114)*
Opening equity shareholders' funds	170,399	*174,513*
Closing equity shareholders' funds	186,482	*170,399*

Accounting policies

Accounting policies

Accounting convention

Group accounts are prepared in accordance with applicable accounting standards in the United Kingdom and under the historical cost convention modified to include the previous revaluation of certain tangible fixed assets.

Basis of consolidation

The consolidated accounts incorporate accounts of the company and all subsidiary undertakings for accounting periods ending 31 December, with the exception of Horizon Farms,which operates in the USA and has an accounting period ending on 30 September, but is included on the basis of interim accounts to 31 December.

For companies acquired or disposed of during the year, results are included from the date of acquisition or to the date of disposal.

No profit and loss account is presented for the company, in accordance with the exemption allowed by Section 230 of the Companies Act 1985.

Overseas currencies

Assets, liabilities and results of foreign operations are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences arising on the retranslation of the opening net assets at the year end rate are taken directly to reserves. Exchange differences arising from the retranslation of foreign currency borrowings used as a hedge against the assets of foreign operations are taken directly to reserves. Exchange differences arising from trading transactions are included in the results for the year.

The transactions, assets and liabilities of subsidiary undertakings which operate in countries with high levels of inflation are reported in a stable currency.

Tangible fixed assets

Fixed assets are stated at cost or valuation. The costs (excluding interest) of planting new areas are capitalised. The costs of upkeep and maintenance of mature areas including replanting costs are charged to revenue.

On adoption of FRS 15 in 2000, the group has followed the transitional provisions and retained the book value of land and buildings but has not adopted a policy of future revaluations. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

No depreciation is provided on freehold land (which includes plantations), listed buildings or works of art. Depreciation of other fixed assets is calculated to write off their cost or valuation on a straight-line basis over their expected useful lives.

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

Long and short leasehold estates	unexpired term of the lease
Freehold and long leasehold buildings	2 to 10 per cent. per annum
Other short leasehold land and buildings	unexpired term of the lease
Plant, machinery, fixtures, fittings and equipment	4 to 33 per cent. per annum

Goodwill

Purchased goodwill arising prior to 1 January 1998 was written off directly to reserves and remains eliminated against reserves. It is transferred to the profit and loss account on the disposal or closure of the related businesses. Subsequent to that date, and in accordance with FRS 10, where businesses or associates are acquired, any difference between the cost of acquisition and the fair value of the net assets acquired is capitalised as goodwill and written off on a straight-line basis over the estimated useful economic life of up to 20 years.

Accounting policies

Accounting policies *continued*

Fixed asset investments

(i) In the company's accounts, shares in subsidiaries are stated at directors' valuation being the net asset value attributable to the company. The surpluses on revaluation are taken to the revaluation reserve and any deficits charged to the profit and loss account.

(ii) Associated undertakings are entities in which the group has a long-term investment and is in a position to exercise significant influence over the undertaking in which the investment is made. The group's interest in the net assets of associated undertakings is included as an investment in the consolidated balance sheet at the group's share of net assets, after attributing fair values at the date of acquisition, plus the group's share of retained profits. The group's share of the profits less losses of associated undertakings is included in the consolidated profit and loss account.

(iii) Shares of listed and unlisted companies are stated at cost less provision for permanent diminution in value.

(iv) Documents and manuscripts, antiques and objets d'art held as investments are stated at cost less provision for permanent diminution in value.

Leasing

Assets held under finance leases are included as tangible fixed assets and the capital element of future lease payments is included in creditors. Such assets are depreciated in accordance with the group's accounting policy. The interest element of rental payments is charged to the profit and loss account over the life of the lease. Rental payments on all other leases are charged to the profit and loss account as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost, where appropriate, includes a proportion of production and administrative overheads.

Deferred taxation

Deferred taxation is recognised as an asset or liability, at appropriate rates, in respect of transactions and events recognised in the financial statements of the current and previous periods which gives a right to pay less, or an obligation to pay more, tax in future periods. Deferred tax assets are only recognised to the extent it is probable that there will be suitable taxable profits from which they can be recovered.

No provision is made for any taxation on capital gains that could arise from the future disposal of any fixed assets shown in the accounts at valuation, except to the extent gains or losses expected to arise on the sale of such assets have been recognised in the profit and loss account.

Long term deferred tax balances are not discounted.

Turnover

Turnover is based on produce proceeds, agency income and sales at invoiced values excluding value added tax.

Pension costs

The cost of providing pensions is charged to the profit and loss account systematically over the periods benefiting from the employees' services. The transitional arrangements of FRS 17 – Retirement benefits, have also been adopted. Pension arrangements are detailed in note 32.

Financial instruments

Financial assets are recognised when the group has rights, or other access, to economic benefits. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or other financial assets.

If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and the group intends to settle on a net basis, the relevant financial assets and liabilities are offset.

1 Analysis of turnover, profit and net operating assets

	Turnover		Profit		Net operating assets	
	2003	*2002*	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*	£000	*£000*
By activity						
Agriculture and horticulture	110,962	*110,008*	5,511	*9,303*	121,484	*130,320*
Engineering	15,802	*13,122*	5	*421*	11,052	*12,927*
Food storage and distribution	40,826	*40,069*	(340)	*1,026*	24,863	*28,895*
Trading and agency	1,208	*163*	565	*501*	657	*1,097*
Philately	–	*40*	(47)	*(45)*	2,002	*1,742*
Property leasing	1,960	*2,068*	1,900	*1,993*	1,375	*2,956*
	170,758	*165,470*	7,594	*13,199*	161,433	*177,937*
Discontinued						
Agriculture and horticulture	1,366	*1,319*	(1,047)	*(461)*	208	*5,453*
Food storage and distribution	2,561	*2,722*	(557)	*(450)*	405	*1,222*
Trading and agency	–	*6,761*	–	*(3)*	–	*1,849*
Fine art trading	–	*251*	–	*139*	–	*51*
	174,685	*176,523*	5,990	*12,424*	162,046	*186,512*
Impairment of assets						
Agriculture and horticulture			(2,962)	–		
Engineering			(342)	–		
			2,686	*12,424*		
Banking			402	*(83)*	21,741	*21,310*
Profit on sale of investments to group company included in banking results			–	*(795)*		
Net interest from group companies			5	*(7)*		
			3,093	*11,539*	183,787	*207,822*
Net unallocated expenses			(5,802)	*(5,550)*		
Operating (loss)/profit			(2,709)	*5,989*		
Associated undertakings						
Pharmaceutical			9,099	*10,504*		
Agriculture and horticulture			12	*(44)*		
Insurance and leasing			1,167	*1,210*		
			7,569	*17,659*		

