



Flamingo Group International Limited

Annual Report 2024



Flamingo Group International Limited ('The Group') is a leading supplier and grower of flowers, plants and produce into the UK and European retail markets. We aim to be the world's most resilient and best value farm-direct grower, at the lowest environmental footprint. We operate our own farms across Kenya, Ethiopia and France and have developed a strategic global network of growing partners, with an emphasis on packing at source.

There are four lines of business in the Group: Afriflora, one of the world's largest straight-line rose growers; Flamingo Flowers, grows and sells all-year-round flowers into the UK and Europe; Bigot Seasonals, grows and sells seasonal flowers in France; and Flamingo Produce, grows and sells all-year-round produce into the UK.

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Business in Numbers

Revenue Growth (%)

1%

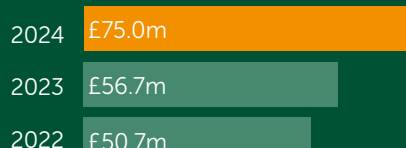


Definition

Year on year revenue growth expressed as a percentage.

Adjusted EBITDA (£m)

£75.0m

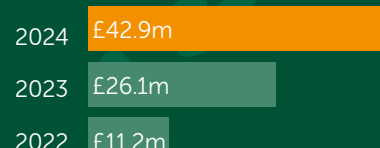


Definition

EBITDA is calculated by adding back to Operating Profit amortisation and depreciation, gains/losses on disposal of tangible, intangible and right-of-use assets, and impairments. We then adjust for Exceptional and Material items (see Notes 6 and 7 on page 87).

Operating Cash Flow (£m)

£42.9m

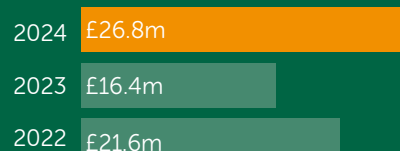


Definition

Adjusted EBITDA less capital expenditure, lease costs, exceptional and material cash items, and net working capital.

Capital Expenditure (£m)

£26.8m

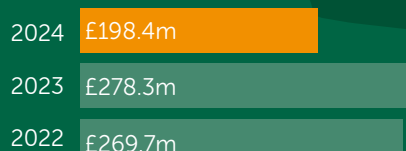


Definition

The total costs of property, plant and equipment and intangible assets of which the Group takes ownership within a financial period.

Net Debt (£m)

£198.4m



Definition

Total external debt including IFRS16 lease liabilities, net of cash on balance sheet. Refer to a breakdown in the Capital Structure, Net debt and leverage section is on page 123.

Leverage (times)

2.48



Definition

Net Debt as per Senior Secured Agreement divided by Adjusted pre IFRS16 EBITDA (definition is on page 20).

Who We Are

Our Products

We grow and supply a wide range of cut flowers, plants and premium produce, selling over 2 billion flowers and 30 thousand tonnes of produce per annum.



446

Flower and Plant Varieties



2.1bn

Number of Flower Stems Sold



30k

Tonnage of Produce Sold

Our Operations

We operate our own vertically integrated farms in Kenya, Ethiopia and France and have built a unique network of strategic growers, sourcing from around the world, which provides resilience in our supply chain. We also operate a number of onshore packing and distribution facilities across the UK, Netherlands, France and Germany.

7



Number of Own Farms

7



Number of Onshore Facilities

22



Number of Countries Sourced From

25,000



Number of People

Our Customers

We supply 11 of the largest 15 supermarkets in the UK and mainland Europe, selling directly or via wholesalers, and through flower auctions. We also supply a number of online flower retailers and florist chains. Some of the principal customers which sell our flowers, plants and produce include:



Our Lines of Business

Afriflora

We are one of the world's largest growers of straight-line roses, originally founded by the Baarnhorn family in 2005 and bought by the Group in 2018. Our rose farms are Fairtrade accredited, with our focus on investing in our communities. We grew and sold 1,075 million stems in 2024 from 561 hectares of farming land we own and operate across three different farms in Ethiopia. We import the roses into our packing and distribution facility in the Netherlands, located within the Dutch auction complex. We sell our roses directly, into wholesalers and via flower auction houses into European supermarkets including Edeka, Rewe, Lidl, Aldi, Kaufland, Biedronka, Salling Group retail brands and Plantagen retail brands.

Number of varieties	Millions of stems sold
77	1,075
Number of facilities	Number of people
3	12,182



Flamingo Flowers

Flamingo Flowers has been growing and selling flowers since 1985 when originally founded by Sir Dicky Evans and Martin Hudson. We grow our own flowers in Kenya, with 447 hectares of farming land, and source flowers and plants from UK, Holland, Colombia, Turkey and other countries around the world, selling 1,025 million stems in 2024. Our Kenyan farms are also Fairtrade accredited, and we have Tesco Blue-rated packing operations in the UK and Kenya, with the strategic focus on crafting bouquets on the farm to support better value, fresher flowers. We also sell plants and hampers in the UK. We sell into Tesco, Waitrose, Bloom & Wild, M&S, Coop, Rewe, Salling Group retail brands, and other UK and European supermarkets.

Number of varieties	Millions of stems sold
336	1,025
Weekly mixed bouquets sold	Number of countries sourced from
549,701	5
Number of facilities	Number of people
9	9,435



Legal Entity Note:

1. Flamingo Flowers line of business includes Flamingo Flowers Limited, Flamingo Flowers BV, Omniflora GmbH, the roses sold through Bigot France Holdings and the flowers part of our Kenyan farms (Flamingo Horticulture Kenya Limited).
2. Flamingo Produce line of business includes Flamingo Produce Limited and the produce part of our Kenyan farms.
3. Afriflora's legal entity is Blooming Holdings B.V.
4. Bigot Seasonal line of business is the seasonal flowers (excluding roses) sold through Bigot France Holdings.

Flamingo Produce

Flamingo Produce started in 1982 selling courgettes, chillies and fine beans and is one the largest suppliers of all year-round premium produce into UK supermarkets, selling 30 thousand tonnes in 2024. We supply asparagus, green beans, tenderstem broccoli and mixed pack vegetables, grown on 429 hectares of land at our farms in Kenya and also sourced from strategic partners in the UK, Mexico, Morocco, Peru, and many other countries around the world. We have Tesco Blue-rated packing facilities which we own in Kenya and the UK. We are a lead supplier into Tesco and M&S in our categories, and also supply Waitrose, Ocado, Amazon and other retailers.

Number of products

34

Tonnage sold

30k

Number of countries sourced from

20

Number of packing facilities

3

Number of people

3,902



Bigot Seasonals

Bigot France Holdings was founded by Jean-Paul Bigot in 1958, and bought by the Group in 2021, with the business now managed by his son Nicolas. We grow three seasonal crops - tulips, peonies and lily of the valley - in the Le Mans district of France, growing 36 million stems in 2024 from 67 hectares of our own farming land. We also import roses from Kenya, but we have made the decision for Bigot Seasonals, from Spring 2025 onwards, to focus on French grown seasonal crops, and will therefore stop importing roses from Kenya. We believe we are the only large-scale French home-grown seasonal flower farmer selling directly into the largest French supermarkets, including E.Leclerc, Systeme U and Carrefour.

Number of varieties

3

Millions of seasonal stems sold

36

Number of people

70





Strategic Report

The Directors submit their strategic report and audited financial statements of Flamingo Group International Limited (“the Company”), and the Group headed up by the Company (together “the Group”), for the 52-week period ended 28 December 2024. The comparative information is for the 52-week period ended 30 December 2023.



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Chief Executive Officer's Statement



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Resilient performance during a year of significant transformation

Olivia Streatfeild
Chief Executive Officer

I would like to thank our extended team of colleagues, growers, communities, and customers for their support and commitment during a period of immense change. In a year with an El Nino weather cycle, the Red Sea crisis, Kenya air freight disruption, it has taken all of our collective effort and expertise to deliver resilient supply and improved financial performance, while also taking steps towards delivering our strategy to become the most resilient, best value farm direct grower at the lowest environmental footprint.

Strong financial performance across our biggest lines of business

Adjusted EBITDA has grown 32% y-o-y, with adjusted EBITDA margin expanding to 12% in FY24 from 9% in FY23, driven by stronger margins in Flamingo Flowers and Afriflora lines of business. Flamingo Flowers delivered stronger trading margins, sold more packed-at-source bouquets and delivered UK operational efficiencies to improve profits. Meanwhile, Afriflora's performance strengthened by selling more higher margin lines. During the year, we also took decisive action to lower central overheads across the Group and streamline our operating model.

We returned to being cash generative in FY24, with our three big lines of business all generating strong operating cash flow. The most significant improvement came in Flamingo Flowers. Net cash flow (pre debt movement and supply chain finance) was £6.9m in 2024, improving £17.1m on prior year.

These results were delivered despite several material headwinds the business faced last year. There was an El Nino weather event which impacted all our farms, reducing own-grown sales volumes. The Red Sea shipping route has been closed since early 2024, which has prevented sea freight from Kenya into the UK and this has inevitably impacted profits. Towards the end of the year, there was less capacity and higher prices for

air freight out of Kenya as flight operators shifted to more profitable Far East routes. I am very proud of how our teams have responded to these challenges.

Successfully refinancing and lower leverage

In January 2024 the Group successfully completed the Amend and Extend of its existing debt facility, with all incumbent lenders continuing to support the business and our shareholders investing an additional £50m equity. This investment, combined with stronger profits and working capital, have lowered net debt levels by £82.8m and reduced leverage to x2.5.

Significant strategic progress

In 2023 we launched our strategy to become the most resilient, best value farm direct grower at the lowest environmental footprint. We have made significant progress in the last year, and the key highlights include:

- Streamlined and consolidated central teams for a smaller Group function and integrated OneUK and OneKenya teams, enabling stronger vertical alignment and customer engagement.
- Integrated our Bigot Kenya farm acquisition and aligned Mount Kenya farming methodologies with our leading Naivasha farming region, increasing yields, with much more opportunity still to come.



- Invested in expanding our farm-direct bouquets in Kenya, whilst also investing in replanting crops across all our farms.
- With our strategic grower partners, we have taken material first steps to expand the number of growing periods to drive their longer-term growth.
- Reinvigorated our front-line empowerment programmes across our sites and reduced our UK site footprint from 4 to 3 sites, securing significant savings. There are early signs of strong improvements in engagement and efficiencies.
- Secured multiple customer contract extensions and wins across the business, including with Tesco, Waitrose, Coop, Bloom & Wild, Edeka, Rewe and Lidl.

Increasing focus on sustainability

A core part of our strategy is to transform the lives of the communities in which we serve and lower our environmental footprint. We made strong progress in 2024, laying the foundation for bigger changes in 2025.

Some of our biggest areas of community support includes providing full-time education for over 6,000

students in our school and treating circa 50,000 patients per year in our hospital in Ethiopia, bringing free monthly sanitary pads to all East African female colleagues and students at our local schools, and expanding our community vocational education programs.

We have laid out our strategic ambitions for sustainability and community, appointing a Chief Sustainability Officer and as of February 2025 a Non-Executive Director, Rosalind Kainyah, to lead our Sustainability Committee. We are working towards stronger reporting. 2024 is the third year with detailed carbon data tracking for Scope 1, 2 and 3 emissions. In addition to carbon, we have identified responsible farming, waste reduction, water usage and female empowerment as the priority measures to track and report upon in our next phase of sustainability reporting.

The future is empowering

With over 40 years' experience growing and supplying highly perishable products across a complex global supply chain, we know that we are at our most resilient, best value and best quality when each and every part of our supply chain – from own growers to third party growers, to logistics &

planning, to customers - is working in full unison together.

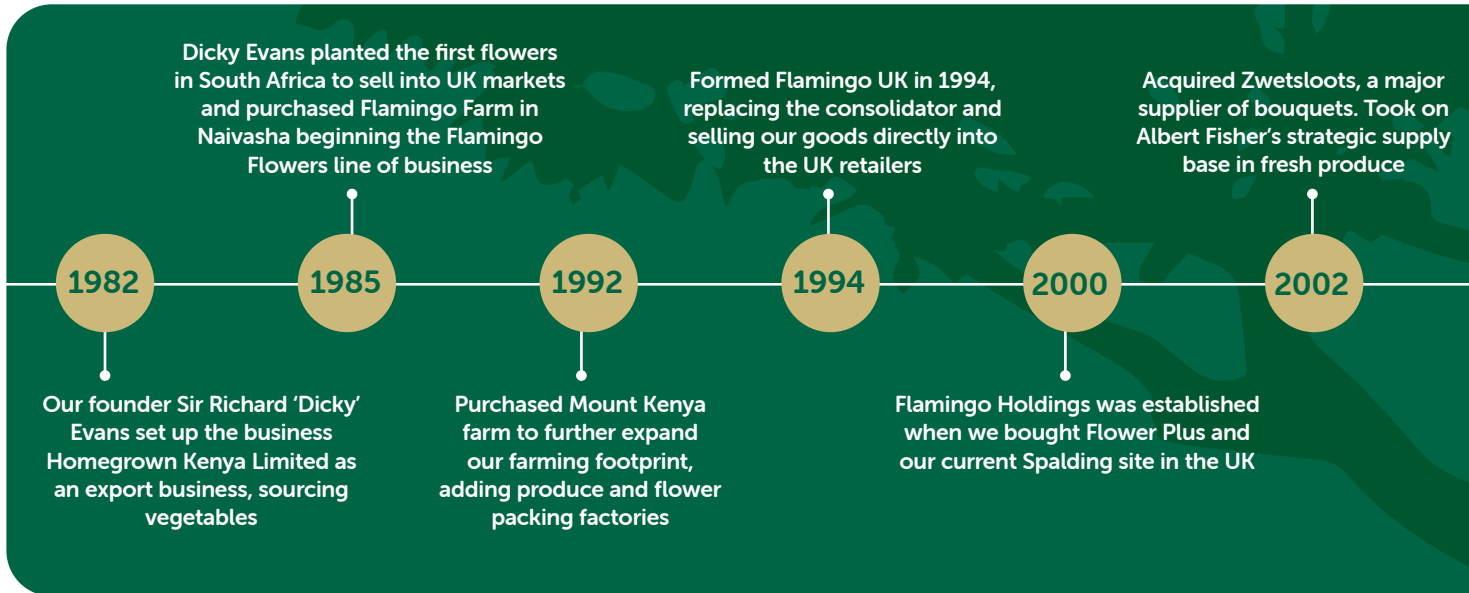
The unifying thread holding our end-to-end supply chains together is illustrated in our Empowerment Model (found on page 12), which demonstrates our collective values of togetherness, boldness and building for future generations, and our profound belief that our ability to differentiate in our market starts and ends with empowering our communities, colleagues and growers.

We have barely scratched the surface in truly embodying our Empowerment Model. We see huge potential to re-shape our policies, processes, capabilities and investments to better line up to this ethos, thereby even further differentiating our market proposition, and powering our customers' growth.

It is an immense privilege to work with such a committed, inspiring and purpose-driven group of colleagues, growers and customers, and I feel extremely grateful for the opportunity to make a difference in horticulture, every day.

Sincerely,
Olivia Streatfeild

Company Ownership & History



Current Ownership

Flamingo Group International Limited is a subsidiary undertaking of Zara UK Holdco Limited, and the company is incorporated in the UK.

Copies of the financial statements of the Group and Parent company can be obtained by a request in writing to the Group's registered office, details of which can be found in appendix 1 on page 125.

The ultimate parent undertaking and controlling party is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc. ('Sun Capital'), a company incorporated in the USA.

The Group was purchased by an affiliate of Sun Capital in November 2015. The current portfolio of around 35 companies operates in a diverse range of sectors.

Representatives of Sun Capital support the Group with regular meetings during which the Group's strategy and performance are discussed. Representatives of Sun Capital act as advisors to the Group Board.

Company History

The Group of today is very much born from both our Kenyan and Ethiopian roots. Everything we do starts and ends with our growing communities.

Flamingo Flowers & Produce – The Early Days

The seeds of our business started in 1982 when our founder Sir Richard 'Dicky' Evans set up the business Homegrown Kenya Limited. Fuelled by his fervent belief that Kenyans could do anything as well as anyone on the world stage, he envisioned a global farming future that few could have imagined. He started small as an export business, sourcing courgettes, chillies and fine beans from small scale farmers and selling directly into a large fresh produce consolidator who supplied onto UK supermarkets, marking the beginning of the Flamingo Produce line of business. By 1985 mangetout, sugar snap peas, melons, cherry tomatoes and fresh strawberries had been added.

Sir 'Dicky' Evans quickly saw another opportunity in growing flowers, and in 1985 planted the first flowers in South Africa to sell into the UK and purchased Flamingo Farm in Naivasha. This marked the beginning of the Flamingo Flowers line of business. We then purchased our

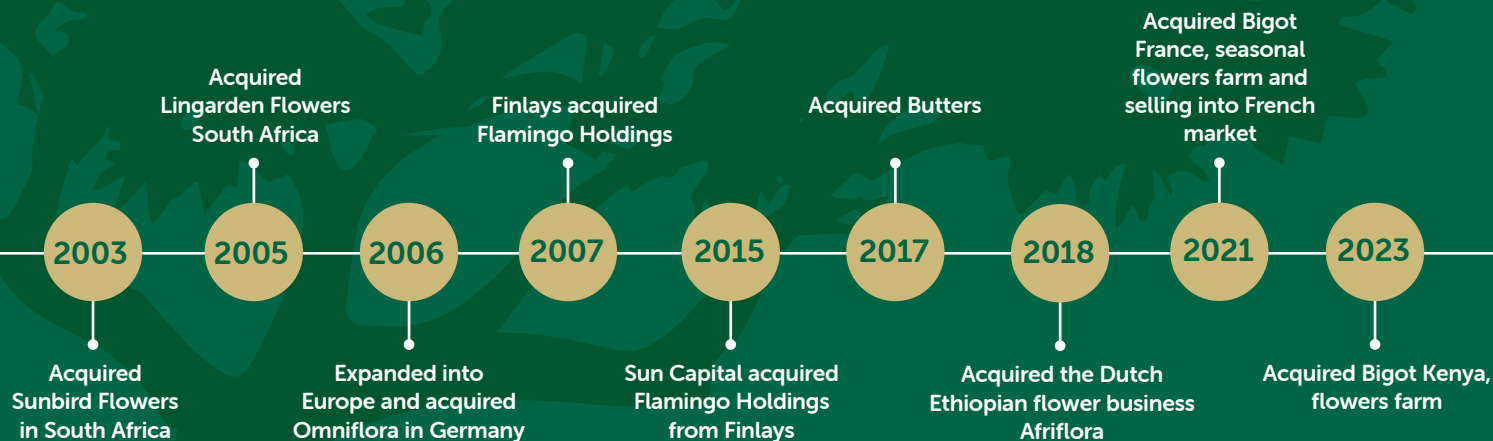
Mount Kenya farm in 1992 to further expand our farming footprint. On the back of the growth in Kenya we formed Flamingo UK in 1994, replacing the consolidator and selling our goods directly into UK retailers.

From the very beginning, the Group prioritised speed to market and product temperature to ensure the best shelf life in fresh produce and vase life in flowers. Starting in 1982 with a single refrigerated container, the cool chain quickly evolved to provide on Farm and at Port refrigeration that is industry leading.

Ignited by Dicky's restless leadership, our Kenyan teams developed ground-breaking water capture and irrigation technologies to maintain our flower and vegetable crops for up to 4 months without rain; he inspired Africa's first integrated pest management business, giving rise to the widespread adoption of non-chemical ways of controlling harmful pests; and he led the way in onsite solar energy generation.

Flamingo Flowers & Produce – 2000's

Our flowers business continued to expand with multiple acquisitions in the UK, Europe and Africa. In 2000 Flamingo Holdings Limited was established as we made our first acquisition, buying Flower Plus and our current Spalding site in the UK. Flower Plus was a producer of



mixed bouquets largely sourced out of the Netherlands, enabling us to shift from just supplying straight-line roses, and starting our mixed bouquet model. In 2002 we acquired Zwetsloots, a major supplier of bouquets to largely Tesco, based out of Sandy, Bedfordshire, where we still operate today. In 2006, we moved into Europe and acquired Omniflora GmbH in Germany which is a sales, packing and distribution business selling into German supermarkets and florists.

We continued expanding our Kenya farming footprint including buying Sulmac Farm in 2000 (now Kingfisher Farm Naivasha). We then acquired two South Africa flower farms, Sunbird Flowers in 2003 and Lingarden Flowers in 2005.

Our produce business expanded into a vertically integrated growing and sourcing business, when in 2002 we took on Albert Fisher's strategic supply base in fresh produce.

In 2007 Finlays acquired Flamingo Holdings Limited, where it became part of a larger Group helping to professionalise our ways of working. Over the coming eight years the focus continued to be on growth and innovation. In this time, we invested in new state of the art packhouses on Kingfisher farm in Naivasha and on Ibis farm in the Mount Kenya region

and expanded our farm water storage infrastructure.

Flamingo Group International Limited – European Growth

In 2015 an affiliate of Sun Capital acquired the business from Finlays, beginning our transformation into a larger and more geographically diverse business.

