Camellia Plc

Interim report 2006

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Chairman's statement

The pre-tax profit from continuing operations of £4,277,000 for the six months to the 30 June 2006 compares with a profit of £2,455,000 for the same period last year.

The above mentioned profit for the six months includes a biological asset fair value gain of £2,471,000 as against a £72,000 loss in the same period last year.

The board has declared an interim dividend of 20p per ordinary share payable on 8 November 2006 to shareholders on the register on 13 October 2006.

Tea

India

Tea production in India is on a par with the previous year. Average prices for our Dooars tea have been slightly ahead of those of the previous year whilst those in Assam are approximately 10 per cent. ahead. Rainfall to date has been unpredictable and the effect of this on the full year's production is difficult to anticipate.

Bangladesh

Bangladesh suffered a prolonged drought at the beginning of this year and production was behind by over one million kilos at the half year stage. Tea prices have been slightly ahead for the first six months but have recently shown a considerable increase. It is unlikely that the deficit in production will be made up in the second part of the year.

Africa

Kenya also suffered from an extensive drought at the beginning of the year which, like Bangladesh, affected production significantly. At the half year stage crops were two million kilos behind the same period in 2005. The shortage of tea in the Kenyan market has however led to a substantial price increase of approximately 40 per cent. and, if this is maintained in the second half of the year, should go some way towards mitigating the effects of the drought. The Kenyan shilling does, however, remain strong against the US dollar, which reduces the benefit to us of the higher tea prices.

Malawi escaped the drought and at the half year stage was one million kilos ahead of the previous year, which was however affected by the drought in 2005. Prices in Malawi are also ahead of last year by some 20 per cent. and the prospects for the year appear encouraging.

Progress has been made in the disposal of tea assets located in South Africa and it is hoped that this exercise will be finalised by the end of the year.

Edible nuts

The drought at the time of flowering in the macadamia orchards in Malawi and South Africa has, as expected, led to a decline in production. Prices are also some 30 per cent. below those prevailing last year. The harvest of the pistachio orchards in California will commence shortly. California has recently experienced long periods of very hot weather and the effect this may have on ultimate production levels is uncertain.

Other horticulture

Citrus production in California continues to expand as the orchards mature. The citrus operations in South Africa and Chile have produced poor results, due to low crops and indifferent prices.

The table grape operations in both these countries have also been disappointing with very low production in South Africa and reduced prices in Chile.

Wine grape production has increased in Chile with reasonable prices. Although, the harvest in South Africa for the wine grapes was reduced, sales of bottled wine have recently showed some improvement in a difficult market.

Avocado production in Kenya continues to expand as the orchards mature. The new packing shed opened on time to enable the 2006 harvest to be exported by us directly to Europe and the initial results look to be encouraging.

Production of soya and maize in Brazil was up to expectation and in excess of the previous year although prices remain somewhat depressed, particularly for soya.

The drought in Bangladesh has affected the production of rubber for the first six months but prices are well ahead of the previous year.

Chairman's statement

Food storage and distribution

There has been a modest reduction in the losses incurred at Associated Cold Stores & Transport. The company continues to operate in a very competitive environment and significant over capacity in the storage market generally remains a problem. The fortunes of our food distribution business in The Netherlands have also shown a small improvement.

Engineering

Continuing buoyant oil prices have resulted in our engineering activities performing ahead of expectation. Abbey Metal also improved its results on account of increased activity in the aerospace and defence markets.

Banking

Our banking operations have performed well compared with the prior year and budget. Duncan Lawrie has recently announced the purchase of the Hill Martin group. This acquisition will add significantly to funds under management and will also provide a substantial boost to the financial planning side of the Duncan Lawrie group's business.

Pharmaceutical

The Siegfried group increased its sales by 13.9 per cent. over the same period last year. Operating profits increased by 1.7 per cent. but profits before tax were slightly lower due to increased finance costs. The group expects to maintain growth during the second half of the year.

