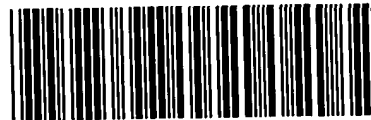


Company registration no. 02654245

**Global Tea & Commodities Ltd**

**Annual Report and Financial Statements  
For the year ended 31 December 2022**

TUESDAY



\*ACXRAWUW\*

A12

27/02/2024

#52

COMPANIES HOUSE

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

---

**Contents**

**For the year ended 31 December 2022**

	<b>Page</b>
Company Information	1
Strategic Report	2
Directors' Report	5
Statement of Directors' Responsibilities	7
Independent Auditor's Report	8
Consolidated Statement of Comprehensive Income	14
Consolidated Statement of Financial Position	15
Consolidated Statement of Changes in Equity	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19
Company Statement of Financial Position	51
Company Statement of Changes in Equity	53
Notes to the Company Financial Statements	54

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

---

**Company information**

For the year ended 31 December 2022

**Directors**

M McBrien  
F Ahmed  
N Ahmed  
A Somani  
S G Wathondu (resigned 01.07.2022)  
HS Pannu (appointed 14.11.2022)  
N Shapiro (appointed 14.11.2022)  
Société de Promotion et de Participation pour la  
Coopération Economique (appointed 01.07.2022)

**Company secretary**

M McBrien

**Registered number**

2654245

**Registered office**

Suite 2  
5<sup>th</sup> Floor  
1 Duchess Street  
London  
W1W 6AN

**Independent auditor**

Kilsby Williams LLP  
Cedar House  
Hazel Drive  
Newport  
NP10 8FY

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

## **Strategic Report**

**For the year ended 31 December 2022**

### **Principal business activities**

Global Tea & Commodities Ltd is the holding company of the Global Tea & Commodities group of companies. In addition, Global Tea & Commodities Ltd is engaged in the trading of tea and general commodities. Through its subsidiary companies the group operates coffee and macadamia nut plantations in Malawi and tea packing and trading facilities in Kenya.

### **Principal risks and uncertainties**

World demand for the commodities produced by the group continues to increase. Many of the products sold by the group carry a relatively low unit price and world demand for these products is generally unaffected by factors affecting the world economy.

The core of the products sold by the group are agriculture based and world supply of the underlying commodities is largely dependent on the weather patterns in the producing countries. The resultant volatility in world supply can lead to fluctuations in the world price of these commodities.

A proportion of the group's revenues and costs are earned in Sterling and are subject to translation risk.

### **Financial KPI**

Revenue for the year was \$221m (2021: \$218m). The increase in revenue was primarily the result of increases in the market prices of tea during in the year.

In the year under review the world price of tea and coffee were:

<b>Quarterly Averages</b>	<b>Oct – Dec</b>	<b>Jan – Mar</b>	<b>Apr – Jun</b>	<b>Jul – Sep</b>	<b>Oct – Dec</b>	<b>Jan – Mar</b>	<b>Apr – Jun</b>	<b>Jul – Sep</b>	<b>Oct – Dec</b>	<b>Jan – Mar</b>
<b>US\$/Kg</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2023</b>
Tea Average	2.81	2.55	2.69	2.70	2.81	2.75	3.06	3.34	3.05	2.72
Coffee Arabica	3.38	3.63	4.02	4.75	5.64	5.95	5.88	5.82	4.88	4.84

The increase in tea prices, increased freight and input costs and a reduction in the value of Sterling reduced the operating margins of the manufacturing businesses in 2022. This combined with lower crops and delayed coffee harvesting resulted in the company generating losses in 2022. EBITDA before impairments reduced to \$1.3m (2021: \$6.7m). During 2023 the company increased selling prices, secured additional manufacturing contracts and the company returned to profitability.

Revenue in the manufacturing division in Kenya decreased during 2022 to US\$43m (2021: US\$47m). This was primarily in sales to the UK with the average Sterling exchange rate during the year at \$1.23 (2021: \$1.37). Sales of the Company's Kericho Gold & Baraka Chai brands within Kenya saw some recovery from the Covid-19 curfews imposed in 2020.

Higher tea prices and increased operating costs during 2022 combined with the reduction in the Sterling exchange rate reduced the operating margins of the manufacturing division.

The sourcing division operates in a competitive environment with a few select customers worldwide. During 2022 the group continued the policy of only trading with long established customers. Sales volumes during 2022 decreased to 61.7m kg (2021: 69.2m kg). The average tea price in the Mombasa auction during 2022 was \$2.45 (2021: \$2.11). The increase in tea prices increased turnover, including group transactions, to US\$176m (2021: US\$172m). Gross margins on sourcing reduced to 2.9% (2021: 3.9%) reflecting increasing tea prices and additional freight costs..

## Strategic Report (continued)

For the year ended 31 December 2022

### Financial KPI (continued)

Adverse weather conditions in Malawi resulted in both a reduction in crops and a delay in the harvesting of coffee with sales of the 2022 coffee crop being recognised in 2023. This was partly off-set by an increase in average coffee prices achieved by the group during the year to \$5.23 (2021: \$4.27).

Cold weather during the main harvesting season reduced the availability of macadamia available from our own estates. Third party purchases from other producers were also reduced due to these adverse conditions.

	2022	2021	2020	2019	2018	2017	2016
	MT	MT	MT	MT	MT	MT	MT
<b>Production</b>							
Macadamia	306	242	298	283	335	235	237
Coffee	417	574	538	473	379	325	435
<b>Sales</b>							
Macadamia	278	249	341	264	353	219	272
Coffee	331	540	554	501	271	325	427

The reduced purchases of lower margin out-grower macadamia resulted in gross margins for the plantation division increasing to 30.3% (2021: 26.0%).

Turnover, including group transactions, for the division was US\$4.6m (2021: US\$4.6m).

### Non Financial KPI

The group continues to invest in sustainable development programs to reduce the environmental impact of its operations.

The coffee plantations of the group have been certified under the Rain Forest Alliance certification scheme.

## Strategic Report (continued)

For the year ended 31 December 2022

### Section 172 Statement

Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders and other matters in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, the impact of its activities on the community, the environment and the Company's reputation for good business conduct, when making decisions. In this context, acting in good faith and fairly, the directors consider what is most likely to promote the success of the Company for its members in the long term.

As required, the Company Secretary provides support to the board to help ensure that sufficient consideration is given to issues relating to the matters set out in s172(1) (a)-(f).

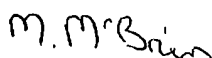
The group's employees are recognised as vital to its success and the group has worked extensively with the International Finance Corporation in Kenya and Malawi to further enhance the methods of engagement with its employees. The company has recently reviewed its anti-corruption, anti-bribery and whistle-blowing policies. The board has implemented a program to promote gender empowerment across all locations in which we operate and has increased the opportunities for all employees to regularly engage with senior staff.

The company partners with the International Finance Corporation and FDOV to engage with over 1,000 smallholder farmers in Malawi to promote good agricultural practice, assist in the development of macadamia and coffee crops and to provide a route to export markets for local farmers.

The board would like to thank its key customers for their assistance in expanding and maintaining the company's medical and maternity clinics to ensure that these facilities are available to our employees and the local communities.

The farming operations of the company have been reviewed and audited to maintain compliance with international standards. Senior members of the board regularly review the impact of the group's operations on the wider local communities in which we operate and engage proactively to promote the sustainable development of the company.

By order of the Board



M McBrien

Director

Date: 14/02/2024

## **Directors' Report**

**For the year ended 31 December 2022**

The directors present their directors' report and financial statements of the group for the year ended 31 December 2022.

### **Principal activities**

Global Tea & Commodities Ltd is the holding company of the Global Tea & Commodities group of companies. In addition, Global Tea & Commodities Ltd is engaged in the trading of tea and general commodities. Through its subsidiary companies the group operates coffee and macadamia nut plantations in Malawi and tea packing and trading facilities in Kenya.

### **Results and dividends**

The trading results of the group for the year, and the group's and Company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended the payment of a dividend (2021: \$nil).

### **Future developments**

There are no anticipated changes to the nature of the group's operations in 2023. The group's trading and manufacturing operations continue to trade profitably. Poor weather conditions during 2022 adversely affected the coffee crop but this will be partly offset by improved coffee prices.

The Covid-19 pandemic has resulted in an increase in sales across most of the group's operations except for branded tea sales in Kenya. Disruptions to the supply chain and increased operating costs have had an adverse effect on margins. It is expected that 2023 overall performance will be better than 2022.

### **Emissions and energy disclosure**

The parent company and UK subsidiaries have taken advantage of not disclosing their emissions, due to consuming less than 40,000kwh of energy in a reporting period.

### **Employees**

The Group continues to recruit, train and develop disabled employees and make reasonable adjustments where employees become disabled during their employment.

The Group undertakes regular risk assessments to protect the health and safety of its employees.

Employee committees operate in all the companies in the Group to promote the involvement of employees in the management of the company.

### **Directors**

The directors who held office during the year were as follows:

M McBrien

F Ahmed

N Ahmed

A Somani

S G Wathondu (resigned 01.07.2022)

HS Pannu (appointed 14.11.2022)

N Shapiro (appointed 14.11.2022)

Société de Promotion et de Participation pour la Coopération Economique (appointed 01.07.2022)

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

---

**Directors' Report**

For the year ended 31 December 2022

**Donations**

During the year the company made the following contributions:

	2022	2021
	\$	\$
Charitable	<u>18,736</u>	<u>4,064</u>

**Post Balance sheet events**

In April 2021, the existing shareholders of Global Tea & Commodities Limited agreed to sell up to 13% of the company and issue preference shares with a coupon of 13% to Brompton Holdco Limited for US\$20m. The purpose of the investment is to provide the funding required to expand the worldwide operations of Global Tea & Commodities Limited. Pursuant to this agreement during 2023 the Company issued ordinary shares representing a further 3.25% of the company and preference shares for \$4,999,650 to Brompton Holdco Limited.