We further expanded the Flamingo Flowers line of business by acquiring Butters in 2017, which is a plants and nurseries business in the UK.

In 2018 we then made the transformative acquisition of the Dutch Ethiopian flower business Afriflora (Blooming Holdings B.V.), which had grown to become one of the world's largest rose growers. The acquisition diversified our flowers footprint and customer base.

Afriflora has a similar story to Homegrown, where another pioneering family, the Barnhoorns, had the vision to start farming flowers in Ethiopia and investing in the community. In 2005, in Ethiopia's quiet village of Ziway, the Barnhoorn's created the country's first rose farm, Sher Ethiopia PLC. They later expanded their farming footprint, opening farms in Koka in 2009 and Adami Tulu in 2017.

The Barnhoorns had a similarly bold vision to match their farming investment

with the amount they supported their surrounding community. In 2007 they opened the first hospital and school, and they steadfastly stuck to their principle of adding a hospital or school room for every greenhouse that was required. And now these schools, hospitals, roads and the water infrastructure we have built stand as pillars of progress. There were circa 6,250 pupils attending our schools and 50,000 patients using our hospital in 2024.

We are as proud of transforming Ziway into the thriving and bustling town that it is today, as we are becoming the world's largest rose exporter and leading grower of Fairtrade roses, exporting a previously unimaginable 2.9 million roses per day.

In 2021 we made the smaller acquisition of Bigot France Holdings, creating our fourth line of business Bigot Seasonals. Our strategic focus is on the 3 seasonal flower crops it grows locally in Le Mans, France, which are tulips, lily of the valley and peonies. In the same year we also exited and sold our South African farming operations.

More recently, in 2023 we acquired Bigot Kenya Plc, a rose farm which already supplied the Group to further strengthen our vertically integrated farming model in the Flowers line of business.

Our Company Values

The Importance Of Our People

With over 40 years' experience growing and supplying highly perishable products across a complex global supply chain, we know that we are at our most resilient, best value and best quality when each and every part of our supply chain – from own growers to third party growers, to logistics & planning, to customers - is working in full unison together.

How We Created Our Values

We conducted over 350 hours of internal and external interviews to identify a common purpose and values that our 25,000 colleagues, partner growers, and customers can align around. We spoke to team members across our farms in Kenya and Ethiopia and onshore operations in the UK and Europe, to ensure we represented all our diverse backgrounds and experiences.

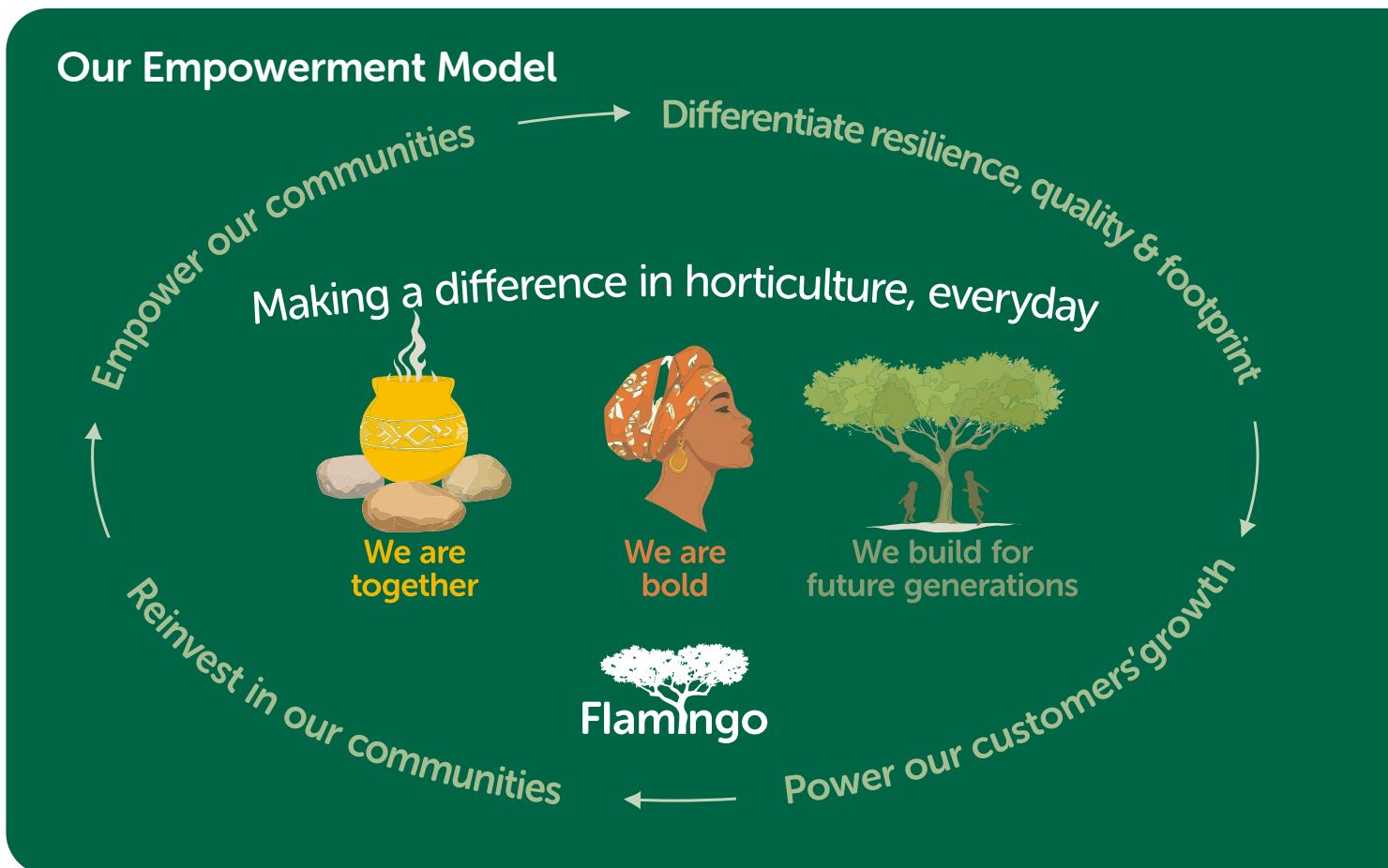
Despite hailing from a wide range of cultures and company histories, we found strong commonality around the importance of togetherness, boldness, and building for future generations. African proverbs are one of Africa's most enduring exports and have been the preferred way to simply and powerfully share wisdom and values for generations. We have therefore used African proverbs to communicate our Group values across the business, and with strategic growers and customers.

We have crafted our values and behaviours into what we refer to as our "Empowerment Model" demonstrating our profound belief that our ability to differentiate in market starts and ends with empowering our communities, colleagues and growers.

How We Are Living Our Values

We initially launched the new values with our senior leaders, taking the time to immerse ourselves and be able to then communicate across the business with storytelling. We then launched these across our entire business in late 2024 and early 2025, with workshops involving all colleagues, and a weekly programme of interviews with senior leaders and long service colleagues. Each value is brought to life through three core behaviours, and over the course of 2025 we will be embedding these behaviours into our annual reviews.

We have also shared our Empowerment Model with our key customers and growers and will be embedding the values in our third-party grower model over the next year.



Explaining Our Values



We are together

'Three stones make a hearth, but one stone does not cook'

Three cooking stones must be balanced, aligned, and grounded in order to hold the pot – a powerful way to communicate togetherness. Whether it is balance and alignment between our retailers, growers and the Group, or balance and alignment between harvesters, engineering and agronomists in the greenhouse, we find ourselves frequently drawing upon the cooking stone analogy to challenge root causes of misalignment or discord.



We are bold

'Bravery compels us to push boundaries'

Women represent 55% of our global and African teams, and we know that our female colleagues have had to push extremely hard to lift their life trajectories to create better opportunities for themselves and their families. African women's bold and relentless quest to transform opportunities for themselves and their families serve as an inspiration for all of us here at Flamingo, to continually raise the bar, and face into challenges and opportunities with courage and conviction.

Flamingo has a program in Kenya called Inua Dada, which means 'lift our sisters' in Swahili, and has supported over 6,000 women and community members. The program gives women access to training. (refer to page 34 in Community section of report).



We build for future generations

'A society grows great when men plant trees whose shade they know they shall never sit in'

We know that the decisions we make on behalf of our own grown farms and strategic partner farms are generational. It is a profound responsibility, and ensures we are truly making decisions for the long-term resilience of the company.

Business Model

Our business is focused on creating value for our stakeholders by delivering the most resilient, best value farm direct flowers and produce, with the lowest environmental footprint. Our value chain covers five key operational steps which include Sourcing, Growing, Packing, Distributing and Selling, shown in the diagram on the right.



	Sourcing	Growing
	<p>We source flowers and produce from a global network of strategic suppliers, many of which are through exclusive agreements and represent decades long relationships. We also source raw materials such as chemicals, fertilisers and pesticides which support growing our quality fresh flowers and produce.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Resilient supply to provide strong service across all seasons. • High sourcing security with traceability and quality standards. • Sector leading use of 'integrated pest management' (IPM) • All our chemicals are EU approved. 	<p>We operate our own world-class farms, growing c.35% of our own flowers and produce all year round in East Africa, as well as sourcing from our strategic supply network. On our farms we employ over 24,000 people and aim to provide leading pay and benefits to empower our communities and drive differentiation.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Best practice farming techniques which drive stronger yields and crop resilience. • Strong control over product costs and margins. • High sourcing security with traceability and quality standards. • Top-quartile pay to farm workers in East Africa, with welfare committees in all farms.
Afriflora	We source raw materials from the Far East and Africa to achieve value for money.	We are one of the world's largest rose growers, with 561 hectares of land across 3 farms in Ethiopia, with 20 years growing experience.
Flowers	We source flowers and plants from 75 supply partners across 5 countries. We source raw materials to grow our own Kenyan flowers from high-quality suppliers.	We operate three of our own farms in Kenya at Naivasha and Mount Kenya, and have been growing flowers for 40 years. We grow a wide selection of flowers on 447 hectares of land, which includes roses, carnations, mathiola, chrysanthemum and alstroemeria.
Produce	We source 34 different produce crops from 84 supply partners across 20 countries. We source raw materials to grow our own Kenyan produce from high-quality suppliers.	We also grow in Naivasha and Mount Kenya a wide range of vegetables on 429 hectares of land, including tenderstem broccoli, fine beans, runner beans, babycorn and mange tout.
Bigot	We source raw materials to grow our flowers including bulbs to grow tulips, seeds for our crops and pots for lily of the valley plants.	We are the only large-scale French grower of tulips, peonies and lily of the valley flowers, with 67 hectares of land, growing seasonal flowers for over 60 years.

 <h2>Packing</h2>	 <h2>Distributing</h2>	 <h2>Selling</h2>
<p>We have packing facilities on all our farms so products can be prepared, packed, bar-coded, processed and shelf-ready from the farm, whilst also having the flexibility to pack onshore in the UK and Europe.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Large flexible, skilled workforce on the farms. • Low-cost packed at source operating model. • Fresher product with less double handling at destination. 	<p>We operate an integrated distribution network from farm to market. Product is transported in refrigerated lorries from the farms to the airports, shipped with our freight forwarding partners by air or sea to European destinations, then delivered to processing facilities for conditioning and quality control before primary and secondary delivery into our customers.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • High quality products delivered with freshness and speed. • Full traceability of supply. • Strong freight forwarding and airline relationships in East Africa make supply more resilient. 	<p>We are one of the UK and Europe's leading fresh category suppliers, selling our products into 11 of the top 15 supermarkets, as well as online retailers.</p> <p>Benefits:</p> <ul style="list-style-type: none"> • Longstanding relationships with retailers • Category management and advisory services, able to shape category innovation.
<p>Our team in Ethiopia is skilled at processing and packing high volumes, with focus on lowest cost to serve.</p>	<p>We have a longstanding relationship with Ethiopia Airlines, able to leverage our scale to deliver low-cost to serve.</p>	<p>We sell directly and via wholesalers into Edeka, Netto, Biedronka, Kaufland, Lidl, Aldi and other major European retailers, and sell via the Dutch auction.</p>
<p>One of our competitive advantages is we build and pack mixed bouquets direct at our Kenyan farms. We also have significant onshore facilities in the UK and Germany to build and pack mixed bouquets. Our packing facilities in Kenya and the UK are Tesco Blue-rated.</p>	<p>We have strong relationships with airlines and freight forwarders taking our own-grown flowers from Kenya into Liege, and then into the UK and Germany, and similar infrastructure as we source product from around the world. We have invested in cool chains across our network to protect the freshness of our flowers. Our future focus will be on shipping via sea from Kenya, developing flowers which have significantly longer shelf-life.</p>	<p>We sell into Tesco, Waitrose, Coop, Bloom & Wild, M&S, and Rewe, as well as other leading supermarkets and online florists in the UK and Europe. We design new bouquets and partner with our customers in category management.</p>
<p>We have high-quality packing facilities in our Kenya-owned farms for prepared vegetables as well as packing facilities in partner farms in 10 worldwide countries and onshore operations in the UK, which makes us highly resilient. The UK and Kenya facilities are also Tesco Blue-rated.</p>	<p>Similar to our Flowers business, we leverage the same strong Kenyan and global network to deliver fresh product reliably and cheaply into the UK.</p>	<p>We sell into Tesco, M&S and Waitrose, actively trading and promoting the category with our customers, managing supply volumes across seasons.</p>
<p>We have teams on the farm who bunch and pack our seasonal flowers. We are investing in further automation in 2025 to lower the costs of growing and packing tulips and peonies.</p>	<p>Our Bigot operations are simpler with everything grown and sold in France, distributing to our French customer logistic hubs.</p>	<p>We sell directly into many of the major French supermarkets, leveraging "Made in France", with Carrefour, E.Leclerc, and Systeme U.</p>

Strategy

Market Trends and Dynamics

The Group operates in a steadily growing market that has demonstrated resilient demand.

Flowers and plants are a resilient consumer staple thanks to the diverse roles they play in markets and societies across the world. They are symbols of celebration, gifts, decoration, aids for wellbeing, and commemoration for loved ones. Fresh produce is another resilient consumer good, benefitting from the trend in scratch home cooking and healthier living.

Our supermarket and home delivery customers demand high-quality, fresh, tailored produce and flowers that are sustainably sourced, and delivered in full and on time. Increasing frequency and severity of extreme weather events pose significant challenges to agricultural production, increasing the importance of our global sourcing model to provide resilient supply. Also, global governments are driving decarbonisation through economies and companies based on the Paris Agreement, so we must adapt our sourcing and distribution.

Adhering to international standards and regulations, such as Fair-Trade certification, environmental regulations, and pesticide regulations in places like the EU, is essential for market credibility. There is increasing focus in both Europe and Africa on crop disease, such as False Codling Moth which is a higher risk pest, with increasing monitoring and customs checks.

Innovations in agricultural practices and supply chain management, such as precision farming, real-time tracking and onshore automation, are enhancing productivity and efficiency.

Our Strategy

Our strategy is to become the most resilient, best value farm direct grower, at the lowest environmental footprint. We are delivering this strategy through 6 strategic pillars as part of our five-year plan.

The world's most resilient, best value farm direct grower, at the lowest footprint



One team, with trust & transparency

Shift to farm-led vertical operating model to unlock end-to-end benefits, reduce central and business unit overheads, align values & behaviours to drive trust and transparency

Farming & Strategic Sourcing



- Improve yields & productivity
- Increase product reliability & service levels
- Expand packed at source operations in Kenya
- Future proof strategic sourcing footprints for Produce & Flowers

Resilient, Low Footprint Supply Chain



- Switch volumes into sea freight, lowering costs & carbon impact
- Continue to optimise end to end air freight & logistics
- Build Supply & Operational Planning (S&OP) capabilities

Operational Excellence



- Right-size our on-shore operations
- Streamline "box to bucket" operations to lower costs, improve quality
- Establish Continuous Improvement culture

Market Power & Customer Growth



- Grow mixed bouquets
- Grow Afriflora direct customer volumes
- Grow farm direct bouquets across UK and European retailers and wholesalers



ESG

Transform the lives of our farming communities, operating with lowest environmental footprint

One Team, With Trust and Transparency



To deliver our strategy and strengthen our business for our customers, communities and shareholders it is crucial that all our 25,000 colleagues, our third-party growers and our customers fully understand the role they play in our Empowerment Model. We have successfully launched our new values, and the focus will now be ensuring we live these values in how we run the business day to day.

We have integrated our UK Flowers and Produce teams into 'OneUK' business and our different Kenya farms into 'OneKenya' to simplify our business, promote seamless and aligned ways of working in our vertical lines of business, and improve customer engagement.

We are streamlining and reducing our overheads across our business. We made good progress in 2024, consolidating our Group and UK teams, and have a three-year cost reduction plan.

Farming and Strategic Sourcing



Across all our own farms our aim is to produce market leading yields and quality, whether it be our sweetheart roses in Afriflora, our mathiola in Flamingo Flowers or our stir fry ingredient crops in Flamingo Produce. There are opportunities in all lines of business, applying best practices across the farms and intensive trialling.

Just as we are focused on improving our yields, we plan to further strengthen our water efficiency and cultivation of biodiversity and reduce our farm waste with the aim of zero to landfill.

One of our greatest strengths is our global network of vertically integrated and strategic third-party farms, which provides large-scale resilient supply into our customers. As we look to further strengthen our product quality and reliability in Flamingo Flowers and Produce, we are further developing strategic sourcing relationships. In Flowers we are expanding our strategic grower relationships in South America, UK and Holland. In Produce we are deepening strategic grower relationships in Africa, South America and UK to ensure service above 95% resilience and provide long-term, committed growth for our growers.

In 2024 we made a big investment in expanding our farm direct mixed bouquets in our Kenya farms. Our plan is to continue progressively expanding our capacity in the next three years.

Resilient, Low Footprint Supply Chain



We continue to strengthen our Sales and Operational Planning (S&OP) processes and capabilities, across all lines of business, so we can further improve our supply resilience and service delivery.

Our ambition is to shift more of our global distribution from air into sea freight, which has a lower carbon footprint and cost to serve. In Flamingo Flowers and Flamingo Produce we currently source product which we sea freight from Colombia and Peru. In Flamingo Flowers we had started sea freighting via the Red Sea in 2023, but with the Red Sea crisis this has been halted. Our medium-term goal is to materially increase the volume of our Kenyan flowers distributed via sea freight. Our near-term focus is developing the capability to extend shelf-life and testing different shipping routes, albeit we are expecting the Red Sea shipping route to remain closed until at least 2026.

In order to be the 'best value farm direct grower' our product must have superior shelf life. This is directly linked to keeping our cool-chain degree hours as low as possible (degree hours are calculated as hours in transport multiplied by temperature).

Strategy continued

Operational Excellence



In 2024 we consolidated and closed one of our four UK flowers sites at Kellet Gate, Spalding, Lincolnshire ('Plants'), which was a significant operational change and has resulted in material efficiencies. Our focus this year is embedding the operational change and disposing of the freehold asset.

Across all our lines of business we are embedding a continuous improvement culture in our end-to-end operations. This started in our Kenyan farms with daily huddles around an operational whiteboard and is now spreading across the Group.

We are systematically engineering out time and touch in onshore operations. In Flamingo Flowers and Produce we are pushing more activity to happen in the farms, whilst in Bigot Seasonals we are investing in state-of-the-art technology to automate our tulips growing and packing, completing in 2025.

Customer Value Creation



Our market ambition in flowers is to be the UK and Europe market leader in both farm-direct mixed bouquets and straight-line roses, through Flamingo Flowers and Afriflora. In Produce we are targeting to be UK market leader in premium prepared vegetables.

Our focus is to work directly with our existing supermarket and home delivery customers, growing their market share in the categories we serve by providing resilient and leading service levels, outstanding quality and freshness at competitive prices. We see opportunity to cross-sell more of our product range into longstanding customers and also earn new customer contracts.

Investing In Our Environment and Communities



Protecting our environment and investing in our farming communities has long been part of how we run the business. Over 2024 we formalised our strategic ambitions in this space, ensuring it sits at the heart of our growth plans.

Our environmental focus is centred around operating with the lowest possible footprint, be that carbon emissions, water usage or food waste (refer to pages 38-40 for more information on our environmental plans).

We have invested over the years in major community infrastructure with schools and hospitals in Ethiopia and multiple community programs in Kenya, which we will continue to support and invest in. We will continue to support our colleagues with fair pay and benefits. Our other key priority is female empowerment, supporting women to take on more supervisory roles across our operations in Kenya and Ethiopia.

Performance and Financial Review

This performance and financial review covers the Group's financial performance and position in 2024. In reviewing our performance, we have shared and commented on both our financial accounts and our key financial and non-financial key performance indicators (KPIs).

Flamingo Group International Limited's overall financial performance saw strong profit growth and significantly improved cash flow generation, both largely coming from a recovery in our Flamingo Flowers line of business. This stronger underlying performance combined with our shareholder's equity injection, as part of our refinancing earlier in the year, has significantly reduced our business leverage.

