



Camellia Plc

Interim report 2009

# Camellia Plc

## Interim report 2009

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### **Registered office**

Linton Park

Linton

Near Maidstone

Kent ME17 4AB

Registered number 29559

[www.camellia.plc.uk](http://www.camellia.plc.uk)

# Camellia Plc

## Chairman's statement

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The pre-tax profit from continuing operations of £4,995,000 for the six months to 30 June 2009 compares with a profit of £7,991,000 for the same period last year.

The board has declared an interim dividend of 20p per ordinary share payable on 5 November 2009 to shareholders on the register on 16 October 2009.

### **Tea**

#### *India*

The monsoon in India was late in arriving resulting in a loss of crop of approximately 20% over the same period last year. Tea prices have however been higher than last year which will mitigate the effect of the loss of production to some extent. The factory renovation programme is continuing with a number of projects being commissioned during the first half of the year.

#### *Bangladesh*

Bangladesh did not suffer to the same extent as India from the late arrival of the rains and production reduced by about 8%. Sale prices have increased over the previous year which, if maintained, will have a positive effect on the year's results.

#### *Africa*

Tea prices in both Kenya and Malawi have been strong in the first half of the year and production has been at expected levels.

The lack of progress towards a new constitution in Kenya together with corruption and poor security continue to be a major cause of concern, as is the current drought being experienced in many areas of Kenya which is putting severe pressure on such essential resources as water, power and food production.

Elections in Malawi proceeded peacefully. The stubbornly high value of the Kwacha continues to put pressure on margins in local currency.

### **Edible nuts**

Macadamia production in Malawi is very disappointing due to the lack of rain at the time of flowering last year. Production in South Africa is anticipated to meet budget. Sale prices are low in comparison to recent years but demand at the lower prices is better than expected for what is essentially a luxury product and therefore more susceptible to the recession.

Production of pistachios in California will be low as 2009 is an 'off' year in the biennial bearing pattern of these nuts.

### **Other horticulture**

The citrus crop and sale prices at Horizon Farms in California are expected to be on a par with the previous year.

Avocado production from Kakuzi's own plantings will be slightly reduced but this has been more than made up by significant volumes of outgrower fruit being packed in our facilities. Fruit came to the market at the same time as large volumes from Peru and South Africa and therefore sale prices have been lower than anticipated.

Rubber production in Bangladesh is equivalent to the previous year. Sale prices have reduced but are showing some signs of improvement and this operation remains profitable.

Maize production was reduced at CC Lawrie in Brazil. Soya production was on budget. However, input costs have increased and our operations will also suffer from the relative strength of the Brazilian currency against the US dollar.

Following a review of the prospects of Hacienda Chada in Chile, the board decided to consider a disposal of this asset and negotiations are presently being conducted with interested parties.

### **Food storage and distribution**

The progress made last year at Associated Cold Stores and Transport has continued into this year and results to date are satisfactory. The market remains very competitive and customers continue to seek savings in their own costs wherever possible.

## Chairman's statement

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### Engineering

Our engineering group experienced mixed fortunes with large fluctuations in orders received from month to month. Profits to 30 June are ahead of last year due to AKD in Lowestoft being awarded a number of offshore contracts where higher margins are achievable. General Utilities has however experienced a complete reversal of the very good results enjoyed last year.

### Banking

Duncan Lawrie's conservative policy of not lending more than its share capital and reserves and placing customer deposits with highly rated counterparties has resulted in very low margins in its banking operations which are unlikely to improve in the current economic climate. Duncan Lawrie's results will also be impacted by calls being made by banking compensation schemes, to which I referred in my chairman's statement that accompanied the 2008 accounts.

### Pharmaceutical

Sales by Siegfried Holdings AG for the first six months declined by 24% with a significant reduction in the generics division. Overall Siegfried recorded a net loss of CHF 6 million of which our share is £1.15 million. This compares with our share of net profit of £3.40 million in the first half of 2008 which included profit on disposal of the pharmaceutical production facility in Zofingen and licensing income from a previous bio-generics project. The board of Siegfried expect improved sales for the second half of the year but cannot yet forecast the result for the full year.