**Matters covered in the Strategic Report and Financial Statements**

As permitted by Schedule 7 to the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report and in note 31 of the Financial Statements. These matters relate to principal risks and uncertainties, the principal activities of the company and financial risk management of the Group.

**Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Kilsby Williams LLP will therefore continue in office.

By order of the Board

*M. McBrien*

M McBrien

Director

Date: 14/02/2024



## **Statement of Directors' Responsibilities**

**For the year ended 31 December 2022**

### **Directors' responsibilities**

The directors are responsible for preparing the strategic report, the 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 elected to prepare the group and company financial statements in accordance in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law. 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 group and company and of the profit or loss of the group and 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 UK adopted international accounting standards 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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

## **Independent Auditor's Report to the members of Global Tea & Commodities Limited**

**For the year ended 31 December 2022**

### **Qualified opinion**

We have audited the financial statements of Global Tea & Commodities Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive income, the Consolidated and Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

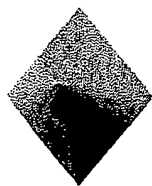
In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for qualified opinion**

No independent verification of stock was undertaken at 31 December 2021 at some of the entities. Therefore we were unable to verify stock amounting to \$2,406,830 by using other audit procedures. Consequently, we were unable to determine whether any adjustment was necessary and whether there was any consequential effect on the cost of sales for the year ended 31 December 2022. In addition, were any adjustment required, the strategic report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

## **Independent Auditor's Report to the members of Global Tea & Commodities Limited (continued)**

**For the year ended 31 December 2022**

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, our audit opinion is qualified on the basis that we were not able to undertake physical stock counts at the company's prior year end date. Where information relates to stock or related balances such as cost of sales or loss for the year, it may be materially misstated for the same reason.

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

Except for the matter described in the basis for qualified opinion section of our report, 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.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

## **Independent Auditor's Report to the members of Global Tea & Commodities Limited (continued)**

**For the year ended 31 December 2022**

### **Matters on which we are required to report by exception**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

Arising solely from the limitation on the scope of our relating to stock, referred to above:

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the financial statements are not in agreement with the accounting records and the returns; or
- certain disclosures of directors remuneration specified by law are not made.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

## **Independent Auditor's Report to the members of Global Tea & Commodities Limited (continued)**

**For the year ended 31 December 2022**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company/ group and the industry in which it operates, and considered the risk of acts by the company/ group that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

## **Independent Auditor's Report to the members of Global Tea & Commodities Limited (continued)**

**For the year ended 31 December 2022**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**KILSBY  
WILLIAMS**  
Chartered Accountants

---

**Independent Auditor's Report to the members of Global Tea  
& Commodities Limited (continued)**

**For the year ended 31 December 2022**

*Ataf Salim*

**Mr Ataf Salim (Senior Statutory Auditor)**

**For and on behalf of**

**Kilsby & Williams LLP**

**Chartered Accountants & statutory auditor**

**Cedar House**

**Hazell Drive**

**Newport**

**NP10 8FY**

*15/02/24*

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Consolidated Statement of Comprehensive Income**

For the year ended 31 December 2022

	Notes	2022 \$ Total	2021 \$ Total
Revenue	3	220,718,200	218,167,143
Cost of sales		(207,913,726)	(200,286,971)
<b>Gross profit/(loss)</b>		<b>12,804,474</b>	<b>17,880,172</b>
Administrative expenses		(14,631,912)	(15,474,031)
Other operating income		247,471	1,098,200
Change in the fair value of biological assets	14	210,902	(1,017,384)
<b>Operating profit/(loss)</b>	4	<b>(1,369,065)</b>	<b>2,486,957</b>
Finance income	8	11,216	150,436
Finance costs	9	(3,590,586)	(2,808,732)
Other gains and (losses)	10	23,587	43,331
<b>Loss before taxation</b>		<b>(4,924,848)</b>	<b>(128,008)</b>
Taxation	11	1,134,313	400,054
<b>Profit/(loss) for the year</b>		<b>(3,790,535)</b>	<b>272,046</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss:			
Gain on property revaluation		13,491,982	11,857
Deferred tax on property revaluation		(7,953,994)	(3,557)
Exchange difference of revaluation reserve deferred tax		2,379,909	708,757
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		17,317	(5,670)
<b>Other comprehensive income for the year</b>		<b>7,935,214</b>	<b>711,387</b>
<b>Total comprehensive income/(expense) for the year</b>		<b>4,144,679</b>	<b>983,433</b>
<b>Profit/(loss) for the year attributable to:</b>			
Equity owners of the parent		(3,781,516)	274,231
Non-controlling interests		(9,019)	(2,185)
		<b>(3,790,535)</b>	<b>272,046</b>
<b>Total comprehensive income/(expense) attributable to:</b>			
Equity owners of parent		4,153,698	984,099
Non-controlling interests		(9,019)	(666)
		<b>4,144,679</b>	<b>983,433</b>

The notes on pages 19 to 50 form part of these financial statements.



**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**  
**Company number 2654245**

## **Consolidated Statement of Financial Position**

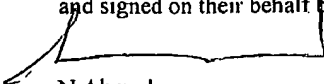
**As at 31 December 2022**

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	12	657,833	753,532
Property, plant and equipment	13	82,507,850	71,032,530
Investments	16	3,164,085	3,164,085
Deferred tax asset	28	1,804,973	911,995
Trade and other receivables	19	1,411,852	6,379,616
		<u>89,546,593</u>	<u>82,241,758</u>
<b>Current assets</b>			
Inventories	17	29,102,322	28,823,557
Interest in lease	18	-	283,834
Biological assets - current	14	291,449	101,359
Trade and other receivables	19	22,731,075	17,218,125
Cash and bank balances	20	4,926,352	7,747,660
		<u>57,051,198</u>	<u>54,174,535</u>
<b>Total assets</b>		<u>146,597,791</u>	<u>136,416,293</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	21	24,746,955	24,295,557
Lease liabilities	25	285,561	649,388
Derivative financial instruments	27	-	10,057
Current tax liabilities		719,386	358,993
Borrowings	22	34,881,733	34,485,960
		<u>60,633,635</u>	<u>59,799,955</u>
<b>Non-current liabilities</b>			
Trade and other payables	21	23,770	21,793
Borrowings	22	4,689,176	5,008,003
Redeemable preference shares	23	5,756,385	5,040,329
Lease liabilities	25	676,575	794,683
Deferred tax liabilities	28	19,794,088	14,872,047
		<u>30,939,994</u>	<u>25,736,855</u>
<b>Total liabilities</b>		<u>91,573,629</u>	<u>85,536,810</u>
<b>Net assets</b>		<u>55,024,162</u>	<u>50,879,483</u>
<b>EQUITY</b>			
<b>Attributable to owners of the parent:</b>			
Share capital	29	9,740,798	9,740,798
Share premium		3,648,302	3,648,302
Capital reserves		1,358,763	1,358,763
Revaluation reserves		36,689,415	29,318,415
Translation reserves		(74,944)	(124,540)
Retained earnings		3,622,449	6,889,347
<b>Total equity attributable to shareholders</b>		<u>54,984,783</u>	<u>50,831,085</u>
<b>Non-controlling interests</b>		<u>39,379</u>	<u>48,398</u>
<b>Total equity</b>		<u>55,024,162</u>	<u>50,879,483</u>

## Consolidated Statement of Financial Position

As at 31 December 2022

The financial statements were approved by the Board of Directors and authorised for issue on 14/02/2024 and signed on their behalf by:

  
N Ahmed  
Director

The notes on pages 19 to 50 form part of these financial statements.

Global Tea & Commodities Ltd  
Annual Report and Financial Statements

**Consolidated Statement of Changes in Equity**

For the year ended 31 December 2022

	Share capital	Share premium	Capital reserves	Revaluation reserve	Translation reserve	Retained earnings	Total equity attributable to owners of the parent	Non- controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 31 December 2020	9,740,472	3,648,302	1,358,762	29,104,261	(135,225)	6,130,087	49,846,659	49,064	49,895,723
Profit/(loss) for the year	-	-	-	-	16,355	257,876	274,231	(2,185)	272,046
Other comprehensive income/(loss)	-	-	-	715,538	(5,670)	-	709,868	1,519	711,387
Total comprehensive income/ (loss)	-	-	-	715,538	10,685	257,876	984,099	(666)	983,443
Transfer of depreciation from revaluation reserve	-	-	-	(553,367)	-	553,367	-	-	-
Transfer from revaluation on disposal	-	-	-	51,983	-	(51,983)	-	-	-
Issue of share capital	327	-	-	-	-	-	327	-	-
Re-denomination of shares	(1)	-	1	-	-	-	-	-	-
At 31 December 2021	9,740,798	3,648,302	1,358,763	29,318,415	(124,540)	6,889,347	50,831,085	48,398	50,879,483
Profit/(loss) for the year	-	-	-	-	32,279	(3,813,795)	(3,781,516)	(9,019)	(3,790,535)
Other comprehensive income/(loss)	-	-	-	7,917,897	17,317	-	7,935,214	-	7,935,214
Total comprehensive income/(loss)	-	-	-	7,917,897	49,596	(3,813,795)	4,153,698	(9,019)	4,144,679
Transfer of depreciation from revaluation reserve	-	-	-	(546,897)	-	546,897	-	-	-
At 31 December 2022	9,740,798	3,648,302	1,358,763	36,689,415	(74,944)	3,622,449	54,984,783	39,379	55,024,162

The notes on pages 19 to 50 form part of these financial statements.