Notes to the Accounts

1 Analysis of turnover, profit and net operating assets *continued*

	Turnover		Profit		Net operating assets	
	2003	*2002*	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*	£000	*£000*
By country of origin						
United Kingdom	48,799	*44,446*	2,335	*3,343*	55,983	*64,267*
Continental Europe	10,417	*10,290*	194	*120*	2,918	*2,547*
India	32,732	*32,112*	(11)	*(51)*	13,695	*17,821*
Kenya	19,925	*19,468*	3,224	*3,670*	31,056	*32,578*
Malawi	10,032	*9,634*	2,057	*1,563*	19,291	*21,454*
Bangladesh	7,875	*8,966*	1,436	*1,053*	15,320	*18,644*
North America	314	*1,439*	(238)	*460*	1,504	*2,869*
Australia	24,558	*22,858*	1,132	*1,452*	17,943	*14,897*
South Africa	13,718	*14,835*	(2,629)	*1,246*	18,708	*18,364*
South America and Bermuda	2,388	*1,422*	501	*(542)*	6,756	*5,806*
	170,758	*165,470*	8,001	*12,314*	183,174	*199,247*
Discontinued						
United Kingdom	2,561	*9,734*	(557)	*(314)*	405	*3,122*
Kenya	1,366	*1,319*	(1,047)	*(461)*	208	*5,453*
	174,685	*176,523*	6,397	*11,539*	183,787	*207,822*
Impairment of fixed assets						
United Kingdom			(240)	–		
Kenya			(1,065)	–		
India			(1,897)	–		
Bangladesh			(102)	–		
			3,093	*11,539*		
By geographical market supplied						
United Kingdom	60,856	63,988				
Continental Europe	19,043	18,477				
India	28,920	26,882				
Bangladesh	7,894	7,938				
Africa	22,752	25,427				
Australasia	15,747	11,437				
Other Asia	10,598	14,726				
North and South America	8,875	7,648				
	174,685	176,523				

1 Analysis of turnover, profit and net operating assets *continued*

Net operating assets are reconciled to shareholders' funds:	2003 £000	*2002 £000*
Shareholders' funds	186,482	*170,399*
Minority interests	55,578	*59,755*
Dividends payable	1,739	*1,742*
Net borrowings	43,760	*57,417*
Investments	(83,637)	*(79,088)*
Other net non-operating assets	(10,485)	*(2,005)*
Balances with banking subsidiaries	(9,650)	*(398)*
Net operating assets	183,787	*207,822*

Profit of banking subsidiaries		2003 £000	*2002 £000*
Interest receivable	– third parties	5,812	*6,335*
	– group companies	41	*11*
		5,853	*6,346*
Interest payable	– third parties	3,287	*3,768*
	– group companies	46	*4*
Net interest income		2,520	*2,574*
Other operating income		3,479	*3,154*
Operating expenses		5,597	*6,606*
Operating profit/(loss)		402	*(878)*
Profit on sale of investments to group companies		–	*795*
		402	*(83)*
Profit on disposal of a subsidiary		–	*231*
Profit before taxation		402	*148*

2 Net operating expenses

		2003 £000	*2002 £000*
Distribution costs		7,277	*7,699*
Administrative expenses		32,776	*29,357*
Other operating income		(2,907)	*(1,519)*
		37,146	*35,537*
Net operating expenses include:			
Depreciation of tangible fixed assets		8,735	*8,539*
Amortisation of intangible fixed assets – negative goodwill		459	453
Amortisation of intangible fixed assets – positive goodwill		108	*78*
(Loss)/profit on disposal of tangible fixed assets		(367)	*250*
Hire of plant and machinery		548	*650*
Rental on operating leases		2,079	*2,027*
Auditors' remuneration	Moore Stephens	154	*153*
	Other firms	425	*455*

Notes to the Accounts

2 Net operating expenses *continued*

Other fees paid to Moore Stephens of £51,000 (*2002: £55,000*) were mainly for taxation and other advisory services.

Cost of sales include £4,246,000 (*2002: £9,690,000*), distribution costs include £241,000 (*2002: £389,000*), administrative expenses include £1,094,000 (*2002: £2,177,000*) and other operating income includes £50,000 (*2002: £59,000*) relating to discontinued operations.

On 27 June 2000 a fire at Abbey Metal Treatment's Nuneaton factory caused major disruption to their business. Business interruption insurance proceeds received in respect of the year ended 31 December 2003 have been credited to cost of sales £227,000 (*2002: £332,000*) and administrative expenses £43,000 (*2002: £497,000*).

3 Impairment of assets

	2003 £000	*2002 £000*
Impairment of fixed assets	(1,968)	–
Impairment of current assets	(1,897)	–
Negative goodwill transferred from reserves	462	–
Negative goodwill transferred from fixed assets	99	–
	(3,304)	–

Negative goodwill transferred from reserves and fixed assets relates to the impairment of fixed assets.

The group has made full provision for debts due from its associated undertaking Dooteriah & Kalej Valley Tea Estates Private Limited amounting to £1.897 million. This company was sold in February 2004. The amount attributable to minority interests is £445,000.
An impairment of £1,626,000 has been charged in relation to the fixed assets of Kakuzi Limited. These fixed assets are associated with the production of coffee. A strategic decision has been made to discontinue this crop. The amount attributable to minority interests is £974,000.

An impairment of £240,000 has been charged in relation to the fixed assets of the Birmingham division of British Metal Treatments Limited. A decision was taken to close this division in 2004. The amount attributable to minority interest is £50,000.

An impairment of £102,000 has been charged in respect of property in Bangladesh.

4 Profit on disposal of fixed assets

	2003 £000	*2002 £000*
Profit on disposal of Banbury warehouse	21,201	–
Profit on disposal of other land and property	598	*195*
	21,799	*195*

5 Profit on disposal of a subsidiary and a business

	2003 £000	*2002 £000*
Profit on disposal of shares in subsidiary undertakings	288	*255*
Loss on disposal of a business	(138)	–
Negative goodwill transferred from reserves	135	–
Negative goodwill transferred from fixed assets	17	–
	302	*255*

Further details on these disposals are set out in note 26.

6 Provision for loss on disposal of a business

	2003 £000	*2002 £000*
Provision for loss on disposal of a business before goodwill	(445)	–
Negative goodwill transferred from reserves	173	–
Negative goodwill transferred from fixed assets	35	–
	(237)	–

Further details on this disposal are set out in note 36.

7 Net finance costs

	2003 £000	*2002 £000*
Bank loans, overdrafts and other loans	3,922	*4,343*
Finance leases	93	*56*
Net exchange gain on foreign currency borrowings	(362)	*(45)*
	3,653	*4,354*
Share of interest of associates	599	*627*
Interest payable	4,252	*4,981*
Less: Interest receivable, including £48,000 (*2002: £90,000*) for associates	418	*700*
	3,834	*4,281*

The above figures do not include any amounts relating to the banking subsidiaries.

Notes to the Accounts

8 Taxation on profit on ordinary activities

Analysis of charge in the year

	2003 £000	2003 £000	*2002 £000*
Current tax			
UK corporation tax			
UK corporation tax	2,011		*1,435*
Adjustment in respect of prior years	(5)		*(283)*
Double tax relief	(1,947)		*(1,445)*
		59	*(293)*
Foreign tax			
Corporation tax	2,349		*2,284*
Adjustment in respect of prior years	(3)		*–*
		2,346	*2,284*
Total current tax		2,405	*1,991*
Deferred tax			
Origination and reversal of timing differences			
United Kingdom	(1,154)		*(826)*
Overseas	(1,498)		*915*
Total deferred tax		(2,652)	*89*
Share of associated undertakings tax		1,439	*2,747*
Tax on profit on ordinary activities		1,192	*4,827*

