

Registered number  
1363766

**Lawrie Group plc**  
Report and Financial Statements

31 December 2016

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**Lawrie Group plc**  
**Report and financial statements**  
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**Lawrie Group plc**  
**Company Information**

**Directors**

Tom Franks  
Malcolm Perkins  
Susan Walker

**Secretary**

Julia Morton

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
1 Embankment Place  
London  
WC2N 6RH

**Registered office**

Linton Park  
Linton  
Maidstone  
Kent ME17 4AB

**Registered number**

1363766

**Lawrie Group plc**  
**Strategic report for the year ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016

**Business review and future developments**

The company continues to operate as a holding company and is expected to do so in the future. The results for the year and the financial position of the company are as shown in the annexed financial statements.

**Principal risks and uncertainties and key performance indicators**

The company is a holding company within the Camellia Plc group and as such the principal risks and uncertainties, key performance indicators, strategy and business model are in line with those of the group as a whole. A review of the principal risks and uncertainties, strategy and business model of the Camellia Plc group can be found in Camellia Plc's annual report on pages 18 to 20.

This report was approved by order of the board on 20 June 2017.



Susan Walker  
Director

## **Lawrie Group plc**

### **Directors' report**

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

#### **Principal activities**

#### **Results and dividends**

The profit for the year amounted to £8,438,172 (2015: £3,287,429). An interim dividend of £4,800,000 (2015: £5,500,000) has been paid during the year. The directors do not propose a final dividend for the year (2015: £nil).

#### **Directors**

The directors of the company are listed on page 1. Tom Franks, Malcolm Perkins and Susan Walker are directors of Camellia Plc and their interest in the shares of group undertakings are disclosed in the financial statements of that company.

#### **Secretary**

Mrs Julia Morton.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Future developments**

A statement on future developments has been included in the strategic report.

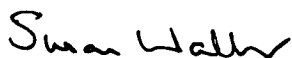
#### **Disclosure of information to auditors**

So far as the Directors are aware, there is no relevant audit information (that is, information needed by the Company's Auditors in connection with preparing their report) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Independent auditors**

Following a change of group auditors, PricewaterhouseCoopers LLP will be retiring as auditors of the company shortly following the date of signing these financial statements. A resolution proposing the appointment of Deloitte LLP will be put to the forthcoming annual general meeting.

This report was approved by order of the board on 20 June 2017.



Susan Walker  
Director

## **Lawrie Group plc**

### **Independent auditors' report to the members of Lawrie Group plc**

#### **Report on financial statements**

In our opinion, Lawrie Group Plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **What we have audited**

Lawrie Group Plc's financial statements comprise:

- the Balance Sheet as at 31 December 2016;
- the Statement of comprehensive income for the year then ended;
- the Cash flow statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## **Lawrie Group plc**

### **Independent auditors' report to the members of Lawrie Group plc cont'd**

#### **Report on financial statements**

##### **Responsibilities for the financial statements and the audit**

###### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

###### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



John Ellis (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

Date            20 June 2017

**Lawrie Group plc**  
**Statement of comprehensive income**  
**for the year ended 31 December 2016**

	Notes	2016 £	2015 £
Rental income		55,891	56,305
Other operating income		25,000	25,000
Administrative expenses			
Management charges		(338,000)	(529,000)
Depreciation		(8,149)	(5,783)
Profit on disposal of available for sale investments		120,263	-
Investment income		8,883,192	4,042,819
Interest payable to parent company	4	(293,424)	(293,424)
Interest receivable from fellow subsidiaries	4	6,376	1,631
Net finance cost	4	(287,048)	(291,793)
<b>Profit before tax</b>	2	<b>8,451,149</b>	<b>3,297,548</b>
Taxation	5	(12,977)	(10,119)
<b>Profit attributable to equity shareholders</b>		<b>8,438,172</b>	<b>3,287,429</b>
Other comprehensive income:			
Foreign exchange translation differences		-	-
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<b>8,438,172</b>	<b>3,287,429</b>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.



