

EAST AFRICAN TEA INVESTMENTS

(Charity Number: SC043093)

(Company Number: SC415526)

TRUSTEES' ANNUAL REPORT AND ACCOUNTS

31 MARCH 2023

EAST AFRICAN TEA INVESTMENTS
TRUSTEES' ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

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EAST AFRICAN TEA INVESTMENTS
FOR THE YEAR ENDED 31 MARCH 2023

TRUSTEES

Sir Ian C Wood
Peter Hesketh
David Knopp
Robert Unwin

COMPANY SECRETARY

Alistair Buchan

ORGANISATION

The day to day management of the charity is delegated to Sir Ian Wood, Chairman

PRINCIPAL ADDRESS

Blenheim House
Fountainhall Road
ABERDEEN
Scotland
AB15 4DT

AUDITOR

Anderson Anderson & Brown Audit LLP
Kingshill View
Prime Four Business Park
Kingswells
ABERDEEN
Scotland
AB15 8PU

BANKERS

Virgin Money
St Nicholas Branch
62 Union Street
ABERDEEN
AB10 1WD

SOLICITORS

Turcan Connell
Princes Exchange
1 Earl Grey Street
EDINBURGH
EH3 9EE

EAST AFRICAN TEA INVESTMENTS DIRECTORS' ANNUAL REPORT

The Directors submit their report and the audited financial statements of East African Tea Investments ("EATI") for the year ended 31 March 2023.

Legal and administrative information set out on the previous page forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association, The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

EATI is a joint venture company of The Wood Foundation and Gatsby Africa holding charitable investments as part of their joint projects to improve the livelihoods of large numbers of smallholder tea farmers in Rwanda and Tanzania.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of Governing Document

East African Tea Investments is a company limited by guarantee (company number SC415526) and a recognised charity in Scotland (charity number SC043093). The charitable company is governed by its Memorandum and Articles of Association.

Organisational Structure

The board of Directors administer the charitable company. Sir Ian Wood, Chairman, manages the day to day operations of the charitable company.

The Company's governing document is its Memorandum and Articles of Association.

Recruitment and Appointment of Directors

The powers for appointment and removal of Directors are set out in the Articles of Association.

It is the charitable company's policy to seek to appoint Directors who have a specific interest in its objects or whose skills can complement those already in place.

Induction and Training of Trustees

The Directors have been given appropriate information and training regarding their legal roles and responsibilities upon appointment to the Board.

Risk Management

The Directors have assessed the major risks to which the charitable company is exposed, in particular those related to the operations and finance of the Charity and are satisfied that systems are in place to manage the exposure to major risk.

EAST AFRICAN TEA INVESTMENTS DIRECTORS' ANNUAL REPORT

OBJECTIVES AND ACTIVITIES

East African Tea Investments chosen objectives are:

- (i) To promote and advance for the public benefit the prevention or relief of poverty and the advancement of citizenship or community development through, in particular, without prejudice to the foregoing generality, the encouragement and promotion of sustainable development; and
- (ii) The regeneration of communities, the maintenance or improvement of infrastructure of disadvantaged communities, and assisting disadvantaged communities in East Africa.

These aims are achieved by providing seed corn finance, professional support and other assistance to such communities or to disadvantaged individuals in such communities in setting up and running their own businesses for the benefit of the community or by establishing and running such businesses itself in order to provide employment, training and other opportunities for the benefit of those in need by reason of disadvantage and in furtherance of community development and regeneration in disadvantaged communities in East Africa.

STRATEGIC REPORT

The directors present their strategic report for the year ended 31 March 2023.

ASSESSMENT OF PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by EATI relate to climatic conditions, global tea prices and political stability. These risks are mitigated by choosing areas with a good history of tea growing conditions and ensuring adequate levels of committed funding are agreed or reserves are maintained to enable EATI to withstand any downturn, and by recruiting suitably qualified and experienced staff.

EXECUTIVE SUMMARY

EATI is a jointly controlled charitable company, set up during January 2012. It is a joint venture by The Wood Foundation ("TWF"), established by Sir Ian Wood and family in 2007, and Gatsby Africa ("Gatsby"), a charitable company incorporated in 2014, which is funded by the Gatsby Charitable Foundation, set up by Lord David Sainsbury in 1967.

EATI supports a range of smallholder tea development projects of TWF and Gatsby in Rwanda and Tanzania.

We continue to deliver on our long-term objectives owning one remaining tea factory in Rwanda and operating three services companies delivering large and long-term tea planting projects in Rwanda and Tanzania which are transforming not only the livelihoods of thousands of smallholder farmers plus their dependents, but also developing some of the poorest local economies in the region.

EAST AFRICAN TEA INVESTMENTS DIRECTORS' ANNUAL REPORT

CHARITABLE ACTIVITIES DURING THE 2021/22 YEAR:

EATI acquired two tea processing factories in Rwanda late 2012 with an intention to develop the businesses before eventually transferring our shares in each factory to be fully owned by the smallholder farmers once we recovered our principal investment at nil return and when they achieve certain capacity and governance KPI's. EATI transferred the first of these factories, Mulindi Factory Company Limited, at nil consideration in March 2022. The Wood Foundation Africa, a subsidiary charity of The Wood Foundation, continue as managing agent of Mulindi Factory Company Limited post-handover to ensure the business continues to operate for the full benefit of the smallholder farmer owners. EATI continue to work towards the eventual handover of the second factory, Shagasha Tea Company Limited, on a similar basis to Mulindi over the next few years.