	2003 £000	*2002 £000*
Factors affecting tax charge for the year		
Profit on ordinary activities before tax	27,522	*15,429*
Less: share of associated undertakings profit before tax	9,727	*11,123*
Group profit on ordinary activities before tax	17,795	*4,306*
Tax on ordinary activities at the standard rate of corporation tax in the UK of 30.0 per cent. (*2002: 30.0 per cent.*)	5,339	*1,292*
Effects of:		
Adjustment to tax in respect of prior years	(8)	*(283)*
Expenses not deductible for tax purposes	1,050	*1,031*
Tax effect of difference between functional and local currency profits	39	*166*
Adjustment in respect of foreign tax rates	469	*185*
Additional tax arising on dividends from overseas companies	400	*–*
Profit on disposal of non taxable assets	(6,735)	*(174)*
Other income not charged to tax	(78)	*(843)*
Depreciation in excess of capital allowances	1,323	*944*
Increase in tax losses carried forward	792	*(223)*
Movement in other timing differences	(186)	*(104)*
Current tax charge for the year	2,405	*1,991*

9 Profit for the year

	2003 £000	*2002 £000*
The amount dealt with in the accounts of the company was	2,340	*2,398*

10 Equity dividends

	2003 £000	*2002 £000*
Interim dividend paid 20.00p (*2002: 20.00p*) per share	519	*528*
Final proposed dividend 67.00p (*2002: 66.00p*) per share	1,739	*1,742*
	2,258	*2,270*

11 Earnings per share

Earnings per share have been calculated by dividing the weighted average number of ordinary shares in issue for the year of 2,600,345 (*2002: 2,652,023*) into the profit for the year of £25,982,000 (*2002: £7,149,000*).

12 Employees

	2003 Number	*2002 Number*
Average number of employees by activity:		
Agriculture and horticulture	84,494	*85,601*
Engineering	374	*360*
Food storage and distribution	660	*606*
Banking	66	*78*
Central management	54	*44*
	85,648	*86,689*

	2003 £000	*2002 £000*
Employment costs		
Wages and salaries	56,347	*54,709*
Social security costs	2,545	*2,487*
Pension costs	6,143	*5,887*
	65,035	*63,083*

13 Emoluments of the directors

	2003 £000	*2002 £000*
Aggregate emoluments excluding pension contributions	623	*685*

Emoluments of the highest paid director excluding pension contributions were £290,000 (*2002: £282,000*)
Further details of directors' emoluments are set out on pages 14 and 15.

Notes to the Accounts

14 Goodwill

Group	Positive goodwill £000	Negative goodwill £000	Total £000
Cost			
At 1 January 2003	1,604	(4,998)	(3,394)
Disposals	–	192	192
At 31 December 2003	1,604	(4,806)	(3,202)
Amortisation			
At 1 January 2003	(339)	1,350	1,011
(Charge)/release for the year	(108)	459	351
Disposals	–	(41)	(41)
At 31 December 2003	(447)	1,768	1,321
Net book value at 31 December 2003	1,157	(3,038)	(1,881)
Net book value at 31 December 2002	1,265	(3,648)	(2,383)

Goodwill has arisen on the purchase of shares in subsidiary undertakings.

15 Tangible fixed assets

Group	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation				
At 1 January 2003	149,678	81,222	18,900	249,800
Exchange differences	(2,829)	790	(37)	(2,076)
Additions	3,200	3,977	1,589	8,766
Fair value adjustment on acquisition of minority interest	98	39	–	137
Impairment of previously revalued assets	(3,083)	(180)	(81)	(3,344)
Subsidiary leaving the group	(530)	(67)	(124)	(721)
Disposals	(3,356)	(2,411)	(380)	(6,147)
At 31 December 2003	143,178	83,370	19,867	246,415
Depreciation				
At 1 January 2003	27,422	47,495	8,651	83,568
Exchange differences	64	596	(46)	614
Impairment	1,402	145	6	1,553
Charge for the year	2,760	4,674	1,301	8,735
Subsidiary leaving the group	(52)	(34)	(84)	(170)
Disposals	(1,511)	(1,739)	(581)	(3,831)
At 31 December 2003	30,085	51,137	9,247	90,469
Net book value at 31 December 2003	113,093	32,233	10,620	155,946
Net book value at 31 December 2002	122,256	33,727	10,249	166,232

15 Tangible fixed assets *continued*

	Land and buildings £000	Plant and machinery £000	Fixtures, fittings and equipment £000	Total £000
Cost or valuation at 31 December 2003 is represented by:				
Cost	91,906	81,334	19,643	192,883
Valuation in 1988	5,313	–	–	5,313
Valuation in 1991	6,917	–	–	6,917
Valuation in 1993	1,306	–	–	1,306
Valuation in 1997	23,386	–	–	23,386
Valuation in 1999	14,350	2,036	224	16,610
	143,178	83,370	19,867	246,415

Land and buildings at net book value, which include agricultural land and plantations of £63,988,000 (*2002: £67,766,000*) comprise:

	2003 £000	*2002 £000*
Freehold	78,222	*67,737*
Long leasehold	31,317	*52,791*
Short leasehold	3,554	*1,728*
	113,093	*122,256*

Plant and machinery includes assets held under finance leases. The depreciation charge for the year in respect of these assets was £372,000 (*2002: £238,000*) and their net book value was £1,431,000 (*2002: £1,615,000*).

The historical cost of assets included at valuation amounts to £17,605,000 (*2002: £21,262,000*) and the accumulated depreciation thereon would have been £3,897,000 (*2002: £4,911,000*).

Notes to the Accounts

16 Fixed Asset investments

	Associated undertakings £000	Other investments £000	Total £000
Group			
Cost or valuation			
At 1 January 2003	58,102	22,084	80,186
Additions	–	1,396	1,396
Disposals	–	(274)	(274)
Share of retained profits	6,645	–	6,645
Exchange differences	(1,562)	(1,614)	(3,176)
At 31 December 2003	63,185	21,592	84,777
Provision for diminution in value			
At 1 January 2003	6	793	799
Amounts written off in year	–	30	30
Exchange differences	–	(17)	(17)
At 31 December 2003	6	806	812
Net book value			
At 31 December 2003	63,179	20,786	83,965
Net book value			
At 31 December 2002	58,096	21,291	79,387

	Associated undertakings		Other investments	
	2003 £000	*2002 £000*	2003 £000	*2002 £000*
Cost comprises:				
Listed investments	32,058	*32,241*	17,531	*17,911*
Unlisted investments	143	*156*	1,599	*1,717*
Collections	–	–	2,462	*2,456*
	32,201	*32,397*	21,592	*22,084*
Market value of listed investments	68,042	*66,146*	29,372	*27,008*

Collections comprise the group's and company's investment in fine art, documents and manuscripts.

Other investments include the following companies in which the group has a significant equity interest:

	Principal country of origin	% held
Bermuda Bakery Limited	Bermuda	26.82
B.F. & M. Limited	Bermuda	21.00

At 31 December 2002 Bermuda Bakery Limited's aggregate capital and reserves amounted to £3,537,426 and its profit for the year then ended was £253,838. At 31 December 2002 B.F. & M. Limited's aggregate capital and reserves amounted to £32,890,731 and its profit for the year then ended was £5,491,939. Financial statements to 31 December 2003 are not yet available for these two companies. Other investments also include 62,500 (*2002: 62,500*) ordinary shares of 10p each in Camellia Plc held by group companies, at a cost of £400,000 (*2002: £400,000*) and having a market value of £2,718,750 (*2002: £1,734,375*).

16 Fixed Asset investments *(continued)*

Associated undertakings include Siegfried Holding AG, a listed company incorporated in Switzerland. On 31 December 2003 the group held 903,680 registered shares (*2002: 903,680*), representing 32.3 per cent. of the issued shares.

The consolidated capital and reserves of Siegfried Holding AG on 31 December 2003 drawn up in accordance with International Accounting Standards were £184,770,000 (*2002: £171,108,000*) and consolidated profit after tax for the year ended 31 December 2003 was £24,091,000 (*2002: £25,245,000*).