### Prospects

Despite the poor figures from Siegfried and lack of rain in India, the group has performed well in the first six months. The economic environment remains challenging and it is my opinion that talk of an early end to the recession is premature. Whilst it is impossible to give any indication of the likely outcome for the full year, our conservative operating policies continue to stand us in good stead for the future.

**M C Perkins**

Chairman

27 August 2009

# Camellia Plc

## Interim management report

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The chairman's statement forms part of this report and includes important events that have occurred during the six months ended 30 June 2009 and their impact on the financial statements set out herein.

### Principal risks and uncertainties

The directors' report in the statutory financial statements for the year ended 31 December 2008 (the accounts are available on the company's website: [www.camellia.plc.uk](http://www.camellia.plc.uk)) highlighted risks and uncertainties that could have an impact on the group's businesses. As these businesses are widely spread both in terms of activity and location, it is unlikely that any one single factor could have a material impact on the group's performance. These risks and uncertainties continue to be relevant for the remainder of the year. In addition, the chairman's statement included in this report refers to specific risks and uncertainties that the group is presently facing.

### Statement of directors' responsibilities

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The directors confirm that these condensed financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union, and that the interim management report herein includes a fair review of the information required by sections 4.2.7 and 4.2.8 of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

The directors of Camellia Plc are listed in the Camellia Plc statutory financial statements for the year ended 31 December 2008. There have been no subsequent changes of directors and a list of current directors is maintained on the group's website at [www.camellia.plc.uk](http://www.camellia.plc.uk).

By order of the board

**M C Perkins**

Chairman

27 August 2009

**Consolidated income statement**  
for the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Revenue</b>	4	96,948	77,611	190,551
Cost of sales		(68,076)	(53,683)	(123,203)
<b>Gross profit</b>		28,872	23,928	67,348
Other operating income		869	1,029	2,206
Distribution costs		(3,642)	(3,370)	(8,765)
Administrative expenses		(21,325)	(18,750)	(37,588)
<b>Trading profit</b>	4	4,774	2,837	23,201
Share of associates' results	5	465	5,185	(8,612)
Profit on disposal of available-for-sale investments		28	23	390
Profit on part disposal of a subsidiary	6	135	104	104
Profit on disposal of an associate		–	–	50
Profit on disposal of property		–	–	280
Gain arising from changes in fair value of biological assets		95	178	8,916
<b>Profit from operations</b>		5,497	8,327	24,329
Investment income		412	476	1,070
Finance income		435	278	643
Finance costs		(650)	(1,218)	(2,500)
Pension schemes' net financing (cost)/income		(699)	128	498
Net finance costs	7	(914)	(812)	(1,359)
<b>Profit before tax</b>		4,995	7,991	24,040
Taxation	8	(1,881)	(1,918)	(7,547)
<b>Profit for the period</b>		3,114	6,073	16,493
Profit attributable to:				
Minority interests		1,353	406	5,449
Owners of the parent		1,761	5,667	11,044
		3,114	6,073	16,493
<b>Earnings per share – basic and diluted</b>	10	63.4p	203.9p	397.3p

# Camellia Plc

## Statement of comprehensive income for the six months ended 30 June 2009

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Profit for the period</b>	<u>3,114</u>	<u>6,073</u>	<u>16,493</u>
Other comprehensive income:			
Foreign exchange translation differences	(32,479)	3,612	67,513
Actuarial movement on defined benefit pension schemes (note 15)	(13,890)	(9,595)	(21,926)
Available-for-sale investments:			
Valuation (losses)/gains taken to equity	(1,562)	416	(7,025)
Transferred to profit or loss on sale	–	(2)	–
Share of other comprehensive income of associates	262	303	(5,384)
Tax relating to components of other comprehensive income	(104)	2,686	1,784
<b>Other comprehensive income for the period, net of tax</b>	<u>(47,773)</u>	<u>(2,580)</u>	<u>34,962</u>
<b>Total comprehensive income for the period</b>	<u>(44,659)</u>	<u>3,493</u>	<u>51,455</u>
Total comprehensive income attributable to:			
Minority interests	(1,755)	91	10,437
Owners of the parent	(42,904)	3,402	41,018
	<u>(44,659)</u>	<u>3,493</u>	<u>51,455</u>