Other associated undertakings

In Bangladesh the profitability of the United Leasing Company and the United Insurance Company are on a par with the previous year. The Surmah Valley Tea Company, a subsidiary of United Insurance, has however suffered from the impact of the drought.

Prospects

It is unlikely that the shortfall of tea production in Kenya and Bangladesh will be recovered by the end of the year but prices, if they are maintained at the present level, should compensate for this shortfall. The full year's results will, of course, be without the contributions in the previous year from the disposal of East African Coffee Plantations Limited in Australia and the effect of the restructuring of the group following the merger with Linton Park Plc in November 2005. It is, however, difficult to make any prediction as to the outcome for the full year.

M C Perkins

Chairman

28 September 2006

Consolidated income statement
for the six months ended 30 June 2006

	Notes	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Continuing operations				
Revenue	2	72,305	*70,422*	*152,743*
Cost of sales		(55,743)	*(55,497)*	*(107,968)*
Gross profit		16,562	*14,925*	*44,775*
Other operating income		1,247	*1,373*	*2,373*
Distribution costs		(2,799)	*(3,207)*	*(7,969)*
Administrative expenses		(16,507)	*(15,955)*	*(35,978)*
Trading (loss)/profit	2	(1,497)	*(2,864)*	*3,201*
Share of associates' results	3	1,869	*2,343*	*5,842*
Profit on disposal of non-current assets	4	1,019	*448*	*874*
Profit on disposal of 'available-for-sale' investments		151	*1,970*	*2,488*
Profit on part disposal of a subsidiary	5	—	*795*	*795*
Gain/(loss) arising from changes in fair value of biological assets		2,471	*(72)*	*4,147*
Gain on group restructuring	6	—	—	*5,523*
Profit from operations		4,013	*2,620*	*22,870*
Investment income		828	*873*	*1,313*
Net finance costs	7	(564)	*(1,038)*	*(1,908)*
Profit before tax		4,277	*2,455*	*22,275*
Taxation	8	(1,466)	*(345)*	*(1,764)*
Profit for the period from continuing operations		2,811	*2,110*	*20,511*
Discontinued operations				
Profit for the period from discontinued operations	9	—	*3,058*	*3,058*
Profit for the period		2,811	*5,168*	*23,569*
Profit attributable to minority interests		529	*941*	*3,243*
Profit attributable to equity shareholders		2,282	*4,227*	*20,326*
		2,811	*5,168*	*23,569*
Earnings per share – basic and diluted	10	82.1p	*166.9p*	*793.2p*
Earnings per share from continuing operations – basic and diluted	10	82.1p	*64.7p*	*692.2p*

Consolidated balance sheet
at 30 June 2006

	Notes	30 June 2006 £'000	*30 June 2005 £'000*	*31 December 2005 £'000*
Non-current assets				
Goodwill		4,220	*4,220*	*4,220*
Intangible assets		404	*429*	*368*
Property, plant and equipment	11	78,358	*81,740*	*82,069*
Biological assets		78,299	*77,409*	*86,679*
Prepaid operating leases		967	*968*	*1,062*
Investments in associates		63,830	*60,142*	*65,672*
Deferred tax assets		2,084	*2,243*	*1,330*
Financial assets		52,712	*45,216*	*61,831*
Retirement benefit surplus		2,390	*2,430*	*2,634*
Trade and other receivables		519	*148*	*583*
Total non-current assets		283,783	*274,945*	*306,448*
Current assets				
Inventories		18,625	*20,290*	*18,204*
Trade and other receivables		53,284	*56,271*	*50,699*
Current income tax assets		2,024	*1,697*	*1,820*
Cash and cash equivalents	12	210,055	*175,045*	*170,940*
		283,988	*253,303*	*241,663*
Non-current assets classified as held for sale		675	*–*	*1,036*
Total current assets		284,663	*253,303*	*242,699*
Current liabilities				
Borrowings	13	(25,881)	*(23,186)*	*(21,234)*
Trade and other payables		(234,691)	*(199,218)*	*(201,779)*
Current income tax liabilities		(2,213)	*(3,859)*	*(1,888)*
Other employee benefit obligations		(179)	*(246)*	*(190)*
Provisions		(49)	*(134)*	*(88)*
Total current liabilities		(263,013)	*(226,643)*	*(225,179)*
Net current assets		21,650	*26,660*	*17,520*
Total assets less current liabilities		305,433	*301,605*	*323,968*
Non-current liabilities				
Borrowings	13	(11,371)	*(11,730)*	*(10,959)*
Deferred tax liabilities		(26,169)	*(26,573)*	*(27,061)*
Retirement benefit obligations		(14,784)	*(28,564)*	*(21,284)*
Other employee benefit obligations		(1,331)	*(1,502)*	*(1,399)*
Other non-current liabilities		(417)	*(543)*	*(353)*
Provisions		(70)	*(38)*	*(70)*
Total non-current liabilities		(54,142)	*(68,950)*	*(61,126)*
Net assets		251,291	*232,655*	*262,842*
Equity				
Called up share capital		284	*260*	*284*
Reserves		232,357	*192,490*	*241,632*
Shareholders' funds	16	232,641	*192,750*	*241,916*
Minority interests	16	18,650	*39,905*	*20,926*
Total equity		251,291	*232,655*	*262,842*