The group's share of the results and balance sheet of Siegfried Holdings AG for 2003 are:

	2003 £000	*2002* *£000*
Profit and loss account:		
Turnover	53,392	*57,859*
Operating profit	9,099	*10,504*
Net interest payable	(501)	*(473)*
Profit before taxation	8,598	*10,031*
Taxation	(823)	*(1,883)*
Profit after taxation	7,775	*8,148*
Balance sheet:		
Fixed assets	56,074	*50,313*
Non current assets	4,297	*5,153*
Current assets	35,054	*32,080*
Liabilities due within one year	(12,944)	*(9,240)*
Liabilities due between 2 – 5 years	(22,848)	*(23,082)*
Group share of net assets	59,633	*55,224*

Company	Group undertakings £000	Other investments £000	Total £000
Cost/valuation and net book value			
At 1 January 2003	168,072	2,942	171,014
Additions	136	314	450
Disposals	–	(41)	(41)
Revaluation of subsidiaries	17,230	–	17,230
At 31 December 2003	185,438	3,215	188,653

Notes to the Accounts

16 Fixed Asset investments *(continued)*

Other investments comprise:

	2003 £000	*2002 £000*
Listed investments	577	*310*
Unlisted investments	176	*177*
Collections	2,462	*2,456*
	3,215	*2,943*
Market value of listed investments	1,374	*285*

17 Stocks

	2003 £000	*2002 £000*
Raw materials and consumables	6,385	*6,556*
Work in progress and growing crops	3,765	*4,504*
Produce on hand	9,437	*14,919*
Finished goods	3,559	*3,759*
Philatelic items	1,907	*1,729*
	25,053	*31,467*

As stocks of philatelic items are largely unique the directors consider the determination of replacement values inappropriate. In respect of other stocks there was no material difference between the replacement cost and the values shown above.

18 Debtors

	Group		*Company*	
	2003 £000	*2002 £000*	2003 £000	*2002 £000*
Due within one year:				
Amounts due from customers of banking subsidiaries	17,738	*21,425*	–	–
Trade debtors	17,806	*22,235*	–	–
Amounts owed by group undertakings	–	–	18,265	*7,609*
Amounts owed by associated undertakings	51	*1,293*	–	–
Other debtors	5,799	*4,341*	19	*66*
Taxation	1,820	*1,856*	–	–
Prepayments and accrued income	2,948	*2,627*	6	*8*
	46,162	*53,777*	18,290	*7,683*
Due after one year:				
Amounts due on sale of subsidiary	600	*600*	–	–
Other debtors	650	*2,273*	–	–
	47,412	*56,650*	18,290	*7,683*

19 Cash and deposits

Included in cash and deposits of £162,657,000 (*2002: £154,738,000*) are cash and short term funds, time deposits with banks and building societies and certificates of deposit amounting to £151,638,000 (*2002: £144,439,000*) which are held by banking subsidiaries and which are an integral part of the banking operations of the group.

20 Creditors: due within one year

	Group		*Company*	
	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*
Amounts due to customers of banking subsidiaries	140,682	*147,300*	–	–
Bank loans and overdrafts	27,889	*30,730*	–	*1,625*
Other loans	5	–	–	–
Finance leases	457	*298*	–	–
Bills of exchange payable	–	*298*	–	–
Trade creditors	12,280	*15,260*	–	–
Amounts owed to group undertakings	–	–	18,224	*827*
Amounts owed to associated undertakings	–	*17*	–	–
Dividends	1,739	*1,742*	1,739	*1,742*
Corporate taxation	998	*762*	–	–
Other taxation and social security	1,714	*1,538*	–	–
Other creditors	6,649	*5,999*	36	*21*
Accruals	6,551	*6,706*	140	*154*
	198,964	*210,650*	20,139	*4,369*
Creditors: due within one year include the following amounts secured on certain group assets:				
Bank loans and overdrafts	16,920	*18,394*	–	*1,625*
Finance leases	457	*298*	–	–
	17,377	*18,692*	–	*1,625*

Notes to the Accounts

21 Creditors: due after one year

	Group		Company	
	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*
Bank loans	25,563	*34,932*	–	*3,375*
Other loans	19	*899*	–	–
Finance leases	846	*857*	–	–
Accruals	1,542	*1,359*	–	–
Amounts due to group undertakings	–	–	–	*193*
	27,970	*38,047*	–	*3,568*
Creditors: due after one year include the following amounts secured on certain group assets:				
Bank loans	8,898	*17,269*	–	*3,375*
Finance leases	846	*857*	–	–
Other loans	–	*882*	–	–
	9,744	*19,008*	–	*3,375*
Bank loans include the following amounts repayable over more than five years by instalments:				
Aggregate amount of loans	12,046	*11,874*	–	–
Amount due beyond five years	7,798	*7,405*	–	–
The repayment of bank loans and overdrafts fall due as follows:				
Within one year or on demand (included in Creditors:due within one year)	27,889	*30,730*	–	*1,625*
Between 1 – 2 years	4,412	*6,369*	–	*1,625*
Between 2 – 5 years	13,353	*21,158*	–	*1,750*
After 5 years	7,798	*7,405*	–	–
	53,452	*65,662*	–	*5,000*
The repayments of other loans and finance leases fall due as follows:				
Within one year or on demand (included in Creditors: due within one year)	462	*298*	–	–
Between 1 – 2 years	328	*1,242*	–	–
Between 2 – 5 years	526	*505*	–	–
After 5 years	11	*9*	–	–
	1,327	*2,054*	–	–

The rates of interest payable at 31 December 2003 vary between 2 per cent. and 35 per cent..

22 Provisions for liabilities and charges

The amount provided in respect of deferred taxation:

	Group		Company	
	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*
Accelerated capital allowances	8,635	*10,860*	–	–
Other timing differences	87	*(243)*	–	*361*
Tax losses carried forward	(4,564)	*(3,377)*	–	–
Provision for deferred tax	4,158	*7,240*	–	*361*
At 1 January	7,240	*7,595*	361	*361*
Exchange differences	(430)	*(444)*	–	–
Deferred tax charge for year (Note 8)	(2,652)	*89*	–	–
Deferred tax provision at 31 December	4,158	*7,240*	361	*361*

Deferred tax is provided on the unremitted earnings of overseas subsidiaries and associates only to the extent that it is likely that profits will be remitted in the foreseeable future.

A deferred tax asset of £8,655,000 in respect of tax losses recorded has not been recognised as it is considered unlikely that there will be suitable taxable profits arising in the foreseeable future from which future reversal of these losses can be deducted.

Deferred tax is provided on a non-discounted basis at the tax rates expected to apply in the periods in which timing differences reverse.

No provision has been made for deferred tax on gains arising from the revaluation of fixed assets or on the sale of properties where potentially taxable gains have been rolled over into replacement assets. Such tax would only become payable if the assets were sold without it being possible to claim rollover relief or offset against existing capital losses. The total amount unprovided is £2,318,000, (*2002: £2,926,000*) but it is not envisaged that any tax will become payable in the foreseeable future.