**Consolidated balance sheet**  
at 30 June 2009

	Notes	30 June 2009 £'000	30 June 2008 £'000	31 December 2008 £'000
<b>Non-current assets</b>				
Intangible assets		8,761	8,376	9,059
Property, plant and equipment	11	77,122	75,885	85,787
Biological assets		100,625	79,797	114,220
Prepaid operating leases		1,045	1,013	1,171
Investments in associates		93,731	99,677	109,883
Deferred tax assets		161	853	183
Other investments		28,937	36,516	33,668
Retirement benefit surplus		2,741	3,618	3,101
Trade and other receivables		805	616	979
<b>Total non-current assets</b>		<b>313,928</b>	<b>306,351</b>	<b>358,051</b>
<b>Current assets</b>				
Inventories		28,004	22,340	30,771
Trade and other receivables		73,592	71,313	75,960
Current income tax assets		2,633	1,623	1,481
Cash and cash equivalents	12	236,996	283,671	281,634
		341,225	378,947	389,846
Non-current assets classified as held for sale	13	5,768	–	–
<b>Total current assets</b>		<b>346,993</b>	<b>378,947</b>	<b>389,846</b>
<b>Current liabilities</b>				
Borrowings	14	(18,432)	(16,875)	(18,629)
Trade and other payables		(274,436)	(324,162)	(316,514)
Current income tax liabilities		(3,696)	(2,176)	(4,605)
Other employee benefit obligations		(226)	(183)	(247)
Provisions		(297)	(75)	(123)
<b>Total current liabilities</b>		<b>(297,087)</b>	<b>(343,471)</b>	<b>(340,118)</b>
<b>Net current assets</b>		<b>49,906</b>	<b>35,476</b>	<b>49,728</b>
<b>Total assets less current liabilities</b>		<b>363,834</b>	<b>341,827</b>	<b>407,779</b>
<b>Non-current liabilities</b>				
Borrowings	14	(7,475)	(11,348)	(11,354)
Deferred tax liabilities		(28,090)	(23,424)	(32,678)
Retirement benefit obligations	15	(39,825)	(17,367)	(27,063)
Other employee benefit obligations		(1,927)	(1,385)	(2,052)
Other non-current liabilities		(120)	(207)	(131)
<b>Total non-current liabilities</b>		<b>(77,437)</b>	<b>(53,731)</b>	<b>(73,278)</b>
<b>Net assets</b>		<b>286,397</b>	<b>288,096</b>	<b>334,501</b>
<b>Equity</b>				
Called up share capital		284	284	284
Reserves		258,699	267,483	303,816
<b>Shareholders' funds</b>		<b>258,983</b>	<b>267,767</b>	<b>304,100</b>
Minority interests		27,414	20,329	30,401
<b>Total equity</b>		<b>286,397</b>	<b>288,096</b>	<b>334,501</b>

# Camellia Plc

## Consolidated cash flow statement for the six months ended 30 June 2009

		Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Cash generated from operations</b>				
Cash flows from operating activities	16	2,603	(1,497)	23,651
Interest paid		(870)	(1,254)	(2,503)
Income taxes paid		(4,123)	(1,805)	(4,720)
Interest received		513	164	579
Dividends received from associates		1,490	2,397	2,884
<b>Net cash flow from operating activities</b>		<b>(387)</b>	<b>(1,995)</b>	<b>19,891</b>
<b>Cash flows from investing activities</b>				
Purchase of intangible assets		(115)	(336)	(602)
Purchase of property, plant and equipment		(4,055)	(3,876)	(8,091)
Proceeds from sale of non-current assets		139	143	852
Part disposal of a subsidiary		579	297	302
Acquisition of subsidiary (net of cash acquired)		-	-	(4,120)
Purchase of minority interests		-	(173)	(177)
Proceeds from sale of associate		-	-	83
Proceeds from sale of investments		51	6,735	7,188
Purchase of investments		(18)	(1,848)	(1,749)
Income from investments		412	476	1,070
<b>Net cash flow from investing activities</b>		<b>(3,007)</b>	<b>1,418</b>	<b>(5,244)</b>
<b>Cash flows from financing activities</b>				
Equity dividends paid		-	-	(2,557)
Dividends paid to minority interests		(1,676)	(553)	(896)
New loans		850	69	738
Repayment of debt		(2,890)	(2,030)	(4,356)
<b>Net cash flow from financing activities</b>		<b>(3,716)</b>	<b>(2,514)</b>	<b>(7,071)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	17	<b>(7,110)</b>	<b>(3,091)</b>	<b>7,576</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>9,919</b>	<b>758</b>	<b>758</b>
Exchange (losses)/gains on cash		(434)	412	1,585
<b>Cash and cash equivalents at end of period</b>		<b>2,375</b>	<b>(1,921)</b>	<b>9,919</b>