We continue to operate three tea development services companies each tasked with developing between 2,500 and 4,000 hectares of tea on smallholder farmer-owned land. These are large, long-term projects to improve the livelihoods of the large number of smallholder tea farmers involved. Each services company provides a full range of patient loans, agronomic training and logistics services to support the farmers to plant and cultivate their own tea farm.

The services companies are funded by patient loans at nil interest advanced from EATI and the factory owners. A proportion of the EATI funding is being ultimately provided by the UK Government Foreign, Commonwealth & Development Office's UKAid Programme.

Charitable activity spend by EATI in the year was £6.3 million, largely comprising trading costs in the subsidiary tea companies.

PLANS FOR FUTURE YEAR

The business plan for the coming year is to continue with the ongoing projects in the tea sector in Rwanda and Tanzania.

FINANCIAL REVIEW

The net incoming/(outgoing) resources for the year, amounting to £1.5m (2022 - £(0.9)m) have been dealt with as shown in the Statement of Financial Activities.

The Directors have prepared financial statements which are in accordance with current statutory requirements, the Memorandum and Articles of Association and the 2015 Statement of Recommended Practice – Accounting and Reporting by Charities.

The income of the Charity for the year ending 31 March 2023 was £7.6m (2022 - £14.2m) which includes £1.8m (2022 - £2.3m) of grants received from The Wood Foundation Africa and £5.4m (2022 - £11.6m) of incoming resources from charitable activities. Charitable expenditure for the year was £6.3m (2022 - £15.1m), as detailed in Note 6.

At the year end EATI held £1.5m (2022 - £3.1m) in cash at bank, largely comprising bank balances in the subsidiary tea factories.

EAST AFRICAN TEA INVESTMENTS DIRECTORS' ANNUAL REPORT

RESERVES

Projects are funded through a combination of grant funding from EATI members, The Wood Foundation and Gatsby Africa, other donors including the Foreign, Commonwealth and Development Office's UK Aid programme, and investment returns from the subsidiary companies.

Total reserves held at 31 March 2023 were £18.9m (2022 - £17.8m), of which £2.6m (2022 - £25.5m) were held in restricted reserves which relates to the balance not yet recovered from the investment in one of the tea factories in Rwanda. The services companies provide long-term funding and operational support to enable large numbers of smallholder tea farmers to plant out tea and a consequence is that Njombe Outgrowers Services Company Limited, Services Company Outgrowers Nyaruguru North Limited and Rugabano Outgrowers Services Limited are budgeted to incur losses in the initial years resulting in a deficit in reserves. Costs will be recovered over the long term (approximately 20 years). Unrestricted funds at 31 March 2023 were £16.3m (2022 - £(7.6m)).

The Directors are satisfied that the level of reserves held at 31 March 2023 is in line with the Reserves Policy, and will be used for ongoing project expenditure.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

AUDITOR

Anderson, Anderson & Brown Audit LLP have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

The directors' report and strategic report was approved by the board of directors and signed on its behalf.


Director - Sir Ian Wood

19 DECEMBER 2023
Date

EAST AFRICAN TEA INVESTMENTS DIRECTORS' RESPONSIBILITIES STATEMENT

The directors (who are also trustees of East African Tea Investments for the purposes of charity law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare the financial statements for each year.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 the affairs of the company and the group and of the incoming resources and application of resources of the company and the group for that year. In preparing these financial statements, the directors are required to:

- Observe the methods and principles in the charities SORP;
- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF EAST AFRICAN TEA INVESTMENTS

Opinion

We have audited the financial statements of East African Tea Investments (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Charity statement of financial activities, the Consolidated balance sheet, the Charity balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 opinion.

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 charitable 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 Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF EAST AFRICAN TEA INVESTMENTS (continued)

Opinion on other matters prescribed by the companies act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements
- the Directors' report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the directors (who are also the directors of the charitable company for the purposes of company law) 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the companies Act 2006 report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF EAST AFRICAN TEA INVESTMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and The Charities and Trustee Investment (Scotland) Act 2005, together with the Charities SORP (FRS102) 2019. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were Anti-fraud, bribery and corruption legislation, Taxation legislation, Health and safety legislation and Charity regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the charity's key performance indicators to meet targets;
- Timing and completeness of revenue recognition; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the charity needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.
- Testing a sample of income transactions to source documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS AND MEMBERS OF
EAST AFRICAN TEA INVESTMENTS (continued)**

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and directors 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 charitable company, its members, as a body, and its trustees, as a body for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson and Brown Audit LLP

Graeme Penman (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP
Statutory Auditor
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