23 Share capital

	2003	*2002*
	£000	*£000*
Authorised: 3,000,000 ordinary shares of 10p each	300	*300*
Allotted, called up and fully paid: ordinary shares of 10p each:		
At 1 January – 2,638,820 (*2002: 2,706,910*) shares	264	*271*
Purchase of own shares – 43,500 (*2002: 68,090*) shares	4	*7*
At 31 December – 2,595,323 (*2002: 2,638,820*) shares	260	*264*

Notes to the Accounts

24 Reserves

	Share premium account £000	Revaluation £000	Merger reserve £000	Profit and loss account £000
Group				
At 1 January 2003	423	37,273	242	132,197
Exchange differences	–	(946)	–	(3,584)
Impairments on previously revalued tangible fixed assets	–	(1,112)	–	–
Release of goodwill on impairment of fixed assets	–	–	–	(462)
Release of goodwill on disposal of businesses	–	–	–	(308)
Disposal of previously revalued fixed asset	–	(123)	–	123
Purchase of own shares	–	–	–	(1,225)
Retained profit for the year	–	–	–	23,724
At 31 December 2003	423	35,092	242	150,465
Company				
At 1 January 2003	423	154,905	–	14,807
Revaluation of shares in subsidiaries to net asset value	–	17,230	–	–
Purchase of own shares	–	–	–	(1,225)
Retained profit for the year	–	–	–	82
At 31 December 2003	423	172,135	–	13,664

The profit and loss account of the group and company includes a £31,000 (*2002: £27,000*) capital redemption reserve.

Exchange differences are stated net of exchange losses of £140,000 (*2002: £885,000*) on foreign currency borrowings used to provide a hedge against foreign equity investments.

Since 1989 goodwill on acquisitions written off amounts to £6,036,000 (*2002: £6,036,000*) and negative goodwill on acquisitions credited to reserves amounts to £20,015,000 (*2002: £20,785,000*). It is impractical to obtain information for earlier years.

The group profit and loss account includes £23,991,000 (*2002: £32,633,000*) which would require exchange control permission for remittance as dividends.

Group reserves include £30,984,000 (*2002: £25,473,000*) of profits related to associated undertakings.

Notes to the Accounts

25 Reconciliation of operating profit to cash flow from operating activities

	All continuing	
	2003	*2002*
	£000	*£000*
Operating (loss)/profit	(2,709)	*5,989*
Depreciation	8,735	*8,539*
Asset impairments	3,304	–
Amortisation of goodwill	(351)	*(375)*
Loss/(profit) on sale of fixed assets	367	*(250)*
Other non cash movements	(284)	*(472)*
Decrease in stocks	5,902	*1,812*
Decrease/(increase) in debtors	5,380	*(1,533)*
Decrease in creditors	(7,726)	*(4,150)*
Net (increase)/decrease in funds of banking subsidiaries	(7,199)	*3,250*
Cash flow from operating activities	5,419	*12,810*

26 Disposal of businesses

	2003	*2002*
	£000	*£000*
Book value of assets and liabilities:		
Tangible fixed assets	1,111	*1,383*
Cash and deposits	328	*4,278*
Stocks	1,032	*451*
Debtors	1,492	*214*
Creditors	(1,164)	*(278)*
Net amount due to group undertaking	(131)	–
Short term loans and overdrafts	(464)	*(721)*
Accruals and deferred income	(54)	–
Deferred tax	(1)	–
	2,149	*5,327*
Minority interest	(397)	*(1,552)*
Profit on disposal	150	*255*
	1,902	*4,030*
Satisfied by:		
Cash consideration and costs	1,902	*4,030*
Net inflow/(outflow) of cash in respect of disposal of businesses:		
Cash consideration and costs	1,902	*4,030*
Net overdraft/(cash balances) of business sold	136	*(3,557)*
	2,038	*473*

The disposals in 2003 relate to British Traders & Shippers Limited and SWF Citrus Inc..

Notes to the Accounts

27 Analysis of net debt

	1 January 2003 £000	Cash flow £000	Disposals £000	Exchange movements £000	31 December 2003 £000
Cash and deposits	154,738				162,657
less: held by banking subsidiaries (note 19)	(144,439)				(151,638)
	10,299	1,160	(328)	(112)	11,019
Bank overdrafts	(23,894)	1,347	464	1,118	(20,965)
	(13,595)	2,507	136	1,006	(9,946)
Debt due within one year	(6,836)	(429)	–	336	(6,929)
Debt due after on year	(35,831)	10,983	–	(734)	(25,582)
Finance leases	(1,155)	(100)	–	(48)	(1,303)
	(43,822)	10,454	–	(446)	(33,814)
Net Debt	(57,417)	12,961	136	560	(43,760)

28 Reconciliation of net cash flow to movement in net debt

	2003 £000	*2002 £000*
Increase/(decrease) in cash in the year	2,507	*(5,239)*
Cash inflow from increase in debt	11,020	*1,022*
New finance leases	(566)	*(824)*
Decrease/(increase) in net debt resulting from cash flows	12,961	*(5,041)*
Net overdraft/(cash balances) of businesses sold	136	*(3,557)*
Exchange rate movements	560	*219*
Decrease/(increase) in net debt in the year	13,657	*(8,379)*
Net Debt at 1 January	(57,417)	*(49,038)*
Net Debt at 31 December	(43,760)	*(57,417)*

29 Capital commitments

	Group	
	2003 £000	*2002 £000*
Contracts for capital expenditure not provided	885	*837*

Notes to the Accounts

30 Leasing commitments

	Group	
	2003	*2002*
	£000	*£000*
Annual commitments in respect of operating leases:		
Land and buildings – operating leases expiring:		
Within 1 year	84	*42*
Between 1 – 5 years	261	*119*
After 5 years	1,047	*974*
	1,392	*1,135*
Other assets – operating leases expiring:		
Within 1 year	454	*326*
Between 1 – 5 years	1,558	*1,273*
After 5 years	28	*190*
	2,040	*1,789*

31 Derivatives and other financial instruments

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. This approach has remained unchanged since 1998.

Various financial instruments arise directly from the group's operations, for example cash, trade debtors, trade creditors, accruals and prepayments. 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 currency risk).

The group, including Duncan Lawrie, the group's banking subsidiary did not, in accordance with group policy, trade in financial instruments throughout the period under review.

The group finances its operations by a mixture of retained profits, bank borrowings and long-term loans, and leases. The objective is to maintain a balance between continuity of funding and flexibility, through 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 committed borrowing facilities to provide flexibility in the management of the group's liquidity.

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.

While the board also recognise the existence of interest rate risk and market price risk, the group's diversity is considered the most effective way of mitigating these risks.

31 Derivatives and other financial instruments *continued*

Duncan Lawrie Limited

As a banking group most of the items making up Duncan Lawrie's balance sheet are financial instruments with the most significant ones being loans and deposits in various currencies but mainly in Sterling. Interest rates applied to loans and deposits are normally variable at the discretion of the bank and are linked to LIBOR or the base rate. The bank's interest rate exposure is summarised below in the form of an interest rate repricing table. The table reflects the repricing profile of the bank's assets and liabilities by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

	Not more than three months £000	Over six months but not more than one year £000	Over one year but not more than five years £000	More than five years £000	Non-interest bearing £000	Total £000
Loans and advances to banks	127,386	–	–	–	3,030	130,416
Loans and advances to customers	16,942	523	253	–	–	17,718
Debt and equity shares	16,000	–	3,000	2,018	328	21,346
Other assets	–	–	–	–	3,081	3,081
	160,328	523	3,253	2,018	6,439	172,561
Liabilities:						
Deposits by banks	1,207	–	–	–	–	1,207
Deposits by customers	144,615	332	253	–	3,277	148,477
Other liabilities	–	–	–	–	1,136	1,136
Minority interests and shareholders' funds	–	–	–	–	21,741	21,741
	145,822	332	253	–	26,154	172,561
Interest rate repricing gap at 31 December 2003	14,506	191	3,000	2,018	(19,715)	–
Cumulative gap	14,506	14,697	17,697	19,715	–	–