Consolidated cash flow statement
for the six months ended 30 June 2006

	Notes	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Cash generated from operations				
Cash flows from operating activities	14	(6,252)	*2,155*	*20,753*
Interest paid		(1,205)	*(1,279)*	*(2,551)*
Income taxes paid		(1,407)	*(770)*	*(3,435)*
Interest received		366	*542*	*635*
Dividends received from associates		1,826	*1,530*	*1,564*
Net cash flow from continuing operating activities		(6,672)	*2,178*	*16,966*
Net cash flow from discontinued operating activities		—	*(2,083)*	*1,730*
Net cash flow from operating activities		(6,672)	*95*	*18,696*
Cash flows from investing activities				
Purchase of intangible assets		(108)	*(24)*	*(105)*
Purchase of property, plant and equipment		(4,908)	*(2,022)*	*(6,844)*
Proceeds from sale of non-current assets		1,351	*1,490*	*2,418*
Disposal of subsidiaries/businesses (net of cash disposed)		—	*12,883*	*12,883*
Part disposal of a subsidiary		—	*1,673*	*1,673*
Acquisition of subsidiary (net of cash acquired)		—	*(4,393)*	*(4,393)*
Purchase of minority interests		—	—	*(3,027)*
Purchase of shares in associate		(20)	—	*(16)*
Proceeds from sale of investments		5,381	*2,595*	*3,200*
Purchase of investments		(246)	*(299)*	*(7,141)*
Income from investments		827	*873*	*1,313*
Net cash flow from discontinued operations		—	*(1,095)*	*(1,430)*
Net cash flow from investing activities		2,277	*11,681*	*(1,469)*
Cash flows from financing activities				
Equity dividends paid		—	—	*(2,284)*
Dividends paid to minority interests		(699)	*(1,617)*	*(1,306)*
Net increase/(repayment) of debt		4,517	*(8,270)*	*(9,213)*
Minority shares subscribed		532	—	—
Net cash flow from financing activities		4,350	*(9,887)*	*(12,803)*
Net (decrease)/increase in cash and cash equivalents	15	(45)	*1,889*	*4,424*
Cash and cash equivalents at beginning of period		(6,435)	*(10,637)*	*(10,637)*
Exchange gains/(losses) on cash and cash equivalents		530	*(180)*	*(222)*
Cash and cash equivalents at end of period		(5,950)	*(8,928)*	*(6,435)*

For the purposes of the cash flow statement, cash and cash equivalents are included net of overdrafts repayable on demand. These overdrafts are excluded from the definition of cash and cash equivalents disclosed on the balance sheet.