Date: *19 December 2023*

EAST AFRICAN TEA INVESTMENTS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,788	202	1,990	2,473
Charitable activities	5	5,426	-	5,426	11,616
Investments	4	168	-	168	147
TOTAL		7,382	202	7,584	14,236
EXPENDITURE ON:					
Charitable activities	6	6,310	-	6,310	15,087
TOTAL		6,310	-	6,310	15,087
NET INCOME BEFORE NON-CONTROLLING INTERESTS		1,072	202	1,274	(851)
Non-controlling interests	13	190	-	190	(43)
		1,262	202	1,464	(894)
CONSOLIDATED OTHER RECOGNISED GAINS AND LOSSES					
Non-controlling interests movement	21	(447)	-	(447)	(2,702)
Movement on foreign exchange of net investment in overseas operations	21	46	-	46	13
Reserve transfers	21	23,098	(23,098)	-	-
		23,959	(22,896)	1,063	(3,583)
RECONCILIATION OF FUNDS					
Total funds brought forward		(7,639)	25,462	17,823	21,406
Total funds carried forward	21	16,320	2,566	18,886	17,823

The notes on pages 16 to 27 form part of the financial statements

EAST AFRICAN TEA INVESTMENTS**STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	2022 £'000
INCOME AND ENDOWMENTS FROM:					
Donations and legacies	3	1,788	202	1,990	2,473
Investments	4	461	-	461	332
TOTAL		<u>2,249</u>	<u>202</u>	<u>2,451</u>	<u>2,805</u>
EXPENDITURE ON:					
Charitable activities	6	(641)	-	(641)	2,185
TOTAL		<u>(641)</u>	<u>-</u>	<u>(641)</u>	<u>2,185</u>
NET MOVEMENT IN FUNDS	9	2,890	202	3,092	620
OTHER MOVEMENTS					
Reserve transfers	21	21,537	(21,537)	-	-
RECONCILIATION OF FUNDS					
Total funds brought forward	21	256	23,901	24,157	23,537
Total funds carried forward	21	<u>24,683</u>	<u>2,566</u>	<u>27,249</u>	<u>24,157</u>

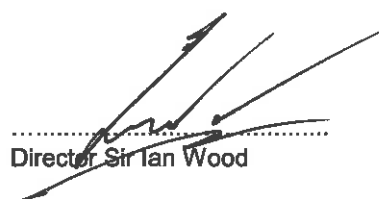
The charity has made no gains or losses other than as reported above.

The notes on pages 16 to 27 form part of the financial statements

EAST AFRICAN TEA INVESTMENTS
COMPANY NUMBER: SC415526
CONSOLIDATED BALANCE SHEET - 31 MARCH 2023

	Note	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible fixed assets	14	<u>2,661</u>	<u>2,560</u>
CURRENT ASSETS			
Stocks	15	1,507	1,642
Debtors	16	15,713	12,754
Cash at bank and in hand		<u>1,509</u>	<u>3,064</u>
		18,729	17,460
CREDITORS: <i>amounts falling due within one year</i>	17	<u>(1,718)</u>	<u>(1,728)</u>
NET CURRENT ASSETS		<u>17,011</u>	<u>15,732</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		19,672	18,292
CREDITORS: <i>amounts falling due after more than one year</i>	17	<u>(786)</u>	<u>(469)</u>
NET ASSETS		<u><u>18,886</u></u>	<u><u>17,823</u></u>
FUNDS			
Unrestricted			
General	21	18,685	(5,163)
Non-controlling interests	21	(1,064)	(2,476)
Exchange reserve	21	<u>(1,301)</u>	<u>-</u>
		16,320	(7,639)
Restricted funds			
Tea Charitable Investment Fund	21	2,566	24,950
Non-controlling interests	21	-	1,859
Exchange reserve	21	<u>-</u>	<u>(1,347)</u>
		2,566	25,462
TOTAL FUNDS		<u><u>18,886</u></u>	<u><u>17,823</u></u>

Signed on behalf of the Board of Directors


 Director Sir Ian Wood

19 DECEMBER 2023
 Date

The notes on pages 16 to 27 form part of the financial statements

EAST AFRICAN TEA INVESTMENTS
COMPANY NUMBER: SC415526
BALANCE SHEET - 31 MARCH 2023

	Note	2023 £'000	2022 £'000
FIXED ASSETS			
Investments	12	<u>2,412</u>	<u>2,412</u>
		2,412	2,412
CURRENT ASSETS			
Debtors	16	24,470	20,313
Cash at bank and in hand		<u>898</u>	<u>1,745</u>
		25,368	22,058
CREDITORS: amounts falling due within one year	17	<u>(531)</u>	<u>(313)</u>
NET CURRENT ASSETS		<u>24,837</u>	<u>21,745</u>
NET ASSETS		<u>27,249</u>	<u>24,157</u>
FUNDS			
Unrestricted funds	21	24,683	256
Restricted funds	21	<u>2,566</u>	<u>23,901</u>
		<u>27,249</u>	<u>24,157</u>