Duncan Lawrie's exposure to currency risk is actively monitored and managed by matching the currencies of loans with those of deposits and the net positions at 31 December 2003 were as follows:

	£000
US Dollar	37
Euro	7
Danish Kroner	3
Swiss Franc	2
Japanese Yen	(4)
Australian Dollar	(3)
Others	2
	44

31 Derivatives and other financial instruments *continued*

Group – excluding Duncan Lawrie

The maturity profile of the group's financial liabilities, excluding short- term creditors such as trade creditors and accruals, at 31 December was as follows:

	2003 £000	*2002 £000*
Within 1 year, or on demand	28,351	*31,028*
Between 1 – 2 years	6,282	*8,970*
Between 2 – 5 years	13,879	*21,663*
After 5 years	7,809	*7,414*
	56,321	*69,075*

At 31 December 2003, the group had undrawn committed facilities of £18,000,000 (*2002: £28,150,000*), all of which are due to be reviewed within one year.

Fair Values

Set out below is a comparison by category of book values of the group's financial assets and liabilities, excluding short term debtors and creditors as as 31 December 2003

	Net carrying amount 2003 £000	Estimated fair value 2003 £000	*Net carrying amount 2002 £000*	*Estimated fair value 2002 £000*
Primary financial instruments:				
Borrowings due within one year	(28,351)	(28,351)	*(31,028)*	*(30,720)*
Borrowings due after one year	(26,428)	(26,428)	*(36,688)*	*(36,691)*
Cash at bank and in hand	11,019	11,019	*10,299*	*10,299*
Investments – excluding associated undertakings	20,786	32,627	*21,291*	*30,388*
Other:				
Other financial liabilities	(1,542)	(1,542)	*(1,359)*	*(1,359)*
Other financial assets	1,250	1,250	*1,701*	*1,701*

31 Derivatives and other financial instruments *continued*

Interest rate risk

The interest rate exposure of group financial liabilities and assets by currency, at 31 December 2003 was:

	Financial liabilities		Financial assets	
	2003	*2002*	2003	*2002*
	£000	*£000*	£000	*£000*
Sterling	24,538	*32,898*	690	*1,502*
US Dollar	2,193	*3,241*	4,154	*4,587*
Kenya Shilling	4,147	*4,923*	1,077	*900*
Indian Rupee	5,312	*3,715*	1,441	*1,474*
Malawi Kwacha	–	*–*	560	*403*
Bangladesh Taka	4,393	*9,287*	1,284	*1,375*
Australian Dollar	5,903	*3,828*	2,421	*1,345*
South African Rand	2,367	*2,303*	21	*276*
Swiss Franc	6,732	*7,790*	–	*9*
Brazilian Real	–	*–*	513	*4*
Euro	736	*1,085*	71	*65*
Chilean Peso	–	*–*	36	*55*
Other	–	*5*	1	*5*
	56,321	*69,075*	12,269	*12,000*

Interest accrues at floating rates on financial liabilities and assets which exclude short term creditors and debtors.

The benchmarks for determining rates of interest on financial assets and liabilities are mainly bank base and six month inter bank rates.

Currency Risk

The table below shows the group's currency exposures being those trading assets and liabilities that are not denominated in the operating or functional currency of the operating unit involved.

Functional currency of group operations

	Sterling	US Dollar	Malawi Kwacha	Other
	£000	£000	£000	£000
Sterling	–	636	–	55
US Dollar	36	–	73	–
Kenya Shilling	195	187	–	–
South African Rand	22	1,948	–	36
Chilean Peso	–	(1,457)	–	–

The group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the unit's functional currency.

32 Pensions

Certain group subsidiaries operate defined contribution and funded defined benefit pension schemes. The assets of the schemes are administered by trustees and are kept separate from those of the group. Contributions to defined contribution schemes are charged to profit when payable.

The pension cost for defined benefit schemes is assessed in accordance with the advice of qualified independent actuaries using the "projected unit" funding method. Actuarial surpluses and deficiencies are recognised over the expected average remaining service lives of the employees.

In respect of UK schemes, valuations are prepared every three years. The main growth rate assumptions used for the last valuations were:

Investment return – pre-retirement	6.0% – 6.5% per annum
– post-retirement	5.5% per annum
Salary inflation	2.5% – 4.5% per annum
Pension increases	0.0% – 5.0% per annum

At the dates of the latest actuarial valuations of the UK schemes (which were carried out in the case of one scheme in 2001, and in the case of two other schemes in 2003), the market value of the assets of the UK schemes was £73,530,000 which represented 90.4 per cent. of the benefits accrued to members allowing for expected future increases in earnings.

The pension costs charged were £3,346,000 (*2002: £3,789,000*) in respect of defined benefit schemes and £2,797,000 (*2002: £2,098,000*) in respect of defined contribution schemes. A provision of £257,000 has been included in relation to the defined benefit deficiency.

For overseas schemes the pension cost for defined benefit schemes is provided on the basis of amounts paid, based upon actuaries' recommendations.

The additional disclosures required by accounting standard FRS 17 "Retirement Benefits" are:

Full actuarial valuations of the three UK defined benefit pension schemes were last undertaken as at 31 December 2001, 1 January 2003 and 6 April 2003 respectively. These have been updated to 31 December 2003 by qualified independent actuaries. For the six overseas defined benefit pension schemes full actuarial valuations were completed as at 31 December 2001. The major assumptions used by the actuaries as at 31 December 2003 were as follows:

	2003 per annum	*2002* *per annum*	*2001* *per annum*
UK Schemes			
Rate of increase in salaries	2.75 – 4.50%	*4.00 – 4.25%*	*4.25 – 4.50%*
Rate of increase to LPI pensions in payment	2.50 – 2.75%	*2.25 – 2.50%*	*2.50 – 2.75%*
Discount rate applied to scheme liabilities	5.40%	*5.50 – 5.60%*	*5.80 – 6.00%*
Inflation assumption	2.50 – 2.75%	*2.25 – 2.50%*	*2.50 – 2.75%*
Overseas Schemes			
Rate of increase in salaries	5.00 – 7.00%	*5.00 – 7.00%*	*5.00 – 7.00%*
Rate of increase to LPI pensions in payment	0.00 – 3.00%	*0.00 – 3.00%*	*0.00 – 3.00%*
Discount rate applied to scheme liabilities	7.50 – 9.00%	*9.00 – 10.00%*	*9.00 – 10.00%*
Inflation assumption	0.00 – 7.00%	*0.00 – 7.00%*	*0.00 – 7.00%*

Allowances have also been made for any minimum level of pension increase provided under the rules of the schemes.