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	236,996	283,671	281,634
Less banking operation funds	(220,740)	(271,691)	(256,859)
Overdrafts repayable on demand (included in current liabilities – borrowings)	(13,881)	(13,901)	(14,856)
	<b>2,375</b>	<b>(1,921)</b>	<b>9,919</b>

**Statement of changes in equity**  
for the six months ended 30 June 2009

	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 2008	284	15,298	(400)	212,286	38,803	266,271	20,870	287,141
Total comprehensive income for the period	–	–	–	(939)	4,341	3,402	91	3,493
Dividends	–	–	–	(2,001)	–	(2,001)	(553)	(2,554)
Minority interest subscription	–	–	–	–	–	–	192	192
Payment to minority interest	–	–	–	–	–	–	(173)	(173)
Change in composition of group	–	–	–	98	–	98	(98)	–
Share of associate's change in treasury shares	–	–	–	(62)	–	(62)	–	(62)
Share of associates' other equity movements	–	–	–	150	–	150	–	150
Loss on dilution of interest in associate	–	–	–	(91)	–	(91)	–	(91)
At 30 June 2008	<u>284</u>	<u>15,298</u>	<u>(400)</u>	<u>209,441</u>	<u>43,144</u>	<u>267,767</u>	<u>20,329</u>	<u>288,096</u>
At 1 January 2008	284	15,298	(400)	212,286	38,803	266,271	20,870	287,141
Total comprehensive income for the period	–	–	–	(14,265)	55,283	41,018	10,437	51,455
Dividends	–	–	–	(2,557)	–	(2,557)	(896)	(3,453)
Reclassification of investment to an associate	–	–	–	–	(653)	(653)	–	(653)
Minority interest subscription	–	–	–	–	–	–	260	260
Change in composition of group	–	–	–	126	–	126	(270)	(144)
Share of associate's change in treasury shares	–	–	–	(49)	–	(49)	–	(49)
Share of associates' other equity movements	–	–	–	268	–	268	–	268
Loss on dilution of interest in associate	–	–	–	(324)	–	(324)	–	(324)
At 31 December 2008	<u>284</u>	<u>15,298</u>	<u>(400)</u>	<u>195,485</u>	<u>93,433</u>	<u>304,100</u>	<u>30,401</u>	<u>334,501</u>
Total comprehensive income for the period	–	–	–	(11,971)	(30,933)	(42,904)	(1,755)	(44,659)
Dividends	–	–	–	(2,001)	–	(2,001)	(1,676)	(3,677)
Minority interest subscription	–	–	–	–	–	–	444	444
Share of associate's change in treasury shares	–	–	–	(258)	–	(258)	–	(258)
Share of associate's other equity movements	–	–	–	75	–	75	–	75
Loss on dilution of interest in associate	–	–	–	(29)	–	(29)	–	(29)
At 30 June 2009	<u>284</u>	<u>15,298</u>	<u>(400)</u>	<u>181,301</u>	<u>62,500</u>	<u>258,983</u>	<u>27,414</u>	<u>286,397</u>

# Camellia Plc

## Notes to the accounts

### 1 Basis of preparation

These financial statements are the interim condensed consolidated financial statements of Camellia Plc, a company registered in England, and its subsidiaries (the “group”) for the six month period ended 30 June 2009 (the “Interim Report”). They should be read in conjunction with the Report and Accounts (the “Annual Report”) for the year ended 31 December 2008.