Signed on behalf of the Board of Directors

.....
Director, Sir Ian Wood

.....
19 DECEMBER 2023
Date

The notes on pages 16 to 27 form part of the financial statements

EAST AFRICAN TEA INVESTMENTS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Net cash (outflow)/inflow from operating activities			
Net income for the year		1,274	(851)
Depreciation of tangible fixed assets		437	844
Loss on disposal of subsidiary		-	3,297
(Increase)/decrease in stocks		135	(406)
(Increase)/decrease in debtors		(2,909)	(3,791)
Increase in creditors		(190)	129
Taxation charge		194	-
Taxation paid		(50)	(36)
Foreign exchange arising on consolidation		(19)	(74)
Net cash (used)/provided in operating activities		<u>(1,128)</u>	<u>(888)</u>
Cashflow from investing activities			
Cash disposed with subsidiaries		-	(1,648)
Purchase of tangible fixed assets		<u>(598)</u>	<u>(565)</u>
		<u>(1,726)</u>	<u>(3,101)</u>
Cashflow from financing activities			
Loan received		317	59
Dividends paid to non-controlling interests		<u>(146)</u>	<u>-</u>
Net cash provided/(used) in financing activities		171	59
Decrease in cash and cash equivalents	21	<u><u>(1,555)</u></u>	<u><u>(3,042)</u></u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Decrease in cash in the year		(1,555)	(3,042)
Net funds at 31 March 2022		3,064	6,106
Net funds at 31 March 2023	21	<u><u>1,509</u></u>	<u><u>3,064</u></u>

The notes on pages 16 to 27 form part of the financial statements

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

1. ACCOUNTING POLICIES

(a) Basis of accounts preparation

The financial statements are prepared under the historical cost convention, in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The company constitutes a public benefit entity as defined by FRS 102.

(b) Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Consolidation

These financial statements consolidate the accounts of East African Tea Investments, Njombe Outgrowers Services Company Ltd, Services Company Outgrowers Nyaruguru Ltd, Rugabano Outgrowers Services Ltd and Shagasha Tea Company Ltd. The results of subsidiaries acquired during the year are included from the effective date of acquisition.

(d) Acquisition accounting

Business combinations are accounted for by acquisition accounting. The identifiable assets and liabilities of the companies acquired are included in the group's consolidated balance sheet and at their fair value at the date of acquisition. The results and cash flows of the acquired companies are brought into the group financial statements only from the date of acquisition. The difference between the fair value of the net identifiable assets acquired and the fair value of the purchase consideration is treated as either positive or negative goodwill and is amortised on a straight-line basis, over its useful economic life.

(e) Income

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income can be measured reliably.

i) Donations and legacies

Donations and legacies are included in the Statement of Financial Activities in the year in which they are receivable.

ii) Investment income

Income from investments is included in the Statement of Financial Activities in the year in which it is receivable. Investment income includes the computed tax credit and tax deducted at source.

iii) Charitable activities

Income from charitable activities is the sale of goods through the normal course of the subsidiaries activities.

Income from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of income can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(f) *Expenditure*

Liabilities are recognised when the charity has an obligation to make a payment to a third party.

Expenditure is directly attributed to the relevant category in the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis based on the anticipated allocation between the three main areas of investment.

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

Grants or instalments of grants offered in connection with projects with institutions are charged to the Statement of Financial Activities in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional and the conditions are within the control of the charity, such grants being recognised as expenditure when payment is made.

Conditional grants where the conditions are outwith the control of the charity are charged to the Statement of Financial Activities in full in the year in which the offer is conveyed.

Grants which have been conveyed in the year but not recognised as expenditure are disclosed as contingent liabilities in the financial statements.

Governance costs are included within support costs and include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

(g) *Taxation*

The charity is recognised by HM Revenue & Customs as a charity and, as a consequence of the tax reliefs available in relation to the current year, certain income streams are not liable to taxation.

In the trading subsidiaries current tax is based on assessable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes or includes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that are enacted or substantively enacted by the balance sheet date.

(h) *Fixed asset investments*

Fixed asset investments are included at cost at the year end. Gains and losses on disposal or revaluation of investments are charged or credited to the Statement of Financial Activities and form part of the fund in which the asset is held.

(i) *Intangible fixed assets and amortisation*

Goodwill arising on the acquisition of subsidiary undertakings is capitalised and amortised on a straight line basis over its useful economic life, which is 5 years, the year over which, in the opinion of the directors, the company will derive direct economic benefit from the goodwill acquired as part of that business. The group tests goodwill for impairment if there are indications that the goodwill might be impaired and provision would be made for any impairment identified in this review.

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

1. ACCOUNTING POLICIES (continued)

(j) Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation.

The cost of fixed assets is their purchase cost together with any directly related costs of acquisition.

The cost of fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Freehold buildings	40 years
Plant and machinery	3 years and 10 years
Bearer plants	30 - 60 years

The fair value of agricultural produce grown on the bearer plants is deemed to be insignificant and is therefore not recognised in these financial statements.

(k) Stocks

Stocks are valued at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

(l) Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(m) Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the Statement of Financial Activities over the period of the lease.

Rentals paid under operating leases are charged to income on straight-line basis over the lease term.

(n) Foreign currencies

Assets, liabilities, revenues and costs denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the Statement of Financial Activities.