Basis of Preparation

The Group is presenting its results for the 52-week period ended 28 December 2024, with comparative information for the 52-week period ended 30 December 2023. The financial statements of the Group are prepared in accordance with the UK adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

Key Performance Indicators

The Directors and Board use a number of financial and non-financial key performance indicators ("KPIs"), known

as Alternative Performance Measures ("APMs"), to monitor the underlying performance of the Group. These APMs are not required by or presented in accordance with International Financial Reporting Standards. The APMs included do not alone provide a sufficient basis to compare the Group's performance with that of other companies and should not be considered in isolation or as a substitute for an equivalent IFRS measure (if applicable) or any other generally accepted measure as an indicator of operating performance or liquidity. Such APMs are unaudited. Where applicable, reconciliations are

provided below to reconcile the APMs to captions shown on the face of the primary statements.

The Directors believe that these APMs assist in providing additional useful information on the trends, performance and position of the Group, and are consistent with how management views the business for internal reporting, analysis, planning and decision-making. Further, the APMs are the key measures by which the Group's external lenders and bondholders assess our performance.



Financial KPIs

Revenue Growth (%)

1%



Definition

Year on year revenue growth expressed as a percentage.

Strategic Relevance

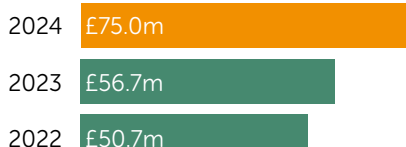
Profitable growth is central to our strategy and tracking progress with customers.

FY24 Performance

Revenue grew 1% driven by Flamingo Produce and Flowers. Growth was adversely impacted by El Nino weather cycle.

Adjusted Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA) (£m)

£75.0m



Definition

EBITDA is calculated by adding back to Operating Profit amortisation and depreciation, gains/losses on disposal of tangible, intangible and right-of-use assets, and impairments. We then adjust for Exceptional and Material items (see Notes 6 and 7 on page 87).

Strategic Relevance

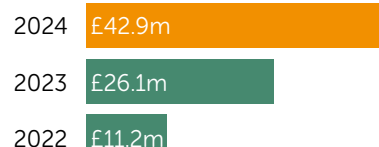
The Group uses Adjusted EBITDA to measure the underlying operating performance of each part of the business and of the Group as a whole.

FY24 Performance

Adjusted EBITDA increased £18.3m with strong improvement in Flamingo Flowers. Key drivers were higher margins, FX gains and overheads.

Operating Cash Flow (£m)

£42.9m



Definition

Adjusted EBITDA less capital expenditure, lease costs, exceptional and material cash items, and net working capital.

Strategic Relevance

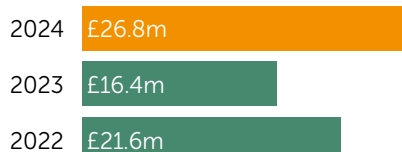
The Group uses Operating Cash Flow to measure the underlying cash generation and our ability to pay financing and tax liabilities.

FY24 Performance

Operating Cash flow increased £16.8m due to higher profits and stronger working capital.

Capital Expenditure (£m)

£26.8m



Definition

The total costs of property, plant and equipment and intangible assets of which the Group takes ownership within a financial period.

Strategic Relevance

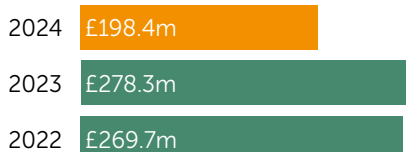
Ensures we are maintaining our infrastructure and flower crops and investing for future growth.

FY24 Performance

Spend increased £10.5m as we invested in greater Kenya flower capacity and crop replanting.

Net Debt (£m)

£198.4m



Definition

Total external debt including IFRS16 lease liabilities, net of cash on balance sheet. Refer to a breakdown in the Capital Structure, Net debt and leverage section is on page 123.

Strategic Relevance

Net Debt is included as an APM for FY24 reporting as a key measure used by the Group's investors and lenders to assess performance.

FY24 Performance

Net debt has reduced £79.9m due to equity injection of £50m, not drawing down the RCF, as well as higher profits and stronger working capital.

Leverage (times)

2.48



Definition

Net Debt as per Senior Secured Agreement divided by Adjusted pre IFRS16 EBITDA (definition is on page 20).

Strategic Relevance

Leverage is included as an APM for FY24 reporting as a key measure used by the Group's investors and lenders to assess performance.

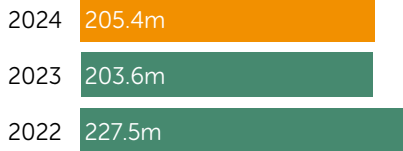
FY24 Performance

Leverage has reduced to 2.5x as we have lowered net debt and improved profitability.

Non-Financial KPIs

Flower Bouquets Sold (millions) Flamingo Flowers

205.4m



Definition

Number of bouquets sold.

Strategic Relevance

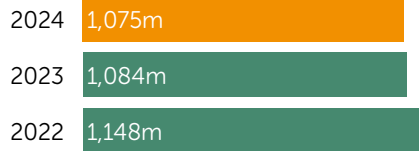
Our strategy is to grow our mixed bouquet sales into UK and Europe, both with own-farms and strategic grower partners.

FY24 Performance

Moderate growth in volumes, with strong growth in packed at source mixed bouquets from our Kenyan farms.

Flower Stems Sold (millions) Afriflora

1,075m



Definition

Number of rose flower stems sold directly and at auction.

Strategic Relevance

Afriflora’s business model is based on selling high volumes of spray roses, optimising production is key to success.

FY24 Performance

Small decline in volumes, switching into more profitable larger bud roses. Volumes impacted by El Nino weather event in Q2.

Produce Volumes Sold (Tonnage) Flamingo Produce

30k



Definition

Volumes sold to UK customers expressed in tonne weight.

Strategic Relevance

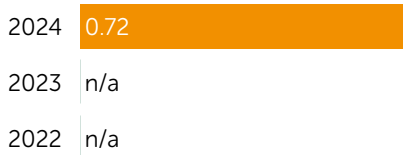
Our strategy for the line of business is to grow volumes, leveraging our global strategic sourcing platform.

FY24 Performance

Broadly flat volumes, with Kenya service levels impacted by El Nino weather in Q2 and air freight disruption in Q4.

Female Empowerment

0.72



Definition

Gap between % of managerial roles filled by females and % of total population filled by females.

Strategic Relevance

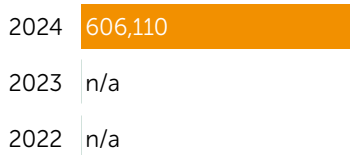
Our strategy is to have a representative workforce, where we empower equal opportunities and female progression into managerial roles.

FY24 Performance

This is a new metric.

Carbon Emissions (Co2e Tonnes)

606,110



Definition

Group-wide carbon emissions for Scope 1,2 and 3. Refer to Sustainability section on page 40.

Strategic Relevance

Group strategy is to operate with “lowest possible footprint” and our ambition is to materially lower emissions.

FY24 Performance

This is a new metric at the Group level.

2024 Financial Performance

Summary

The Group delivered a strong overall performance in FY24, making significant progress with all our key financial metrics. Revenue increased moderately; Adjusted EBITDA increased significantly as we executed our new strategy; operating cash flows improved significantly; and net debt and leverage both reduced, benefitting from our shareholders' equity injection and improved profitability and working capital.

Revenue

Revenue for the period was £608.8m, an increase of 1.3% on FY23. The revenue growth came from stronger sales in Flamingo Produce and Flowers. Growth was restricted in the second quarter from the effects of the El Nino weather cycle.

Operating Profit and Adjusted EBITDA

Group Operating Profit increased from £18.0m in FY23 to £34.4m in FY24. Key drivers included higher margins resulting from increasing revenue and favourable proposition change, as well as favourable foreign currency movements offsetting cost inflation in our East Africa operations, and central overhead reductions.

Exceptional and Material Items (see Notes 6 and 7 on page 87) increased from £16.7m in FY23 to £29.6m in FY24. In FY23 there were £6.0m refinancing costs, £5.2m restructuring and advisory costs and £5.5m goodwill impairment relating to Flamingo Flowers historic acquisition of Butters (plants). In FY24 there was a further £1.6m refinancing costs, £4.8m restructuring and advisory costs, £1.5m impairment on assets linked to UK assets being sold and then £21.6m impairment of goodwill, largely in Afriflora. The goodwill impairment in FY24 is not due to trading performance but linked to revaluing land and buildings in our Ethiopia operations.

Adjusted EBITDA increased to £75.0m in FY24 (£56.7m FY23), with margins increasing to 12% (9% FY23).

Profit & Loss Account	FY24	FY23	YoY%
Operating Profit	34.4	18.0	91%
Depreciation and Amortisation	34.3	33.5	3%
Material Items	6.3	5.2	22%
Adjusted EBITDA	75.0	56.7	32%
Exceptional items	(23.3)	(11.5)	102%

Net Finance Costs

The Group's net bank interest cost was £19.9m in FY24, a decrease of £3.3m versus FY23. The decrease was driven by lower debt levels during FY24.

The Group's non-cash finance charge in FY24 was a net credit of £0.5m, a decrease of £2.5m versus FY23 due to favourable foreign exchange movement on borrowings.

Profits Before and After Tax

The Group's reported loss before taxation improved from a loss of £19.2m in FY23 to a loss of £9.0m in FY24. Stripping out the goodwill impairment in both FY23 (£5.5m) and FY24 accounts (£21.6m), the Group's loss before taxation would have improved from a loss of £13.7m in FY23 to a profit of £12.6m in FY24.

The Group's taxation charge for the period was £11.8m, compared to £6.3m in FY23. The increased taxation was driven by £2.2m higher cash taxation, linked to higher Afriflora profits. Deferred taxation has increased £3.3m year on year.

The Group's Loss after taxation was £20.8m, compared to £25.5m in FY23. Again, adjusting for the goodwill impairment, Group profit after taxation would have been £0.8m in FY24 compared to a loss of £20.0m in FY23.

Capital Expenditure

Capital expenditure increased in FY24 to £26.8m, which was £10.4m higher than the prior year (£16.4m FY23). The increased expenditure was in Flamingo Flowers' operations in Kenya, where we invested in replanting our crops and increasing our flower production capacity.

Cash Flow

Operating Cash Flow (excluding the impact of supply chain finance) has step-changed in the last year, increasing £16.8m to £42.9m in FY24. The improvement in cash flow is because of stronger profits and resetting working capital, both largely in the Flamingo Flowers line of business. Operating Cash flow would have been stronger but for £7.6m refinance costs.

Net Cash Flow (excluding the impact of supply chain finance and pre-debt movement) has improved from (£10.3m) outflow in FY23 to £6.9m inflow in FY24.

Net assets

The Group's net assets have increased from £3.3m in FY23 to £95.0m in FY24. The significant increase is driven by shareholders' equity injection of £50m, revaluing Land and Building assets adding £52.8m offset by linked goodwill impairment charge of £21.9m and favourable foreign currency impact on assets of £9.1m.

The Group has revalued all Land and Building assets during FY24, moving from historic cost value to fair value. This has resulted in an increase to Plant, Property and Equipment of £75.3m, within Flamingo Flowers Kenya and Afriflora Ethiopia operations. The revaluation reserve has increased by £52.8m and the deferred asset liability has increased by £22.5m.

Capital Structure, Net Debt & Leverage

The Group is funded through a capital structure of equity, external debt and cash on balance sheet. The table

below provides a summary of the Net Debt (as defined by management) as at 28 December 2024.

Facility	Net Amount in Base Currency	Net Amount in Pounds	Maturity	Interest Rate
Cash and Cash Equivalents	n/a	£25.4m		
Revolving Credit Facility	–	–	August 2027	EURIBOR + 475 bps
First Lien Term Loan	€236.5m	£196.4m	August 2028	EURIBOR + 575 bps
Total Net Debt excl. IFRS 16 Lease Liabilities		£171.0m		

In January 2024 the Group successfully completed the Amend and Extend of its existing debt facility, with all incumbent lenders continuing to support the business and shareholders investing an additional £50m equity, lowering Group debt levels.

The Group's primary restricting covenant is operating under a leverage ratio of 5.95x. As per our financing agreement we must also use three-quarters of any surplus net cash flow to pay down the term loan borrowings. The Group has policies and procedures in place to ensure that it continues to comply with its covenants and was compliant with its covenants throughout FY24.

The Group's leverage, measured as Net Debt / Management EBITDA, reduced to 2.5x as at 28 December 2024 compared to 4.4x in December 2023. The improvement resulted from the shareholder equity injection, stronger profits and stronger working capital.

Liquidity

The Group significantly improved cash generation in 2024. Our operating cash flow improved by £16.8m to £42.9m for FY24. Net cash flow pre debt movement and excluding supply chain finance was £6.9m, improving by £17.1m compared to FY23. Net cash flow post interest and tax payments was an outflow of £1.7m (FY23 outflow £5.0m).

The Group has access to sufficient liquidity in the form of cash on balance sheet and a revolving credit facility (RCF) of €15m. The RCF has not been drawn at any point throughout 2024.

The Group also benefits from supply chain finance (SCF) facilities, where we can receive payments sooner than standard agreed customer terms. We had access to as much as £40m liquidity in 2024. The SCF facilities are used particularly during peak trade periods. At the end of 2024 we were using only £2.1m.

Financial Risks

The key financial risks faced by the Group are macroeconomic changes, liquidity and funding, foreign currency and interest

rate risks. The policies and strategies for managing these risks are summarised below with further detail in Note 25 Financial Instruments in the notes to the Financial Statements.

Economy Risk

The cut flower and vegetable markets in the UK and Europe are highly competitive and margins continue to be tight. Our business, like others, is dependent on the economic situation in the UK and Europe, and we are exposed to national and global economic, political, social and other trends that could impact our operations and financial performance.

Treasury Management

The Group does not engage in any speculative trading in financial instruments and transacts only in relation to its underlying business requirements. The Group's treasury policy is designed to ensure adequate financial resources are made available as required for the continuing development and growth of its businesses, whilst taking practical steps to reduce exposures to foreign exchange, interest rate fluctuation, credit and liquidity risks, as described below.

Foreign Exchange Risk

Whilst the presentational currency of the Group is Sterling, a significant proportion of its earnings and payments are generated in other currencies, including the US Dollar, Euro, Kenyan Shilling and Ethiopian Birr. The earnings of the Group's overseas subsidiaries are translated into Sterling at the average exchange rates for the year and their assets and liabilities at the year-end closing rates.

The Group's policy is to use forward currency exchange rate contracts for the purpose of mitigating commodity risk occurring in the normal course of business. At no time will the Group take positions in derivative instruments for the purpose of earning a stand-alone profit from such instruments. The Finance function forecasts the timing and level of foreign currency requirements and then buys forward contracts accordingly.

Interest Rate Risk

This risk stems from the fact that the interest rates on the Group's term loan borrowings are variable, being at set margins over EURIBOR and other interbank rates which fluctuate over time.

Credit Risk

As the Group's customers comprise a number of successful and credit worthy major multiple supermarkets and home delivery customers, the level of credit risk is considered to be low. There have been few incidences of bad debts, with Wilkinson's the only material incidence. The Finance function monitors the credit rating of customers who trade with credit.

2024 Financial Performance continued

Credit Risk (continued)

The Group has sufficient access to funding as noted in the Capital Structure and Liquidity sections.

Tax Strategy

The Group is committed to paying the right amount of tax at the right time and complying with all relevant laws and regulations. We have a low-risk appetite toward tax planning, with a simple corporate structure based around our commercial operations. We do not engage in planning schemes or arrangements that could be considered aggressive or artificial in nature. We recognise the importance of the tax contributions that we make in the countries in which our profits originate, and we consider the needs of all our stakeholders.

Future Developments

The Group's strategy is to become the world's most resilient, best value farm direct grower, at the lowest footprint. As outlined in the Strategy section on pages 16-18, we are pursuing 6 key pillars to deliver this strategy: one team with trust and transparency, farming excellence & strategic sourcing, supply chain resilience, operational excellence,

customer value creation, and transforming our communities. Despite significant global uncertainty, we operate in resilient sectors and see significant scope to continually improve our business in line with our strategy, generating steady profit growth and continuing to deliver positive net cash flows. Please refer to our Strategic report on pages 16-18 for more detail on the future developments for each strategic pillar.

Subsequent to the year end, the United States of America announced the implementation of increased tariffs on a range of goods imported from various countries. Some of those impacted countries have implemented retaliatory measures, and the US government has also indicated scope to negotiate initially proposed tariffs down, creating further uncertainty and ambiguity on global economic conditions.

At the date of signing of these financial statements, the Company is in the process of quantifying the financial impact of various global tariff scenarios on its operations. Whilst the exact financial implications of various scenarios are still being determined, the Company anticipates that there will be a mix of beneficial and adverse impacts. The Company will proactively communicate to stakeholders once scenarios become clearer, and financial implications clarified.



Going Concern Statement

The Directors, after undertaking analysis, are satisfied the Group has adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

In January 2024 the Group completed an Amend and Extend of its existing debt facility, rolling forward a €236m term loan with maturity of August 2028, as well as agreeing a €15m RCF with maturity of August 2027. At the same time, our shareholders injected £50m equity. The equity injection combined with stronger performance in 2024 has materially reduced our leverage.

The Directors have performed a detailed assessment, including a review of the Group's budget for the 2025 financial year and its longer-term plans. The financial resilience of the Group has been assessed by applying significant downside sensitivities to the Group's cash flow projections as part of a severe but plausible downside scenario, including higher levels of net cost inflation, lower sales growth and lower transformation benefits delivery. In such scenarios, the Group

would employ mitigating actions within its control, which would include a reduction in non-business critical projects and accelerating cost reduction projects.

The Group faced moderate levels of cost inflation like most other businesses across Europe in 2024, affecting labour and raw materials. The Group was able to successfully mitigate these cost headwinds, by adjusting the customer proposition and delivering cost efficiencies, improving profitability year on year. In our financial planning we have accounted for continuing inflation, with continued operational efficiency and selling price increases.

Allowing for these sensitivities and potential mitigating actions the Board is satisfied that the Group can continue to operate well within its banking covenants, operating under a leverage ratio of 5.95x, and has adequate headroom under its new committed facilities.

The Group's internal budgets and forward forecasts, which incorporate all reasonably foreseeable changes in trading performance, are regularly reviewed by the Board and show that it will be able to operate within its current banking facilities, for the foreseeable future.

Financial Review by Line of Business

Afriflora

	FY24	FY23	YoY%
Revenue (£m)	102.5	105.0	(2%)
Adjusted EBITDA (£m)	40.2	30.8	31%

Revenue reduced by 2% year-on-year in FY24, with stem volumes reducing by 1%. We traded strongly in the first quarter but then saw the El Nino weather cycle limit supply during European Mother's Day events in the second quarter, and cooler weather conditions plus increased crop replanting in our Adami Tulu farm limited second-half volumes.

Adjusted EBITDA increased by £9.4m year-on-year, to £40.2m in FY24. Trading margin was stronger driven by favourable product mix and Ethiopian Birr devaluing, lowering the Ethiopian farm cost base. Profits also benefited from gains in share-based payments, linked to management forfeiture, as well as hedging gains.

Flamingo Flowers

	FY24	FY23	YoY%
Revenue (£m)	330.4	322.0	3%
Adjusted EBITDA (£m)	24.8	6.9	258%

Revenue increased 3% year-on-year in FY24, benefitting from stronger market conditions, improved propositions and stronger sales in premium bouquets. Trade was strong in Valentine's and Mother's Day peaks but later impacted in the second quarter by the El Nino weather cycle.

Flowers Adjusted EBITDA was £24.8m in FY24, increasing £17.9m year-on-year. Trading margin increased significantly, as we benefited from higher sales, an improved proposition and favourable foreign currency movement, whilst reducing overheads. Profits also increased as provisions were lower than in FY23 and there were hedging gains.

Flamingo Produce

	FY24	FY23	YoY%
Revenue (£m)	166.6	163.9	2%
Adjusted EBITDA (£m)	12.6	15.1	(17%)

Revenue increased 2% year-on-year in FY24, with tonnage sold reducing 2%. Our Kenyan own-grown produce was impacted by the El Nino weather cycle and later in the year by air freight constraints, however our global sourcing model enabled us to deliver resilient service to our UK customers.

Adjusted EBITDA reduced by £2.5m year-on-year to £12.6m in FY24. Lower Kenyan own-farm volumes was a key driver, impacted by both the El Nino weather cycle in Quarter 2 and air freight capacity restrictions in Kenya in Quarter 4. There was also increased sales mix on promotion, which had lower margins.

Bigot Seasonals

	FY24	FY23	YoY%
Revenue (£m)	9.3	9.8	(5%)
Adjusted EBITDA (£m)	1.3	2.4	(46%)

Revenue reduced 5% in FY24, with our French farm particularly hard hit by unusual weather patterns in the run up to the peak trading in the first half of the year. Tulips, Peonies and Lily of the Valley production volumes were all lower than prior year.