For the purposes of the cash flow statement cash and cash equivalents comprise:

Cash and cash equivalents	210,055	*175,045*	*170,940*
Less banking operation funds	(197,343)	*(164,324)*	*(159,757)*
Overdrafts repayable on demand (included in current liabilities – borrowings)	(18,662)	*(19,649)*	*(17,618)*
	(5,950)	*(8,928)*	*(6,435)*

Statement of recognised income and expense
for the six months ended 30 June 2006

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Foreign exchange translation differences	(17,352)	*3,910*	*12,725*
Actuarial movement on defined benefit pension schemes	5,852	*(2,704)*	*4,310*
Movement on deferred tax relating to defined benefit pension schemes	(1,383)	*(51)*	*1,204*
Available-for-sale investments:			
Valuation (loss)/gain taken to equity	(1,045)	*1,011*	*7,124*
Transferred to profit or loss on sale	10	*(1,191)*	*(1,562)*
Other fair value adjustment	—	—	*135*
Share of associates' net movement in defined benefit pension schemes	(85)	—	—
Share of associates' fair value adjustments	(106)	*(32)*	*(45)*
Share of associates' profit/(loss) on cash flow hedges	427	*(632)*	*(585)*
Net (expense)/income recognised directly in equity	(13,682)	*311*	*23,306*
Profit for the period	2,811	*5,168*	*23,569*
Total recognised income and expense for the period	(10,871)	*5,479*	*46,875*
Attributable to:			
Minority interests	(2,109)	*630*	*5,767*
Equity shareholders	(8,762)	*4,849*	*41,108*
	(10,871)	*5,479*	*46,875*

Notes to the accounts

1 Basis of preparation

These financial statements are the interim consolidated financial statements of Camellia Plc, a company registered in England, and its subsidiaries (the "group") for the six month period ended 30 June 2006 (the "Interim Report"). They should be read in conjunction with the Report and Accounts (the "Annual Report") for the year ended 31 December 2005.

The financial information contained in this interim report has not been audited and does not constitute statutory accounts within the meaning of Section 240 of the Companies Act 1985. A copy of the statutory accounts for the year ended 31 December 2005 has been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and does not contain a statement made under Section 237(2) and Section 237(3) of the Companies Act 1985.

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") including IAS 34 "Interim Financial Reporting". For these purposes, IFRS comprise the Standards issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") that have been endorsed by the European Union.

The interim financial information has also been prepared on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2005.

Any Standards or Interpretations which apply or are expected to apply for the first time for the year ended 31 December 2006 are not considered to have any material impact on the group.

Where necessary, the comparatives have been reclassified from the previously reported interim results to take into account any presentational changes made in the Annual Report.

2 Segment reporting

	Six months ended 30 June 2006		*Six months ended 30 June 2005*		*Year ended 31 December 2005*	
	Revenue £'000	Trading profit £'000	*Revenue £'000*	*Trading profit £'000*	*Revenue £'000*	*Trading profit £'000*
Agriculture and horticulture	37,863	(599)	*36,746*	*(1,204)*	*83,861*	*6,506*
Engineering	10,082	711	*9,705*	*458*	*19,441*	*223*
Food storage and distribution	18,676	(294)	*19,016*	*(755)*	*38,734*	*(1,004)*
Banking and financial services	5,203	1,126	*4,492*	*597*	*9,350*	*1,303*
Other operations	481	311	*463*	*437*	*1,357*	*339*
	72,305	1,255	*70,422*	*(467)*	*152,743*	*7,367*
Unallocated corporate expenses		(2,752)		*(2,397)*		*(4,166)*
Trading (loss)/profit		(1,497)		*(2,864)*		*3,201*
Share of associates' results		1,869		*2,343*		*5,842*
Profit on disposal of non-current assets		1,019		*448*		*874*
Profit on disposal of 'available-for-sale' investments		151		*1,970*		*2,488*
Profit on part disposal of a subsidiary		—		*795*		*795*
Gain/(loss) arising from changes in fair value of biological assets		2,471		*(72)*		*4,147*
Gain on group restructuring		—		—		*5,523*
Investment income		828		*873*		*1,313*
Net finance costs		(564)		*(1,038)*		*(1,908)*
Profit before tax		4,277		*2,455*		*22,275*
Taxation		(1,466)		*(345)*		*(1,764)*
Profit for the period from discontinued operations		—		*3,058*		*3,058*
Profit after tax and discontinued operations		2,811		*5,168*		*23,569*