1. ACCOUNTING POLICIES (continued)

(o) *Joint arrangements*

Where the charity enters into a joint arrangement, such that it carries out activities in partnership with other bodies, without forming a separate legal partnership, then the charity's gross share of the incoming resources and resources expended and the assets and liabilities are included in the financial statements.

(p) *Funds*

Unrestricted funds include incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds. These funds can be used in accordance with the charitable objects at the discretion of the directors.

Restricted funds are to be used for specific purposes as laid down by the donor.

(q) *Pensions*

Eligible employees are members of defined contribution pension schemes. Pension costs charged to the Statement of Financial Activities represents the contributions payable by the Group in the year.

(r) *Financial instruments*

The charitable company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to related and third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported during the year for income and expenditure. However, the nature of estimation means that actual outcomes could differ from those estimates. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following judgements and estimates have had the most significant impact on the amounts recognised in the financial statements:

Useful economic life of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. Useful lives and residual values are reassessed annually. They are assessed where necessary to reflect current estimates based on economic utilisation and physical condition.

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

3 DONATIONS AND LEGACIES

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Donations - restricted	202	202	2,473	2,473
Donations - unrestricted	1,788	1,788	-	-
	<u>1,990</u>	<u>1,990</u>	<u>2,473</u>	<u>2,473</u>

In addition to the above the company benefited from certain administrative functions from JW Holdings Limited which were provided without charge.

4 INCOME FROM INVESTMENTS

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Loan interest receivable	168	168	147	332
Dividends received	-	293	-	-
	<u>168</u>	<u>461</u>	<u>147</u>	<u>332</u>

In 2023 and 2022, all income from investments was to unrestricted funds.

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Incoming resources and resources expended in respect of charitable activities relate to the operation of the services companies and tea factories in East Africa through the subsidiary companies as follows:

Group	2023 Services Company Outgrowers Nyaruguru £'000	2023 Rugabano Outgrowers Services £'000	2023 Njombe Outgrowers Services £'000	2023 Mulindi Factory Company £'000	2023 Shagasha Tea Company £'000	2023 Incoming Resources £'000	2023 Resources Expended £'000
Turnover	46	32	186	-	4,854	5,118	
Cost of sales	(89)	(117)	(143)	-	(4,075)		(4,424)
	(43)	(85)	43	-	779	5,118	(4,424)
Other income	73	20	-	-	215	308	
Distribution costs	-	-	(63)	-	(89)		(152)
Administrative expenses	(381)	(423)	(440)	-	(414)		(1,658)
Interest payable and similar charges	-	-	-	-	-		-
(Loss)/gain on foreign exchange	(153)	(212)	(40)	-	28		(377)
	(504)	(700)	(500)	-	519		
Tax on profit on ordinary activities (note 8)	(4)	(4)	(1)	-	(186)		(195)
	<u>(508)</u>	<u>(704)</u>	<u>(501)</u>	<u>-</u>	<u>333</u>		
Consolidation adjustments						5,426	(6,806)
Depreciation of fair value adjustments							(196)
Elimination of foreign exchange on dividends							74
Elimination of foreign exchange on Intercompany loans and interest							(23)
Elimination of Intercompany loan interest							-
Total unrestricted income/(expenditure)						<u>5,426</u>	<u>(6,951)</u>

Mulindi Factory Company was disposed in the prior year and accordingly the 2022 financial results are considered to be discontinued in nature.

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES (continued)

Incoming resources and resources expended in respect of charitable activities relate to the operation of the services companies and tea factories in East Africa through the subsidiary companies as follows:

Group	2022 Services Company Outgrowers Nyanuguru	2022 Rugabano Outgrowers Services	2022 Njombe Outgrowers Services	2022 Mulindi Factory Company	2022 Shagasha Tea Company	2022 Incoming Resources	2022 Resources Expended
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	22	16	75	7,238	4,135	11,486	
Cost of sales	(25)	(47)	(100)	(6,269)	(3,527)		(9,968)
	(3)	(31)	(25)	969	608	11,486	(9,968)
Other income	17	2	3	83	25	130	
Distribution costs	-	-	(38)	(148)	(85)		(271)
Administrative expenses	(215)	(793)	(347)	(183)	(165)		(1,703)
Interest payable and similar charges	-	-	-	-	(190)		(190)
(Loss)/gain on foreign exchange	(31)	(39)	(14)	174	26		116
	(232)	(861)	(421)	895	219		
Tax on profit on ordinary activities (note 8)	-	1	-	(153)	(41)		(193)
	(232)	(860)	(421)	742	178		
						11,616	(12,209)
Consolidation adjustments							
Depreciation of fair value adjustments							(367)
Elimination of foreign exchange on intercompany loans and interest							(1)
Elimination of intercompany loan interest							186
Total unrestricted income/(expenditure)						11,616	(12,391)

6 EXPENDITURE ON CHARITABLE ACTIVITIES (continued)

Group	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Resources expended from Charitable Activities (note 5)	6,951	-	6,951	12,391
Grant payments	522	-	522	3,600
Loan balance written off	-	-	-	17
Support costs:				
Exchange differences	(1,177)	-	(1,177)	(932)
Governance costs (note 7)	14	-	14	11
	6,310	-	6,310	15,087

In 2022, £16,008,000 of expenditure on charitable activities was from unrestricted funds and £(921,000) was from restricted funds.