The financial information contained in this interim report has not been audited and does not constitute statutory accounts within the meaning of Section 435 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 December 2008 has been delivered to the Registrar of Companies. The auditors’ opinion on these accounts was unqualified and does not contain an emphasis of matter paragraph or a statement made under Section 237(2) and Section 237(3) of the Companies Act 1985.

The interim condensed 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 adopted by the European Union.

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.

These interim condensed financial statements were approved by the board of directors on 27 August 2009.

### 2 Accounting policies

These interim condensed financial statements have been prepared on the basis of accounting policies consistent with those applied in the financial statements for the year ended 31 December 2008. In addition the group has implemented the following new and revised standards and interpretations:

IFRS 8	Operating segments
IAS 1	Presentation of financial statements
IAS 19	Employee benefits
IAS 23	Borrowing costs
IAS 41	Agriculture
IFRIC 15	Agreements on the construction of real estate
IFRIC 16	Hedges of a net investment in a foreign operation

The adoption of IFRS 8 requires operating segments to be identified on the basis of internal reports used to assess performance and allocate resources by the chief operating decision maker. The chief operating decision maker has been identified as the Executive Committee led by the Chairman and Chief Executive. The adoption of this standard has not resulted in any change to the segments reported previously with ‘trading profit’ maintained as the reportable measure of profit or loss. Inter segment sales are not significant.

The impacts of the changes to IAS 1 are of a presentation and disclosure nature only, with the main presentational changes arising from this standard being the replacement of the ‘statement of recognised income and expense’ with a ‘statement of comprehensive income’ which discloses information on a gross rather than a net basis and the presentation of a complete statement of changes in equity as a primary statement rather than as a note to the financial statements.

The adoption of IAS19, IAS 23, IAS 41, IFRIC 15 and IFRIC 16 has had no material impact on the group’s results, assets and liabilities.

### 3 Cyclical and seasonal factors

Due to climatic conditions the group’s tea operations in India and Bangladesh produce most of their crop during the second half of the year. Tea production in Kenya remains at consistent levels throughout the year but in Malawi the majority of tea is produced in the first six months.

Soya and maize in Brazil are generally harvested in the first half of the year. In California the pistachio crop occurs in the second half of the year and has ‘on’ and ‘off’ years. Avocados in Kenya are mostly harvested in the second half of the year.

There are no other cyclical or seasonal factors which have a material impact on the trading results.

## Notes to the accounts

### 4 Segment reporting

	Six months ended 30 June 2009		<i>Six months ended 30 June 2008</i>		<i>Year ended 31 December 2008</i>	
	Revenue £'000	Trading profit £'000	<i>Revenue £'000</i>	<i>Trading profit £'000</i>	<i>Revenue £'000</i>	<i>Trading profit £'000</i>
Agriculture and horticulture	60,167	5,392	<i>42,069</i>	<i>2,989</i>	<i>116,297</i>	<i>23,349</i>
Engineering	12,231	938	<i>10,132</i>	<i>671</i>	<i>23,019</i>	<i>1,814</i>
Food storage and distribution	18,634	707	<i>17,932</i>	<i>324</i>	<i>36,922</i>	<i>1,156</i>
Banking and financial services	5,664	(340)	<i>7,322</i>	<i>798</i>	<i>13,930</i>	<i>666</i>
Other operations	252	143	<i>156</i>	<i>56</i>	<i>383</i>	<i>75</i>
	<u>96,948</u>	<u>6,840</u>	<u><i>77,611</i></u>	<u><i>4,838</i></u>	<u><i>190,551</i></u>	<u><i>27,060</i></u>
Unallocated corporate expenses		(2,066)		(2,001)		(3,859)
Trading profit		<u>4,774</u>		<u>2,837</u>		<u>23,201</u>
Share of associates' results		465		5,185		(8,612)
Profit on disposal of available-for-sale investments		28		23		390
Profit on part disposal of a subsidiary		135		104		104
Profit on disposal of an associate		–		–		50
Profit on disposal of property		–		–		280
Gain arising from changes in fair value of biological assets		95		178		8,916
Investment income		412		476		1,070
Net finance costs		(914)		(812)		(1,359)
Profit before tax		<u>4,995</u>		<u>7,991</u>		<u>24,040</u>
Taxation		(1,881)		(1,918)		(7,547)
Profit after tax		<u>3,114</u>		<u>6,073</u>		<u>16,493</u>