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Consolidated Statement of Cash Flows**

for the year ended 31 December 2022

	2022 \$	2021 \$
<b>Cash flow from operating activities</b>		
Profit/(loss) for the year	(3,790,535)	272,046
<i>Adjustment for:</i>		
Finance income	68,902	(149,796)
Finance costs	2,807,909	2,760,760
Other (gains) and losses	(23,587)	(43,331)
Taxation	(1,134,313)	(400,054)
Depreciation of property, plant and equipment	2,801,814	3,221,985
Impairment of investments	-	-
Profit on disposal of property, plant and equipment	(99,726)	(36,891)
Loss on disposal of dairy operations	-	-
Impairment of tangible assets	100,455	188
Change in fair value of biological assets	(176,593)	1,039,496
Exchange adjustment	55,830	(13,635)
<i>Changes in working capital:</i>		
Decrease/(increase) in inventories	(445,010)	(2,876,638)
Decrease/(increase) in trade and other receivables	(1,023,139)	905,703
Increase in trade and other payables	(3,195,844)	2,270,277
<b>Cash generated/(used in) from operations</b>	<b>(4,053,837)</b>	<b>6,950,110</b>
Income tax paid	(85,255)	(567,519)
<b>Net cash from/(used in) operating activities</b>	<b>(4,139,092)</b>	<b>6,382,591</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(749,548)	(816,625)
Proceeds from disposal of property, plant and equipment	124,697	50,395
Proceeds from disposal of biological assets	-	-
Sale of business activities	-	-
Receipts from leased assets	203,716	2,939,341
Interest received	11,216	15,888
<b>Net cash used in investing activities</b>	<b>(409,919)</b>	<b>2,188,999</b>
<b>Cash flow from financing activities</b>		
(Decrease)/increase in trade finance & guarantees	3,193,582	1,159,481
Repayment of lease liabilities	(634,840)	(3,612,050)
Receipt of new bank loans	2,456,134	7,928,106
Repayment of bank loans	(3,667,377)	(4,181,367)
Repayment of other loans	(838,360)	-
Receipt from issue of ordinary shares	-	327
Receipt from issue of preference shares	4,863,511	4,986,162
Interest paid	(2,799,900)	(2,753,709)
<b>Net cash (used in)/generated from financing activities</b>	<b>2,572,750</b>	<b>3,526,950</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(1,976,261)</b>	<b>12,098,540</b>
Cash and cash equivalents at beginning of the year	3,142,779	(9,064,613)
Effect of foreign exchange rate movements	208,456	108,852
<b>Cash and cash equivalents at end of year (note 20)</b>	<b>1,374,974</b>	<b>3,142,779</b>

The notes on pages 20 to 51 form part of these financial statements.

## Notes to the Financial Statements

for the year ended 31 December 2022

### 1. Corporate information

Global Tea & Commodities Ltd is a company limited by shares and incorporated in England and Wales. The registered address of the Company is 1 Duchess Street, London, W1W 6AN.

The consolidated financial statements incorporate the financial statements of the Company and entities (its subsidiaries) controlled by the Company (collectively comprising the Group) and the Group's interest in associates.

The principal activities of the Group are included in the Directors' Report on page 5.

### 2. Accounting policies

#### 2.1. Basis of preparation

##### *Statement of compliance*

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

##### *Basis of measurement*

The financial statements have been prepared on the historical cost basis, except for certain properties, financial instruments and biological assets that are measured at revalued amounts or fair values at the end of each reporting period.

##### *Going concern*

The directors have prepared detailed forecasts for the period to 31 December 2026 which includes a review of the group's covenant compliance over this period.

The group is forecasting a loss in 2023 and a return to profitability from 2024 and for the periods to 31 December 2027 and is forecast to be cash generative over this period.

The directors have concluded that based on correspondence with the banks they are confident and fully expect the banks continued support of the Group. Therefore the directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### *Functional and presentational currency*

The financial statements are presented in US Dollars. The Company's functional currency is also US Dollars as this is the currency of the primary economic environment in which the Company operates. The spot exchange rate at 31 December 2022 for sterling to US Dollars was 1.21 (2021: 1.35).

##### *Use of estimates and judgements*

The preparation of the financial statements in conformity with international accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2.20.

## **Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

### **2.2. Foreign currency**

Transactions in foreign currencies are translated into the respective functional currencies of the operations at the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are translated into the functional currency at the spot exchange rates as at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the spot exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognised in profit or loss.

On consolidation, the assets and liabilities of foreign subsidiaries are translated into US Dollars at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign subsidiary, the component of other comprehensive income relating to that particular foreign subsidiary is recognised in profit or loss.

Any goodwill arising on the acquisition of foreign subsidiaries and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign subsidiaries and translated at the spot rate of exchange at the reporting date.

### **2.3. Basis of consolidation**

The Group financial statements consolidate those of the Parent Company and the subsidiaries that the Parent has control. Control is established when the Parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Where a subsidiary is acquired/disposed of during the year, the consolidated profits or losses are recognised from/until the effective date of the acquisition/disposal.

All inter-company balances and transactions between group companies have been eliminated on consolidation.

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

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net asset that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interest based on their respective ownership interests.

### **2.4. Business combinations**

The Group applies the acquisition method of accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group. Acquisition costs are expensed as incurred.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.4. Business combinations (continued)

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquired subsidiary's financial statements prior to the acquisition. Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the fair value of consideration transferred, over the Group's share of the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

### 2.5. Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

### 2.6. Revenue

Revenue is derived from the trading of loose tea, coffee beans and macadamia nuts and the sale of packaged tea.

Revenue represents the amount receivable for the provision of services and the sale of goods during the year, excluding VAT and trade discounts. Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be measured reliably.

### 2.7. Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries and associates a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.8. Property plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at cost or their revalued amounts, being their cost or fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the balance sheet date.

Any revaluation increase arising on the revaluation of property, plant and equipment is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the income statement to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land and buildings is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and assets under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Leasehold land and property	over the remaining lease period
Semi-permanent buildings	over 10 years
Permanent buildings	over 50 years
Tea nursery structures	over 3 years
Motor vehicles	over 5 years
Fixtures, fittings & equipment	over 5 years
Plant and machinery	over 15 years
Bearer plants	10 to 37 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.9. Biological assets

*Biological assets: non-current*

Biological assets that do not meet the definition of bearer plants are measured on initial recognition and at the end of each reporting period at fair value less cost to sell, unless fair value cannot be measured reliably.

Where the Group cannot obtain a reliable fair value, biological assets are measured at cost less accumulated depreciation.

*Biological assets: current*

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

### 2.10. Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash flows. As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or cash-generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

The impairment loss is allocated to reduce the carrying amount of the asset, first against the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

### 2.11. Inventories

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

Other inventories are measured at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.12. Financial instruments

Financial instruments are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value adjusted for any directly attributable transaction costs.

#### *Financial assets carried at amortised cost*

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

#### *Investments in equity interests*

Investments in equity interests are classified as available for sale financial assets ('AFS'). These AFS equity investments do not have a quoted market price in an active market and the fair value cannot be reliably measured and therefore are measured at cost.

Dividends receivable on AFS equity instruments are recognised in profit or loss when the right to receive the dividend is established.

#### *Financial liabilities carried at amortised cost*

These financial liabilities include trade and other payables and borrowings. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

#### *Financial assets and liabilities at fair value through profit or loss*

The Group uses cross currency swaps to reduce its exposure to risks from interest rates and foreign exchange movements. Such financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value.

### 2.13. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in the statement of financial position.

### 2.14. Employee retirement benefits

The Group operates defined contribution schemes. Payments into the scheme are recognised as an expense when employees have rendered services entitling them to the scheme.

### 2.15. Provisions

## **Notes to the Financial Statements (continued)**

**for the year ended 31 December 2022**

Provisions are recognised when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### **2.16. Leases**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets; and leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes: amounts expected to be payable under any residual value guarantee; the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option; and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for: lease payments made at or before commencement of the lease; initial direct costs incurred; and the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Where the company acts as a lessor and it is deemed that the risks and rewards of ownership have been substantially transferred then the company will recognise an interest in the lease, this being the present value of future lease receipts discounted at the interest rate implicit in the lease or, if this is not specified, at the company's incremental borrowing rate. The finance lease receivable will be increased by the interest received less payments made by the lessee.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.17. Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Government grants relating to property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

### 2.18. Equity and reserves

Share capital represents the nominal value of shares that have been issued.

Share premium account represents the difference between the nominal value of shares issued and the issue price.

The capital reserve arose on the conversion of 'B' ordinary shares.

Translation reserve represents the cumulative foreign exchange differences arising on the translation of foreign operations and subsidiaries.

Revaluation reserves are stated net of deferred tax calculated in accordance with the tax regulations of the jurisdiction in which they arise and represent cumulative gains net of losses on revaluation of property, plant and equipment. The reserve is not considered to be distributable to the shareholders.

Retained earnings include all current and prior period retained profits.

### 2.19. Significant management judgements in applying accounting policies and estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

#### *Significant management judgements*

The following are significant management judgements in applying the accounting policies of the Group that have the most effect on the financial statements.

#### *Recognition of deferred tax assets*

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

#### *Estimation uncertainty*

Information about estimates and assumptions that have the most significant effect on the recognition of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

#### *Impairment of non-financial assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and using an interest rate to discount them. Estimation uncertainty relates to the assumptions about future operating results and the determination of a suitable discount rate.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 2.20. Significant management judgements in applying accounting policies and estimation uncertainty (continued)

#### *Fair value measurement*

Management uses valuation techniques to determine the fair value of assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management base the assumptions on observable data as far as possible but this is not always available. In that case, management uses the best information available. Estimated fair values may vary from the actual process that would be achievable in arm's length transactions at the reporting date.