Company	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Grant payments (note 23)	522	-	522	3,089
Loan balance written off	-	-	-	17
Support costs:				
Exchange differences	(1,177)	-	(1,177)	(932)
Governance costs (note 7)	14	-	14	11
	(641)	-	(641)	2,185

In 2022, £3,106,000 of expenditure on charitable activities was from unrestricted funds and £(921,000) was from restricted funds.

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

7 GOVERNANCE COSTS

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Auditor's remuneration	<u>14</u>	<u>14</u>	<u>11</u>	<u>11</u>

8 TAXATION

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Overseas corporation tax	244	-	238	-
Deferred tax charge (note 18)	<u>(49)</u>	<u>-</u>	<u>(46)</u>	<u>-</u>
	<u>195</u>	<u>-</u>	<u>192</u>	<u>-</u>

Overseas income tax is charged on taxable profits generated by the group's operations in Rwanda. Tax is charged at the Rwanda Revenue Authority's rate of 30%. No tax has been incurred on the groups trading in Tanzania due to losses incurred since incorporation.

9 NET MOVEMENT IN TOTAL FUNDS FOR THE YEAR is stated after charging:

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Depreciation - owned assets	437	-	844	-
Net exchange (gains)/ losses on foreign currency	(800)	(1,177)	(1,048)	(932)
Auditor's remuneration - audit fees	<u>14</u>	<u>14</u>	<u>11</u>	<u>11</u>

10 STAFF COSTS AND NUMBERS

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Staff costs:				
Wages and salaries	1,286	-	1,439	-
Social security	<u>80</u>	<u>-</u>	<u>87</u>	<u>-</u>
	<u>1,366</u>	<u>-</u>	<u>1,526</u>	<u>-</u>

The average number of persons employed by the Group and Company during the year was as follows:

	2023		2022	
	Group No	Company No	Group No	Company No
Management and administration	31	-	37	-
Operations	<u>469</u>	<u>-</u>	<u>876</u>	<u>-</u>
	<u>500</u>	<u>-</u>	<u>913</u>	<u>-</u>

There were no employees whose emoluments, excluding pension contributions, totalled over £60,000 during the year.

11 DIRECTORS' EMOLUMENTS AND EXPENSES

The Directors received no remuneration from the Company during the year.

No Directors received expenses from the Company during the year.

No employees other than the Directors are considered to be key management personnel.

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

12 INVESTMENTS

Investments held in subsidiaries:

	2023	2022
	Shares in	Shares in
	group	group
	undertakings	undertakings
	£'000	£'000
Company Cost		
At 1 April 2022	2,412	5,198
Disposals	-	(2,786)
At 31 March 2023	<u>2,412</u>	<u>2,412</u>

The subsidiaries included in investments are as follows:

Name	County	Ownership	Description
Shagasha Tea Company Limited	Rwanda	60%	Operation of tea factories
Njombe Outgrowers Services Company Limited	Tanzania	51%	Operation of tea service company
Services Company Outgrowers Nyaruguru North Limited	Rwanda	100%	Operation of tea service company
Rugabano Services Company Limited	Rwanda	100%	Operation of tea service company

Details of the charitable objectives of these investments are included in the directors' report.

13 NON-CONTROLLING INTEREST

Non-controlling interest in the consolidated statement of financial activities of £(190,000) (2022 – £43,000) represents the share of subsidiary undertakings' results for the year which does not belong to the group.

The balance sheet figure at 31 March 2023 of £(1,064,000) (2022 - £(617,000)) represents the percentage of the subsidiary undertakings' net assets at that date, which do not belong to the group.

14 TANGIBLE FIXED ASSETS

	Assets under construction £'000	Freehold land & buildings £'000	Plant & machinery £'000	Bearer plants £'000	Total £'000
Group					
Cost or valuation					
At 1 April 2022	+	2,160	3,259	874	6,293
Additions	30	82	478	8	598
Foreign exchange movement	(1)	(50)	(89)	(20)	(160)
At 31 March 2023	<u>29</u>	<u>2,192</u>	<u>3,648</u>	<u>862</u>	<u>6,731</u>
Depreciation					
At 1 April 2022	+	338	2,707	688	3,733
Charge for the year	+	45	348	44	437
Foreign exchange movement	-	(11)	(70)	(19)	(100)
At 31 March 2023	<u>-</u>	<u>372</u>	<u>2,985</u>	<u>713</u>	<u>4,070</u>
Net book value					
At 31 March 2023	<u>29</u>	<u>1,820</u>	<u>663</u>	<u>149</u>	<u>2,661</u>
At 31 March 2022	<u>-</u>	<u>1,822</u>	<u>552</u>	<u>186</u>	<u>2,560</u>

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

15 STOCKS

	Group	Group
	2023	2022
	£'000	£'000
Made tea	728	497
Nurseries	447	799
Other	332	346
	<u>1,507</u>	<u>1,642</u>