Notes to the Accounts

32 Pensions *continued*

The market value of the assets held and the expected rates of return assumed at 31 December for the defined benefit schemes were:

	31 December 2003		*31 December 2002*		*31 December 2001*	
	Market Value £000	Long term rate of return expected % p.a.	*Market Value £000*	*Long term rate of return expected % p.a.*	*Market Value £000*	*Long term rate of return expected % p.a.*
UK Schemes						
Equities & Property	61,307	7.61	*50,396*	*7.25*	*62,339*	*7.50*
Bonds	16,255	5.25	*17,198*	*4.54*	*17,305*	*5.50*
Gilts 5.00%						
Corporate bonds 5.50%						
Cash	3,126	3.75	*3,180*	*4.00*	*5,409*	*4.00*
	80,688		*70,774*		*85,053*	
Present value of scheme liabilities	(99,055)		*(96,158)*		*(86,988)*	
Deficit in the schemes	(18,367)		*(25,384)*		*(1,935)*	
Related deferred tax	3,416		*6,031*		*549*	
Net pension deficit	(14,951)		*(19,353)*		*(1,386)*	
Overseas Schemes						
Bonds	10,217	7.65	*9,908*	*8.10*	*5,210*	*10.00*
Present value of scheme liabilities	(8,840)		*(8,257)*		*(5,399)*	
Surplus in the schemes	1,377		*1,651*		*(189)*	
Related deferred tax liability	(563)		*(648)*		*–*	
Net pension deficit	814		*1,003*		*(189)*	

If the above amounts had been recognised in the financial statements, the effect on the group's net assets and profit and loss account at 31 December would be as follows:

	2003 £000	*2002 £000*
Net assets		
Net assets excluding pension deficit	242,060	*230,154*
FRS 17 Pension deficit	(14,137)	*(18,350)*
Net assets including pension deficit	227,923	*211,804*
Reserves		
Profit and loss account excluding pension deficit	150,465	*132,197*
FRS 17 Pension deficit	(11,927)	*(15,488)*
Profit and loss account	138,538	*116,709*

32 Pensions *continued*

The following amounts would have been recognised in the profit and loss account and statement of total recognised gains and losses in the year ended 31 December 2003.

Overseas

Analysis of amount chargeable to profit:

	2003 £000	*2002 £000*
Current service cost	439	*336*

Analysis of the amount to be credited to other finance income:

	2003 £000	*2002 £000*
Expected return on pension scheme assets	752	*884*
Interest on pension scheme liabilities	609	*(562)*
Net return	1,361	*322*

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL):

	2003 £000	*2002 £000*
Actual return less expected return on pension scheme assets	185	*(57)*
Experience gains and losses arising on scheme liabilities	312	*(388)*
Changes in assumptions underlying present value of scheme liabilities	(871)	*(1,397)*
Actuarial loss recognised in STRGL	(374)	*(1,842)*

Movement in deficit during the year:

	2003 £000	*2002 £000*
Surplus at beginning of year	1,651	*2,928*
Exchange differences	(79)	*(277)*
Current service cost	(439)	*(336)*
Contributions	474	*870*
Other finance income	144	*308*
Actuarial loss	(374)	*(1,842)*
Surplus at end of year	1,377	*1,651*

In 2002 insufficient information was available for providing FRS17 disclosure in relation to the overseas schemes. This information is now available and the 2002 comparatives have been amended accordingly.

32 Pensions *continued*

UK

Analysis of amount chargeable to profit:

	2003 £000	*2002 £000*
Current service cost	2,671	*2,944*

Analysis of the amount to be credited to other finance income:

	2003 £000	*2002 £000*
Expected return on pension scheme assets	4,533	*5,570*
Interest on pension scheme liabilities	(5,263)	*(5,145)*
Net return	(730)	*425*

Analysis of amount recognisable in statement of total recognised gains and losses (STRGL):

	2003 £000	*2002 £000*
Actual return less expected return on pension scheme assets	6,924	*(18,764)*
Experience gains and losses arising on scheme liabilities	1,925	*1,963*
Changes in assumptions underlying present value of scheme liabilities	(774)	*(6,701)*
Actuarial profit/(loss) recognised in STRGL	8,075	*(23,502)*

Movement in deficit during the year:

	2003 £000	*2002 £000*
Deficit at beginning of year	(25,384)	*(1,935)*
Current service cost	(2,671)	*(2,944)*
Contributions	2,343	*2,572*
Other finance (cost)/income	(730)	*425*
Actuarial profit/(loss)	8,075	*(23,502)*
Deficit at end of year	(18,367)	*(25,384)*

History of experience gains and losses:

	UK 2003 Total	Overseas 2003 Total
Difference between expected and actual return on Scheme assets:		
Amount (£000's)	6,924	185
Percentage of Scheme assets	8.58%	1.81%
Experience gains and losses on Scheme liabilities		
Amount (£000's)	1,925	312
Percentage of present value of Scheme liabilities	1.94%	3.53%
Total amount recognised in statement of total recognised gains and losses		
Amount (£000's)	8,075	(374)
Percentage of present value of Scheme liabilities	8.15%	-4.23%

Notes to the Accounts

33 Principal subsidiary and associated undertakings

Subsidiary undertakings

The principal operating subsidiary undertakings of the group at 31 December 2003, which are wholly owned and incorporated in Great Britain unless otherwise stated, were:

	Principal country of operation
Agriculture and horticulture	
Amgoorie India Limited (Incorporated in India – 86.0 per cent. holding)	India
Bonathaba Farms (Pty) Limited (Incorporated in South Africa)	South Africa
Die Baken Farms (Pty) Limited (Incorporated in South Africa)	South Africa
E.P. Lawrie Agropecuaria e Participacoes Ltda. (Incorporated in Brazil)	Brazil
Eastern Produce Kenya Limited (Incorporated in Kenya – 78.0 per cent. holding)	Kenya
Eastern Produce Malawi Limited (Incorporated in Malawi – 70.0 per cent. holding)	Malawi
Goodricke Group Limited (Incorporated in India – 84.0 per cent. holding)	India
Hacienda Chada S.A. (Incorporated in Chile)	Chile
Horizon Farms (An United States of America general partnership – 80.0 per cent. holding)	USA
Kakuki Limited (Incorporated in Kenya – 50.7 per cent. holding)	Kenya
Koomber Tea Company Limited (Incorporated in India – 85.0 per cent. holding)	India
Longbourne Holdings Limited	Bangladesh
Sapekoe (Pty) Limited (Incorporated in South Africa – 70.0 per cent. holding)	South Africa
Stewart Holl (India) Limited (Incorporated in India – 92.0 per cent. holding)	India
Tiru Tea Company Limited (Incorporated in India)	India
Yandilla Park Limited (Incorporated in Australia – 90.6 per cent. owned by East African Coffee Plantations Limited)	Australia
Engineering	
AJT Engineering Limited	UK
Unochrome Industries Limited	UK
Food storage and distribution	
Affish BV (Incorporated in Holland)	Holland
Associated Cold Stores & Transport Limited	UK
Wylax International BV (Incorporated in Holland)	Holland
Trading and agency	
Robertson Bois Dickson Anderson Limited	UK
Lawrie Plantation Services Limited	UK

33 Principal subsidiary and associated undertakings *continued*

	Principal country of operation
Subsidiary undertakings *continued*	
Philately	
David Field Limited	UK
Property	
W.D.G. Properties Limited	UK
Banking and financial services	
Duncan Lawrie Limited	UK
Duncan Lawrie (IOM) Limited (Incorporated in Isle of Man)	Isle of Man
Duncan Lawrie Offshore Services Limited (Incorporated in Isle of Man)	Isle of Man
Investment holding	
Assam – Dooars Holdings Limited	UK
Associated Fisheries Limited	UK
Bordure Limited	UK
East African Coffee Plantations Limited (Incorporated in Australia – 70.5 per cent. holding)	Australia
Lawrie (Bermuda) Limited (Incorporated in Bermuda)	Bermuda
Lawrie Group Plc	UK
Lawrie International Limited (Incorporated in Bermuda)	Bermuda
Linton Park Plc (79.1 per cent. holding)	UK
Sterling Industrial Securities Limited	UK
Walter Duncan & Goodricke Limited	UK
Western Dooars Tea Holdings Limited	UK

Associated undertakings

The principal associated undertakings of the group at 31 December 2003 were:

	Principal country of operation	*Accounting date 2003*	*Group interest in equity capital per cent.*
Chemical and pharmaceutical			
Siegfried Holding AG (Incorporated in Switzerland – registered shares)	Switzerland	31 December	32.3
Other			
United Insurance Company Limited (Incorporated in Bangladesh – ordinary shares)	Bangladesh	31 December	31.9
United Leasing Company Limited (Incorporated in Bangladesh – ordinary shares)	Bangladesh	31 December	48.9

34 Related party transactions

Under an agreement between Linton Park Plc on one hand and Sigamed AG and others (who include Dr B A Siegfried, a director of Siegfried Holding AG and a non executive director of Linton Park Plc), both parties have the first right of refusal to buy Siegfried Holding AG shares offered for sale by the other party.