#### *Determining residual values and useful economic lives of fixed assets*

Certain property, plant and equipment is depreciated over its estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

#### *Recoverability of receivables*

A provision for receivables is established where it is estimated that the receivables are not considered to be fully recoverable. When assessing recoverability the directors consider factors such as the ageing of receivables, past experience of recoverability, and the credit profile of the counterparty from whom the debt is owed.

### 2.21. Standards, amendments and interpretations adopted in the current financial year ended 31 December 2022

There are no new standards and amended standards and interpretations issued by the IASB that have impacted the 2022 financial statements and new standards that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

### 2.22. Standards, amendments and interpretations in issue but not yet effective

At the date of adoption of these financial statements, there are no new Standards, or amendments to existing Standards, that have been published by the International Accounting Standards Board that are not effective.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 3. Revenue

All of the Group's revenue relates to the sale of goods.

Revenue can be analysed by commodity as follows:

	2022	2021
	\$	\$
Tea	211,081,257	206,664,672
Macadamia	7,821,796	9,154,001
Coffee	1,733,783	2,305,778
Rice	22,650	-
Machinery	58,714	-
Other	-	42,692
	<u>220,718,200</u>	<u>218,167,143</u>

Revenue can be analysed by geographical area as follows:

	2022	2021
	\$	\$
Asia	172,785,304	163,095,408
Africa	22,515,782	23,796,140
United Kingdom	8,561,622	12,426,468
Europe	5,965,524	5,886,039
North America	3,240,333	4,612,182
South America	3,880,584	5,533,208
Middle East	3,769,051	2,817,698
	<u>220,718,200</u>	<u>218,167,143</u>

### 4. Operating profit

	2022	2021
	\$	\$
Operating profit is stated after charging/(crediting):		
Depreciation of property, plant and equipment	2,706,115	3,126,285
Depreciation of right-of-use assets	95,699	95,699
Impairment of property, plant and equipment	100,455	189
Profit on disposal of property, plant and equipment	(99,726)	(36,891)
Cost of inventories recognised as expense	189,425,587	180,406,086
Net foreign exchange loss/(gain)	<u>1,244,559</u>	<u>541,885</u>

## **Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

### **5. Auditor's remuneration**

The analysis of the auditor's remuneration is as follows:

	2022 \$	2021 \$
<b>Fees payable to the company's auditor and their associates for the audit of the company's annual accounts</b>	<b>65,231</b>	<b>62,689</b>
<b>Fees payable to the company's auditor and their associates for other services to the Group</b>		
- Audit of the Company's subsidiaries	13,377	20,099
<b>Total audit fees</b>	<b><u>78,608</u></b>	<b><u>82,788</u></b>
- Taxation advisory services	13,595	16,733
- Other	-	-
<b>Total non-audit fees</b>	<b><u>13,595</u></b>	<b><u>16,733</u></b>

### **6. Directors' remuneration**

	2022 \$	2021 \$
Directors' emoluments	965,103	925,022
Pension contributions	<u>39,432</u>	<u>36,129</u>
	<b><u>1,004,535</u></b>	<b><u>961,151</u></b>

The number of directors for whom entitlements are accruing under the money purchase pension scheme is 3 (2021: 3).

The aggregate of emoluments and amounts receivable under long term incentive scheme of the highest paid director was \$403,912 (2021: \$419,756), and pension contributions of \$nil (2021: \$nil) were made to a money purchase scheme on his behalf.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 7. Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2022 Number	2021 Number
Production and distribution	2,943	3,274
Administration	195	197
Sales and marketing	102	81
	<u>3,240</u>	<u>3,552</u>

#### Employment costs

	2022 \$	2021 \$
Wages and salaries	7,221,236	7,698,807
Social security costs	211,406	212,138
Pension costs	182,655	143,129
	<u>7,615,297</u>	<u>8,054,074</u>

### 8. Finance income

	2022 \$	2021 \$
Interest on bank deposits	11,216	2,555
Interest on leased assets	-	12,983
Other interest	-	134,258
Dividends received	-	640
	<u>11,216</u>	<u>150,436</u>

### 9. Finance costs

	2022 \$	2021 \$
Interest on bank overdrafts and bank loans	2,782,546	2,716,398
Interest on obligations under finance leases	105,495	38,167
Dividends payable on redeemable preference shares	702,545	54,167
	<u>3,590,586</u>	<u>2,808,732</u>



## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 10. Other gains and (losses)

	2022 \$	2021 \$
Foreign exchange gain/(loss) on retranslation of hedged bank loan	13,530	34,302
Fair value profit on cross currency swap (note 26)	10,057	9,029
	<u>23,587</u>	<u>43,331</u>

### 11. Income tax

	2022 \$	2021 \$
Corporation tax:		
Current year	445,260	30,529
Adjustments in respect of prior years	(1,600)	(2,522)
	<u>443,660</u>	<u>28,007</u>
Deferred tax:		
Current year	(1,244,418)	(304,390)
Currency adjustment	(333,555)	(123,671)
	<u>(1,577,973)</u>	<u>(428,061)</u>
Total tax credit	<u>(1,134,313)</u>	<u>(400,054)</u>

The tax rate used for the reconciliation is the corporate tax rate of 19.00% (2021: 19.00%) payable by the corporate entities in the UK on taxable profits under UK tax law.

The total tax (credit)/expense for the year can be reconciled to the profit for the year as follows:

	2022 \$	2021 \$
Loss before taxation	<u>(4,924,848)</u>	<u>(128,010)</u>
Income tax calculated at 19.00% (2021: 19.00 %)	(935,721)	(24,322)
Expenses not deductible for tax	768,666	384,467
Depreciation for period in deficit of capital allowances	11,966	20,123
Short term timing differences	(2,317)	(1,907)
Utilisation of tax losses	(10,047)	(286,299)
Adjustments to tax charge in respect of previous periods	(1,600)	(2,522)
Differences in tax rates on overseas earnings	(194,186)	(130,204)
Exchange adjustment	(771,237)	(354,260)
Other	163	(5,130)
Total tax expense	<u>(1,134,313)</u>	<u>(400,054)</u>

**Notes to the Financial Statements (continued)**  
for the year ended 31 December 2022

**12. Right-of-use assets**

	<b>2022</b>
<b>Group and Company</b>	<b>\$</b>
<i>Deemed Cost:</i>	
At 1 January 2022	956,991
Additions in the year	-
<b>At 31 December 2022</b>	<b>956,991</b>
<i>Accumulated depreciation</i>	
At 1 January 2022	203,459
Depreciation for the year	95,699
<b>At 31 December 2022</b>	<b>299,158</b>
<i>Net book value</i>	
<b>At 31 December 2022</b>	<b>657,833</b>
<b>At 31 December 2021</b>	<b>753,532</b>

Global Tea & Commodities Ltd  
Annual Report and Financial Statements

Notes to the Financial Statements (continued)

for the year ended 31 December 2022

13. Property, plant and equipment

	Land	Buildings & construction	Short term leasehold improvements	Plant & machinery	Tractors & agricultural equipment	Motor vehicles	Fixtures, fittings & equipment	Assets in the course of construction	Bearer plants	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost or valuation</b>										
As at 1 January 2021	20,355,272	5,461,110	80,519	22,640,262	774,215	2,173,667	1,209,578	35,016	29,474,382	82,204,021
Additions	-	-	-	33,586	12,654	359,265	55,236	98,833	458,394	1,017,968
Revaluation	(80,414)	(213,529)	-	-	-	(29,018)	(923)	-	-	(323,884)
Transfers	-	11,561	-	34,965	23,259	-	-	(69,785)	-	-
Disposals	-	-	-	-	-	(89,260)	-	-	-	(89,260)
Impairment	-	-	-	-	-	-	(342)	-	-	(342)
Currency adjustment	-	-	-	(36,712)	-	(15,559)	(10,391)	-	-	(62,662)
As at 31 December 2021	20,274,858	5,259,142	80,519	22,672,101	810,128	2,399,095	1,253,158	64,064	29,932,776	82,745,841
Additions	-	-	-	264,856	2,486	189,099	34,950	3,404	388,752	883,547
Revaluation	5,189,594	469,890	-	(232,880)	420,943	-	-	-	3,871,937	9,719,484
Transfers	-	16,378	-	-	-	-	-	(16,378)	-	-
Disposals	-	-	-	-	-	(332,322)	-	-	-	(332,322)
Impairment	-	-	-	-	(6,890)	(2,793)	-	-	(143,388)	(153,071)
Currency adjustment	-	-	-	(83,290)	-	(46,544)	(23,909)	-	-	(153,743)
As at 31 December 2022	25,464,452	5,745,410	80,519	22,620,787	1,226,667	2,206,535	1,264,199	51,090	34,050,077	92,709,736

Global Tea & Commodities Ltd  
Annual Report and Financial Statements

Notes to the Financial Statements (continued)  
for the year ended 31 December 2022