3 Share of associates' results

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

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Operating profit	2,803	*2,837*	*7,748*
Net finance costs	(484)	*113*	*(692)*
Profit before tax	2,319	*2,950*	*7,056*
Taxation	(450)	*(607)*	*(1,214)*
Profit after tax	1,869	*2,343*	*5,842*

4 Profit on disposal of non-current assets

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Profit on disposal of property, plant and equipment associated with the production of tea in South Africa	90	—	*525*
Profit on disposal of other land and property	929	*448*	*349*
	1,019	*448*	*874*

5 Profit on part disposal of a subsidiary

In 2005 a profit of £795,000 was realised following completion of the sale of 1,673,000 ordinary shares (8 per cent.) in the group's subsidiary, Eastern Produce Kenya Limited.

6 Gain on group restructuring

In 2005, Camellia Plc acquired the outstanding minority shareholding in Linton Park Plc. A gain of £6,529,000 was realised as the consideration paid was lower than the net assets acquired. This gain has been partially offset by expenses incurred in relation to the transaction of £1,006,000.

Notes to the accounts

7 Net finance costs

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Interest payable on loans and bank overdrafts	(1,208)	*(1,219)*	*(2,445)*
Interest payable on obligations under finance leases	(72)	*(60)*	*(121)*
Total borrowing costs	(1,280)	*(1,279)*	*(2,566)*
Pension liability interest cost	(2,850)	*(2,896)*	*(6,613)*
Expected return on pension assets	3,300	*2,676*	*6,351*
Net pension liability interest	450	*(220)*	*(262)*
Net exchange (loss)/gain on foreign currency borrowings	(100)	*(81)*	*213*
Finance costs	(930)	*(1,580)*	*(2,615)*
Bank interest received	366	*542*	*707*
Net finance costs	(564)	*(1,038)*	*(1,908)*

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

8 Taxation on profit on ordinary activities

	Six months ended 30 June 2006		*Six months ended 30 June 2005*		*Year ended 31 December 2005*	
	£'000	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Current tax						
UK corporation tax	7		*146*		*68*	
Overseas corporation tax	1,601		*1,027*		*1,990*	
Total current tax		1,608		*1,173*		*2,058*
Deferred tax						
Origination and reversal of timing differences						
UK	(296)		*404*		*(1,855)*	
Overseas	154		*(1,232)*		*1,561*	
Total deferred tax		(142)		*(828)*		*(294)*
Tax on profit on ordinary activities		1,466		*345*		*1,764*

9 Discontinued operations

In 2005, the group disposed of its 70.5 per cent. holding in East African Coffee Plantations Limited (EACP), as a result the revenue and results of the EACP group have been excluded from the income statement and are recorded in a single line on a post-tax basis.

10 Earnings per share (EPS)

	Six months ended 30 June 2006		*Six months ended 30 June 2005*		*Year ended 31 December 2005*	
	Earnings £'000	EPS Pence	*Earnings £'000*	*EPS Pence*	*Earnings £'000*	*EPS Pence*
Basic and diluted EPS						
Continuing and discontinued operations						
Attributable to ordinary shareholders	2,282	82.1	*4,227*	*166.9*	*20,326*	*793.2*
Continuing operations						
Attributable to ordinary shareholders	2,282	82.1	*1,638*	*64.7*	*17,737*	*692.2*
Discontinued operations						
Attributable to ordinary shareholders	—	—	*2,589*	*102.2*	*2,589*	*101.0*

Basic and diluted earnings per share are calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue of 2,779,864 (2005: six months 2,532,500 – year 2,562,401), excluding 62,500 (2005: six months 62,500 – year 62,500) shares held by the group as treasury shares.