**Lawrie Group plc**  
**Balance sheet**  
**at 31 December 2016**

	Note	2016 £	2015 £
<b>Non-current assets</b>			
Property, plant and equipment	7	-	-
Investment properties	8	778,540	735,649
Investments in subsidiaries	9	76,041,560	71,041,560
Investments in associated undertakings	10	263,763	263,763
Available for sale investments	11	400,154	1,478,077
<b>Total non-current assets</b>		<b>77,484,017</b>	<b>73,519,049</b>
<b>Current assets</b>			
Trade and other receivables	12	25,598	25,598
Amounts due from group undertakings	16	27,844,537	22,315,321
Cash and cash equivalents	13	-	1,350,877
<b>Total current assets</b>		<b>27,870,135</b>	<b>23,691,796</b>
<b>Current liabilities</b>			
Trade and other payables		(154,367)	(154,367)
Amounts due to group undertakings	16	(42,060,267)	(37,406,979)
<b>Total current liabilities</b>		<b>(42,214,634)</b>	<b>(37,561,346)</b>
<b>Net current liabilities</b>		<b>(14,344,499)</b>	<b>(13,869,550)</b>
<b>Total assets less current liabilities</b>		<b>63,139,518</b>	<b>59,649,499</b>
<b>Non-current liabilities</b>			
Amounts due to group undertakings	14	(20,888,553)	(20,888,553)
<b>Total non-current liabilities</b>		<b>(20,888,553)</b>	<b>(20,888,553)</b>
<b>Net assets</b>		<b>42,250,965</b>	<b>38,760,946</b>
<b>Equity</b>			
Share capital	15	1,867,045	1,867,045
Reserves		40,383,920	36,893,901
<b>Total Equity</b>		<b>42,250,965</b>	<b>38,760,946</b>

The notes on pages 10 to 19 form part of the financial statements.

The financial statements on pages 6 to 19 were approved by the board of directors on 20 June 2017 and signed on its behalf by:



Susan Walker  
Director

Registered number 1363766

**Lawrie Group plc**  
**Cash flow statement**  
**for the year ended 31 December 2016**

	2016 £	2015 £
<b>Cash flows from operating activities</b>		
Profit before tax	8,451,149	3,297,548
Adjustments for:		
Depreciation	8,149	5,783
Profit on disposal of available-for-sale investments	(120,263)	-
Investment income	(8,883,192)	(4,042,819)
Net finance costs	287,048	291,793
	<u>(257,109)</u>	<u>(447,695)</u>
Decrease in trade and other receivables	-	21,250
Net movement in intra group balances	<u>(875,928)</u>	<u>6,463,029</u>
Cash (used in)/generated from operations	<u>(1,133,037)</u>	<u>6,036,584</u>
Interest paid	(293,424)	(293,424)
Income taxes paid	(12,977)	(10,119)
Interest received	6,376	1,631
<b>Net cash flow (used in)/generated from operating activities</b>	<u><b>(1,433,062)</b></u>	<u><b>5,734,672</b></u>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(51,040)	-
Additions to investments in subsidiaries	(5,000,000)	(2,926,614)
Proceeds from sale of available-for-sale investments	1,050,033	-
Dividends received	8,883,192	4,042,819
<b>Net cash generated from investing activities</b>	<u><b>4,882,185</b></u>	<u><b>1,116,205</b></u>
<b>Cash flows from financing activities</b>		
Equity dividends paid	(4,800,000)	(5,500,000)
<b>Net cash used in financing activities</b>	<u><b>(4,800,000)</b></u>	<u><b>(5,500,000)</b></u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u><b>(1,350,877)</b></u>	<u><b>1,350,877</b></u>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,350,877</b>	-
<b>Cash and cash equivalents at end of year</b>	<u><b>-</b></u>	<u><b>1,350,877</b></u>

As the company is a holding company some cash receipts and payments are prepared by fellow group companies, therefore the above movements relate in part to group transactions.