13. Property, plant and equipment restated (continued)

	Land	Buildings & construction	Short term leasehold improvements	Plant & machinery	Tractors & agricultural equipment	Motor vehicles	Fixtures, fittings & equipment	Assets in the course of construction	Bearer plants	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Depreciation At 1 January 2021	86,291	69,750	65,913	5,022,666	396,861	1,580,344	897,505	-	915,688	9,035,018
Charge	166,643	207,640	1,743	1,570,173	79,912	183,141	67,689	-	849,344	3,126,285
Impairment	-	-	-	-	-	-	(153)	-	-	(153)
Transfers	-	-	-	-	-	-	-	-	-	-
Revaluation	(80,414)	(213,529)	-	-	-	(36,359)	(5,439)	-	-	(335,741)
Disposals	-	-	-	-	-	(75,719)	-	-	-	(75,719)
Currency adjustment	-	-	-	(20,459)	-	(9,696)	(6,224)	-	-	(36,379)
As at 31 December 2021	172,520	63,861	67,656	6,572,380	476,773	1,641,711	953,378	-	1,765,032	11,713,311
Charge	166,571	195,939	1,744	1,244,799	60,428	216,690	64,437	-	755,507	2,706,115
Impairment	-	-	-	-	(4,154)	(2,020)	-	-	(46,442)	(52,616)
Transfers	-	-	-	-	-	-	-	-	-	-
Revaluation	-	(43,124)	-	(722,232)	(533,047)	-	-	-	(2,474,097)	(3,772,500)
Disposals	-	-	-	-	-	(307,292)	-	-	-	(307,292)
Currency adjustment	-	-	-	(48,040)	-	(22,445)	(14,647)	-	-	(85,132)
As at 31 December 2022	339,091	216,676	69,400	7,046,907	-	1,526,644	1,003,168	-	-	10,201,886
Carrying amount										
As at 31 December 2022	25,125,361	5,528,734	11,119	15,573,880	1,226,667	679,891	261,031	51,090	34,050,077	82,507,850
As at 31 December 2021	20,102,338	5,195,282	12,863	16,099,721	333,355	757,384	299,780	64,064	28,167,744	71,032,530

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 13. Property, plant and equipment (continued)

The net book value of assets held under finance leases is as follows

	2022 \$	2021 \$	2020 \$
Plant & Machinery	9,628	10,537	-
Motor Vehicles	18,049	23,986	-
	<u>27,677</u>	<u>34,523</u>	<u>-</u>

The depreciation charged on assets held under finance leases was \$6,846 (2021: \$1,331).

The Company did not have any capital commitments at the balance sheet date (2021: Nil).

#### Fair value measurement of the Group's property, plant and equipment

Certain of the group's property, plant and equipment are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value measurements of the Group's property, plant and equipment in Malawi as at 31 December 2022 was performed by Charles Chifamba, MRICS, a qualified valuer of Interval Services (Proprietary) Limited, Botswana. The valuation conforms to International Valuation Standards.

The fair value of certain property, plant and equipment was determined based on market value assuming continuing present usage. The resultant revaluation gains/losses are taken to revaluation reserve and are not available for distribution until realised. There has been no change to the valuation technique during the year.

The fair value of land and buildings in Kenya was determined by reference to the market prices of similar properties of the same type and in the area in which the property is situated. The valuation was carried out by Elite Africa Valuers Limited, an independent professional valuer with recent experience in the location and category of property being valued. The revaluation was carried out on 15 December 2020.

The fair revaluation of investment property is considered to represent level 3 valuation based on significant non-observable inputs being the location and condition of the property. Management does not expect there to be a material sensitivity to the fair values arising from the non-observable inputs. There were no transfers between levels 1, 2 or 3 fair values during the year.

Had these items of property, plant and equipment been measured at the historical basis, the carrying amount would be as follows, note there is no difference reported for short term leasehold improvements and assets in the course of construction which are measured at historic cost.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 13. Property, plant and equipment (continued)

	2022 \$	2021 \$
<i>At revaluation</i>		
Land	25,125,361	20,102,338
Building & construction	5,528,734	5,195,382
Plant and machinery	15,573,880	16,099,721
Tractors & agricultural equipment	1,226,667	333,355
Motor vehicles	679,891	757,384
Fixtures, fittings & equipment	261,031	299,780
Bearer plants	34,050,077	28,167,744
	<u>82,446,641</u>	<u>70,955,704</u>
<i>At cost</i>		
Land	1,374,027	1,428,897
Building & construction	2,277,796	2,311,090
Plant and machinery	14,523,146	15,445,953
Tractors & agricultural equipment	468,544	501,734
Motor vehicles	763,844	814,107
Fixtures, fittings & equipment	251,287	288,480
Bearer plants	8,285,413	8,394,550
	<u>27,944,057</u>	<u>29,184,811</u>

### 14. Biological assets

	Macadamia \$	Total \$
As at 1 January 2021	1,184,804	1,184,804
Currency adjustment	(66,061)	(66,061)
Fair value adjustment	(1,017,384)	(1,017,384)
Disposals	-	-
As at 31 December 2021	<u>101,359</u>	<u>101,359</u>
Currency adjustment	(20,812)	(20,812)
Fair value adjustment	210,902	210,902
As at 31 December 2022	<u>291,449</u>	<u>291,449</u>

	2022 \$	2021 \$
Biological assets -non-current	-	-
Biological assets -current	291,449	101,359
	<u>291,449</u>	<u>101,359</u>

The biological assets comprise dairy livestock and the unharvested value of macadamia nuts.

Macadamia nuts have been valued using the value of macadamia nuts harvested between January 2023 and April 2023.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 14. Biological assets (continued.)

#### Fair value movement in biological assets

	2022 \$	2021 \$
Macadamia	210,902	(1,017,384)
Net fair value surplus in the year	<u>210,902</u>	<u>(1,017,384)</u>

As at the year end, there were no capital commitments for the development or acquisition of biological assets.

There are no financial risk management strategies related to agricultural activity.

## **Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

### **15. Subsidiaries**

The group consists of the parent company, Global Tea & Commodities Ltd, incorporated in the UK, a number of subsidiaries held directly and indirectly by Global Tea & Commodities Ltd, and two companies not formally owned by Global Tea & Commodities Ltd but over which Global Tea & Commodities Ltd exercises full management and control.

Information about the composition of the Group at the end of the reporting period is as follows:

<b>Company</b>	<b>Country of registration or incorporation</b>	<b>Nature of business</b>	<b>Percentage shareholding</b>
Global Tea & Commodities (Kenya) Limited	Kenya	Trading	100%
Sable Farming Company Limited	Malawi	Plantation	100%
Global Tea & Commodities (Malawi) Limited	Great Britain	Trading	100%
Gold Crown Beverages (Kenya) Limited	Kenya	Manufacture	100%
Gold Crown Foods (EPZ) Limited	Kenya	Manufacture	100%
Tea Brokers Central Africa Limited	Malawi	Tea Broking	82%
Gold Crown Speciality Foods Limited	Great Britain	Manufacture	100%
Wilson Smithett & Company Limited	Great Britain	Holding	100%
Gold Crown Foods (Tanzania) Limited	Tanzania	Dormant	100%
Global Foods Limited	Somaliland	Distribution	0%
Barsha Tea Packaging and Distribution Enterprises	Sudan	Distribution	0%

The registered office of Global Tea & Commodities (Kenya) Limited, Gold Crown Beverages (Kenya) Limited and Gold Crown foods (EPZ) Limited is P.O. Box 98459, Chai Street, Mombasa, Kenya

The registered office of Global Tea & Commodities (Malawi) Limited, Gold Crown Speciality Foods Limited and Wilson Smithett Company Limited is 1 Duchess Street, London W1W 6AN

The registered office of Sable Farming Company Limited is P.O. Box 51199, Limbe, Malawi

The registered office of Tea Brokers Central Africa Limited is P.O. Box 5543, Limbe, Malawi

The registered office of Gold Crown Foods (Tanzania) Limited is Peugeot House, P.O. Box 79651, Dar es Salaam, Tanzania

The registered office of Global Foods Limited is East Berbera, Hargeisa, Somaliland

The registered office of Barsha Tea Packaging and Distribution Enterprises is BL NO-4392, SR NO-34, Al Souk Al Mahalli, Khartoum, Sudan



## **Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

### **16. Investments**

	2022	2021
	\$	\$
Investment in associates	26,098	26,098
Associates & other participating interests	3,134,874	3,134,874
Equity investments	3,113	3,113
	<u>3,164,085</u>	<u>3,164,085</u>

The Group has an associate interest of a 33% shareholding in Blue Mountain Tea & Commodities Limited, which is a trading company incorporated in India. The group has not accounted for Blue Mountain Tea & Commodities Limited as an associate and the investment is held at cost on the grounds of materiality.

The Group has a participating interest by way of a 5% shareholding in Anglo-Dal Trading Sp. z.o.o, which is a trading company incorporated in Poland at a cost of \$5,000.

The Group has a participating interest by way of a 6.8% shareholding in Typhoo Tea Limited, a company incorporated in Great Britain at a cost of \$6,429,874. In 2019 the directors impaired this investment by \$3,300,000 to its recoverable amount. There was no further impairment in the current year. The carrying value of the investment is \$3,129,874.

Gold Crown Beverages (Kenya) Limited holds shares in Uchumi Supermarket Limited at a cost of \$3,113. Uchumi Supermarket Limited is listed on the Nairobi Securities Exchange.

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

**17. Inventories**

	2022	2021
	\$	\$
Raw materials	21,837,607	20,670,154
Work in progress	450,204	663,778
Finished goods	6,814,511	7,489,625
	<u>29,102,322</u>	<u>28,823,557</u>

**18. Interest in lease**

	2022	
	\$	
Group and Company		
At 1 January 2021	283,834	
Interest income for the year	-	
Lease receipts	(262,183)	
Currency adjustment	(21,651)	
At 31 December 2021	<u>-</u>	
	2022	2021
	\$	\$
Group and Company		
Due after more than one year	-	-
Due within one year	-	283,834
At 31 December	<u>-</u>	<u>283,834</u>

The premises shown above are sub-let to third parties under a lease which has the same terms and conditions as the Company's own lease.

On 01 April 2021, the Company and sub-tenant surrendered the lease on part of the premises.