Adjusted EBITDA reduced by 46% to £1.3m in FY24. Lily of the Valley profits dropped significantly as weather impacted this unique one-day event crop which is grown outdoors, with lower sales and high waste costs. Peonies is another outdoor crop that was weather impacted, whilst Tulips profits dropped as result of higher bulb prices.

Responsible Business Overview

S172 & Stakeholder Engagement

Engagement with stakeholders is a key consideration for the Board and Leadership teams in decision-making and promoting the long-term success of the Group. This section sets out our key stakeholders, how we engage with them, and how this shapes and influences how we do business.

During the year ended 28 December 2024, the directors of the Company believe they have, in good faith, acted in accordance with Section 172 of the Companies Act 2006, promoting the long-term success of the company for the benefit of its members as a whole and other stakeholders, whilst maintaining high standards of business conduct.



Customers



Colleagues



Communities



Suppliers



Shareholders and Lenders



Customers

We trade with many of Europe’s largest supermarkets and large-scale online florists. Many of these are long-term relationships where we operate as partners, shaping the customer proposition.

In our Afriflora business we both trade directly with supermarkets and indirectly via wholesalers. Afriflora’s customers are focused on availability, high-quality fresh product, sustainability in the supply chain and community programs. We operate closely with both the supermarkets and wholesalers, holding quarterly senior director meetings to discuss performance and future growth plans, as well as weekly operational calls

focused on volume planning, service levels, quality and pesticide reporting. Our team regularly visit the stores of our customers to review trading. We will also host our larger customers, supermarkets and wholesalers, in our farms in Ethiopia.

In our Flowers and Produce lines of business, we have long-term partnerships with many of our customers, many of these over 10 years, and work closely with them to shape the customer proposition. Our customers are focused on strengthening the resilience of supply chains, ensuring high-quality fresh product, lowering supply costs, advancing the sustainability of the supply chain, including shifting

more to sea freight, and investing in our farming communities. We hold quarterly senior director meetings, bi-annual meetings to agree seasonal programming and weekly cross-team meetings. Our team hosts a range of farm visits with our customers too, across our global third-party grower platform and our own farms in Kenya.

Over the last 12 months, we have agreed a number of multi-year trade agreements with customers, including Edeka / Netto in Afriflora and Bloom & Wild, Coop and Waitrose in the Flowers line of business.

Responsible Business Overview continued



Colleagues

We place people at the heart of our operation; we know our people are key to our success and the delivery of our strategy. We have over 25,000 colleagues across 13 locations in Europe and East Africa. Our farm colleagues in East Africa make up the largest proportion of this, with approximately 95% of our workforce and the remaining 5% in our UK and European operations.

Colleague Involvement

The Group is committed to the highest levels of employee engagement, and we use a variety of surveys across the whole Group. We run an annual employee satisfaction survey across our entire colleague base, with an Engagement Score on our 5 lead indicators of 86% and a score of 85% on our NPS question (the Company is a great place to work). We also use the survey to assess colleague understanding of company strategy and values, whether colleagues are fairly treated, and feel their careers are progressing.

The Group has recently relaunched our values grounded on a wide-reaching consultative process interviewing over 300 colleagues from all locations and levels in the business. We have since launched the values across our entire business, with workshops involving all colleagues, and a weekly programme of video interviews with senior leaders and long service colleagues, using personal storytelling to bring the values to life.

The Group runs successful employee representative committees in Europe and Africa. On our farms we invest significant time and training in our welfare committees as we believe a strong employee voice will only lead to greater

collaboration and understanding of the core issues in the business. We also run more focused committees to look at areas like Fairtrade spending and Gender rights, all of which are employee led.

Recruitment, Training and Development

Offering the right training and development opportunities is key to attracting and retaining talent, and unlocking the potential of our colleagues, particularly on our farms.

The Group aims to be an equal opportunities employer and undertakes to apply objective criteria to assess merit and ability. It aims to ensure that no job applicant, employee or worker receives less favourable treatment on the grounds of race, colour, nationality or ethnic origins, sex, sexual orientation or perceived sexuality, marital status, disability, membership or non-membership of trade union, class, age, politics, religion or belief. All employees will be given equal opportunity and, where appropriate and possible, special training to enable them to progress within the business.

All employees have access to a range of training and development opportunities, from technical skills workshops to leadership programs.

One key initiative is the Group Management Graduate Trainee Program, which identifies and nurtures the company's future leaders. This highly selective program recruits top graduates and puts them through a comprehensive 18-month curriculum. Trainees rotate through various business functions, receive dedicated coaching, and are assigned strategic projects to develop their managerial capabilities. Upon successfully completing the program, the graduates are placed in

junior management roles, where they can immediately apply their newfound skills and knowledge. This structured approach to talent development ensures the Group has a strong pipeline of internal candidates ready to step into critical leadership positions. We have 27 graduates on our Kenyan farms, and expect many of these to be future country leaders, and in the UK we appointed 4 new graduate trainees in 2024.

The Group also runs an Emerging Business Leaders Programme (EBL) which commenced in December 2023 and ran throughout the year in 2024. The scheme is for emerging talent who it is believed can be promoted at least two organisational levels. This covers 11 high potential individuals from across the Group, including: Kenya, Ethiopia, Netherlands and the UK.

The farms have specific training programmes targeted at increasing female representation. These programmes have helped build confidence and practical skills as well changed perceptions about female participation in areas which have historically been male dominated. We have supported 335 women through formal training: professional, artisanal and life-skills in the last two years.

The Group recognises that investing in the growth and advancement of its employees is crucial for the organisation's long-term success. The company has implemented robust talent management strategies to identify, develop, and retain high-potential individuals. The Group also operates mentorship initiatives, pairing aspiring leaders with experienced executives who can provide guidance and support their career progression.

Responsible Business Overview continued



Colleague Reward

The Group strives to offer fair pay to all our employees across the Group. We operate in multiple territories and adopt a local approach to pay reviews. In Kenya we have an entry level salary that is significantly higher than government minimum wage as well as the industry recognised CBA and Fairtrade standard for the region. In Ethiopia, against the backdrop of a devaluation of the Birr, we have made significant increases to wages over the last two years, and we remain significantly ahead of the World Bank Poverty line (established as the Fairtrade standard for the region). In the UK, France, Germany and Netherlands we are compliant with all obligations under National Living Wage and sector specific CBA awards, relevant to our sector.

We work with the local labour unions in Ethiopia to understand the challenges of the local community and employees in the area. We provide monthly food parcels for our employees in Ethiopia as a supplement to earnings, as this enables us to support employees more effectively by using collective procurement to secure significantly cheaper prices for products.

In both Kenya and Ethiopia, we offer access to medical care to our employees and dependents. Our Sher Ethiopia hospital in Ziway provides access to free medical care for all employees, and access at a heavily subsidised rate to other community members. In Kenya we work in partnership with local medical centres to provide free healthcare to employees and their families, which is part of our wider benefits programme. We are proud of the fact that we provide all of our female colleagues across East Africa access to free sanitary pads each month.

In Ethiopia we run the Sher Ethiopia schools providing education for 6,250 children from age 5 to 18 years old.

The school is funded by the business, using Fairtrade sales premiums, and has consistently achieved some of the best results in the country, with pupils accepted to study at top universities within the country.

In Europe we provide employees with pension benefits, subsidised private healthcare and life assurance in the UK and government provided healthcare programmes in France, Germany and the Netherlands. We provide pension scheme support (private and state) as per local legislation in all our territories, including Kenya.

Beyond financial rewards, the Group also celebrates the achievements of its employees through various award schemes. These include accolades for outstanding individual performance, as well as long-service awards that honour the dedication and loyalty of tenured staff members.

Diverse and Inclusive Culture

The Group operates an intentionally inclusive and diverse culture, recognising that diversity of thought and experience strengthens the organisation. Key aspects of this approach include:

Equitable Reward Practices: The Group has implemented family-friendly policies such as enhanced maternity leave, flexible working arrangements, subsidised childcare, and dedicated breastfeeding rooms at its facilities. These measures help create an equitable work environment that supports employees, especially women, in balancing their professional and personal responsibilities. The Group has started to establish private, comfortable breastfeeding rooms at its farms and production sites, enabling new mothers to pump and store breastmilk during the workday. This initiative promotes employee wellbeing and ensures that women can continue providing for their infants after returning from maternity leave.

Gender Pay Gap Monitoring: The Group closely monitors gender pay gaps, particularly in the UK Flowers business where such reporting is mandatory (refer to page 32). This data-driven approach allows the company to identify and address any disparities.

Female Leadership Development: The Group is committed to increasing female representation in leadership roles. The Group tracks the proportion of women in senior management roles and has implemented targeted development programs to build the leadership capabilities of high-potential female employees.

Community Empowerment

Initiatives: The Group's corporate social responsibility efforts, such as the Inua Dada program in Kenya, focus on uplifting women in the local communities. These initiatives provide skills training, entrepreneurship support, and health interventions to strengthen the social and economic standing of female workers and their families.

By fostering an inclusive culture, investing in female talent, and supporting women in the broader community, Flamingo is positioned to harness the full power of diversity. This multifaceted approach helps the company drive innovation, enhance customer responsiveness, and build a more equitable future for all its stakeholders.

Gender Diversity

The Group believes that greater diversity of our leadership will promote greater diversity of thinking and challenge and places improving female representation of leadership as one of the key tenants of its ESG strategy. The table on page 32 shows a breakdown of female % at different organisational levels across the whole Group (snapshot taken in Sept 2024).



Responsible Business Overview continued



Employees	Male	Female	Female %
Group Board	2	2	50.0%
Executive Team	5	2	28.5%
Senior Leaders	34	21	38.2%
Supervisors & Managers	1,245	785	39%
Employees of the Group	12,291	14,503	54%

Group Board: includes four directors, our non-executive chair, non-executive sustainability director, our Group Chief Executive Officer and Group Chief Financial Officer. The female representation is 50%.

Executive Team: is a seven-member Executive management team lead by our Group Chief Executive Officer. The current Executive Team includes 2 female executives out of 7 (28.5% female representation) which is a small change compared to the prior year where there was a team of 8 people with 2 female executives (25% female representation).

Senior Leaders: includes all those individuals who directly report into a member of the Executive Management team as well as those employees, outside of the executive team, who also report into Olivia Streatfeild. Effectively the direct reports of the CEO's leadership team. This Group contains 55 people of whom 21 are female (38.2%) and shows an increase in size from the prior year where there were 47 people, 14 of whom were female (29.8%).

Supervisors & Managers: includes all those who lead teams across the business. The number of females is 785, which is 39% of this total population of 2,030.

Flamingo Flowers Limited is our only UK entity which has mandatory Gender Pay Gap (GPG) reporting. Its current GPG is 13.62% (mean) and 0% (median). We are working towards closing the Gender Pay gap in the organisation and have organised women in leadership events as well as improved mentoring of senior female leaders. Our Inua Dada programme in Naivasha, Kenya has focused on a variety of areas including improving female representation in previously male dominated areas.

Colleague Wellbeing

The Group is committed to supporting the overall wellbeing of its employees, recognising that a healthy and engaged workforce is critical to the company's long-term success. In the UK business we have the following services:

Employee Assistance Program (EAP):

The Group provides all employees in the UK businesses with access to a comprehensive Employee Assistance Program (EAP). This confidential service offers 24/7 support for a wide range of personal and work-related issues, including mental health, financial management, and legal concerns. Employees can access counselling, coaching, and referrals to specialised services as needed. In Kenya Mental Health clinics are run bi-monthly, these are led by external professionals, supported by a team of Mental Health First Aiders from within the business.

Mental Health Awareness: To

destigmatise discussions around mental health, the Group has implemented several initiatives to raise awareness and provide resources. This includes training managers to recognise the signs of mental health struggles and respond with empathy and support. The Group also organises mental health workshops and campaigns to educate the workforce on strategies for maintaining good psychological wellbeing.

Occupational Health Services: The UK business operates on-site occupational health clinics at its major facilities, providing employees with free access to medical care and health screenings. These services address both work-related injuries and general healthcare needs, ensuring that workers can promptly address any physical or mental health concerns.

Health & Safety

We are committed to ensuring the health, safety and welfare of our colleagues and will, as far as reasonably practicable, establish procedures and systems to implement this commitment and to comply with statutory obligations on health and safety. The Group operates a Health, Safety and Environment Committee to provide oversight and governance on lead KPIs, significant issues as well as sharing best practice to provide visibility and governance across the Group. This committee meets on a bi-monthly basis and has the aim of providing both governance and shared best practice across the Group.

We achieve this by:

- Providing and maintaining safe equipment and safe systems of work.
- Providing suitable information, instructions, training and supervision as is necessary to all employees.
- Maintenance of an up-to-date H&S risk assessment program covering all workplace activities.
- Reporting of accidents and near-misses as part of local procedures.
- Effective systems of communication and participation with employees and other interested parties.
- Safety leadership at all levels of the organisation, to ensure that the appropriate priority is given to Health and Safety matters.



Responsible Business Overview continued



Community

The Group recognises the importance of supporting economic growth and development of our communities in Kenya and Ethiopia and our employees support a wider network of over 100,000 dependents. We know that growth and cost competitiveness must be balanced with long-term decision making and protecting the livelihoods of our employees and the surrounding communities.

We are heavily engaged in the communities in which we operate in Kenya and Ethiopia. We meet regularly with local leaders in the community and have local community committees to understand the issues that are impacting them, and to discuss the role that the Group can play in supporting them.

Our biggest community investment has been Afriflora building and operating the school and hospital in Ethiopia. We run the Sher Ethiopia schools providing education for circa 6,250 children from the age of 5 to 18 years old. We run the Sher Ethiopia hospital which has circa 50,000 patients per year, providing access to free medical care for colleagues and access at a heavily subsidised rate to other community members.

Another one of our biggest community programmes is Inua Dada. Launched in

2022 building on a legacy of partnership between the Group and Coop, UK's largest retailer of Fairtrade flowers, Inua Dada means 'lift our sisters' in Swahili. The programme has supported over 6,000 women with access to vocational skills trainings, tutorials on personal health and personal finance, and also the opportunity to take part in artisan or skills courses such as tailoring, plumbing, carpentry, hair dressing, tie & dye and poultry keeping among others. The health programme also provided material support in the form of sanitary towels to female workers at the grower farms. Just as all of our East African woman colleagues receive free sanitary towels, we provide our local female students in Naivasha, Kenya and Ziway and Adami Tulu Ethiopia with free sanitary towels. At the out-grower farms, female workers were equipped with leadership and personal finance skills to begin and develop personal projects to improve their work at the farms and their finances. The women also formed Leadership Hubs where they engaged in sharing ideas and peer support.

The Group has implemented various initiatives to support local development. This includes partnering with schools to provide educational scholarships, renovating community infrastructure such as healthcare facilities and roads, and collaborating with environmental organisations on conservation projects. In the UK, the Group has undertaken

ad-hoc charitable / community support programmes, including a raffle fundraiser for a local charity, we launched our first Giving Tree where staff kindly donated 50 toys to a local children's charity in Stevenage. Flamingo Produce Limited's (UK) newly established social committee now organises fundraising activities which will encourage participation throughout the year, including for various local and national charities (Teenage Cancer Trust) through staff activity.

By investing in the wellbeing and prosperity of the communities it serves, the Group demonstrates its role as a responsible corporate citizen and reinforces its position as a trusted partner. Furthermore, these community-focused initiatives often provide opportunities for employee volunteering, allowing the Group's workforce to directly contribute to positive social change. This, in turn, fosters a deeper sense of purpose and pride among the employees, further enhancing their engagement and loyalty to the company.

In August 2024 we introduced a Community Grievance mechanism across all of our farms in Kenya, to help resolve disputes with members of the local community. This mechanism was reviewed and supported by a reputable third-party Triple R Alliance (TrA) and has already been used to successfully resolve a dispute in both the Mount Kenya and Naivasha regions.



Suppliers

Across the Group we work with hundreds of suppliers and third-party growers, who are critical to our business.

Grower Partners

In our Flowers and Produce lines of business, we source circa two-thirds of our flowers and produce from a network of third-party growers from around the world. In Flowers we have over seventy third-party growers and in Produce over thirty growers, a number of which are long-term strategic partners. Almost all our third-party grower partners are family-owned and run businesses. They care about the sustainability of the crops and financial returns, long-term contracts and plans to ensure there is stability for future generations. They want to see Flamingo and supermarkets operate with integrity and fairness.

We engage on a long-term basis with all key grower partners, agreeing future crop plans. Our teams will regularly visit the grower partners' farms around the world and also bringing our supermarket customers. We have recently shared with our grower partners our new Empowerment Model

and our focus in 2025 is to further develop our strategic framework with them. We are constantly working with our partners to understand how we can support with financial investment, logistics, packaging and innovation as well as regularly carrying out audits to ensure technical and quality standards are delivered.

In the last 12 months we have made progress in developing resilience in both the Flowers and Produce lines of business. This has been achieved by introducing new source countries, splitting key crops across different territories, and investing in under cover production to further protect from extreme weather.

Looking ahead, we have a pipeline to further develop pack at source opportunities. This adds value to the growers and communities we work with and delivers a better product to the market as it takes time and touchpoints out of the supply chain.

Non-Sale Suppliers

We have a wide range of suppliers who provide us with seeds, fertiliser,

chemicals, plastics, packaging and plant hardware and services such as air, sea and road freight. They care about long-term contracts and supply certainty, forward planning of supply, making reasonable profits and being treated with integrity and fairness. We have long-term relationships with many of these suppliers. We hold regular meetings with our supplier partners, at senior and operational levels.

We will regularly tender our supply requirements to ensure we have the most resilient, best value, innovative and sustainable solutions. When tendering we will engage with multiple suppliers in an open and transparent manner. We have recently tendered and changed supply for our corrugate packaging in the UK, successfully lowering our costs and strengthening supply resilience. In the next 12 months we will be tendering other parts of our supply as we work to strengthen our business.



Shareholder, Lenders and Financial Third Parties

The Group is majority owned by an affiliate of the private-equity fund Sun Capital and we then hold term loan borrowings of €236m and revolving credit facilities of €15m across 14 lenders.

We meet monthly with our shareholders to update on progress with our strategy and financial performance,

and representatives of the private-equity fund observe our Group Board as advisors. Annually, we share our strategy, financial targets and significant investments.

We are required to meet with our term loan lenders every quarter and provide a formal update on progress with our

strategy, financial performance and line of business trade performance. We also share our financial accounts monthly and our compliance with lending covenants quarterly. This information is also shared with other third parties such as our banks, rating agencies and trade credit insurers.

Sustainability and ESG Report

Our Group recognizes the impact that our operations can have on the natural environment and communities and that strong environmental and social stewardship, alongside robust governance, is fundamental to long-term business success. By actively managing our environmental and social impacts, maximizing the positive benefits we create, and ensuring responsible governance, we drive sustainable growth, strengthen business resilience and deliver value for all our stakeholders - employees, customers, communities, and partners. This responsibility is not only within our own footprint but also across our third-party supply chain.

Our Environmental, Social and Governance (ESG) programme is a core part of our strategy and day to day running of our business. It is designed to help drive the Group towards a sustainable future through responsible working practices which ultimately deliver a profitable and successful business for all our key stakeholders.

Strategic Priorities

In the last 12 months, we have continued to refine our plans and ambitions and expect these will evolve as we benefit from working with our recently appointed non-executive director, Rosalind Kainyah, who chairs our Sustainability & Community Committee, and with our third-party ESG advisors. We have developed a range of internal targets to support our strategy.



Transform the lives of our farming communities, at lowest footprint



Environmental

Carbon neutral by 2040: reduce Scope 1 and 2 intensity through investing in renewable energy and shifting into sea freight, underpinned by clear targets.

More crop per drop: focus on crop specific usage, efficient delivery and accurate data. Active participation in projects to protect and enhance water resources.

Food waste: reduce 2019 food waste levels to meet Sustainable Development Goal 12.3.

Protecting our natural environment: plant 200k trees annually across Ethiopia & Kenya, reduce pesticides, and among 3rd party growers ensure zero-deforestation in our production, and sourcing or investments.



Social

Sector leading pay and benefits: improve living standards, through security and fairness as the employer of choice in the areas where we operate.

Social investment in our farming communities: primarily in education, vocational training, health and water.

Female empowerment: increase women proportion of supervisors to mirror the workforce, supported by training, mentoring and family friendly policies.

Safe and secure environment for all: ensure zero critical health and safety incidents per year.



Governance

Robust governance structure: ensure clear reviews and structures escalating from front lines up to the Board.

Business integrity: Train in code of conduct, anti-bribery and corruption, and whistle-blowing policies for employees and community members.

Human rights at core of our business: conduct Human rights training for all colleagues, with ethical trading embedded in our supply chain. Ensure Executive oversight of employee and community grievances.

Environmental

The Group recognises the importance of environmental protection and will comply with all environmental regulations, legislation and approved codes of practice relating to the processes and activities of the company. It is the Group's objective to co-operate with and maintain good relations with all regulatory authorities and bodies.