**Lawrie Group plc**  
**Statement of changes in equity**  
**for the year ended 31 December 2016**

	Notes	Share capital £	Share premium £	Retained earnings £	Capital redemption reserve £	Total equity £
At 1 January 2015		1,867,045	9,466,732	29,441,032	166,766	40,941,575
Total comprehensive income for the year		-	-	3,287,429	-	3,287,429
Dividends	6	-	-	(5,500,000)	-	(5,500,000)
Available for sale investments valuation gains taken to equity		-	-	31,942	-	31,942
At 31 December 2015		1,867,045	9,466,732	27,260,403	166,766	38,760,946
Total comprehensive income for the year		-	-	8,438,172	-	8,438,172
Dividends	6	-	-	(4,800,000)	-	(4,800,000)
Available for sale investments valuation losses taken to equity		-	-	(105,969)	-	(105,969)
Available for sale investments valuation losses transferred to income statement on sale		-	-	(42,184)	-	(42,184)
At 31 December 2016		1,867,045	9,466,732	30,750,422	166,766	42,250,965

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**(1) Accounting policies**

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

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, IFRS IC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. In accordance with the exemption in the Companies Act 2006 section 400 consolidated financial statements have not been prepared as the company is a wholly owned subsidiary of Camellia Plc.

The financial statements have been prepared on the historical cost and going concern basis.

**Foreign currency translation**

The financial statements are presented in Sterling which is the company's functional and presentation currency. Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Gains and losses arising on retranslation are included in the income statement, except for exchange differences arising on non-monetary items where the changes in fair value are recognised directly in equity.

**Investment properties and property, plant and equipment**

Investment properties consist of a leasehold office building and car parking previously classified as property, plant and equipment and re-classified in 2015. Properties are shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets.

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

Depreciation is calculated to write off their cost less residual value on a straight-line basis over their expected useful lives.

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

Long leasehold buildings	1 per cent. per annum
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**(1) Accounting policies** (continued)

**Impairment of assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

**Investments**

Available-for-sale financial assets include shares of listed and unlisted companies. Listed shares are measured at subsequent reporting dates at fair value. The fair values of listed shares are based on current bid values. Unlisted shares are measured at cost.

Gains and losses arising from changes in fair value are recognised directly in equity, until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the net profit or loss for the period.

Investments in subsidiary and associated companies are included at cost.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts.

**Taxation**

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

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

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

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**(1) Accounting policies**

(continued)

**(i) New and amended standards adopted by the company**

The company has adopted the following new and amended IFRSs as of 1 January 2016:

IAS 27 (amendment)	<p>Equity method in separate financial statements - effective from 1 January 2016</p> <p>The IASB has made amendments to IAS 27 Separate Financial Statements which will allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates.</p> <p>IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or as a financial asset in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.</p>
Annual improvements 2012-2014 cycle	<p>The latest annual improvements clarify - effective from 1 January 2016</p> <p>IAS 19 – that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise.</p>

Neither of these has had a material impact on the financial statements of the company.

**(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company**

The following standards and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2017 or later periods, but the company has not adopted them early. None of these standards are expected to have a material impact on the financial statements of the company:

IFRS 15	<p>Revenue from contracts with customers - effective from 1 January 2018</p> <p>The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.</p> <p>A new five-step process must be applied before revenue can be recognised:</p> <ul style="list-style-type: none"> <li>- identify contracts with customers.</li> <li>- identify the separate performance obligation.</li> <li>- determine the transaction price of the contract.</li> <li>- allocate the transaction price to each of the separate performance obligations, and</li> <li>- recognise the revenue.</li> </ul>
IAS 12 (amendment)	<p>Recognition of deferred tax - effective from 1 January 2017</p> <p>Amendments made to IAS 12 in January 2016 clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:</p> <ul style="list-style-type: none"> <li>- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.</li> <li>- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.</li> <li>- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.</li> </ul> <p>- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets.</p>

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**2 Profit before tax**

Auditors' remuneration is borne by another group company, Linton Park Plc.

**3 Emoluments of the directors**

The directors received no emoluments during the year from the company (2015:£nil). Of the remuneration received from other group companies, none was in respect of their services to this company.

**4 Net finance costs**

	2016 £	2015 £
Interest payable to parent company	(293,424)	(293,424)
Total borrowing costs	(293,424)	(293,424)
Interest receivable from fellow subsidiaries	6,376	1,631
Net exchange (loss)/gain on foreign currency balances	-	-
	6,376	1,631
Net Finance costs	(287,048)	(291,793)

**5 Taxation**

**Analysis of charge in the year**

	2016 £	2015 £
<b>Current tax</b>		
<b>UK corporation tax</b>		
UK corporation tax at 20.00 per cent. (2015: 20.25 per cent.)	-	-
<b>Foreign Tax</b>		
Overseas withholding taxes	12,977	10,119
	12,977	10,119
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Taxation charge for the year	12,977	10,119