11 Property, plant and equipment

During the six months ended 30 June 2006 the group acquired assets with a cost of £4,908,000 (2005: six months £4,595,000 – year £8,274,000). Assets with a carrying amount of £296,000 were disposed of during the six months ended 30 June 2006 (2005: six months £1,001,000 – year £1,544,000).

12 Cash and cash equivalents

Included in cash at banks and in hand of £210,055,000 (2005: six months £175,045,000 – year £170,940,000) are cash and short-term funds, time deposits with banks and building societies and certificates of deposit amounting to £197,343,000 (2005: six months £164,324,000 – year £159,757,000), which are held by banking subsidiaries and which are an integral part of the banking operations of the group.

13 Borrowings

Borrowings (current and non-current) include loans and finance leases of £18,590,000 (year: £14,575,000) and bank overdrafts of £18,662,000 (year: £17,618,000). The following loans and finance leases were issued and repaid during the six months ended 30 June 2006:

	£'000
Balance at 1 January 2006	14,575
Exchange differences	(502)
New issues	
Loans	6,279
Finance lease liabilities	387
Repayments	
Loans	(1,746)
Finance lease liabilities	(403)
Balance at 30 June 2006	18,590

Notes to the accounts

14 Reconciliation of profit from operations to cash flow

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
Profit from operations	4,013	*2,620*	*22,870*
Share of associates' results	(1,869)	*(2,343)*	*(5,842)*
Depreciation and amortisation	3,897	*3,817*	*7,249*
Impairment of non-current assets	—	*—*	*336*
(Gain)/loss arising from changes in fair value of biological assets	(2,471)	*72*	*(4,147)*
Loss on disposal of investment	—	*—*	*25*
Profit on disposal of non-current assets	(1,145)	*(448)*	*(874)*
Profit on part disposal of a subsidiary	—	*(795)*	*(795)*
Profit on disposal of investments	(151)	*(1,970)*	*(2,488)*
Restructuring costs and negative goodwill	—	*—*	*(5,523)*
Decrease in working capital	29,061	*27,348*	*31,521*
Net increase in funds of banking subsidiaries	(37,587)	*(26,146)*	*(21,579)*
Cash flows from operating activities	(6,252)	*2,155*	*20,753*

15 Reconciliation of net cash flow to movement in net debt

	Six months ended 30 June 2006 £'000	*Six months ended 30 June 2005 £'000*	*Year ended 31 December 2005 £'000*
(Decrease)/increase in cash and cash equivalents in the period	(45)	*1,889*	*4,424*
Cash (inflow)/outflow from (increase)/decrease in debt	(4,130)	*8,458*	*11,771*
(Increase)/decrease in net debt resulting from cash flows	(4,175)	*10,347*	*16,195*
Net cash balances of business sold	—	*—*	*(1,434)*
Loans of subsidiaries sold	—	*2,002*	*2,002*
New finance leases	(387)	*(188)*	*(1,124)*
Exchange rate movements	1,032	*(211)*	*(504)*
(Increase)/decrease in net debt in the period	(3,530)	*11,950*	*15,135*
Net debt at beginning of period	(21,010)	*(36,145)*	*(36,145)*
Net debt at end of period	(24,540)	*(24,195)*	*(21,010)*