### 5 Share of associates' results

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

	Six months ended 30 June 2009 £'000	<i>Six months ended 30 June 2008 £'000</i>	<i>Year ended 31 December 2008 £'000</i>
Operating profit	1,335	<i>6,579</i>	<i>6,448</i>
Net finance costs	(465)	<i>(463)</i>	<i>(825)</i>
Impairment	–	–	<i>(15,691)</i>
Profit/(loss) before tax	<u>870</u>	<u><i>6,116</i></u>	<u><i>(10,068)</i></u>
Taxation	(405)	<i>(931)</i>	<i>1,456</i>
Profit/(loss) after tax	<u>465</u>	<u><i>5,185</i></u>	<u><i>(8,612)</i></u>

The impairment of £15,691,000 relates to goodwill and non-financial assets of the Siegfried Group.

# Camellia Plc

## Notes to the accounts

### 6 Profit on part disposal of a subsidiary

A profit of £135,000 (2008: six months £104,000 – year £104,000) was realised in relation to the disposal by Kakuzi Limited of 17% (2008: six months 10% – year 10%) of its interest in Siret Tea Company Limited to EPK Outgrowers Empowerment Project Company Limited, a company mainly owned by smallholders in Kenya.

### 7 Finance income and costs

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
Interest payable on loans and bank overdrafts	(942)	(986)	(2,057)
Interest payable on obligations under finance leases	(75)	(92)	(181)
Total borrowing costs	(1,017)	(1,078)	(2,238)
Net exchange gain/(loss) on foreign currency borrowings	367	(140)	(262)
Finance costs	(650)	(1,218)	(2,500)
Finance income – interest income on short-term bank deposits	435	278	643
Pension schemes' net financing (cost)/income	(699)	128	498
Net finance costs	(914)	(812)	(1,359)

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 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
<b>Current tax</b>			
UK corporation tax	205	–	(46)
Overseas corporation tax	2,228	2,062	6,782
<b>Total current tax</b>	2,433	2,062	6,736
<b>Deferred tax</b>			
Origination and reversal of timing differences			
UK	13	529	(2,310)
Overseas	(565)	(673)	3,121
<b>Total deferred tax</b>	(552)	(144)	811
<b>Tax on profit on ordinary activities</b>	1,881	1,918	7,547

Tax on profit on ordinary activities for the six months to 30 June 2009 has been calculated on the basis of the estimated annual effective rate for the year ending 31 December 2009.

## Notes to the accounts

### 9 Equity dividends

	Six months ended 30 June 2009 £'000	Six months ended 30 June 2008 £'000	Year ended 31 December 2008 £'000
Amounts recognised as distributions to equity holders in the period:			
Final dividend for the year ended 31 December 2008 of 72.00p (2007: 72.00p) per share	2,001	2,001	2,001
Interim dividend for the year ended 31 December 2008 of 20.00p per share			556
			<u>2,557</u>

Dividends amounting to £45,000 (2008: six months £45,000 – year £58,000) have not been included as group companies hold 62,500 issued shares in the company. These are classified as treasury shares.

Proposed interim dividend for the year ended 31 December 2009 of  
20.00p (2008: 20.00p) per share

556	556
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The proposed interim dividend was approved by the board of directors on 27 August 2009 and has not been included as a liability in these financial statements.

### 10 Earnings per share (EPS)

	Six months ended 30 June 2009		Six months ended 30 June 2008		Year ended 31 December 2008	
	Earnings £'000	EPS Pence	Earnings £'000	EPS Pence	Earnings £'000	EPS Pence
<b>Basic and diluted EPS</b>						
Attributable to ordinary shareholders	1,761	63.4	5,667	203.9	11,044	397.3

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 2,779,500 (2008: six months 2,779,500 – year 2,779,500), which excludes 62,500 (2008: 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 2009 the group acquired assets with a cost of £4,089,000 (2008: six months £4,277,000 – year £8,545,000). Assets with a carrying amount of £73,000 were disposed of during the six months ended 30 June 2009 (2008: six months £96,000 – year £333,000) and assets with a carrying value of £4,293,000 (2008: six months £nil – year £nil) were reclassified as held for sale.