The tax on the company's profit before tax differs from the theoretical amount that would arise using the weighted average tax applicable to profits of the company as follows:

**Factors affecting tax charge for the year**

Profit before tax	8,451,149	3,297,548
Tax on profit before tax at the standard rate of corporation tax in the UK of 20.00 per cent. (2015: 20.25 per cent.)	1,690,230	667,753
Effects of:		
Dividends not charged to tax	(1,748,808)	(796,131)
Adjustment in respect of overseas tax rates	(15,573)	(12,421)
Gain on disposal of available for sale investments not taxable	(24,053)	-
Group relief surrendered	111,181	150,918
<b>Total tax charge for the year</b>	<b>12,977</b>	<b>10,119</b>

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015 and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016.

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**6 Dividends**

	2016	2015
	£	£
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 31 December 2016 of 257.09p (2015:294.58p) per share	<u>4,800,000</u>	<u>5,500,000</u>

**7 Property, plant and equipment**

	2016	2015
	Land and buildings	Land and buildings
	£	£
Cost		
At 1 January	-	742,589
Transfer to investment properties	-	(742,589)
At 31 December	<u>-</u>	<u>-</u>
Accumulated depreciation		
At 1 January	-	1,157
Transfer to investment properties	-	(1,157)
At 31 December	<u>-</u>	<u>-</u>
Net book value at 31 December	<u>-</u>	<u>-</u>

**8 Investment properties**

	2016	2015
	£	£
Cost		
At 1 January	742,589	-
Transfer from property, plant and equipment	-	742,589
Additions	51,040	-
At 31 December	<u>793,629</u>	<u>742,589</u>
Accumulated depreciation		
At 1 January	6,940	-
Transfer from property, plant and equipment	-	1,157
Charge for the year	8,149	5,783
At 31 December	<u>15,089</u>	<u>6,940</u>
Net book value at 31 December - All long leasehold	<u>778,540</u>	<u>735,649</u>

Rental income generated from investment properties amounted to £55,891 (2015: £56,305). At the end of the year the fair value of investment properties was £900,000 (2015:£750,000), this was a directors valuation (fair value hierarchy level 2).



**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**9 Investments in subsidiaries**

	2016	2015
	£	£
Cost		
At 1 January	71,429,893	68,503,279
Additions	5,000,000	2,926,614
At 31 December	<u>76,429,893</u>	<u>71,429,893</u>
Provision for diminution in value		
At 1 January	388,333	388,333
At 31 December	<u>388,333</u>	<u>388,333</u>
Net book value	<u>76,041,560</u>	<u>71,041,560</u>

The subsidiary undertakings are listed in note 17.

**10 Investments in associated undertakings**

	2016	2015
	£	£
Cost		
At 1 January and 31 December	<u>263,763</u>	<u>263,763</u>
Market value of listed associated undertakings	<u>8,003,429</u>	<u>5,543,492</u>

Details of the associated undertaking is listed in note 17.

**11 Available for sale investments**

	2016	2015
	£	£
At 1 January	1,478,077	1,446,135
Fair value adjustment	(105,969)	31,942
Disposals	(929,770)	-
Fair value adjustment for disposals	(42,184)	-
At 31 December	<u>400,154</u>	<u>1,478,077</u>

**12 Trade and other receivables**

	2016	2015
	£	£
Other debtors	<u>25,598</u>	<u>25,598</u>

**Lawrie Group plc**  
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<b>13 Cash and cash equivalents</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank	<u>-</u>	<u>1,350,877</u>

**14 Non - current liabilities - amounts due to group undertakings**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Subordinated loan notes the parent company	<u>20,888,553</u>	<u>20,888,553</u>
	<u>20,888,553</u>	<u>20,888,553</u>

The subordinated loan is payable to the parent company and has no fixed repayment terms.

**15 Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Authorised: 2,255,307 (2015: 2,255,307) ordinary shares of £1 each	<u>2,255,307</u>	<u>2,255,307</u>
Allotted, called up and fully paid: ordinary shares of £1 each: At 1 January and 31 December - 1,867,045 (2015: 1,867,045) shares	<u>1,867,045</u>	<u>1,867,045</u>

**16 Related party transactions**

The company was charged £338,000 (2015: £529,000) by Linton Park Plc, a fellow group company, during the year in respect of management fees. At 31 December 2016 £24,863,474 (2015: £20,278,699) was due from Linton Park Plc.