Notes to the Accounts

35 Control of Camellia Plc

Camellia Holding AG held 1,421,000 ordinary shares of Camellia Plc (representing 54.75 per cent. of the issued share capital). Camellia Holding AG is owned by Camellia Private Trust Company Ltd (a corporate trustee incorporated in Bermuda to hold on trust the investments of the Camellia Foundation).

The Camellia Foundation is a Bermudian Trust, controlled by Mr Gordon Fox, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the Trustees.

In relation to Linton Park Plc:

- Camellia Holding AG holds 50,000 ordinary shares of 50p each in Linton Park Plc (representing 0.26 per cent. of the issued share capital);
- Lawrie Group Plc (being a wholly owned subsidiary of Camellia Plc) holds 15,064,999 ordinary shares of 50p each in Linton Park Plc (representing 79.13 per cent. of the issued share capital); and
- Jetinga Holdings Inc (which is 50 per cent. owned by International Factors Corporation, a company which is 80 per cent. owned by Mr Gordon Fox) holds 50,000 ordinary shares of 50p each in Linton Park Plc (representing 0.26 per cent. of the issued share capital).

The activities of Camellia Plc and its group (the "Camellia Group") are conducted independently of the Foundation and none of the directors of Camellia Plc are currently connected with the Foundation, other than Mr P A Leggatt who is one of the Trustees. While 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 Foundation 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 shareholding in Siegfried Holding AG or any other assets in which the Foundation also has a material interest otherwise than through Camellia Plc. Since the Foundation is a non- trading entity, no other transactions or relationships between the Camellia Group and the Foundation are envisaged, but the Board of Camellia Plc will not in any event conduct any transaction or relationship with the Foundation other than on an arm's length and normal commercial basis.

36 Subsequent events

On 5 February 2004 the group completed the sale of the business of W.G.White Limited. The consideration was £540,000.

The results of W.G. White Limited are included within discontinued operations in the consolidated profit and loss account. Negative goodwill of £208,000 has been released in anticipation of this disposal.

Report of the auditors

Independent Auditors' Report to the Shareholders of Camellia Plc

We have audited the financial statements of Camellia Plc for the year ended 31st December 2003 set out on pages 16 to 51. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 21 and 22. We have also audited the disclosures required by Part 3 of Schedule 7A of the Companies Act 1985 contained in the Directors' Remuneration Report.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law or the Listing Rules regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We review whether the Corporate Governance Statement reflects the company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's Statement, the Report of the Directors, the unaudited part of the Directors' Remuneration Report, the Corporate Governance Statement and the five year record. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2003 and of the Group's profit for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with The Companies Act 1985.

Moore Stephens

Chartered Accountants and Registered Auditors

London

27 April 2004

Five year record

	2003 £000	*2002 £000*	*2001 £000 restated*	*2000 £000*	*1999 £000*
Turnover	174,685	*176,523*	*203,347*	*253,375*	*233,689*
Profit on ordinary activities before taxation	27,522	*15,429*	*17,556*	*15,214*	*13,270*
Taxation	1,192	*4,827*	*4,183*	*5,722*	*4,636*
	26,330	*10,602*	*13,373*	*9,492*	*8,634*
Minority interests	348	*3,453*	*3,146*	*2,538*	*2,924*
	25,982	*7,149*	*10,227*	*6,954*	*5,710*
Dividends	2,258	*2,270*	*2,303*	*2,335*	*2,266*
Profit retained for the year	23,724	*4,879*	*7,924*	*4,619*	*3,444*

Capital and reserves					
Called up share capital	260	*264*	*271*	*277*	*283*
Reserves	186,222	*170,135*	*174,242*	*176,814*	*169,949*
	186,482	*170,399*	*174,513*	*177,091*	*170,232*

Earnings per share	999.2p	*269.6p*	*374.5p*	*247.7p*	*201.3p*
Dividend	87.00p	*86.00p*	*85.00p*	*84.00p*	*80.00p*

Note:
Figures for 2000 and earlier years have not been restated in accordance with Financial Reporting Standard 19.

Camellia Plc

Form of Proxy

For use at the annual general meeting on 27 May 2004

I/We the undersigned being member(s) of Camellia Plc hereby appoint the chairman of the meeting or (see note (1) below)

.....

of.....

as my/our proxy to vote for me/us on my/our behalf at the annual general meeting of the company to be held on 27 May 2004 and at any adjournment thereof and in relation to the resolutions to be considered at the meeting I/We direct the proxy to vote as follows:

No.	Resolutions	For	Against
1	To receive the report of the directors and the audited accounts		
2	To approve the directors' remuneration report		
3	To declare a final dividend		
4a	To re-elect Mr. M. C. Perkins as a director		
4b	To re-elect Mr. P. A. Leggatt as a director		
4c	To re-elect Mr. A. K. Mathur as a director		
4d	To re-elect Mr. D. A. Reeves as a director		
4e	To re-elect Mr. A. S. M. O. Subhan as a director		
4f	To re-elect Mr. C. P. T. Vaughan-Johnson as a director		
5	To re-appoint the auditors and authorise the directors to agree their remuneration		
6	To authorise the Company to make market purchases of ordinary shares of the company		

Please indicate with an X in the spaces provided how you wish your votes to be cast on a poll. Should this form be returned duly signed but without specific directions, the proxy will vote or abstain at his discretion.

Name.....
(Capital letters)
Address .....

Signature ..... Dated 2004

Notes
1 If any other proxy is preferred, please strike out the chairman of the meeting and insert the name and address of the proxy desired and initial the alteration. Such other proxy need not be a member of the company.
2 This instrument of proxy, when completed, together with the power of attorney or other authority (if any) under which it is signed, must reach the office of the registrars of the company at the address overleaf not less than 48 hours before the meeting or any adjournment thereof.
3 Completion and return of this form of proxy will not prevent a member from attending and voting at the meeting should he wish to do so.
4 This form of proxy must be signed under the hand of the appointer duly authorised in writing or, if the appointer is a corporation, must be either under its common seal or under the hand of an officer or attorney so authorised.
5 In the case of joint holders the vote of the first named holder on the Register of Members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.

Second Fold

BUSINESS REPLY SERVICE
Licence No. MB 122

1

Capita Registrars,

Camellia Plc,

The Registry,

34 Beckenham Road,

Beckenham,

Kent BR3 4BR

First Fold

Third Fold (Tuck in)