**19. Trade and other receivables**

	2022	2021
	\$	\$
<b>Current</b>		
Trade receivables	13,714,296	13,956,384
VAT recoverable	447,853	434,996
Other receivables	6,868,520	977,976
Directors' loan accounts	54,089	53,467
Prepayments and accrued income	1,646,317	1,795,302
	<u>22,731,075</u>	<u>17,218,125</u>
<b>Non-current</b>		
Trade receivables	1,411,852	-
Other receivables	-	6,379,616
	<u>1,411,852</u>	<u>6,379,616</u>

In relation to the directors' loan accounts, the following transactions took place this year;

	\$
Opening balance	53,467
Amounts repaid	(45,556)
Amounts drawn	52,645
Currency adjustment	(6,467)
Closing balance	<u>54,089</u>

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

**19. Trade and other receivables (continued)**

The movement in the allowance for doubtful debts during the year is as follows:

	2022 \$	2021 \$
Balance at 1 January	882,004	844,898
Impairment loss made during the year	35,992	68,094
Currency adjustments	(65,932)	(38,988)
Balance at 31 December	<u>852,064</u>	<u>882,004</u>

Debts that are past due, but not impaired are analysed as follows:

	2022 \$	2021 \$
0-30 days	3,237,573	3,647,365
30-60 days	2,046,572	2,787,396
60-90 days	1,524,151	1,363,922
90-120 days	572,934	952,971
+120 days	1,735,359	2,735,218
	<u>9,116,589</u>	<u>11,468,872</u>

The Company does not hold full collateral over the above and the directors consider that the carrying amount of trade and other receivables approximates to their fair value.

**20. Cash and cash equivalents**

	2022 \$	2021 \$
Cash and bank balances	4,926,352	7,747,660
Bank overdraft (note 22)	(3,551,378)	(4,604,881)
	<u>1,374,974</u>	<u>3,142,779</u>

**21. Trade and other payables**

	2022 \$	2021 \$
<b>Current</b>		
Trade payables	13,145,426	14,351,454
Other taxation and social security costs	266,205	144,731
Accruals and deferred income	1,362,438	1,580,774
Other payables	9,972,886	8,218,598
	<u>24,746,955</u>	<u>24,295,557</u>
<b>Non-Current</b>		
Other payables	<u>23,770</u>	<u>21,793</u>

The carrying amount of trade and other payables approximates to their fair value.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 22. Borrowings

	2022	2021
	\$	\$
<b>Current</b>		
Bank overdraft (note 20)	3,551,378	4,604,881
Trade finance & guarantees	21,036,166	17,842,584
Bank loans	8,973,614	10,679,560
Other loans	1,320,575	1,358,935
	<u>34,881,733</u>	<u>34,485,960</u>
	2022	2021
	\$	\$
<b>Non-current</b>		
Bank loans	2,689,176	2,208,003
Other loans	2,000,000	2,800,000
	<u>4,689,176</u>	<u>5,008,003</u>

Bank loans, other loans and overdrafts are secured by an unlimited company cross guarantee and unlimited multilateral cross guarantees given by group companies, a general letter of pledge, a letter of set-off and a debenture secured by a fixed and floating charge over the assets of the Company and specified assets of its subsidiaries.

Borrowings is made up of an overdraft and bank loans bearing interest at 2.8% and 4.5% over 3 month LIBOR. The bank loans are repayable in the next five years.

The carrying amount of borrowings approximates to their fair value.

### 23. Redeemable preference shares

	2022	2021
	\$	\$
<b>Non-current</b>		
Redeemable preference shares	4,999,673	4,986,162
Dividend on redeemable preference shares	756,712	54,167
	<u>5,756,385</u>	<u>5,040,329</u>

During the year the company issued redeemable preference shares for \$13,511 to Brompton Holdco Limited. The preference shares are unsecured and redeemable after 8 years. The redeemable preference shares carry a coupon of 13% payable on redemption of the preference shares.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 24. Net Debt

	2021	Cash Flow	Other Non Cash	Exchange Movements	2022
Cash and bank balances	(7,747,660)	2,821,308	-	-	(4,926,352)
Bank overdraft	4,604,881	(845,047)	-	(208,456)	3,551,378
	(3,142,779)	1,976,261	-	(208,456)	(1,374,974)
Trade finance & guarantees	17,842,584	3,193,582	-	-	21,036,166
Bank loans current	10,679,560	(3,667,377)	1,974,961	(13,530)	8,973,614
Bank loans non-current	2,208,003	2,456,134	(1,974,961)	-	2,689,176
Finance leases	1,444,071	(493,923)	-	11,988	962,136
Other loans – current	1,358,935	(838,360)	800,000	-	1,320,575
Other loans – non-current	2,800,000	-	(800,000)	-	2,000,000
Other payables	-	4,850,000	-	-	4,850,000
Redeemable preference shares	5,040,329	716,056	-	-	5,756,385
	38,230,703	8,192,373	-	(209,998)	46,213,078

### 25. Commitments under finance leases

	Minimum lease payments	
	2022	2021
	\$	\$
<b>Amounts payable under finance leases</b>		
In one year or less	319,178	681,397
Between one and five years	572,133	562,652
In five years or more	166,881	300,360
	1,058,192	1,544,409
Future finance charges	(96,056)	(100,338)
Present value of lease obligation	962,136	1,444,071
	Present value of minimum lease payments	
	2022	2021
	\$	\$
<b>Amounts payable under finance leases</b>		
In one year or less	285,561	649,388
Between one and five years	512,779	503,711
In five years or more	163,796	290,972
Present value of lease obligation	962,136	1,444,071

Finance leases relate to the rental of property.

There are no restrictions imposed on the use of the assets.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 26. Lease liabilities

	2022
Group	\$
<i>Deemed Cost:</i>	
At 1 January 2021	1,444,071
Interest charge for the year	105,494
Lease payments	(590,614)
New finance leases	105,500
Currency adjustment	(102,315)
At 31 December 2021	<u>962,136</u>

On 01 April 2021, the Company and sub-tenant surrendered the lease on part of the premises.

The maturity profile of the lease liabilities is as follows:

	2022	2021
	\$	\$
Due in less than one year	285,561	649,388
Due between 1-2 years	163,802	161,742
Due between 2-5 years	348,977	341,969
Due after more than 5 years	163,796	290,972
At 31 December	<u>962,136</u>	<u>1,444,071</u>

### 27. Derivative financial instruments

	2022	2021
	\$	\$
Cross currency swap		
Fair value of cross currency swap	<u>-</u>	<u>10,057</u>

The fair value of the derivative contracts are a mark to market valuation obtained from the counter-party to the derivative contract.

The amounts credited to profit or loss in respect of derivative financial instruments was \$10,057 (2021: credit \$9,029).

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 28. Deferred tax (asset)/liability

	Accelerated capital allowances	Tax Losses	Other	Total
	\$	\$	\$	\$
As at 1 January 2021	15,484,895	(653,412)	245,476	15,076,959
(Credit)/charge to profit or loss	(155,078)	34,553	(183,866)	(304,391)
Deferred tax on revaluation	3,557	-	-	3,557
Currency adjustment	(825,076)	24,607	(15,604)	(816,073)
As at 31 December 2021	14,508,298	(594,252)	46,006	13,960,052
Charge/(credit) to profit or loss	(177,273)	(312,865)	(754,280)	(1,244,418)
Deferred tax on revaluation	7,953,994	-	-	7,953,994
Currency adjustments	(2,740,320)	152,947	(93,140)	(2,680,513)
As at 31 December 2022	19,544,699	(754,170)	(801,414)	17,989,115
		2022	2021	2020
		\$	\$	\$
Deferred tax asset		(1,804,973)	(911,995)	(967,879)
Deferred tax liability		19,794,088	14,872,047	16,044,838
		17,989,115	13,960,052	15,076,959

The Group has \$122,557 (2021: \$76,481) in relation to unrecognised tax losses.

The asset will be recognised when a suitable trading record has been established and it is probable that this will not reverse in the future.

These tax losses are not expected to expire.

### 29. Share capital

	2022	2021
	\$	\$
Authorised, allocated, called up and fully paid		
9,740,471 ordinary shares of \$1 each	9,740,471	9,740,471
327,199 ordinary shares of \$0.001 each	327	327
	9,740,798	9,740,472

The ordinary shares of \$0.001 rank pari passu with the ordinary shares of \$1.0

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 30. Capital management

The directors consider the company's capital to comprise of share capital, long-term loans and reserves stated on the statement of financial position.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

### 31. Financial instruments

#### *Categories of financial instruments*

	2022	2021
	\$	\$
Financial assets:		
- Cash and bank balances	4,926,352	7,747,660
- Loans and receivables	22,487,969	21,802,439
Financial liabilities		
- Fair value through profit or loss	-	10,057
- Amortised cost	68,726,939	67,270,868

#### *Financial risk management objectives and policies*

The Group's principal financial instruments comprise borrowings, cash and short term deposits, derivatives, shareholder loans, receivables and payables. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

The main financial risks faced by the Group relate to availability of funds to meet business needs and the risk of default by a counterparty in a financial transaction. The Group manages borrowing, liquidity, foreign exchange and banking relationships in accordance with Board approved policies designed to minimise exposures. The undertaking of financial transactions of a speculative nature is not permitted.



## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 31. Financial instruments (continued)

The Group finances its operations by a combination of internally-generated cash flow, shareholder loans and bank borrowings. Refinancing risk is controlled by ensuring the Group has sufficient bank facilities to meet increases in projected borrowings over the following 12-month period.

#### *Interest rate risk*

The Group is exposed to cash flow interest rate risk on bank overdrafts and short term borrowings. The Group seeks to mitigate this risk by fixing interest bearing liabilities wherever possible. Fixed interest rates are used for all finance lease borrowing.

The Group uses derivative instruments to reduce its exposure to changes in interest rates.