The company was charged £293,424 (2015: £293,424) on unsecured loan notes due to Camellia Plc.

At 31 December 2016 short term balance due to Camellia Plc amounted to £14,153,895 ( 2015 £9,353,895) along with the unsecured loan notes due to Camellia Plc of £4,191,777 (2015: £4,191,777) short term and £20,888,553 (2015: £20,888,553) long term.

Balances payable and receivable to/from other group companies at 31 December 2016 amounted to £23,714,595 ( 2015 £23,861,307) and £2,949,360 (2015: £2,004,919) respectively.

Apart from non-current liabilities and amounts due from Duncan Lawrie Ltd., amounts due to/from group undertakings are unsecured, interest free and payable on demand.

**Lawrie Group plc**  
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**17 Principal subsidiary and associated undertakings**

**Subsidiary undertakings**

The subsidiary undertakings of the company at 31 December 2016, which are wholly owned and incorporated in Great Britain unless otherwise stated, were:

	Principal country of operation	Registered Office
<b>Agriculture</b>		
*Amgoorie India Limited (Incorporated in India - 99.8 per cent. holding)	India	(ii)
*Amo Tea Company Limited	Bangladesh	(i)
C.C. Lawrie Comércio e Participações Ltda. (Incorporated in Brazil)	Brazil	(vi)
Chittagong Warehouse Limited (Incorporated in Bangladesh - 93.3% holding)	Bangladesh	(iii)
Duncan Brothers Limited (Incorporated in Bangladesh)	Bangladesh	(iii)
Eastland Camellia Limited (Incorporated in Bangladesh - 93.8% holding)	Bangladesh	(iii)
*Goodricke Group Limited (Incorporated in India - 74.0 per cent. holding)	India	(iii)
*Koomber Tea Company Limited (Incorporated in India)	India	(iv)
Octavius Steel & Company of Bangladesh Limited (Incorporated in Bangladesh)	Bangladesh	(iii)
*Stewart Holl (India) Limited (Incorporated in India - 92.0 per cent. holding)	India	(v)
Surmah Valley Tea Company Limited (Incorporated in Bangladesh)	Bangladesh	(i)
*The Allynugger Tea Company Limited	Bangladesh	(i)
*The Chandpore Tea Company Limited	Bangladesh	(i)
*The Lungla (Sylhet) Tea Company Limited	Bangladesh	(i)
*The Mazdehee Tea Company Limited	Bangladesh	(i)
<b>Food Service</b>		
Duncan Products Limited (Incorporated in Bangladesh)	Bangladesh	(iii)
<b>Banking and Financial Services</b>		
DDY Nominees Limited	UK	(viii)
Duncan Lawrie Limited	UK	(ix)
Duncan Lawrie Asset Management Limited	UK	(ix)
*Duncan Lawrie Holdings Limited	UK	(x)
Duncan Lawrie International Holdings Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Duncan Lawrie (IOM) Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Duncan Lawrie Offshore Services Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Dunlaw Nominees Limited	UK	(iii)
Dunman Nominees Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Havelock Nominees Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Hobart Place Nominees Limited	UK	(x)
Mount Havelock Directors Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Mount Havelock Investments Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Mount Havelock Secretaries Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
<b>Investment Holding</b>		
Assam Dooars Investments Limited	UK	(i)
Duncan Properties Limited (Incorporated in Bangladesh)	Bangladesh	(iii)
*Lawrie (Bermuda) Limited (Incorporated in Bermuda)	Bermuda	(xii)
*Lawrie International Limited (Incorporated in Bermuda)	Bermuda	(xii)
Longbourne Holdings Limited	Bangladesh	(i)
*Shula Limited (Incorporated in Isle of Man)	Isle of Man	(xi)
Western Dooars Investments Limited	UK	(i)
<b>Other</b>		
*Linton Park Services Limited	UK	(i)