We are going to minimise the environmental impact of our operations as well as in our third-party supply chain, by reviewing the environmental impact of all activities.

Carbon Emissions Reduction: We will reduce our carbon footprint over time, in line with our ESG strategy above, and are strengthening the reporting of our carbon emissions to fully understand our business impact. We are planning to increase the usage of sea freight from our Kenya farms, invest in solar panels across our operations and pursue other initiatives such as fertiliser usage.

Water Usage: We will become more efficient in our use of water through our farming with "more crop per drop" programs such as the WRAP WWF project in Naivasha. We also brought in a water engineering consultant to review our current infrastructure in our Kenyan farms in 2024 to help set specific targets for future years.

Water Pollution: We will ensure that none of our farming activities (including in our third-party supply chain) have an adverse impact on the environment. This includes ensuring

that we make minimal usage of chemicals and fertilisers and ensuring they are always restricted to approved lists in line with industry standards, which are checked and audited.

Food Waste: We will continue to reduce food wastage in our supply chain using targeted measures and KPI's on food wastage through each stage of our products lifecycle – from crop planning to production management, through to packaging and transportation to our retailers. We have established programmes on our farms geared towards school feeding programmes, which takes excess produce from our farm's packing and production and uses it to provide pupils with a hot meal at lunchtime, helping support our social investment in communities.

Biodiversity: We use and will continue to make use of Integrated Pest Management (IPM) in our growing facilities in Kenya and Ethiopia as a primary method of pest and disease control. IPM promotes a more sustainable way of farming by making use of insects and fungus to prevent disease and improve crop health without the need for chemicals. In addition to this we are targeting to plant over 200,000 trees every year across our Ethiopian and Kenyan farms and work with our third-party growers to ensure there is zero deforestation in our supply chain. In 2025 we are planning on evaluating a similar programme in Ethiopia, near to our farm in Adami Tulu.

Social

The Group is fully committed to enhancing the lives of our employees and the communities in which we operate. One of the Group's core values is to build for future generations and our Empowerment Model shows the mutually beneficial impact of us growing our people and communities alongside our business.

Pay & Benefits: We are committed to improving the standards of living through fair pay and reward, particularly in our Kenya and Ethiopia farming operations (refer to page 30 on colleague reward).

Community Investment: We actively invest in our farming communities with long-term programmes to support colleagues, their families and communities, focusing on health and education (refer to page 34 on communities).

Female Empowerment: We want to increase the proportion of women in leadership and supervisory roles, so it is in line with the female representation on our farms. We are therefore investing in training and development for our female team.

Governance

The Group is committed to operating a strong governance framework to provide all stakeholders with transparency and confidence around the core activities of the business, combined, with the fact that a strong oversight enables us to deliver our strategy and simplify how we operate. As part of this governance framework, we operate a Corporate Code of Conduct which details the Group's policies, standards, expectations and commitments which we deem key to our corporate responsibility.

Progress Made in 2024

The main focus of the last year has been putting in place the structure to build out our ESG strategy and Sustainability reporting.

We appointed Rosalind Kainyah in February 2025 as a non-executive director, who has experience and expertise in Sustainability and ESG to provide governance, oversight and insight at the highest level of the organisation. We have also invested in two new roles in Afriflora and Flamingo Flowers to help the Group strengthen information and reporting on sustainability. We are supported by specialist third party consultants, namely The Rock Group, who are helping us to understand our future obligations for reporting under the European Union's Corporate Social Responsibility Directive (CSRD).

Environmental

Carbon Reduction: The Group continued to expand its use of solar power by installing new solar panels at its farm in Bigot Kenya Plc as well as continuing the final year of our programme to offset carbon emissions for 2023 through One Carbon World (OCW). We had planned to increase the use of sea freight out of Kenya in 2024, but this was impacted by the closure of the Red Sea.

We also recognise the role that air freight will inevitably continue to play in the industry and continue to engage with initiatives such as Fairmiles. This initiative seeks to understand and present the holistic picture of the floriculture sector, examining the economic benefits of the industry within locations such as Kenya, when balanced against the need for air freight within the supply chain. We are currently engaged in a research project with Fairmiles, and will continue this relationship in 2025.

UK Operations' Emissions (tCO₂eq) in 2024 vs Prior Years

Greenhouse Gas (GHG) Category (tCO ₂ eq)	Reporting Year - Emissions (tCO ₂ eq)		
	2024	2023	2022
Scope 1 ^a	2,447	4,164	3,698
Scope 2 – Location Based ^b	1,601	1,703	1,954
Scope 2 – Market Based ^b	3,572	2,541	1,223
Total Scope 1 and 2 Emissions	4,047	5,867	5,652
Supplementary Data	2024	2023	2022
Energy Consumption (kWh)	14,276,253	16,780,726	19,441,319

(a) Scope 1: Constitutes consumed fuels, refrigerants, fertilisers and chemicals.

(b) Scope 2: Consumed electricity.

Greenhouse gas emissions and energy consumption

This year saw the development of internal systems and process to expand the scope and integrity of collected activity data geared toward more complete Greenhouse Gas (GHG) emissions disclosures.

Scope 1 and 2 (UK Operations)

Our Scope 1 & 2 carbon emissions, reported in line with the Greenhouse Gas (GHG) Protocol, result mainly from fuel, refrigerants and electricity used in our sites and offices as well as fertilisers and chemicals used in production. The table below represents emissions and energy consumption for our UK operations, reported in line with the Streamlined Energy and Carbon Reporting requirements.

Environmental

Our total Scope 1 and 2 emissions have decreased by over 30%. This is largely attributable to a decrease in fuel usage resulting from operational efficiencies within the production sites including the installation of a new energy-saving chiller and energy efficiency initiatives including conversion to LEDs. There has been an increase in Scope 2 (market based) emissions of 40% which is offset by the marginal improvement in Scope 2 (location based) emissions as well as the significant fall in Scope 1 emissions which have fallen by over 41%.

Scope 3 (UK Operations)

In 2023 we committed to enhancing our Scope 3 reporting which remains a complex task that will need continuous refinement. This year we are reporting on more categories, compared to prior year, as shown in our analysis below.

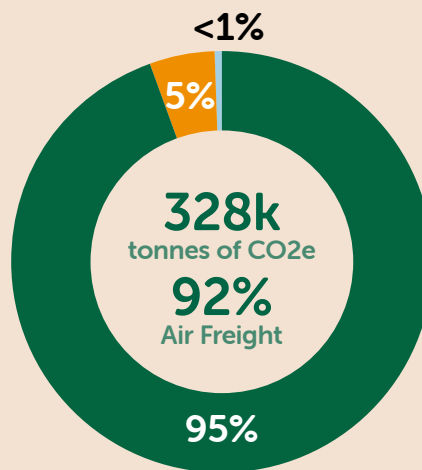
Breakdown of UK Operations' Scope 3 Emissions (tCO2eq) by Category

Scope 3 Category	Categories	Carbon (tCO2e)
1	Purchased Goods and Services (Packaging materials, fertilisers and chemicals)	17,024
3	Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	452
4	Upstream Transportation and Distribution (Air, Sea and Road Freight)	310,059
5	Waste	64
6	Business Travel	422
	Total	328,021

The capturing of our Scope 3 Co2 emissions has seen a significant increase in both the capture of data sources but also the categories of carbon emissions covered: packaging materials, air, sea and road freight. This results in a material increase for emissions when compared to 2023 emissions, where all of these areas were not comprehensively captured.

The chart on the right highlights the updated position of our Scope 3 emissions, which reflects that air freight of flowers and produce from our farms in Kenya as well as other growers globally contributes to 92% of the UK business' total Scope 3 emissions.

UK Scope 3 Emissions (2024)



- Topic
- Cat. 4: Upstream Transportation and Distribution
 - Cat. 1: Purchased Goods and Services
 - Cat. 3, 5 & 6: Other Emissions



Environmental

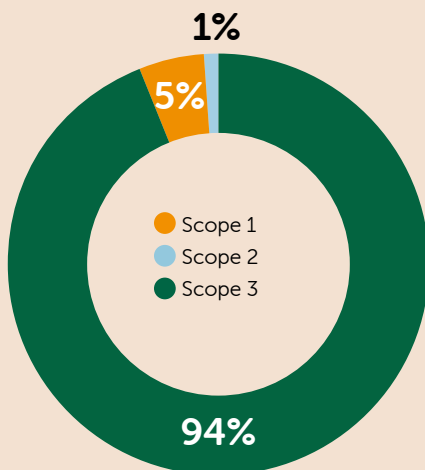
Group Carbon Emissions

For the first time in 2024, we have aggregated the Group wide GHG emissions. A rigorous approach was applied to ensure we captured all subsidiaries of the total Flamingo Group. As we continue to understand the material sources of our carbon emissions, this provides us with a more comprehensive benchmark to implement carbon reduction strategies and projects. The data and graph below show that scope 3 emissions account for 94% of the total Group Carbon Emissions (tCO₂eq) again highlighting the need for the business to focus on its third-party emissions.

Group Carbon Emissions

Greenhouse Gas (GHG) Category (tCO ₂ eq)	Reporting Year - Emissions (tCO ₂ eq)
	2024
Scope 1	33,068
Scope 2 – Location Based	3,620
Scope 2 – Market Based	6,070
Scope 3	569, 422
Total Emissions – Location Based	606, 110

Group Carbon Emissions, with Scopes 1,2 and 3 (tCO₂e)



Methodology and assumptions

The Greenhouse Gas Protocol and UK government guidance were used in tandem to calculate the GHG emissions. Continual qualitative and quantitative assessments in line with Greenhouse Gas Protocol guidance aided in reducing parameter uncertainty, these include, but are not limited to:

- Data (supplier) owner engagement and learning/ upskilling.
- Data reconciliation where multiple data sources exist.
- Data mapping to enhance traceability.
- Bias resolution through expert engagement.
- Adhering, where possible, to the Greenhouse Gas Protocols *Generic Quality Management Measures*.

In the absence of data, weighted averages, internal historical data, departmental estimations, academic research papers and publicly available resources were used.



Social

Pay & Benefits: As we have seen very high levels of inflation in Ethiopia, we awarded a 40% pay increase in September 2024, on top of the annual pay review in July, and provided further food support, working with local worker unions to understand worker requirements. We are paying materially above the World Bank Poverty line, which is the Fairtrade standard for certification in the region and enables the farms to be Fairtrade accredited.

Community Investment: Our commitment to our communities continues to be anchored around three key pillars of empowerment and education, wellness and environment. We have continued our longstanding investment in empowerment and education with our school (which provides a full-time education to 6,250

students) and hospital (which treats more than 50,000 patients annually) in Ethiopia. In Kenya, the Group continued partnering with schools to provide educational scholarships, supplement teaching capacity by funding additional teachers as well as school feeding programs for schools in our communities.

Female Empowerment: Our training and capacity building efforts resulted in an increase in women in senior management positions, women holding technical jobs positions as well as supervisory positions on our farms. These benefits were partially born from the efforts of the Inua Dada program in Kenya and other work within the farms to improve female representation in non-traditional areas of the workforce.

Governance

We have strengthened our Group oversight, adding a new Sustainability and Community Committee, chaired by Rosalind Kainyah. This is part of a wider governance reset, creating a new Group Board committee and multiple other delegated committees to better operate the business (see Governance report on page 60).

Sustainability and ESG Report continued

Focus Areas in 2025

Wider ESG Framework

We will continue to shape and refine our ESG plan and long-term targets, which will be grounded on a double-materiality assessment (DMA) and will be carried across the Group. This will provide us with a comprehensive understanding of the impacts of our business and help us to build out a comprehensive reporting structure. We will work closely with our third-party sustainability advisor and with oversight and inputs from our Executive team and Board.

Environmental

Carbon Reduction: As part of our wider strategy and target setting, we have begun to scope the requirements needed to set meaningful targets for reducing our carbon emissions. Our approach to carbon reduction is based on reducing consumption, increasing sources of renewable energy and using fossil fuels efficiently.

We are continuing with our long-term investment in renewable energy by expanding our solar programme, with plans for five more projects in own farms in Kenya. Key to our carbon emissions reduction plan is a shift from air to sea freight and we are continuing with our sea freight trials (evaluating which varieties of flowers are able to maintain quality over the extended period required for sea freight, compared to air freight) from Kenya, in readiness for when the Red Sea route reopens.

Water Usage: Our plan to improve our water usage coined as 'more crop per drop' will be enhanced through standardised measurement of water usage across our farms, including reduction of wastage through irrigation systems. In addition, we continue to enhance water collection and storage for rainwater as well and recycling

through improvements to our wetlands. Recognising water is a scarce resource for most of the regions we operate in, we continue with our membership of community initiatives to promote water stewardship, sustainable water management, as well as, improving clean water access for communities.

Food & Flower waste: In 2025 our packaging teams will continue to work on degree hours supply chain optimisation to ensure our products reach the market at optimal quality. In the year, we also plan to measure the impact of our organic waste and school feeding programmes (produce only) with a view to growing similar schemes in 2025.

Biodiversity: We are committed to reviewing our impact on both our immediate and wider natural environment. We will continue to use Integrated Pest Management ('IPM') within our farming practices to promote a minimal impact approach to protecting crops from pest and disease. We plan to increase our tree planting in Kenya within our own footprint as well as explore opportunities within Ethiopia.



Social

Pay & Benefits: We are committed to continually improving our colleagues' quality of life. In Ethiopia, we will work with the local Labour Union for our annual wage decisions, and we remain committed to ensuring that our pay remains ahead of the World Bank Poverty line standard used by Fairtrade. In Kenya we will continue to focus reward efforts on improving pay at our general worker level. We are currently 17% ahead of the sector CBA (Collective Bargaining Agreement for the sector) rate in Kenya (which is used by Fairtrade as their standard for certification). We will continue to make use of additional productivity bonuses (known as Performance Related Pay - 'PRP') to improve average earnings and decreasing staff turnover. Our Board remuneration committee will look to formalise our reward principles and provide governance over both annual increases and ad-hoc changes or appointments at a senior level.

Community Investment: Our commitment to our communities continues to be anchored around three key pillars of empowerment and education, wellness and environment. Our flagship programme for the year across our farming communities in Kenya dubbed 'Inua Jami Zetu' will focus on empowering community members through capacity development in artisan courses, professional certifications, agricultural practices as well as life skills. It shall also extend to community health initiatives, community partnerships and environmental conservation.

Female Empowerment: Aligned with our target to increase the proportion of women in leadership and supervisory roles we plan on investing in training and development for our female leaders including current women leaders and emerging women leaders across all our businesses. We are aiming to narrow the gap in female representation at all levels in 2025 by developing specific annual targets for reduction that we can measure ourselves against.

Governance

Our focus in 2025 will be embedding the governance improvements made last year, refreshing our policies across the Group, training our teams on these policies, and further developing our risk management capabilities.

Sustainability and ESG Report continued

Non-Financial and Sustainability Information Statement

The Group is required to comply with climate-related financial disclosures as implemented by the UK Government, which are aligned to the Taskforce on Climate-related Financial Disclosures (TCFD)'s recommendations. The disclosures below are structured in line with the four core elements of the TCFD framework: Non-financial and sustainability information statement. In accordance with section 414CB of the Companies Act 2006 ('the Act'). The Board provides, within this Statement, the climate-related financial disclosures for the Group.

Introduction

The Group faces increasing risks due to climate change, given the inherent susceptibility of farming to weather and climate conditions. Such risks include heavy rainfalls or prolonged periods of dry, hot weather, which can impact crop production. We continually undertake climate-related risk and opportunity assessments to help us better identify, evaluate and measure the potential financial and physical impacts of climate change. We anticipate including further results from this analysis in next year's TCFD report.

Governance

We have enhanced our ESG governance model in the last year to help ensure the most important issues facing the Group are allocated the right resources to drive forward our strategy. The Executive team has overall responsibility for the sustainability or 'Environmental, Social and Governance' ('ESG') matters, including management of climate-related risks and opportunities.

The Sustainability and Community Committee is a new committee initiated in 2025 and will be held quarterly, chaired by Rosalind Kainyah, our new Sustainability non-executive director. Committee membership also includes our Group Chief Executive Officer, our Group Chief People &

Sustainability Officer, and our Group Chief Financial Officer. A number of our ESG team members will attend Committee meetings as needed. The Committee's mandate will be to oversee the strategy and implementation of our environmental, sustainability and community initiatives, to monitor and review progress, and to address any compliance issues.

Climate Risk Management

Climate change is a principal risk to Flamingo which has the potential to significantly impact our business in the short and long term. We face potential physical environment risks from the effects of climate change on our business, including extreme weather and water scarcity. The Group also faces the risk that consumers move away from low value, high carbon impact goods (such as flowers and produce) prompting customers to reevaluate their supply chain. The Group must take all of this into account in developing the overall strategy and financial plans.

The process for assessing and identifying climate-related risks is the same for each of the principal risks and is described below.

Climate Related Risks

Our ESG team has invested time in understanding the impacts of climate change across the Group. The Group's business units incorporate climate risk management as part of their responsibilities and are embedding climate considerations into wider decision-making.

Own Farms: climate change considerations are deeply anchored into the operations of our own farms in Kenya and Ethiopia. Areas of focus on the farms have included:

- **Carbon Emissions:** To minimise the emissions from air freight, the Group works to maximise product fill on air freight, minimising the number

of flights. We have also achieved significant progress in moving sea freight flowers from Kenya to the UK, albeit this has been impacted in 2024 by the closure of commercial shipping routes through the Red Sea.

- **Water Management:** One of the biggest challenges we face is water shortages from prolonged periods without rainfall. There has been significant investment in new dams in the Mount Kenya region to improve water levels and strong rains in 2024 have left the region in a stronger position than previous years, however this remains a long-term challenge for the business. In addition, investments have been made into wetlands for water purification purposes in both Kenya and Ethiopia.
- **Plastics Usage:** Our farm operations result in significant plastic waste. In our Kingfisher farm, we have invested in plastic recycling equipment that supports recycling of our plastic waste into fencing poles which are then reused on the farm as part of the infrastructure or provided to the KWS (Kenya Wildlife Service) for use.
- **Pollution:** Our farming operations tightly control the use of approved chemicals and make use of Wetlands in both Kenya and Ethiopia to ensure that water used in the growing of crops is safely processed and there is no damage to our wider environment.
- **Nature and Land Conservation:** Investments have been made to ensure that all green waste either from production or packing is composted and used to restore soil health.

Sourcing: The Group's sourcing teams incorporate sustainability and resilience by assessing and reviewing current supply models to identify risks related to

water, climate change, and ecosystem impacts. This is supported through third party audits SMETA (SEDEX Members Ethical Trade Audit) which is based on the ETI Base code, as well as through using tools like the World Wildlife Fund (WWF) and Water Risk Filter.

Commercial: The commercial teams work alongside our customers to understand their needs. We are planning to hold workshops in 2025 to develop our integrated ESG plans further. Consumers are increasingly concerned

with issues such as sustainability, ethical production, and health and as a result, we must adapt our product offerings and marketing strategies accordingly. This includes increased transparency about sourcing, production methods, evaluating the potential of 'closer to home sources' such as Morocco and the UK, as well as partnering with suppliers to implement sustainable practices. A recent example of this is the LEAF standard which has been implemented

globally in Flamingo Horticulture's fresh produce supply chain.

The Group has identified several climate related risks and opportunities, which are potentially financially material to the business, initially drawn from the individual Lines of Business' approach to climate change and industry research. We have summarised the identified risks for the Group below:

Description	Financial Impact		Mitigating Actions
	Category	Impact	
Physical risks			
Extreme weather events			
Extreme weather events such as, heavy rains, floods, hurricanes and drought could become increasingly common and intense, impacting crop production patterns and reducing crop yields and quality. In addition, these weather events could cause disruptions to critical suppliers / supply infrastructure.	Cost of goods sold	High	<ul style="list-style-type: none"> Our flower crops are grown in protective greenhouses, shielding the flowers from some of the weather conditions. Advancements in regenerative agricultural initiatives such as using composting, Integrated Pest Management (IPM), nature restoration through indigenous trees planting. Contingency plans for sourcing produce and flowers from third party grower companies which we implement as necessary.
Rising global temperatures			
Sustained high temperatures impact crop yields from heat stress as well as increased risk of pests and diseases.	Cost of goods sold	Low	<ul style="list-style-type: none"> Researching and mapping out how regions where temperatures might increase significantly could affect crop production. Invest in development of technologies that support production with the changing weather patterns.
Water stress			
Water scarcity could lead to increased droughts while limited resources to irrigate soils could reduce crop outputs.	Cost of operations	Mid	<ul style="list-style-type: none"> Standardised measurement of water usage across our farms, leveraging new technologies. Enhancing water collection and storage for rainwater as well as recycling through improvements to our wetlands. Partnerships for community initiatives that promote water stewardship and sustainable water management.