At 31 December 2022, it is estimated that a general increase/decrease of 1% in interest rates, with all other variables held constant, would decrease/increase the Company's profit after tax and retained earnings by approximately \$71,243 (2021: \$81,418).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of reporting date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 1% increase or decrease represents management's assessment of the likely maximum change in interest rates over the period until the next reporting date.

#### *Foreign currency risk*

The Group's principal foreign currency exposures arise from the purchase and sale of products in different currencies and from the translation of overseas assets and liabilities.

Group policy allows for but does not demand that the transactional exposures are hedged by the use of spot and forward contracts but seeks to match the aggregate position of foreign currency assets and liabilities to reduce exposure. The Group operates in countries that have historically been subject to devaluation. The group policy is to undertake frequent revaluations of the underlying assets to minimise the effects of the translation loss.

The following table details the Group's sensitivity to a 5% increase in US Dollars against the relevant foreign currencies. 5% is the sensitivity rate which represents management's assessment of the reasonably possible change in foreign exchange rates.

		2022 \$	2021 \$
Profit or (loss)	Pounds Sterling	(169,444)	(70,310)
Profit or (loss)	Euros	9,819	2,510
Profit or (loss)	Kenya Shillings	(63,651)	(15,502)
Profit or (loss)	Malawi Kwacha	738,326	531,277
Profit or (loss)	Sudanese Pound	(70)	(2,837)

#### *Credit risk*

The Group's credit risk is primarily attributable to its trade and other receivables. The amounts included in the balance sheet are net of allowances for doubtful debts, which have been estimated by management based on expected credit losses at the reporting date which may indicate that a provision is required.

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 31. Financial instruments (continued)

#### Liquidity risk

The Group manages its cash and borrowing requirement to ensure the Group has sufficient bank facilities to meet increases in projected borrowings over the following 12-month period.

The following table details the remaining contractual maturities at the end of the reporting date of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting date) and the earliest date the Group can be required to pay.

	Carrying amount	Total contractual Undiscoun- ted amount	Within 1 year or on demand	Between 1 & 2 years	Between 2 & 5 years	In 5 years or more
	\$	\$	\$	\$	\$	\$
<b>2022</b>						
Trade and other payables	18,549,645	18,549,645	18,525,875	-	-	23,770
Bank overdraft	3,551,378	3,551,378	3,551,378	-	-	-
Trade finance & guarantees	21,036,166	21,036,166	21,036,166	-	-	-
Bank and other loans	14,983,365	15,668,580	9,392,297	2,947,267	3,329,016	-
Redeemable preference shares	10,606,385	10,606,385	-	-	-	10,606,385
	<u>68,726,939</u>	<u>69,412,154</u>	<u>52,505,716</u>	<u>2,947,267</u>	<u>3,329,016</u>	<u>10,630,155</u>
<b>2021</b>						
Trade and other payables	22,736,576	22,736,576	22,714,784	-	-	21,792
Bank overdraft	4,604,881	4,604,881	4,604,881	-	-	-
Trade finance & guarantees	17,842,584	17,842,584	17,842,584	-	-	-
Bank and other loans	17,046,498	18,140,747	12,338,843	2,691,207	3,110,697	-
Redeemable preference shares	5,040,329	5,040,329	-	-	-	5,040,329
	<u>67,270,868</u>	<u>68,365,117</u>	<u>57,501,092</u>	<u>2,691,207</u>	<u>3,110,697</u>	<u>5,062,121</u>

## Notes to the Financial Statements (continued)

for the year ended 31 December 2022

### 32. Related party transactions

#### Key management personnel compensation

Key management personnel are considered to be the directors of the Company. Their remuneration has been disclosed in note 6.

#### Other related parties

During the year, the Group had the following transactions with other related parties:

	2022 \$	2021 \$
<b>Sales</b>		
Typhoo Tea Limited	1,186,553	5,162,432
Peerless Tea Services Limited	58,614	5,856
	<u>1,245,167</u>	<u>5,168,288</u>
<b>Purchases</b>		
Typhoo Tea Limited	-	-
Peerless Logistics Ltd	111,375	480,379
Peerless Tea Services Ltd	132,844	41,334
Blue Mountain Tea and Commodities Limited	101,080	40,677
	<u>345,299</u>	<u>562,390</u>

During the year the Group charged interest of \$nil (2021: \$134,257) to Typhoo Tea Limited of which \$945,904 (2021: \$1,029,445) is outstanding at year end.

At the year end, the Group had the following balances with other related parties

	2022 \$	2021 \$
<b>Amounts due from Related Parties</b>		
Typhoo Tea Limited	7,810,613	9,996,682
Structured International Investments Corporation	-	-
Peerless Logistics Limited	407,354	296,646
Peerless Tea Services Limited	25,337	41,791
Sandhurst Management Inc.	-	55,663
Geyser International Assets Limited	59,356	61,807
	<u>8,302,660</u>	<u>10,452,589</u>
<b>Amounts due to Related Parties</b>		
Typhoo Tea Limited	-	-
Peerless Logistics Limited	13,867	16,743
Peerless Tea Services Limited	-	7,318
Blue Mountain Tea and Commodities Limited	32,918	-
Structured International Investments Corporation	1,635,898	2,055,439
	<u>1,682,683</u>	<u>2,079,500</u>

At year end as disclosed in note 19, \$54,089 (2021: \$53,467) is owed by the directors to the group.

The above related parties are considered to be "other related parties" as defined by IAS 24 Related Party Disclosures with the exception of Blue Mountain Tea and Commodities Limited, which is an associate.

## **Notes to the Financial Statements (continued)**

for the year ended 31 December 2022

### **33. Ultimate controlling party**

The directors of Global Tea & Commodities Limited, a company incorporated in England and Wales, consider the ultimate controlling party of the group to be Nadeem Ahmed.

### **34. Post balance sheet events**

In 2023 the Company issued ordinary shares representing 3.25% of the company and issued 4,999,650 preference shares for \$5,000,000.

### **35. Contingent liabilities**

There is currently an ongoing dispute between the Kenya Revenue Authority (KRA) and an overseas subsidiary. The KRA carried out an audit on the company's operations for the periods of 2015, 2016, 2017 and 2018 and issued a letter of preliminary findings dated 8 March 2022 seeking to adjust corporate income based on KRA's transfer pricing methodology, and therefore demanded tax amounting to \$8,310,531. The overseas subsidiary responded to KRA via a letter dated 6 April 2022 explaining the company's business, the transfer pricing policy, and the choice of method used. The KRA issued an assessment letter to the company on 8 June 2022 seeking to adjust their corporate income based on their transfer pricing method and demanded tax amounting to \$12,479,010. The overseas subsidiary, through their tax consultants, responded via a letter dated 8 July 2022 objecting the assessment in its entirety. In the opinion of the groups directors and on the advice of the tax consultants, no tax liability is expected to arise from this assessment and that KRA should vacate the tax assessment in its entirety based on the grounds set out in the notice of objection.

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Company Statement of Financial Position**

as at 31 December 2022

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right-of-use assets	40	657,833	753,532
Property, plant and equipment	39	55,045	72,156
Interest in lease	41	-	-
Investments	42	18,622,313	18,622,313
Trade and other receivables	44	-	6,379,616
		<u>19,335,191</u>	<u>25,827,617</u>
<b>Current assets</b>			
Inventories	43	1,468,540	2,890,841
Interest in lease	41	-	283,834
Trade and other receivables	44	23,019,520	14,371,838
Cash and bank balances		<u>2,907,409</u>	<u>5,907,141</u>
		<u>27,395,469</u>	<u>23,453,654</u>
<b>Total assets</b>		<u>46,730,660</u>	<u>49,281,271</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	45	14,880,217	14,035,768
Lease liabilities	48	175,225	585,266
Borrowings	46	6,325,665	7,502,561
Derivative financial instruments	50	-	10,057
		<u>21,381,107</u>	<u>22,133,652</u>
<b>Non-current liabilities</b>			
Trade and other payables	45	-	-
Borrowings	46	2,000,000	2,800,000
Redeemable preference shares	47	5,756,385	5,040,329
Lease liabilities	48	509,109	667,068
Derivative financial instruments	50	-	-
		<u>8,265,494</u>	<u>8,507,397</u>
<b>Total liabilities</b>		<u>29,646,601</u>	<u>30,641,049</u>
<b>Net assets</b>		<u>17,084,059</u>	<u>18,640,222</u>
<b>EQUITY</b>			
Share capital	53	9,740,798	9,740,798
Share premium		3,648,302	3,648,302
Capital reserve		1,358,763	1,358,763
Retained earnings		<u>2,336,196</u>	<u>3,892,359</u>
<b>Total equity</b>		<u>17,084,059</u>	<u>18,640,222</u>

As permitted by section 408 of the Companies Act 2006 the company has elected not to present its own profit and loss account for the year. The company reported a loss for the financial year ended 31 December 2022 of \$1,556,163 (2021: profit \$1,156,697).

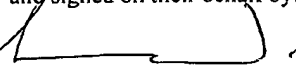
**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

---

**Company Statement of Financial Position**

as at 31 December 2022

The financial statements were approved by the Board of Directors and authorised for issue on 14/02/2024 and signed on their behalf by:



N Ahmed

Director

The notes on pages 55 to 61 form part of these financial statements.

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Company Statement of Changes in Equity**  
**for the year ended 31 December 2022**

	Share capital \$	Share premium \$	Capital reserves \$	Retained earnings \$	Total equity \$
At 31 December 2020	9,740,472	3,648,302	1,358,762	2,735,662	17,483,198
Profit for the year	-	-	-	1,156,697	1,156,697
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	1,156,697	1,156,697
Issue of share capital	327	-	-	-	327
Re-denomination of shares	(1)	-	1	-	-
Dividends paid	-	-	-	-	-
At 31 December 2021	9,740,798	3,648,302	1,358,763	3,892,359	18,640,222
Loss for the year	-	-	-	(1,556,163)	(1,556,163)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	(1,556,163)	(1,556,163)
At 31 December 2022	9,740,798	3,648,302	1,358,763	2,336,196	17,084,059

The notes on pages 54 to 60 form part of these financial statements.