\* owned directly by the company

**Lawrie Group plc**  
**Notes to the financial statements**  
**for the year ended 31 December 2016**

**17 Principal subsidiary and associated undertakings cont'd**

	Principal country of operation	Registered Office
<b>Dormant companies</b>		
*Alex Lawrie & Company Limited	UK	(i)
*Amgoorie Investments Limited	UK	(i)
*Assam-Dooars Holdings Limited	UK	(i)
*Banbury Tea Warehouses Limited	UK	(i)
*British Indian Tea Company Limited	UK	(i)
*Goodricke Lawrie Consultants Limited	UK	(i)
*Horace Hickling & Company Limited	UK	(i)
*Hudson Brothers Trawlers Limited	UK	(i)
*Humber Commercial Limited	UK	(i)
*Humber St. Andrew's Engineering Company Limited	UK	(i)
*Isa Bheel Tea Company Limited	UK	(i)
*Jatel Plc	UK	(i)
*Jetinga Holdings Limited	UK	(i)
*Jetinga Valley Tea Company Limited	UK	(i)
*Lankapara Tea Company Limited	UK	(i)
*Lawrie Bhutan Limited	UK	(i)
*Lawrie Plantation Services Limited	UK	(i)
*Octavius Steel & Company (London) Limited	UK	(i)
*SIS Securities Limited	UK	(x)
*Sterling Industrial Securities Limited	UK	(x)
*Stewart Holl Investments Limited	UK	(i)
*The Amgoorie Tea Estates Limited	UK	(i)
*The Bagracote Tea Company, Limited	UK	(i)
*The Dejoo Tea Company Limited	UK	(i)
*The Dhoolie Tea Company Limited	UK	(i)
*The Doolahat Tea Company Limited	UK	(i)
*The Endogram Tea Company Limited	UK	(i)
*The Jhanzie Tea Association Ltd	UK	(i)
*The Harmutty Tea Company Limited	UK	(i)
*The Longai Valley Tea Company Limited	UK	(i)
*Vaghamon (Travancore) Tea Company Limited	UK	(i)
*Walter Duncan & Goodricke Limited	UK	(i)
*WDG Properties Limited	UK	(i)
*Western Dooars Tea Holdings Limited	UK	(i)

\* owned directly by the company

**Associated undertakings**

The principal associated undertakings of the company at 31 December 2016 were:

BF&M Limited (Incorporated in Bermuda - 35.8 per cent. holding)	Bermuda	(xii)
United Insurance Company Limited (Incorporated in Bangladesh - 37.0 per cent. holding)	Bangladesh	(vii)
United Finance Limited (Incorporated in Bangladesh - 38.4 per cent. holding)+	Bangladesh	(vii)

+ 20.0 per cent. holding owned directly by the company

**Lawrie Group plc**  
**Notes to the financial statements**  
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**17 Principal subsidiary and associated undertakings cont'd**

Registered Offices:

(i)	Linton Park Linton Park Maidstone Kent ME17 4AB England	(v)	Sessa Tea Garden PO: Dibrugarh - 786001 Dist: Dibrugarh Assam India	(ix)	1 Hobart Place London SW1W 0HU England
(ii)	Amgoorie Tea Garden PO: Amguri Haloating - 785 681 Dist: Sibsagar Assam India	(vi)	Fazenda Maruque s/n sala 03 Bairro Maruque Itaberá São Paulo Brazil	(x)	2 Hobart Place London SW1W 0HU England
(iii)	"Camellia House" 14 Gurusaday Road Kolkata - 700019 West Bengal India	(vii)	Camellia House 22 Kazi Nazrul Islam Avenue Dhaka 1000 Bangladesh	(xi)	Camellia House 16-18 Mount Havelock Douglas Isle of Man IM1 2QG
(iv)	Koomber Tea Garden PO: Kumbhir Cachar - 788 108 Assam India	(viii)	Wrotham Place Wrotham Place Near Sevenoaks Kent TN15 7AE England	(xii)	112 Pitts Bay Road Pembroke Bermuda HM08

**18 Ultimate parent company**

The immediate and ultimate parent company at 31 December 2016 was Camellia Plc which is registered in England and Wales. The consolidated financial statements of Camellia Plc can be obtained from the Company's registered office at Linton Park, Linton, Maidstone, Kent ME17 4AB. Camellia Plc is the only company to consolidate the company's financial statements.

**19 Control of Camellia Plc**

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia Plc (representing 51.67% of total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Ltd, a private trust company incorporated under the laws of Bermuda to act as a trustee of the Camellia Foundation. The Camellia Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.