Sustainability and ESG Report continued

Description	Financial Impact		Mitigating Actions
	Category	Impact	
Transition risks			
Policy risks – Carbon taxes			
Changing regulations as well as climate commitments in the global regions we operate in are likely to result in implementation of carbon taxes. A significant impact would be on distribution emissions for freight of our produce from own farms in Kenya and Ethiopia as well as third-party grower farms globally. Carbon tax related costs passed through to customers may impact volumes sold.	Tax costs / Compliance costs	Mid	<ul style="list-style-type: none"> We are developing plans to materially lower carbon emissions and set science-based targets. Internal carbon pricing to understand financial implications of carbon taxes. Increasing the use of sea freight, when the Red Sea reopens.
Policy risks – land use regulations			
Arising from the need to restructure current global land use patterns to conserve and expand forest land that serves as the main natural carbon removal solution. The result could be reduced land available for food crops which is the cornerstone of our business.	Cost of goods sold / operations	Low	<ul style="list-style-type: none"> Setting aside conservation areas on own farms for reforestation and bio-diversity restoration efforts such as bee keeping. Monitor potential land use regulations understand their implications so that we can adapt farming practices.
Policy risks - regulation of fertilizers and chemicals use			
Increased regulation of fertilizers and chemicals use has been on the rise globally. Bans on use of fertilisers and chemicals that have GHG-intensive components and ingredients in everyday products are also imminent. This is also an increased area of reputational risk from increased media attention around the use of chemicals in commercial flower farming.	Cost of goods sold / Compliance costs	Mid	<ul style="list-style-type: none"> Membership to widely acceptable farming and product standards for both flowers and plants as well as fresh produce. As part of this, we strictly monitor fertiliser and chemical usage to within accepted components and chemical levels. Investment in composting and IPMs as an alternative to fertilisers and chemicals.
Reputation			
Adverse impacts on Flamingo's reputation resulting from issues or incidents relating to our approach and response to the impacts of climate change, including water scarcity.	Net revenue	Mid	<ul style="list-style-type: none"> Our commitment to managing climate change and related risks is anchored in our strategy including working with our key customers who have set carbon reduction targets to remain a trusted supplier.

Opportunities

The Group will continue to explore potential opportunities that may arise from our climate-related considerations, such as:

- Increasing operational efficiency through maximising product fill on air freight.
- Leading the market on sea freight from Kenya: to both lower our operating costs and meet consumer demands for a lower carbon production.
- Continuing to invest in solar infrastructure lowering carbon emissions and reducing operating costs.
- Strengthening partnerships with our customers and suppliers who are committed to our value of 'building for future generations'.

The Group acknowledges climate change is dynamic and is improving its reporting by regularly reviewing risks and opportunities, adapting strategies and updating its risk management practices. We are planning to further develop our reporting on ESG with more clearly defined metrics and structured data reporting.

Climate Risk Scenarios

Climate scenario planning is a critical component to understanding and managing climate-related business risks and their financial impacts. The Group ESG team is currently developing formal climate scenario planning as part of ongoing operational sustainability work, with the aim of embedding climate change adaptation and mitigation measures across our business.

Strategy

As part of our wider ESG strategy, and in line with our core value to build for future generations, our environmental / climate strategy is anchored on:

- Reducing our Carbon Footprint: reducing Co2e emissions for scope 1,2 & 3.
- Water Conservation: be more efficient in water usage through our 'more crop per drop' initiative.
- Food Waste: reduce food and flower waste.
- Biodiversity and Natural Environment Conservation: Protecting our natural environment.

We have built into our business strategy a number of initiatives to strengthen future supply resilience which include

expansion of climate risk management practises to out-growers, as we embed climate resilience across all areas of our operation.

Metrics and Targets

In 2024 we further expanded our data collection approach across the Group for all relevant carbon metrics, expanding to Scope 3 emissions (including all freight and packaging). The aggregation of this data has further developed the thinking behind our carbon neutral by 2040 strategy and the data will ultimately form the detailed targets in our plan. In 2025, we will also be collecting data on water usage and investing in analysis and projects to optimise our water usage as well as to support collective solutions in priority areas both for our farms and communities we operate in.

We plan to disclose this data including our progress towards setting Science Based Targets (SBTs) in our subsequent reports.

Risk Report

Effective risk management is critical to our strategy of resilient, high-quality supply and building our business for future generations.

Approach to Risk Management

The Board is ultimately responsible and accountable for overseeing the effectiveness of our risk management process, which includes identifying the principal risks facing our business and challenging Management’s implementation of mitigating actions. The Board has delegated the responsibility for reviewing the effectiveness of the Group’s internal controls and risk management arrangements to the Risk & Audit Committee.

We assess and manage our business risks using formalised risk registers, which capture the likelihood and severity of a risk, identify any recent risk events we can learn from, document mitigating actions and outline any future control actions. Each line of business reviews their risk registers at least twice per

year, followed up with a review with the Group Chief Financial Officer, and these are then discussed at the Risk & Audit Committee.

Principal Risks

The most significant business risks that the Group faces, together with the measures we have adopted to mitigate these risks, and the trend in residual risk level, are outlined in the following tables. These include those risks that are the most material to our performance and those that could threaten our business model or the future long-term solvency or liquidity of the Group. The principal risks do not comprise all the risks associated with our business and are not set out in priority order. Additional risks not known to management, or currently deemed to be less material, may also have an adverse effect on our business.

Strategic Risks

Transforming Our Business

The Group is pursuing an ambitious change program to address the challenges we face and create a better business for our customers, colleagues, communities and shareholders. There is a risk that change management and execution are not effective in protecting the day-to-day running of the business or fully delivering the expected benefits.

Context and Potential Impact

- We have set the strategy to become “the world’s most resilient, best value farm-direct grower, with the lowest possible footprint” with six supporting change pillars. Delivery of these transformation projects is critical to ensuring our business is effective, competitive and we achieve our strategic goals.
- If there is a significant amount of change in the business this could impact our colleagues’ time and resource and impact our ability to serve customers.

Mitigations and Controls

- There is a robust governance framework in place. Each strategic project has an Executive sponsor, there are quarterly delivery milestones which are tracked monthly, and we discuss progress in our monthly business review meetings.
- We have a Group of senior leaders from across the business, our Strategy Development Group, who shape and deliver our plans and gauge organisational capacity and capability to deliver.
- A communication plan is in place from Chief Executive Officer down with engagement across the entire business to ensure alignment on purpose, goals and activities.
- The strategy is aligned to our financial plan and there is regular tracking of benefits delivery.

Change in risk Key

-  Risk Decreasing
-  Risk Stable
-  Risk Increasing

Financial Risks

Liquidity and Funding

There is a risk that the Group is unable to access the short-term and long-term funding required to meet business needs.



Context and Potential Impact

- The availability and ability to access appropriate levels of funding and maintain ample liquidity is critical for continued business operations.
- There is a risk that the Group is unable to access financial markets to obtain appropriate sources and levels of funding at economic rates or debt funding is removed due to non-compliance with lending agreements and related covenants.
- There is a risk of a working capital outflow in the event of a significant reduction in payment terms with customers or suppliers.
- Our term loan is not on a fixed rate, so there is a risk that the cost of our borrowings increase should the underlying market interest costs increase.

Mitigations and Controls

- The Group's Treasurer monitors current and forecasted cashflows, and working with the Group Chief Financial Officer ensures there is adequate funds in place.
- The Liquidity and Financial Risk Committee meets monthly to review our liquidity.
- Covenant compliance is reviewed quarterly by the Group Financial Controller.
- In January 2024 the Group successfully completed the Amend and Extend of its existing debt facility, with all incumbent lenders continuing to support the business and shareholders investing an additional £50m equity, lowering Group debt levels. Leverage has dropped from 4.4x in Dec-23 to 2.5x in Dec-24.
- The Group has access to €15m RCF, which has not been drawn in FY24. We use SCF facilities with multiple customers, where we can receive payments sooner than agreed standard terms.

Currency and Commodity Pricing

The Group is exposed to multiple foreign currencies and oil prices, which can materially impact profitability.



Context and Potential Impact

- The Group sources products from around the world and sells into the UK and Europe, trading in GBP, USD, EUR, KES and ETB. There is volatility in all currencies, particularly the African currencies. Swings in currency rates can materially impact profitability in the short to medium term.
- The Group's global sourcing, and usage of air freight, means we use material amounts of fuel. Shifts in the oil prices can cause changes in profitability.

Mitigations and Controls

- The Group's Treasurer monitors the foreign currency and oil price trends, working closely with our banks.
- We have evolved our currency and oil hedging policy, hedging up to 18 months on a tapering percentage of cover.
- The Liquidity and Financial Risk Committee meets monthly to review our hedge cover and agree on executing new hedges.
- In our UK business we agree foreign currency hedges with customers.
- Our commercial teams regularly review pricing with customers to reflect material movements in currency rates and oil prices.

Cost Management and Inflation

Inflationary pressure in our cost base and inability to pass on to customers may negatively impact our financial performance.



Context and Potential Impact

- There continues to be high levels of inflation in parts of our business, putting pressure on our cost base and profitability. In Ethiopia the Birr devaluation is creating high inflation. In the UK, the recent Chancellor's Budget changes has increased labour costs and Kenya air freight prices have materially increased linked to global supply and demand.
- In 2023 our margins reduced partly because retail prices didn't track in line with cost price increases in the UK business.

Mitigations and Controls

- As part of our business transformation program, we continuously look for cost saving opportunities to offset inflation.
- Commercial teams in each line of business regularly review cost price trends and then discuss cost mitigations and retail price changes with our customers. Many of our Flamingo Flowers and Produce contracts in the UK have mechanisms to pass through cost increases, whilst Afriflora has annual contract negotiations.
- Our Flamingo Flowers line of business increased profitability in FY24.

Risk Report continued

Financial Risks (continued)

Taxation and Levies

High levels of country borrowing in our two main East Africa operations, Ethiopia and Kenya, could result in higher taxation and levies, which in turn impacts our financial performance.



Context and Potential Impact

- Both the Kenyan and Ethiopian government hold material borrowings with the IMF and World Bank. The governments are targeting financial reform to repay the debts and invest in national economic growth.
- In Kenya, the Kenyan Revenue Authority have been slow to pay back VAT monies owed to Flamingo and there is currently a £9.2m outstanding balance.
- In Ethiopia and Kenya, the tax authorities could challenge the transfer pricing policy and move more taxation into those countries, where taxation rates are higher.

Mitigations and Controls

- In our FY23 and FY24 Group accounts we have recognised a time-value adjustment on the Kenyan VAT outstanding balance (see page 103).
- Local finance directors in Kenya and Ethiopia have regular contact with tax authorities and ensure timely filing of returns and full support on audits.
- The Kenyan Revenue Authority has introduced a tax credit system to offset VAT balances owed, which we have implemented and use.
- Group directors, including the Group Chief Executive Officer and Chief Financial Officer, are in regular contact with Kenya and Ethiopia government officials, US and British embassy officials and industry bodies.

People Risks

Recruitment and Retention

The ongoing success of the Group is dependent on attracting and retaining high quality talent, with the right skills, experience, and sector knowledge to effectively implement our strategy.



Context and Potential Impact

- Our ability to attract, retain and develop talented colleagues is important for long-term stability and success. There is a risk that we are unable to attract or retain talented colleagues and key individuals.

Mitigations and Controls

- Regular industry benchmarking to inform decision making on pay and benefits.
- We conduct an annual engagement survey to monitor engagement and build out action plans to address specific issues.
- We launched our new values and behaviours in 2024, which were communicated across the whole of the business, with our leaders sharing personal stories to promote increased engagement.
- We have graduate programs in the UK and Kenya, attracting new talent and then investing in their growth. Many of these graduates now occupy senior roles in the organisation.
- We have various leadership development programs. There is a future leaders program that trains and develops talent to take on more senior roles. We have targeted development programs to support female leaders.
- The Executive Team conduct talent reviews twice per year to ensure we continue to identify and develop our key talent.

Change in risk Key

- Risk Decreasing
- Risk Stable
- Risk Increasing

People Risks (continued)

High Reliance on Labour

We are reliant on high amounts of labour on our farms. High labour turnover, linked to inflationary pressures or geopolitical risks, could increase the cost of labour and impact labour relations.



Context and Potential Impact

- Circa 24,000 people work on our farms in Kenya and Ethiopia. In Kenya we have a low labour turnover and a very loyal workforce. Ethiopia has high labour turnover with a more migrating workforce and higher inflationary pressures. Access to trained labour is key to resilient supply and high productivity.
- Increasing wage inflation increases the need for greater productivity and use of technology.

Mitigations and Controls

- Regular wage and benefits benchmarking is in place to ensure colleagues are paid fairly, reacting quickly to inflationary pressures.
- We maintain proactive and cooperative relationships with trade unions, as part of our engagement with local communities.
- We have invested in labour planning systems to provide greater insights and support stronger labour planning.
- We have introduced front line empowerment programs to support productivity and innovation.
- Our farms operate in multiple regions limiting the reliance on one local workforce.

Commercial Risks

Customer

The Group has some very large customer accounts and if we were to see a significant reduction in demand with one of these, there could be a material impact to our profitability



Context and Potential Impact

- In the UK our largest customer is Tesco, in Afriflora our largest customer is Edeka. If we were to lose one of these contracts, it could have a significant impact on our short-term profits.

Mitigations and Controls

- Strengthened commercial team capability, hiring new Chief Commercial Officer with retail experience in Flamingo Flowers Limited and Flamingo Produce Limited, and new Chief Executive Officer in Afriflora with FMCG experience.
- Combined UK Flowers and Produce business under one leadership to enable joined up fresh category management with customers.
- Regular senior engagement with our largest customers, which includes visits to our farms.
- We have diversified our customer base, supplying 11 of the top 15 supermarket chains in Europe. Afriflora also sells into the Dutch auction and via intermediaries such as Dutch Flower Group.

ESG Risks

Climate Change

The Group's business and supply chain is affected by climate change risks comprising both physical and transition risks. Physical risks include long-term rises in temperature as well as changes to the frequency and severity of extreme weather events. Transition risks include policy changes, reputational impacts, and shifts in market preferences and technology.



Context and Potential Impact

- Our own farms and third-party farms are susceptible to extreme drought or flooding linked to climate change. This was evident in FY24 when we experienced heavy rainfall, flooding and unseasonal temperatures in the El Nino cycle.
- Adverse weather conditions can reduce crop production, in turn impacting supply resilience and financial performance.

Mitigations and Controls

- Our farming footprint is geographically dispersed, supporting supply resilience, with owned farms in different regions across Kenya, Ethiopia and France.
- Our Flamingo Flowers and Produce lines of business leverage global sourcing networks across Africa, Europe, North and South America and the UK.
- On our owned farms, we have invested in dams for droughts and drainage tunnels for floods.

Risk Report continued

ESG Risks (continued)

Sustainability

The Group has significant farming operations and a global supply chain, and with it comes an obligation to operate with the lowest possible environmental footprint. Failure to sufficiently monitor and manage operational activities to minimise the environmental impacts could lead to business disruption, no longer being competitive and cause financial and reputational damage to the Group.



Context and Potential Impact

- Our supermarket customers and end consumers are becoming increasingly focused on the environmental impact of supply chains, expecting certain standards.
- There is increasing local and European regulation, requiring our business to make improvements and to be able to report fully on our supply chains.
- There is pressure to reduce our carbon footprint and shift more volumes into sea freight as opposed to air freight.

Mitigations and Controls

- Sustainability (and ESG) is one of our strategic change pillars, and the Executive Team takes collective responsibility for driving the agenda. Within our Executive Team, our Chief People and Sustainability Officer is sponsor of sustainability business wide.
- Our strategic ambition for sustainability prioritises carbon emissions, water usage, biodiversity, waste, reduction, and female empowerment.
- Dedicated team developing our sustainability reporting.
- Target publishing our first Sustainability report in second half of 2025.
- Designed new operating model in Flamingo Flowers to sea freight from Kenya into UK and Europe. Red Sea crisis has pushed us to explore other sea routes.
- Targeting to increase supply in Flamingo Flowers and Produce from locations which are sea freight as opposed to air freight.

Operational Risks

Supply Chain

The Group operates a complex, global supply chain and our competitive advantage is our ability to provide resilient supply into our supermarket customers. Repeated under-supply can result in customer loss.



Context and Potential Impact

- Our business success relies on matching supply with demand. If we are short on supply, supermarket customers will be disappointed, and we risk losing customer contracts. If we are over on supply, then we experience high waste and lower profits.
- Success is also reliant on reliable distribution. In HY2 FY24 there was disruption out of Kenya as air freight capacity reduced with carriers shifting to more profitable Asia-Europe route, which impacted our profits.

Mitigations and Controls

- Flamingo Flowers and Produce operate global supply chains to increase supply resilience, and our owned farms are geographically spread in Kenya, Ethiopia, and France.
- Forward-looking sales and operational planning (S&OP) across our commercial, farming and third-party supply teams.
- Regular reporting on customer service levels and forecast accuracy.
- Crop planting strategies are aligned to customer demand.
- Specialist teams to manage daily our distribution network.
- Strong, longstanding relations with freight forward agents to manage air and sea freight. Strong, strategic relations with air freight operators in Ethiopia and Kenya with back-up options where needed.

Change in risk Key

- Risk Decreasing
- Risk Stable
- Risk Increasing

Operational Risks (continued)

IT Systems and Cyber Security

There is a risk that Group systems are vulnerable to cyber-attacks or data breach which could lead to significant limitations in ability to operate, loss of earnings, brand and reputational damage and regulatory fines.



Context and Potential Impact

- Our operations are underpinned by a variety of IT systems. There is a risk that the Group's systems are vulnerable to cyber-attacks which could lead to significant limitations in ability to operate, loss of earnings, reputational damage and regulatory fines.

Mitigations and Controls

- The Group has in place various measures to help protect it from Cyber-attacks, underpinned by ISO 27001 (Information security, cybersecurity and privacy protection) compliance.
- Full suite of audited governance to manage Cyber Security with policies, procedures and standards published to wider business.
- External penetration testing conducted by an accredited third party.
- Vulnerability monitoring of devices, supported by patch management process for critical systems.
- Dedicated internal security team supported by external Security Operations Centre (SOC).
- Cyber-security awareness & training for our workforce, with job role targeted training and regular phishing testing.
- A Virtual Chief Information Security Office ('vCISO') to support the ongoing management of the cyber security services and processes, as well as provide incident support in the case of any future breach.
- Yearly audit to maintain ISO 27001 certification.

Crop Disease and Product Quality

Our flower or crops are infected with pest disease such as False Codling Moth (FCM) or suffer from poor product quality, impacting our financial performance and brand reputation.



Context and Potential Impact

- With operations of our scale and in the aftermath of flooding events, it's inevitable there will be some incident of crop disease such as FCM. The increased risk comes from the increasing levels of custom checks.
- Should FCM be detected on a large scale or there be repeated incidents in a short period of time, we can temporarily lose our export licence, which impacts supply resilience and financial performance.

Mitigations and Controls

- There are quality management systems across all our farms, with specific day to day operating measures to avoid, monitor, report and remediate. Teams are fully trained on these policies and protocols.
- There are specific IPM (integrated pest management) treatments to tackle crop disease such as FCM.
- There is highly visible daily reporting on checks and results, with immediate escalation to the Chief Operating Officer in the farms.

This report was approved by the Board on 6 May 2025 and signed on its behalf by

Olivia Streatfeild

Director



Corporate Governance Report





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Corporate Governance Statement

Introduction to Corporate Governance

The Board recognises the importance of stronger corporate governance. Over the past year, we have formalised and professionalised how we manage the business, and increased transparency around the activities and performance of the business.

There are a number of enhancements we have made in the last year to our corporate governance, which include:

- Established a Group Board and series of sub-committees to govern key decisions and provide more formal oversight (see page 60).
- Introduced a quarterly investor presentation where we update our term-loan lenders and rating agencies on business progress and financial performance.
- Providing enhanced annual reporting disclosures required of larger private equity companies in accordance with the Guidelines for Disclosure and Transparency in Private Equity, the "Walker Guidelines".

We will continue strengthening our governance in 2025, which will include:

- Introducing a non-executive sustainability director who will be focused on our environmental and sustainability strategy and activities.
- Refreshing our key governance policies and procedures, and ensuring they are trained into all colleagues throughout the business.

Corporate Governance Framework

The governance framework is summarised below in the context of the Wates Principles, the corporate governance framework published by the Financial Reporting Council in 2018. The Group has since 1st January 2019 adhered to the principles issued as guidance for large private companies.

Principle 1: Purpose & Leadership

Purpose

We define our purpose as "making a difference in horticulture, everyday".

Values and Culture

We have recently launched new values and behaviours, which reflect our farming roots. Our three core values are "we are together", "we are bold" and "we build for future generations". Refer to pages 12-13 for more information on our values and culture, and how these are applied to run our business.

Strategy

The Directors have developed a long-term strategy, which clearly identifies the vision of the business, the strategic pillars required to deliver the vision, and a five-year financial plan for 2025-2029.

The strategy is to "become the world's most resilient, best value farm-direct grower, with the lowest possible footprint" which is supported by six strategic pillars including one team with trust and transparency, farming and strategic sourcing, resilient low footprint supply chain, onshore operational excellence, market power and customer growth, and our environment and community strategy.