16 DEBTORS

	2023		2022	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Trade debtors	8,825	-	6,636	-
Amounts due from subsidiaries	-	-	-	216
Amounts due from related undertakings	172	172	605	605
Loans to subsidiary undertakings	-	18,811	-	14,136
Other loans	5,660	5,660	5,330	5,330
Other debtors	1,006	27	183	26
Overseas tax recoverable	-	-	-	-
Deferred tax asset	50	-	-	-
	<u>15,713</u>	<u>24,470</u>	<u>12,754</u>	<u>20,313</u>

East African Tea Investments has made loans to Lipton Teas Limited for factory and tea estate capital expenditure purposes. The loan bears interest at 3.2% on 7 year bullet repayment terms.

Loans to subsidiary undertakings are included within debtors due within one year however the loans are provided to finance the operations of the subsidiary entities and as such are expected to be recovered in more than one year.

Loans to subsidiary undertakings includes a loan due from our services company in Tanzania. Whilst there is a degree of uncertainty that this will be recovered in full, the full outstanding balance is carried as an asset pending a future decision by the company on what may be regarded as non-recoverable as a charitable activity. The Trustees are therefore satisfied that the carrying value of the debtor balance is appropriate given the potential for future recovery or future value to be passed to the charity beneficiaries.

17 CREDITORS: amounts falling due within one year

	2023		2022	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Trade creditors	605	-	497	-
Amounts due to related undertakings	631	521	1,047	303
Other creditors	274	-	156	-
Accruals and deferred income	10	10	10	10
Corporation tax	198	-	18	-
	<u>1,718</u>	<u>531</u>	<u>1,728</u>	<u>313</u>

CREDITORS: amounts falling due more than one year

Other creditors	<u>786</u>	<u>-</u>	<u>469</u>	<u>-</u>
	<u>786</u>	<u>-</u>	<u>469</u>	<u>-</u>

18 DEFERRED TAXATION

	Group	Group
	2023	2022
	£'000	£'000
At 1 April 2022	-	(77)
Charge in the year	(49)	(46)
Disposals	-	123
Foreign exchange movement	(1)	-
At 31 March 2023	<u>(50)</u>	<u>-</u>

In addition to the above, a deferred tax asset of £2,050,000 (2022 - £1,522,000) in respect of tax losses has not been recognised due to uncertainty over its future recoverability.

19 PROVISION FOR LIABILITIES AND CHARGES

The provision for deferred taxation is made up as follows:

	Group 2023 £'000	Group 2022 £'000
Fixed asset timing differences	50	-
Other timing differences	-	-
	<u>50</u>	<u>-</u>
	Group 2023 £'000	Group 2022 £'000
Comprising:		
Asset	50	-
Liability	-	-
	<u>50</u>	<u>-</u>

20 FINANCIAL INSTRUMENTS

	2023		2022	
	Group £'000	Company £'000	Group £'000	Company £'000
Financial assets				
Financial assets measured at fair value through profit or loss	1,509	898	3,064	1,745
Financial assets measured at amortised cost	<u>15,663</u>	<u>24,470</u>	<u>12,754</u>	<u>20,313</u>
	<u>17,172</u>	<u>25,368</u>	<u>15,818</u>	<u>22,058</u>
	Group £'000	Company £'000	Group £'000	Company £'000
Financial liabilities				
Financial assets measured at amortised cost	<u>2,296</u>	<u>14</u>	<u>2,169</u>	<u>11</u>
	<u>2,296</u>	<u>14</u>	<u>2,169</u>	<u>11</u>

EAST AFRICAN TEA INVESTMENTS
NOTES ON THE CONSOLIDATED ACCOUNTS - 31 MARCH 2023

21 MOVEMENT IN FUNDS

Group	At 31 March 2022 £'000	Incoming resources £'000	Resources expended £'000	Other movement £'000	Reserve transfers £'000	At 31 March 2023 £'000
Unrestricted						
General fund	(5,163)	7,382	(6,310)	190	22,586	18,685
Non-controlling interests	(2,476)	-	-	(447)	1,859	(1,064)
Foreign exchange reserve	-	-	-	46	(1,347)	(1,301)
	<u>(7,639)</u>	<u>7,382</u>	<u>(6,310)</u>	<u>(211)</u>	<u>23,098</u>	<u>16,320</u>
Restricted						
Tea charitable investment fund	24,950	202	-	-	(22,586)	2,566
Non-controlling interests	1,859	-	-	-	(1,859)	-
Foreign exchange reserve	(1,347)	-	-	-	1,347	-
	<u>25,462</u>	<u>202</u>	<u>-</u>	<u>-</u>	<u>(23,098)</u>	<u>2,566</u>
Total	<u>17,823</u>	<u>7,584</u>	<u>(6,310)</u>	<u>(211)</u>	<u>-</u>	<u>18,886</u>
Company						
	At 31 March 2022 £'000	Incoming resources £'000	Resources expended £'000	Other movement £'000	Reserve transfers £'000	At 31 March 2023 £'000
Unrestricted						
General fund	256	2,249	641	-	21,537	24,683
Restricted						
Tea charitable investment fund	23,901	202	-	-	(21,537)	2,566
Total	<u>24,157</u>	<u>2,451</u>	<u>641</u>	<u>-</u>	<u>-</u>	<u>27,249</u>

Unrestricted funds are generated by trading activities along with interest receivable on investments.