## Notes to the Company Financial Statements

for the year ended 31 December 2022

### 37. Accounting policies of the Company

#### *Statement of compliance*

The separate financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International accounting standards in conformity with the requirements of the Companies Act 2006 have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

#### *Disclosure exemptions applied*

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8:

- (i) the requirement of IFRS 7 'Financial Instruments: Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) the requirement of IFRS 13 'Fair Value Measurement' paragraphs 91 to 99 relating to the fair value measurement disclosures of financial assets and financial liabilities that are measured at fair value;
- (iii) the applicable requirements of IAS 1 'Presentation of Financial Statements' relating to the disclosure of comparative information in respect of the reconciliation of the carrying amount of property, plant and equipment (IAS 16.73(e));
- (iv) the requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (v) the requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d), 111 relating to the presentation of a Cash Flow Statement;
- (vi) the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraphs 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective; and
- (vii) the requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the Company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points (i) to (ii), the equivalent disclosures are included in the consolidated financial statements of the group into which the Company is consolidated.

The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements except as noted below.

Investments in subsidiaries and associates are stated at cost less, where appropriate, provisions for impairment.



## Notes to the Company Financial Statements (continued)

for the year ended 31 December 2022

### 38. Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	2022 Number	2021 Number
Production and distribution	1	1
Administration	4	4
Sales and marketing	2	2
	<u>7</u>	<u>7</u>

#### Employment costs

	2022 \$	2021 \$
Wages and salaries	1,305,993	1,265,891
Social security costs	172,779	159,241
Pension costs	59,258	50,847
	<u>1,538,030</u>	<u>1,475,979</u>

### 39. Property, plant and equipment

	Land \$	Short term leasehold improvements \$	Fixtures, fittings & equipment \$	Total \$
<b>Cost</b>				
As at 1 January 2022	21,306	80,520	361,460	463,286
Additions	-	-	2,632	2,632
Disposals	-	-	-	-
<b>As at 31 December 2022</b>	<u>21,306</u>	<u>80,520</u>	<u>364,092</u>	<u>465,918</u>
<b>Depreciation</b>				
As at 1 January 2022	-	67,657	323,473	391,130
Disposals	-	-	-	-
Charge	-	1,744	17,999	19,743
<b>As at 31 December 2022</b>	<u>-</u>	<u>69,401</u>	<u>341,472</u>	<u>410,873</u>
<b>Carrying amount</b>				
As at 31 December 2022	<u>21,306</u>	<u>11,119</u>	<u>22,620</u>	<u>55,045</u>
As at 31 December 2021	<u>21,306</u>	<u>12,863</u>	<u>37,987</u>	<u>72,156</u>

## Notes to the Company Financial Statements (continued)

for the year ended 31 December 2022

### 40. Right-of-use assets

For further details of the Company's right of use assets, please see note 12.

### 41. Interest in lease

For further details of the Company's interest in lease, please see note 18.

### 42. Investments

Details of the Company investments in subsidiaries and other participating interests are listed in notes 15 and 16.

	2022 \$	2021 \$
Investment in subsidiaries	15,461,341	15,461,341
Associates and other participating interests	3,160,972	3,160,972
	<u>18,622,313</u>	<u>18,622,313</u>

### 43. Inventories

	2022 \$	2021 \$
Raw materials	1,468,540	2,890,841
Finished goods	-	-
	<u>1,468,540</u>	<u>2,890,841</u>

### 44. Trade and other receivables

	2022 \$	2021 \$
<b>Current</b>		
Trade receivables	664,233	176,216
Amounts owed by subsidiary undertakings	15,138,603	12,807,543
Directors' loan account	54,089	53,467
VAT recoverable	27,505	-
Other receivables	6,095,878	286,308
Prepayments and accrued income	1,039,212	1,048,304
	<u>23,019,520</u>	<u>14,371,838</u>
<b>Non-Current</b>		
Other receivables	-	6,379,616

## Notes to the Company Financial Statements (continued)

for the year ended 31 December 2022

### 45. Trade and other payables

	2022	2021
	\$	\$
<b>Current</b>		
Trade payables	1,628,119	2,886,922
Amounts owed to subsidiary undertakings	5,838,675	6,773,290
VAT payable	-	14,941
Corporation tax	6,618	9,192
Other taxation and social security	266,205	144,731
Other payables	6,511,371	3,434,495
Accruals and deferred income	629,229	772,197
	<u>14,880,217</u>	<u>14,035,768</u>
<b>Non-current</b>		
Other payables	<u>-</u>	<u>-</u>

### 46. Borrowings

	2022	2021
	\$	\$
<b>Current</b>		
Bank overdrafts	5,090	39,246
Bank loans	5,000,000	6,104,380
Other loans	1,320,575	1,358,935
	<u>6,325,665</u>	<u>7,502,561</u>
<b>Non-current</b>		
Bank loans	-	-
Other loans	2,000,000	2,800,000
	<u>2,000,000</u>	<u>2,800,000</u>
<b>Total borrowings</b>	<u>8,325,665</u>	<u>10,302,561</u>

### Analysis of borrowings

	2022	2021
	\$	\$
In one year or less, or on demand	6,325,665	7,502,561
Between one and two years	800,000	800,000
Between two and five years	1,200,000	2,000,000
In five years or more	-	-
	<u>8,325,665</u>	<u>10,302,561</u>

Borrowings is made up of an overdraft, and bank loans bearing interest at 2.8% and 4.5% over 3 month LIBOR.

**Global Tea & Commodities Ltd**  
**Annual Report and Financial Statements**

**Notes to the Company Financial Statements (continued)**

for the year ended 31 December 2022

**47. Redeemable preference shares**

	2022	2021
	\$	\$
<b>Non-current</b>		
Redeemable preference shares	4,999,673	4,986,162
Dividend on redeemable preference shares	756,712	54,167
	<u>5,756,385</u>	<u>5,040,329</u>

During the year the company issued redeemable preference shares for \$13,511 to Brompton Holdco Limited. The preference shares are unsecured and redeemable after 8 years. The redeemable preference shares carry a coupon of 13% payable on redemption of the preference shares.

**48. Commitments under finance leases**

	<b>Minimum lease payments</b>	
	2022	2021
	\$	\$
<b>Amounts payable under finance leases</b>		
In one year or less	189,602	605,872
Between one and five years	381,200	426,379
In five years or more	166,881	300,360
	<u>737,683</u>	<u>1,332,610</u>
Future finance charges	(53,349)	(80,276)
Present value of lease obligation	<u>684,334</u>	<u>1,252,334</u>
	<b>Present value of minimum lease payments</b>	
	2022	2021
	\$	\$
<b>Amounts payable under finance leases</b>		
In one year or less	175,225	585,266
Between one and five years	345,313	376,095
In five years or more	163,796	290,973
Present value of lease obligation	<u>684,334</u>	<u>1,252,334</u>

Finance leases relate to the rental of property.

There are no restrictions imposed on the use of the assets.

## Notes to the Company Financial Statements (continued)

for the year ended 31 December 2022

### 49. Lease liabilities

	2022
Company	\$
<i>Deemed Cost:</i>	
At 1 January 2022	1,252,334
Interest charge for the year	186,970
Lease payments	(654,752)
Currency adjustment	(100,218)
At 31 December 2022	<u>684,334</u>

On 01 April 2021, the Company and sub-tenant surrendered the lease on part of the premises.

The maturity profile of the lease liabilities is as follows:

	2022	2021
	\$	\$
Due in less than one year	175,225	585,266
Due between 1-2 years	63,802	97,620
Due between 2-5 years	281,511	278,475
Due after more than 5 years	163,796	290,973
At 31 December	<u>684,334</u>	<u>1,252,334</u>

### 50. Derivative financial instruments

For further details of the Company's derivative financial instruments, please see note 27.

### 51. Post Balance sheet event

For further details of the Company's post balance sheet events, please see note 35.

## Notes to the Company Financial Statements (continued)

for the year ended 31 December 2022

### 52. Related party transactions

#### Key management personnel compensation

Key management personnel are considered to be the directors of the Company. Their remuneration has been disclosed in note 6.

#### Other related parties

During the year, the Company had the following transactions with other related parties:

	2022 \$	2021 \$
<i>Sales</i>		
Peerless Tea Services Limited	20,389	5,856
	<u>20,389</u>	<u>5,856</u>

During the year the Company charged interest of \$nil (2021: \$134,257) to Typhoo Tea Limited of which \$945,904 (2021: \$1,029,445) is outstanding at year end.

At the year end, the Company had the following balances with other related parties

	2022 \$	2021 \$
<b>Amounts due from Related Parties</b>		
Typhoo Tea Limited	4,887,538	5,350,171
Structured International Investments Corporation	-	-
Geyser International Assets Limited	59,356	61,807
Peerless Logistics Limited	8,550	8,550
Peerless Tea Services Limited	2,469	21,774
Sandhurst Management Inc.	49,765	55,663
	<u>5,007,678</u>	<u>5,497,965</u>
<b>Amounts due to Related Parties</b>		
Structured International Investments Corporation	1,635,898	2,055,439
	<u>1,635,898</u>	<u>2,055,439</u>

At year end as disclosed in note 19, \$54,089 (2021: \$53,467) is owed by the directors to the group.

The above related parties are considered to be "other related parties" as defined by IAS 24 Related Party Disclosures with the exception of Blue Mountain Tea and Commodities Limited, which is an associate.

### 53. Share capital

For further details of the Company's share capital, please see note 29.