Management and our Board regularly monitor and discuss progress of both our strategic and financial plans.

Principle 2: Board Composition

The Group is ultimately governed by the Board of directors of Flamingo Group International Limited. The Board comprises four directors and three observers from the private-equity owner Sun Capital. The four directors include the Non-Executive Chairman, Non-Executive Director for Sustainability & ESG, the Group Chief Executive Officer and the Group Chief Financial Officer. The Board meet regularly to monitor performance and progress with delivery of the strategy and to make key decisions.

Our board and senior management team comprises of individual directors who have sufficient skills, background experience and knowledge to lead a business within our sector. The size and construction of the board is commensurate with an organisation of our size.

Balance, Size and Structure

Our Board and Executive Team comprise directors who have sufficient skills, background experience and knowledge to lead a business within our sector. The size and construction of the Board is commensurate with an organisation of our size.

The scrutiny, review and support provided by the Board provides an appropriate amount of independent rigour and challenge to the operation and decisions of the Executive Team. This includes participation in appointments to the Board and Executive Team, monitoring the effectiveness of the Board and Executive Team and implementation of governance approval procedures.

Effectiveness

There are periodic evaluations of the constitution and effectiveness of the Executive Team and additional appointments are made where necessary to deliver the appropriate diversity and expertise. Further, Executive Team members have a formal appraisal process twice annually which considers performance and reward.

Principle 3: Directors' Responsibilities

The Board and Executive Team observe corporate governance policies and procedures which set out clear guidelines as to which internal stakeholders within the Group and ownership structure need to be informed, consulted with or approve certain matters, which ensures that there are appropriate checks and balances in place before making decisions.

Individual responsibilities are clearly defined by the Group Chief Executive Officer and any changes to an Executive Team member's area of responsibility and/or reporting lines are briefed to the business via colleague email communications. The business therefore has a clear understanding of each Executive Team member's responsibilities and remit. Where individuals are directors of separate legal entities within the Group, they are aware of their responsibilities regarding each of these legal entities.

Our Governance Committees

We have a range of committees with Board-delegated authority which meet regularly to manage day-to-day operations and decision-making on behalf of the Board. These include Risk & Audit, Investment, Liquidity & Financial Risk, Sustainability & Community, and Remuneration & Nominations Committees. Committees are chaired and attended by members of the Board and Executive Team as appropriate, and other relevant members of senior management. These Committees operate under clearly documented terms of reference and the remit of each is regularly reviewed, and the terms of reference are updated as and when required. Refer to page 60 for more information on our governance committees.

The day-to-day running of the business is managed by the Executive Team, which comprises the Group Chief Executive Officer and her leadership team, who provide strategic leadership and operational management of the different Group businesses.

Principle 4: Opportunity & Risk

Opportunity

Our Board and Executive Team promote the long-term sustainable success of the company by conducting regular reviews to identify & pursue opportunities consistent with our strategy. We have an annual strategic planning process, complemented by quarterly reviews.

Risk

The Group has a risk management framework which identifies, mitigates, and monitors significant risks, with oversight by the Risk & Audit Committee. Please refer to the Risk Report on pages 48-53.

Principle 5: Remuneration

The Group aims to attract and retain talent through fair and affordable remuneration at all levels in our organisation. Remuneration decisions are handled by the Remuneration & Nominations Committee, with remuneration reviewed and benchmarked against a recognised global benchmarking system to which the company subscribes (Willis, Towers Watson).

Senior leaders participate in an annual bonus scheme, which is linked to delivery of annual performance targets, including profit and cash to ensure affordability of any bonus payment.

Board and Executive Team pay is regularly benchmarked against competitors to ensure the appropriate individuals are attracted or retained.

Principle 6: Stakeholder Relations & Engagement

The Group engages regularly with each of its key stakeholder groups to ensure their needs are appropriately reflected in our purpose and priorities. Key stakeholder groups include customers, colleagues, suppliers, and investors. Please refer to the 'Our Stakeholders' section on pages 28-35 for details on how we engage with each group.

Leadership Team

Executive Board



Mike Logue

Non-Executive Chairman

Tenure: Started July 2023

Biography

Mike has over 30 years leadership experience in retail businesses, working with household brands such as M&S, Asda and Mothercare. Between 2013 and 2021 Mike was CEO of the beds brand Dreams during Sun Capital's ownership period, where he transformed performance and led the sale of the business.

Current External Appointments: Advisor at Mancini's Sleepworld

Committees



Rosalind Kainyah

Non-Executive Director, Sustainability and ESG

Tenure: Started February 2025

Biography

Rosalind is an experienced NED with over 30 years' combined experience at senior management, executive and Board level. Her background is in corporate and environmental law, government relations and ESG and she has held Non-Executive Director and Trustee roles in publicly listed businesses, private companies and in not-for-profit organisations for over 20 years.

Current External Appointments: Rosalind is currently a Non-Executive Director of discoverIE plc, a FTSE 250 company on the London Stock Exchange; of LSE listed Gem Diamonds and EnQuest Plc; and of privately owned, WE Soda.

Committees



Olivia Streatfeild

Group Chief Executive Officer

Tenure: Started September 2023

Biography

Olivia has a strong commercial, strategy and data background. Olivia's early career started with Lehman Brothers and McKinsey & Co, before her move into industry where she was Commercial Director of TalkTalk's consumer business, Partner at Sir Charles Dunston's investment vehicle Freston Ventures and Chief Executive Officer of INTO University Partnerships. Olivia spent three years previously at Flamingo Horticulture Investments Limited, eventually as Chief Executive Officer, overseeing a significant period of growth.

Current External Appointments: Non-Executive Director for Reach plc and Denhay Farms Ltd.

Committees



Steven Nuttall

Group Chief Financial Officer

Tenure: Started January 2024, resigned 24 April 2025.

Biography







Steven has over 20 years' experience in large retail business transformations. Steven started his career as a finance graduate at BAE Systems and later a Consultant in KPMG's Transaction Services division. Steven then worked as Director of Strategy & Business Development at Very Group, Head of Finance at Coles Supermarkets (Australia), Finance Director at The Cooperative Group and Interim Chief Financial Officer at Asda.

Current External Appointments: None

Committees



Committees Key

-  Group Board Committee
-  Risk & Audit Committee
-  Investment Committee
-  Liquidity & Financial Risk Committee
-  Sustainability Committee
-  Nominations & Remuneration Committee

Management Team



Freark Bruinsma

Chief Executive Officer, Afriflora

Tenure: Started July 2024

Biography

Freark is a globally experienced leader with a background in marketing and sales in consumer goods, retail, and wholesale environments. He has spent the majority of his career at Heineken, in multiple international roles in China, Hong Kong and Singapore. Freark also has experience working in smaller start up environments, working with Koninklijke Oosterberg (a wholesaler in Electrotechnical materials) advising the CEO and Shareholder directly as well as co-founding xXenta, which was developing a learning-centred performance tool leveraging AI.

Current External Appointments: None	Committees
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James Dale

Chief Executive Officer, Flamingo Flowers UK and Flamingo Produce UK

Tenure: 16 years

Biography

James is CEO of Flamingo's UK business. He started his career at Exotic Farm Produce in 2004 and joined Flamingo as a Senior Commercial Manager in 2008. He moved into the role of General Manager in 2017 and was subsequently appointed as MD of Flamingo Produce Limited. He moved across to Flamingo Flowers & Plants in 2023, before being appointed CEO for all of the UK. James is a graduate of the University of Edinburgh, having graduated with a BSc in Plant Sciences.

Current External Appointments: None	Committees
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John Meijer

Chief Executive Officer, Flamingo Kenya

Tenure: 19 years

Biography

John is the CEO of Flamingo Horticulture Kenya Limited, comprising the farming regions in Mt Kenya, Naivasha and Bigot Kenya. John has been in Kenya since 2018 and prior to that was the Managing Director of the Flamingo Horticulture South Africa (Pty) Limited (FHSA) business (which is now separated from the Group). Previously to this John has also worked with Shastean Investments in South Africa.

Current External Appointments: None	Committees
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Candice Ferreira

Chief Commercial Officer, Flamingo Flowers UK and Flamingo Produce UK

Tenure: Started March 2024

Biography

Candice rejoined the business in 2024 as the Chief Commercial Officer (CCO) for Flamingo UK from Ocado where she was Trading Director (2022-2024). Previously to that she had spent 7 years at Flamingo Produce Limited, originally joining as a Commercial Manager, before being appointed Commercial Director in 2020. Her previous experience prior to Flamingo includes Greencore, Loving Foods and Wealmoor.

Current External Appointments: None	Committees
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Zeri James

Group Chief People and Sustainability Officer

Tenure: 10 years

Biography

Zeri started his HR career with Celebrations Group in 2006 before joining Gist in 2009, initially as HR Manager for the UK primary business before being promoted to the role of Head of HR Operations for UK and Ireland. Zeri joined Flamingo Horticulture in 2015 as Group HR Director and took responsibility for the HR function of the combined Flamingo Group International Limited (FGIL) business in 2019. He has a BSc in Psychology and a MSc in Human Resource Management.

Current External Appointments: None	Committees
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Governance Committees

Our business is governed by our Group Board and then we also have a range of internal governance committees with board-delegated authority to manage the day-to-day operations and decision-making on behalf of the Board. The detail on these committees is provided below.

Overview of Governance Committees



Group Board

The role of the Group Board is to approve and monitor the overall governance framework, approve and monitor progress of the overall strategy and business plan and approve any significant investment or financing decisions. The Committee is chaired by our Non-Executive Chairman and in attendance are the Non-Executive Director for Sustainability and ESG, the Group Chief Executive Officer and the Group Chief Financial Officer. The Committee meets quarterly when required.

Risk & Audit Committee

The Committee’s role is to provide oversight and effective governance over the integrity and appropriateness of external financial reporting, internal financial controls and risk management systems. The Committee meets every two to three months and is chaired by the Group Chief Financial Officer and attended by the Group Chief Executive Officer, Group Chief People and Sustainability Officer and members of the finance team. We will also invite our auditors, PricewaterhouseCoopers LLP, at least twice per year.

Investment Committee

The Committee’s role is to monitor capital spend against budget as well as review and approve material capital and lease investment decisions. We have put in place target asset life cycles for replacement decisions and target paybacks for growth projects. The Committee meets monthly, is chaired by the Group Chief Financial Officer and all members of the Executive Team attend.

Liquidity & Financial Risk Committee

The Committee’s role is to monitor the short-term liquidity of the Group, ensure available funds for operating the business and deciding on supply chain finance utilisation, and manage financial exposure to foreign currency, fuel and energy movements. The Committee reviews and executes all financial hedges in line with our Group financial hedging policy. The Group Chief Financial Officer chairs the monthly meeting and is attended by senior members of the finance team.

Sustainability Committee

This is a new Committee we are introducing to oversee the strategy and implementation of our environmental, sustainability and community ambitions. The meeting is chaired by our Non-Executive Director, Rosalind Kainyah, and attended by the Group Chief Executive Officer, Group Chief People and Sustainability Officer, Group Chief Financial Officer and members of our ESG internal community. The committee will meet at least quarterly.

Nominations & Remuneration Committee

This Committee oversees and decides on appointment of executive and non-executive directors and approves executive remuneration and senior management bonuses. The Committee is chaired by the Non-Executive Chairman and attended by the Group Chief Executive Officer and Group Chief Sustainability & People Officer. Meetings are every six months or as required.

Directors' Report

The Directors present their report together with the audited consolidated financial statements for the 52 weeks ended 28 December 2024. Reference to other relevant information incorporated into this report is below.

Strategic Report

The Strategic Report on pages 6 to 53 sets out the performance of the Group's business during the financial year, the position of the Group at the end of the financial year and includes a range of financial and non-financial KPIs. The Report also includes the Group's strategy, future developments and a description of the principal risks facing the Group, and how we are managing these risks. There is information on the Group's financial instruments risks and risk management policies within the Performance Highlights section on pages 22-23.

The Strategic Report includes the Sustainability report on pages 36 to 47, which provides information on the Group's greenhouse gas emissions.

There is a statement setting out how the Directors have operated in line with Section 172 of the Companies Act 2006, engaging with our key stakeholders.

Governance Report

The Governance Report on pages 54 to 63 provides information on the Group's compliance with corporate governance framework, the Wates principles, published by the Financial Reporting Council in 2018.

Non-Financial Statutory Disclosures

The following disclosures have been included elsewhere in this Annual Report and are incorporated into the Directors' Report by reference:

Information Requirement	Section	Page(s)
Directors of the Group	Company information	125
Business model and future developments	Strategic report	14-18
Principal risks	Risk report	48-53
Financial risk management	Performance highlights	22-24
Non-financial KPIs	Strategic report	21
Stakeholder engagement	Corporate governance statement	56-57
Environment incl. carbon emissions	Sustainability and ESG report	38-40
Employees including disabilities	Responsible business overview	28-35
Human rights	Sustainability and ESG report	36
Social matters	Sustainability and ESG report	36
Anti-bribery and corruption	Sustainability and ESG report	36

Principal Activities

Flamingo Group International Limited is one of the leading suppliers of flowers, plants and produce into the UK and European retail markets. We aim to be the world's most resilient and best value farm-direct grower, at the lowest footprint.

Results and Dividends

The loss for the period, after taxation, amounted to (£20.8m) (2023: £25.5m loss).

The Directors do not recommend payment of a final dividend (2023: £nil). Interim dividends of £nil were paid in the period (2023: £nil).

Research & Development

Research and development costs incurred by the Group relate to the development of new products and trials for existing customers. During the period the Group spent £354k on research and development (2023: £305k).

Financial Instruments

The Group's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets, other than derivatives, include trade and other receivables and cash and cash equivalents that derive directly from its operations.

Directors

The Directors of the company who were in office during the period and up to the date of signing the financial statements were:

Zeri James
Olivia Streatfeild
Steven Nuttall (resigned 24 April 2025)
Rosalind Kainyah (Appointed 24 April 2025)

Directors' Indemnities

During the period and at the date of approval of the financial statements, the Group maintained liability insurance and qualifying third-party indemnification provisions for its directors, under which the Group has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Group.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure their employment with the Group continues and appropriate training is

Directors' Report continued

arranged. It is the policy of the Group that the training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

Political and Charitable Donations

In 2024, we continued to support the local community in Ethiopia for an amount of £1,680k (2023: £1,592k), by providing free of charge medical services, free education to approximately 6,250 students and various other local projects. In Kenya we donated land valued at £259k to the local church, where they have built a community school. No political donations were made during the current or prior period.

Post Balance Sheet Events

Flamingo Flowers Limited sold a piece of freehold land at our Sandy site in the UK on the 28th March 2025 for £1.95 million sale value.

Directors' Statement as to Disclosure of Information to Auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors

are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Guidelines for Disclosure and Transparency in Private Equity Statement

The Directors consider the Annual Report and Accounts to comply with all aspects of the Guidelines for Disclosure and Transparency in Private Equity.

This report was approved by the board on 6 May 2025 and signed on its behalf by



Olivia Streatfeild
Director



Statement of Directors' Responsibilities in Respect of the Financial Statements

The directors are responsible for preparing the Group 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 period. Under that law the Directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Responsibility Statement

The Directors confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Group and undertakings included in the consolidation taken as a whole.
- That the annual report, including the strategic report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and,
- That they consider the annual report, taken as a whole, is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Company's position, performance, business model and strategy.

Independent Auditors' Report to the members of Flamingo Group International Limited

Report on the audit of the financial statements

Opinion

In our opinion, Flamingo Group International Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 28 December 2024 and of the group's profit and the group's and company's cash flows for the 52 week period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Statement of Financial Position and the Company Statement of Financial Position as at 28 December 2024; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the Company Statement of Cash Flows for the period then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 the 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 28 December 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control

as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and Corporate Tax Legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussion with management including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates and judgements, in particular in relation to the impairment of goodwill and indefinite life intangible assets and biological assets;
- Review of board minutes for consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Risk based testing of journal entries;
- Testing debt covenants to ensure compliance with the related facilities agreement; and
- Reviewing the disclosures in the Directors' Reports and Financial Statements against the specific legal requirements

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



David Beer

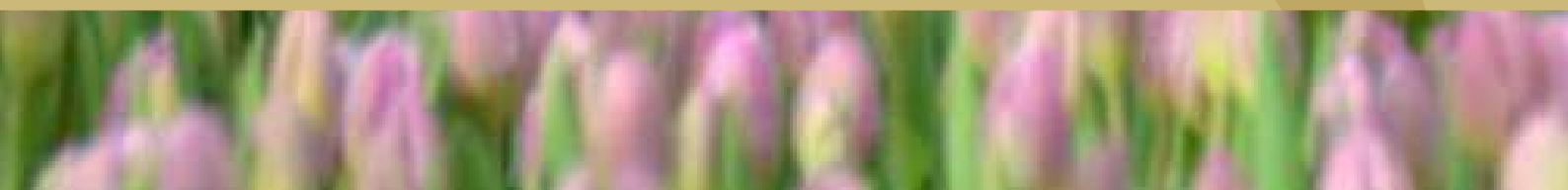
(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

7 May 2025



Financial Statements





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Consolidated Statement of Comprehensive Income

For the 52 week period ended 28 December 2024

	Note	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Continuing operations			
Revenue	4	608,793	600,718
Cost of sales		(453,184)	(459,571)
Gross profit		155,609	141,147
Administrative expenses		(128,929)	(124,642)
Other operating income	8	2,478	2,850
Fair value movements	5	5,198	(1,329)
Operating profit	5	34,356	18,026
Exceptional costs	6	(23,252)	(11,526)
Finance costs	10	(20,126)	(25,719)
Loss before taxation		(9,022)	(19,219)
Taxation	11	(11,768)	(6,259)
Loss for the period		(20,790)	(25,478)
Other comprehensive (loss)/income – items that will not be reclassified subsequently to profit/(loss):			
Actuarial (loss)/gain on defined benefit pension scheme	31	(328)	37
Other comprehensive income/(loss) – items that may subsequently be reclassified to profit/(loss):			
Foreign exchange gains/(losses) on consolidation		10,476	(25,920)
Total other comprehensive income/(loss) for the financial period		10,148	(25,883)
Total comprehensive loss for the financial period		(10,642)	(51,361)

Consolidated Statement of Financial Position

As at 28 December 2024

	Note(s)	28 December 2024 £'000	30 December 2023 £'000
Assets			
Non-current assets			
Intangible assets – other	14	81,463	95,686
Intangible assets – goodwill	14	36,920	58,553
Property, plant and equipment	15	211,352	120,819
Right-of-use assets	16	24,773	27,039
Trade and other receivables	19	83	104
Deferred tax assets	11	–	2,439
		354,591	304,640
Current assets			
Biological assets	17	18,912	15,239
Inventory	18	25,980	27,118
Trade and other receivables	19	71,684	74,908
Derivative financial instruments	25	2,965	–
Current tax asset		861	246
Cash and cash equivalents	21	25,367	27,034
		145,769	144,545
Assets classified as held for sale	20	4,300	–
		150,069	144,545
Current liabilities			
Trade and other payables	22	(106,591)	(96,831)
Borrowings	23	(662)	(61,530)
Lease liabilities	24	(3,618)	(4,149)
Current tax liability		(2,407)	(933)
Derivative financial instruments	25	–	(2,441)
		(113,278)	(165,884)
Net current assets/(liabilities)		36,791	(21,339)
Total assets less current liabilities		391,382	283,301
Non-current liabilities			
Trade and other payables	22	(7,960)	–
Pension obligations	31	(3,144)	(2,016)
Borrowings	23	(190,377)	(206,835)
Lease liabilities	24	(22,934)	(25,316)
Deferred tax liabilities	11	(68,848)	(43,811)
Provisions	26	(3,081)	(2,012)
		(296,344)	(279,990)
Net assets		95,038	3,311

Consolidated Statement of Financial Position

As at 28 December 2024

	Note	28 December 2024 £'000	30 December 2023 £'000
Equity			
Share capital	32	418	209
Share premium reserve		106,880	57,089
Foreign exchange reserve		(33,592)	(44,068)
Revaluation reserve		52,781	–
Capital contribution reserve		8,025	8,437
Accumulated losses		(39,826)	(18,708)
Equity attributable to owners of the parent company		94,686	2,959
Non-controlling interests		352	352
Total equity		95,038	3,311

The financial statements on pages 68 to 76 were approved by the Board of Directors on 6 May 2025 and signed on its behalf by:



Olivia Streatfeild

Director

Company registration number: 09772068

Company Statement of Financial Position

As at 28 December 2024

	Note	28 December 2024 £'000	30 December 2023 £'000
Assets			
Non-current assets			
Investments	12	156,822	156,822
		156,822	156,822
Current assets			
Other receivables	19	156,412	128,987
Cash and cash equivalents	21	414	249
		156,826	129,236
Current liabilities			
Borrowings	23	–	(59,427)
Trade and other payables	22	(87,522)	(32,713)
		(87,522)	(92,140)
Net current assets			
		69,304	37,096
Non-current liabilities			
Trade and other payables	22	(7,960)	–
Borrowings	23	(185,334)	(199,478)
		(193,294)	(199,478)
Net assets/(liabilities)			
		32,832	(5,560)
Equity			
Share capital	32	418	209
Share premium reserve		49,880	89
Share-based payment reserve		5,032	–
Accumulated losses		(22,498)	(5,858)
Total equity			
		32,832	(5,560)

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own Statement of Comprehensive Income. The loss for the period included in the financial statements of the Company was £16,640k (2023: loss £23,297k).