Restricted funds relate to funds received for the investment in tea factories in East Africa together with reserves which have arisen as a result of this investment, and funds received for funding the services companies. Following written agreement received from the original funders, on the basis that the restrictions are now satisfied, all amounts recovered from the investments in these tea factories and certain amounts received to fund services company subsidiaries in Rwanda have been transferred from restricted funds to unrestricted funds.

The comparative figures for 2022 were:

Group	At 31 March 2021 £'000	Incoming resources £'000	Resources expended £'000	Other movement £'000	At 31 March 2022 £'000
Unrestricted					
General fund	(875)	11,763	(16,008)	(43)	(5,163)
Non-controlling interests	(1,687)	-	-	(789)	(2,476)
	<u>(2,562)</u>	<u>11,763</u>	<u>(16,008)</u>	<u>(832)</u>	<u>(7,639)</u>
Restricted					
Tea charitable investment fund	21,556	2,473	921	-	24,950
Non-controlling interests	3,772	-	-	(1,913)	1,859
Foreign exchange reserve	(1,360)	-	-	13	(1,347)
	<u>23,968</u>	<u>2,473</u>	<u>921</u>	<u>(1,900)</u>	<u>25,462</u>
Total	<u>21,406</u>	<u>14,236</u>	<u>(15,087)</u>	<u>(2,732)</u>	<u>17,823</u>
Company					
	At 31 March 2021 £'000	Incoming resources £'000	Resources expended £'000	Other movement £'000	At 31 March 2022 £'000
Unrestricted					
General fund	3,030	332	(3,106)	-	256
Restricted					
Tea charitable investment fund	20,507	2,473	921	-	23,901
Total	<u>23,537</u>	<u>2,805</u>	<u>(2,185)</u>	<u>-</u>	<u>24,157</u>

Unrestricted funds are generated by trading activities along with interest receivable on investments.

Restricted funds relate to funds received for the investment in tea factories in East Africa together with reserves which have arisen as a result of this investment, and funds received for funding the services companies. Following written agreement received from the original funders, on the basis that the restrictions are now satisfied, all amounts recovered from the investments in these tea factories and certain amounts received to fund services company subsidiaries in Rwanda have been transferred from restricted funds to unrestricted funds.

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21 MOVEMENT IN FUNDS (continued)

Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	2023 Total funds £'000
Group			
Tangible fixed assets	2,661	-	2,661
Net current assets/(liabilities)	14,445	2,566	17,011
Creditors due in more than one year	(786)	-	(786)
At 31 March 2023	<u>16,320</u>	<u>2,566</u>	<u>18,886</u>
Company			
Investments	2,412	-	2,412
Net current assets	22,271	2,566	24,837
At 31 March 2023	<u>24,683</u>	<u>2,566</u>	<u>27,249</u>

The comparative figures for 2022 were:

	Unrestricted funds £'000	Restricted funds £'000	2022 Total funds £'000
Group			
Tangible fixed assets	-	2,560	2,560
Net current assets	(7,639)	23,371	15,732
Creditors due in more than one year	-	(469)	(469)
At 31 March 2022	<u>(7,639)</u>	<u>25,462</u>	<u>17,823</u>
Company			
Investments	-	2,412	2,412
Net current assets	256	21,489	21,745
At 31 March 2022	<u>256</u>	<u>23,901</u>	<u>24,157</u>

22 ANALYSIS OF CHANGES IN NET FUNDS

	At 31 March 2022 £'000	Cash Flow £'000	Non-cash changes £'000	At 31 March 2023 £'000
Cash at bank and in hand	<u>3,064</u>	<u>(1,555)</u>	<u>-</u>	<u>1,509</u>
	<u>3,064</u>	<u>(1,555)</u>	<u>-</u>	<u>1,509</u>

23 RELATED PARTY TRANSACTIONS

Control

Throughout the year the Group was controlled by the Board of Directors.

Transactions

During the year, the group was recharged certain costs and was charged management fees totalling £Nil (2022 - £1,337,000) by The Wood Foundation Africa, a subsidiary of The Wood Foundation, an entity with joint control of East African Tea Investments. The total amount outstanding in relation to these transactions at the year end was £Nil (2022 - £1,237,000). During the year the group paid grants to The Wood Foundation Africa of £521,000 (2022 - £304,000). The total amount outstanding in relation to these grants at the year end was £521,000 (2022 - £304,000). In addition, grants of £1,787,000 (2022 - £2,293,000) were received from The Wood Foundation Africa in the year. The total amounts outstanding in relation to the grant transactions at the year end was £172,000 (2022 - £605,000).

24 LEGAL STATUS

East African Tea Investments is a company limited by guarantee and not having a share capital. The members' liability in the event of winding up is limited by guarantee not exceeding £1 per member.