16 Statement of changes in shareholders' equity

	Share capital £'000	Share premium £'000	Treasury shares £'000	Retained earnings £'000	Other reserves £'000	Total £'000	Minority interest £'000	Total equity £'000
At 1 January 2005	260	423	(400)	147,209	39,997	187,489	44,248	231,737
Exchange differences	—	—	—	—	3,625	3,625	285	3,910
Net profit	—	—	—	4,227	—	4,227	941	5,168
Dividends	—	—	—	—	—	—	(678)	(678)
Actuarial loss	—	—	—	(2,233)	—	(2,233)	(471)	(2,704)
Deferred tax on actuarial loss	—	—	—	(67)	—	(67)	16	(51)
Disposal of subsidiary	—	—	—	—	—	—	(4,334)	(4,334)
Distribution prior to disposal of subsidiary	—	—	—	—	—	—	(941)	(941)
Available-for-sale investments:								
Valuation gains taken to equity	—	—	—	—	1,011	1,011	—	1,011
Transfer to profit or loss on sale	—	—	—	—	(1,191)	(1,191)	—	(1,191)
Share of associates' fair value adjustments	—	—	—	(23)	—	(23)	(9)	(32)
Share of associates' change in treasury shares	—	—	—	412	—	412	108	520
Share of associates' loss on cash flow hedges	—	—	—	(500)	—	(500)	(132)	(632)
Part disposal of a subsidiary	—	—	—	—	—	—	872	872
At 30 June 2005	260	423	(400)	149,025	43,442	192,750	39,905	232,655
At 1 January 2005	260	423	(400)	147,209	39,997	187,489	44,248	231,737
Exchange differences	—	—	—	—	10,917	10,917	1,808	12,725
Net profit	—	—	—	20,326	—	20,326	3,243	23,569
Dividends	—	—	—	(2,284)	—	(2,284)	(1,306)	(3,590)
Actuarial gain	—	—	—	3,331	—	3,331	979	4,310
Deferred tax on actuarial gain	—	—	—	1,216	—	1,216	(12)	1,204
Available-for-sale investments:								
Valuation gains taken to equity	—	—	—	—	7,100	7,100	24	7,124
Transfer to profit or loss on sale	—	—	—	—	(1,409)	(1,409)	(153)	(1,562)
Other fair value adjustment	—	—	—	—	135	135	—	135
Acquisition of minority interests	—	—	—	—	—	—	(23,546)	(23,546)
Disposal of subsidiary	—	—	—	—	—	—	(4,334)	(4,334)
Distribution prior to disposal of subsidiary	—	—	—	—	—	—	(941)	(941)
New shares issued on acquisition	24	14,875	—	—	—	14,899	—	14,899
Share of associates' fair value adjustments	—	—	—	(45)	—	(45)	—	(45)
Share of associates' loss on cash flow hedges	—	—	—	(463)	—	(463)	(122)	(585)
Share of associates' change in treasury shares	—	—	—	681	—	681	161	842
Share of associates' employee share plan	—	—	—	23	—	23	5	28
Part disposal of a subsidiary	—	—	—	—	—	—	872	872
At 31 December 2005	284	15,298	(400)	169,994	56,740	241,916	20,926	262,842
Exchange differences	—	—	—	—	(14,714)	(14,714)	(2,638)	(17,352)
Net profit	—	—	—	2,282	—	2,282	529	2,811
Dividends	—	—	—	—	—	—	(699)	(699)
Actuarial gain	—	—	—	5,852	—	5,852	—	5,852
Deferred tax on actuarial gain	—	—	—	(1,383)	—	(1,383)	—	(1,383)
Minority subscription	—	—	—	—	—	—	532	532
Available-for-sale investments:								
Valuation loss taken to equity	—	—	—	—	(1,045)	(1,045)	—	(1,045)
Transfer to profit or loss on sale	—	—	—	—	10	10	—	10
Share of associates' fair value adjustments	—	—	—	(106)	—	(106)	—	(106)
Share of associates' change in treasury shares	—	—	—	(499)	—	(499)	—	(499)
Share of associates' profit on cash flow hedges	—	—	—	427	—	427	—	427
Share of associates' other movements	—	—	—	(99)	—	(99)	—	(99)
At 30 June 2006	284	15,298	(400)	176,468	40,991	232,641	18,650	251,291

17 Subsequent event

On 11 August 2006, Duncan Lawrie Holdings Limited, a subsidiary of Camellia Plc, made an offer to acquire the entire issued and to be allotted share capital of Hill Martin Limited and Hill Martin (Holdings) Limited. The initial consideration will be, in aggregate, £4,231,159. Deferred consideration may be payable, subject to contingencies, in respect of the acquisition of Hill Martin Limited. Hill Martin Limited provides financial planning services. Hill Martin (Holdings) Limited is the holding company of Hill Martin (Asset Management) Limited which provides private client investment management services.