### 12 Cash and cash equivalents

Included in cash and cash equivalents of £236,996,000 (2008: six months £283,671,000 – year £281,634,000) are cash and short-term funds, time deposits with banks and building societies and certificates of deposit amounting to £220,740,000 (2008: six months £271,691,000 – year £256,859,000), which are held by banking subsidiaries and which are an integral part of the banking operations of the group.

### 13 Non-current assets classified as held for sale

Non-current assets held for sale represents assets of Hacienda Chada S.A., the Chilean wine and table grape operation.

# Camellia Plc

## Notes to the accounts

### 14 Borrowings

Borrowings (current and non-current) include loans and finance leases of £12,026,000 (2008: six months £14,322,000 – year £15,127,000) and bank overdrafts of £13,881,000 (2008: six months £13,901,000 – year £14,856,000). The following loans and finance leases were issued and repaid during the six months ended 30 June 2009:

	£'000
Balance at 1 January 2009	15,127
Exchange differences	(1,095)
<b>New issues</b>	
Loans	850
Finance lease liabilities	34
<b>Repayments</b>	
Loans	(2,412)
Finance lease liabilities	(478)
Balance at 30 June 2009	<u>12,026</u>

### 15 Retirement benefit schemes

UK defined benefit pension schemes for the purposes of IAS 19 have been updated to 30 June 2009 from the valuations as at 31 December 2008 by the actuaries to each relevant pension scheme and the movements have been reflected in this interim statement. Overseas schemes have not been updated from 31 December 2008 valuations as it is considered that there have been no significant changes.

An actuarial loss of £13,890,000 was realised in the period, of which £3,589,000 was realised in relation to the scheme assets and £10,301,000 was realised in relation to changes in the underlying actuarial assumptions. The assumed discount rate has decreased to 6.00% (31 December 2008: 6.25%), the assumed rate of inflation has increased to 4.20% (31 December 2008: 3.40%) and the assumed rate of increases for salaries to 3.50 – 3.65% (31 December 2008: 2.85 – 3.00%), giving rise to an increase in defined benefit obligations. There has been no change in the mortality assumptions used.

### 16 Reconciliation of profit from operations to cash flow

	Six months ended 30 June 2009 £'000	<i>Six months ended 30 June 2008 £'000</i>	<i>Year ended 31 December 2008 £'000</i>
Profit from operations	5,497	8,327	24,329
Share of associates' results	(465)	(5,185)	8,612
Depreciation and amortisation	4,545	3,922	8,294
Impairment of non-current assets	359	–	350
Gain arising from changes in fair value of biological assets	(95)	(178)	(8,916)
Profit on disposal of non-current assets	(65)	(47)	(519)
Profit on disposal of an associate	–	–	(50)
Profit on part disposal of a subsidiary	(135)	(104)	(104)
Profit on disposal of investments	(28)	(23)	(390)
(Increase)/decrease in working capital	(2,163)	907	(2,335)
Net increase in funds of banking subsidiaries	(4,847)	(9,116)	(5,620)
	<u>2,603</u>	<u>(1,497)</u>	<u>23,651</u>

## Notes to the accounts

### 17 Reconciliation of net cash flow to movement in net debt

	Six months ended 30 June 2009 £'000	<i>Six months ended 30 June 2008 £'000</i>	<i>Year ended 31 December 2008 £'000</i>
(Decrease)/increase in cash and cash equivalents in the period	(7,110)	(3,091)	7,392
Cash outflow from decrease in debt	2,040	1,961	3,618
(Increase)/decrease in net debt resulting from cash flows	(5,070)	(1,130)	11,010
New finance leases	(34)	(401)	(453)
Exchange rate movements	661	93	(960)
(Increase)/decrease in net debt in the period	(4,443)	(1,438)	9,597
Net debt at beginning of period	(5,208)	(14,805)	(14,805)
Net debt at end of period	(9,651)	(16,243)	(5,208)

### 18 Related party transactions

There have been no related party transactions that have a material effect on the financial position or performance of the group in the first six months of the financial year.