The financial statements on pages 68 to 76 were approved by the Board of Directors on 6 May 2025 and signed on its behalf by:



Olivia Streatfeild

Director

Company registration number: 09772068

Consolidated Statement of Changes in Equity

For the 52 week period ended 28 December 2024

Note	Share capital £'000	Share premium reserve £'000	Foreign exchange reserve £'000	Revaluation reserve £'000	Capital contribution reserve £'000	Accumulated losses £'000	Equity attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
Note	32	32							
Balance at 31 December 2023	209	57,089	(44,068)	–	8,437	(18,708)	2,959	352	3,311
Loss for the period	–	–	–	–	–	(20,790)	(20,790)	–	(20,790)
Foreign exchange reserve movement in the period	–	–	10,476	–	–	–	10,476	–	10,476
Actuarial loss on defined benefit pension scheme	–	–	–	–	–	(328)	(328)	–	(328)
Total comprehensive income/ (loss) for the period	–	–	10,476	–	–	(21,118)	(10,642)	–	(10,642)
Transactions with owners									
Issue of shares	209	49,791	–	–	–	–	50,000	–	50,000
Share-based payments	–	–	–	–	(412)	–	(412)	–	(412)
Revaluation	–	–	–	52,781	–	–	52,781	–	52,781
Total movement recognised in equity	209	49,791	–	52,781	(412)	–	102,369	–	102,369
Balance at 28 December 2024	418	106,880	(33,592)	52,781	8,025	(39,826)	94,686	352	95,038

Following a change to fair value accounting for Land and buildings the Group has recognised a revaluation reserve.

Consolidated Statement of Changes in Equity

For the 52 week period ended 30 December 2023

	Share capital £'000	Share premium reserve £'000	Foreign exchange reserve £'000	Capital contribution reserve £'000	Retained earnings/ (Accumulated losses) £'000	Equity attributable to owners of the parent £'000	Non-controlling interest £'000	Total £'000
Note	32	32						
Balance at 1 January 2023	209	57,089	(18,148)	13,068	6,733	58,951	352	59,303
Loss for the period	-	-	-	-	(25,478)	(25,478)	-	(25,478)
Foreign exchange reserve movement in the period	-	-	(25,920)	-	-	(25,920)	-	(25,920)
Actuarial gain on defined benefit pension scheme	-	-	-	-	37	37	-	37
Total comprehensive loss for the period	-	-	(25,920)	-	(25,441)	(51,361)	-	(51,361)
Transactions with owners								
Share-based payments	-	-	-	(4,631)	-	(4,631)	-	(4,631)
Total movement recognised in equity	-	-	-	(4,631)	-	(4,631)	-	(4,631)
Balance at 30 December 2023	209	57,089	(44,068)	8,437	(18,708)	2,959	352	3,311

Company Statement of Changes in Equity

For the 52 week period ended 28 December 2024

	Share capital £'000	Share premium reserve £'000	Share-based payment reserve £'000	(Accumulated losses)/Retained earnings £'000	Total £'000
Note	32	32			
Balance at 31 December 2023	209	89	–	(5,858)	(5,560)
Loss for the period	–	–	–	(16,640)	(16,640)
Total comprehensive loss for the period	–	–	–	(16,640)	(16,640)
Transactions with owners					
Share issuance	209	49,791	–	–	50,000
Share-based payments	–	–	5,032	–	5,032
Balance at 28 December 2024	418	49,880	5,032	(22,498)	32,832

For the 52 week period ended 30 December 2023

	Share capital £'000	Share premium reserve £'000	Retained earnings/ (accumulated losses) £'000	Total £'000	
Note		32	32		
Balance at 1 January 2023		209	89	17,439	17,737
Loss for the period		–	–	(23,297)	(23,297)
Total comprehensive loss for the period		–	–	(23,297)	(23,297)
Balance at 30 December 2023		209	89	(5,858)	(5,560)

Consolidated Statement of Cash Flows

For the 52 week period ended 28 December 2024

	Note(s)	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Cashflows from operating activities			
Loss for the financial period		(20,790)	(25,478)
Depreciation	15/16	22,445	21,447
Amortisation of intangible assets	14	11,930	12,026
Impairment of goodwill		21,633	5,527
Share-based payment expense/(income)		803	(4,631)
Taxation charge	11	11,768	6,259
Fair value movements	5	(5,198)	1,329
Finance costs	10	20,126	25,719
Increase in biological assets		(2,549)	(3,279)
Decrease in inventory		1,246	9,970
(Increase)/decrease in trade and other receivables		(48,523)	18,221
Increase/(decrease) in trade and other payables		56,736	(23,689)
Increase in provisions		1,069	1,812
Increase in pension liability		671	218
Corporation tax paid		(7,472)	(6,645)
Impairment of assets held for sale		1,452	–
Loss on disposals of assets		269	120
Net cash inflow from operating activities		65,616	38,926
Cash flow from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		(2,308)	(4,730)
Purchase of intangibles		(1,458)	(2,391)
Purchase of property, plant and equipment		(25,358)	(13,956)
Proceeds on sale of property, plant and equipment		–	51
Net cash outflow from investing activities		(29,124)	(21,026)
Net cash flow from financing activities			
Issue of ordinary shares		50,000	–
Proceeds from borrowings		202,126	17,367
Payments for right-of-use assets	16	(6,072)	(6,307)
Repayment of bank loan	35	(262,775)	(12,153)
Interest paid		(23,267)	(21,846)
Net cash outflow from financing activities		(39,988)	(22,939)
Net decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of financial period	21	27,034	33,602
Acquired on acquisition		–	306
Effect of foreign exchange rate changes		1,829	(1,835)
Cash and cash equivalents at end of financial period	21	25,367	27,034

Company Statement of Cash Flows

For the 52 week period ended 28 December 2024

	Note	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Cashflows from operating activities			
Loss for the financial period		(16,640)	(23,297)
Taxation		(1,358)	–
Share-based payment expense		4,029	–
Finance costs		9,914	13,523
Foreign exchange		3,244	2,079
Corporation tax received		402	1,654
Increase in trade and other payables		55,071	8,487
Net cash inflow from operating activities		54,662	2,446
Net cash flow from investing activities			
Interest received		10,343	10,128
(Increase)/decrease in trade and other receivables		(33,579)	5,782
Net cash (outflow)/inflow from investing activities		(23,236)	15,910
Net cash flow from financing activities			
Issue of ordinary shares		50,000	–
Interest paid		(23,998)	(22,731)
Repayment of loan		(259,389)	(10,435)
Loans received		202,126	14,978
Net cash outflow from financing activities		(31,261)	(18,188)
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of financial period	21	249	81
Cash and cash equivalents at end of financial period	21	414	249

Notes to the Consolidated Financial Statements

For the 52 week period ended 28 December 2024

1. General information

Flamingo Group International Limited is a private company limited by shares, incorporated and domiciled with the Registrar of Companies for United Kingdom. The Company's registered address is as follows: Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB.

2. Principal accounting policies

This note provides a list of material accounting policies adopted in the preparation of these financial statements.

These policies have been consistently applied in all the periods presented, unless otherwise stated.

2.1 Basis of preparation

On 31 December 2021, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Group transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework. The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards except for land and building, derivative financial instruments and biological assets that have been measured at fair value.

All accounting policies have been applied consistently with the exception of the valuation method for Land and buildings which was changed to fair value in the period. No new accounting standards have been adopted in the period.

The financial statements are presented in GBP (£) and have been presented in round thousands (£'000).

2.2 International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendment and interpretations to existing standards have been publishing by the IASB but are not yet effective and have not been applied early by the Group.

Management anticipates that the following pronouncements relevant to the Group's operation will be adopted in accounting policies for the first period beginning after the effective date of the pronouncement, once adopted by the EU:

- IFRS 17 insurance contracts (issued in May 2017 and originally effective for periods beginning on or after 1 January 2022 but now extended to 1 January 2023)

2.3 Basis of consolidation

The Consolidated Financial Statements incorporate the results of Flamingo Group International Limited ("the Company") and entities controlled by the Company (its subsidiaries).

A subsidiary is a company controlled directly by the Group. Control is achieved where the Group has the power over the investee, rights to variable returns and the ability to use the power to affect the investee's returns.

Income and expenses of subsidiaries acquired during the period are included in the Consolidated Statement of Comprehensive Income from the effective date of control. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over 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 the Statement of Comprehensive Income immediately.

Non-controlling interests are measured initially at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income in these financial statements. The parent company's loss for the period was £16,640k (2023: £23,297k).

Acquisition-related costs are expensed as incurred.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4 Going concern

Going Concern

The Directors, after undertaking analysis, are satisfied the Group has adequate resources to continue to operate and meet its liabilities as they fall due for the foreseeable future, a period considered to be at least 12 months from the date of signing these financial statements. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

In January 2024 the Group completed an Amend and Extend of its existing debt facility, rolling forward a €236m term loan with maturity of August 2028, as well as agreeing a €15m RCF with maturity of August 2027. At the same time, our shareholders injected £50m equity. The equity injection combined with stronger performance in 2024 has materially reduced our leverage.

Notes to the Consolidated Financial Statements continued

2. Principal accounting policies (continued)

2.4 Going concern (continued)

The Directors have performed a detailed assessment, including a review of the Group's budget for the 2025 financial year and its longer-term plans. The financial resilience of the Group has been assessed by applying significant downside sensitivities to the Group's cash flow projections as part of a severe but plausible downside scenario, including higher levels of net cost inflation, lower sales growth and lower transformation benefits delivery. In such scenarios, the Group would employ mitigating actions within its control, which would include a reduction in non-business critical projects and accelerating cost reduction projects.

The Group faced moderate levels of cost inflation like most other businesses across Europe in 2024, affecting labour and raw materials. The Group was able to successfully mitigate these cost headwinds, by adjusting the customer proposition and delivering cost efficiencies, improving profitability year on year. In our financial planning we have accounted for continuing inflation, with continued operational efficiency and selling price increases.

Allowing for these sensitivities and potential mitigating actions the Board is satisfied that the Group can continue to operate well within its banking covenants, operating under a leverage ratio of 5.95x, and has adequate headroom under its new committed facilities.

The Group's internal budgets and forward forecasts, which incorporate all reasonably foreseeable changes in trading performance, are regularly reviewed by the Board and show that it will be able to operate within its current banking facilities, for the foreseeable future.

2.5 Revenue

Revenue is recognised when performance obligations are met.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer.
2. Identifying the performance obligations.
3. Determining the transaction price.
4. Allocating the transaction price to the performance obligations.
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group enters into transactions involving a range of the Group's products and services, for example the delivery of flowers, plants and produce.

Revenue is recognised at the point in time when the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Variable consideration is accounted for using the most likely outcome method.

Flowers and Plants

Revenue from the sale of flowers is recognised on delivery.

Sales are predominantly on a business-to-business basis although in some cases delivery is direct to the end customer. With business to customer sales the contract is still with the business customer, not the end consumer.

Revenue from auction sales is recognised at the point of sale (auction date).

There are rebate arrangements in place with major customers. Rebates arrangements set volume levels which need to be reached in order for rebates to be given. These rebates are accounted for in line with variable revenue. As these payments are inseparable from the sale of goods it is deducted from revenue in the periods to which it relates.

Produce

Revenue from the sale of produce is recognised on delivery.

There are rebate arrangements in place with major customers. Rebates arrangements set volume levels which need to be reached in order for rebates to be given. These rebates are accounted for in line with variable revenue. As these payments are inseparable from the sale of goods it is deducted from revenue in the periods to which it relates.

Other income

Other income mainly comprises logistical and medical services provided to third parties. Income is recognised when the services are actually provided.

2.6 Finance income and costs

Interest income and expense is recognised using the effective interest method which calculates the amortised cost of a financial asset or liability and allocates the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability to the net carrying amount of the financial asset or liability.

2.7 Goodwill

Goodwill represents the future economic benefits arising from business combinations which are not individually identified and separately recognised.

Goodwill is capitalised as an intangible asset and is not amortised. Instead it is reviewed annually for impairment with any impairment in carrying value being charged to the Consolidated Statement of Comprehensive Income. Goodwill is carried at cost less accumulated impairment losses.

2. Principal accounting policies (continued)

2.8 Intangible assets other than goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. The amounts ascribed to such intangibles are arrived at using appropriate valuation techniques.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by prospectively changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

The amortisation expense on intangible assets with finite lives is recognised in administrative expenses.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Comprehensive Income when the asset is derecognised.

Amortisation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Intangible asset	Useful life	Valuation method
Customer relationships	9 – 16 years	Estimated discounted cash flow
Trade names	3 – 20 years	Estimated discounted cash flow
Licences	5 years	Estimated discounted cash flow
Software	2.5 years	Historical cost

2.9 Property, plant and equipment

Land and Buildings are recognised at fair value based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus/(deficit) is credited/(debited) to other reserves in shareholders equity.

The revaluation has not been applied retrospectively due to insufficient information to apply it accurately.

Property, plant and equipment are stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the

acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Consolidated Statement of Comprehensive Income in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated on a straight-line basis as follows:

Land and buildings	Over the period of the lease or 2% to 10% straight line
Plant and machinery	Over the period of the lease or 10% to 20% straight line
Bearer plants	Over the life of the asset, between 5-7 years depending on variety.

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed. Land is not depreciated.

Each asset's estimated useful life has been assessed with regard to its own physical life limitations and to possible future variations in those assessments. Estimates of remaining useful lives are made on a regular basis for all machinery and equipment, with annual reassessments for major items. Changes in estimates are accounted for prospectively.

The gain or loss arising on disposal or scrapping of an asset is determined as the difference between the sales proceeds, net of selling costs, and the carrying amount of the asset and is recognised in the Consolidated Statement of Comprehensive Income.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income to bring the carrying amount in line with the recoverable amount. In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination. Each unit to which goodwill is allocated represents the lowest level within the group that independent cash flows monitored.

Notes to the Consolidated Financial Statements continued

2. Principal accounting policies (continued)

2.9 Property, plant and equipment (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired.

2.10 Impairment of non-financial assets including goodwill

At each reporting date the directors review the carrying amounts of the Group's non-current assets, including goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the directors estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. The impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

An impairment loss is recognised as an expense immediately.

An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where an impairment loss on other non-financial assets subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or cash-generating unit in prior periods. A reversal of an impairment loss is recognised in the Consolidated Statement of Comprehensive Income immediately.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less from inception.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all expenses directly attributable to the manufacturing process as well as suitable portions of related

production overheads, based on normal operating capacity. Costs of ordinarily interchangeable items are assigned using the first in, first out cost formula. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The cost of cut flowers transferred from biological assets is its fair value less estimated point-of-sale cost at date of harvest.

2.13 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

In the periods presented the Group does not have any financial assets categorised as FVOCI.

The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit and loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within admin expenses.

Other financial assets and financial liabilities are measured subsequently as described below.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

2. Principal accounting policies (continued)

2.13 Financial instruments (continued)

- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category.

Assets in this category are measured at fair value and gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

IFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependant on the Group first identifying a credit loss event. Instead the group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2'),

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators, and forward-looking information to calculate expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Refer to note 28 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

Financial liabilities

The Group's financial liabilities include trade and other payables, deferred consideration, borrowings and derivative financial instruments.

Trade and other payables and borrowings are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Consolidated Statement of Comprehensive Income.

Loans and borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the balance sheet date.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

From time to time, the long-term debt held by the Group may be refinanced. The Group reviews whether the debt is accounted for as a modification or an extinguishment of the liability. A substantial modification should be accounted for as an extinguishment of the existing liability and the recognition of a new liability. A non-substantial modification should be accounted for as an adjustment to the existing liability. Both the quantitative and qualitative aspects of the modification are taken into account to ascertain whether the modification is substantial and these can include the change in covenants, repayment dates and the effective interest rate.

Notes to the Consolidated Financial Statements continued

2. Principal accounting policies (continued)

2.13 Financial instruments (continued)

If modification accounting is adopted, the gross carrying amount of the financial instrument is recalculated as the present value of the modified contractual cash flows discounted at the original effective interest rate, adjusted for fees paid or costs incurred.

If extinguishment accounting is adopted, the existing liability is de-recognised and the new or modified liability is recognised at its fair value, the gain or loss equal to the difference between the carrying value of the old liability and the fair value of the new one is recognised, any incremental costs or fees incurred and any consideration paid or received is recognised in profit or loss and a new effective interest rate for the modified liability is calculated and used in future periods.

Derivative financial instruments

Financial instruments held at fair value through profit and loss (FVTPL) include foreign currency forward contracts, commodity contracts and contingent consideration.

The forward contracts meet the definition of stand-alone derivatives. Derivative financial instruments comprise only in-the-money derivatives and are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Income. The fair values are determined by reference to active markets or using a valuation technique where no active market exists.

As required by the reporting framework the likelihood of meeting contingent consideration must be assessed at each reporting date in order to establish an appropriate valuation of the future obligation. All changes in fair value are recognised in the Consolidated Statement of Comprehensive Income. The fair values are determined using a valuation technique.

2.14 Foreign currency

Functional and presentation currency

The Group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

Foreign operations

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss, within 'administrative expenses'.

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into GBP at the closing rate. Income and expenses have been translated into GBP at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

2.15 Current taxation

Current taxation for each taxable entity in the Group is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the reporting date and includes adjustments to tax payable or recoverable in respect of previous periods.

2.16 Deferred taxation

Deferred taxation is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, if the deferred tax arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. No deferred tax is recognised on initial recognition of goodwill or on investment in subsidiaries. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are provided in full, and are not discounted.

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

Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the profit or loss, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited directly to equity.

2. Principal accounting policies (continued)

2.16 Deferred taxation (continued)

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority, on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Short-term employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

2.18 Leases

The Group as a lessee

For any new contracts entered into, the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract, or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonable certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

2.19 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Time value of money provisions are made if the repayment of a debt is expected over a long time period.

Provisions are not recognised for future operating losses.

2.20 Equity and dividends

Equity comprises the following:

- Share capital – represents the nominal value of equity shares issued.
- Share premium reserve – included any premiums received on issue of share capital. Any transaction costs associated with the issue of shares are deducted from share premium.
- Retained earnings – represents the accumulated profits and losses attributable to equity shareholders.
- Foreign exchange reserve – represents foreign exchange differences arising from the translation of financial statements of the Group's foreign entities into GBP (£).
- Revaluation reserve – represents the increments and decrements on the revaluation of Land and buildings.
- Capital contribution reverse - arises from the issue of equity based share options for certain employees and directors within the Group via a group share option scheme.

Notes to the Consolidated Financial Statements continued

2. Principal accounting policies (continued)

2.20 Equity and dividends (continued)

All transactions with owners of the parent company are recorded separately within equity.

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.21 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic phase only.

2.22 Post-employment benefits

Defined contribution plans

The Group operates defined contribution schemes for all qualifying employees. Contributions paid into the schemes are recognised as an expense when employees have rendered services entitling them to the contributions.

Flamingo Horticulture Kenya Limited Gratuity Scheme

Entitlements for employees in Flamingo Horticulture Kenya Limited to gratuity are assessed using the projected unit credit method. Under this method the cost of providing gratuity is charged to the Statement of Comprehensive Income so as to spread the regular cost over the service lives of employees in accordance with advice of actuaries who carry out a full valuation of the plan every three years. The gratuity obligation is measured as the present value of the estimated future cash outflows by applying the discount rate used to measure the obligation at the beginning of the annual period to the then net liability, adjusted for any charges in the period. Any actuarial gains and losses are recognised in other comprehensive income. Net interest expense and other expenses related to the gratuity agreement are recognised in the Statement of Comprehensive Income.

Ethiopian Severance Benefit

Employees in Ethiopia are entitled to a severance benefit. The cost of providing this benefit is charged to the Statement of Comprehensive Income. The liability is measured as the present value of estimated future cash outflows by applying a discount rate and is determined based on an actuarial calculation taking into account the composition of the workforce (age, start date, salaries and expected resignations), mortality tables and expected salary increases.

2.23 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Consolidated Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.24 Biological assets

Biological assets are held for the production of freshly cut flowers, plants and produce for distribution.

An entity shall recognise a biological asset or agricultural produce when, and only when:

- the entity controls the asset as a result of past events;
- it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

Biological assets are measured at their fair value less estimated costs to sell with any change therein recognised in profit or loss.

Biological assets in the Kenyan farms are measured using the market approach and Biological assets in the Ethiopian farms are measured using the income approach. Costs to sell include all costs that would be necessary to sell the assets, including transportation costs.

Cut flowers and produce are transferred to inventory at its fair value less estimated costs to sell at the date of harvest.

2. Principal accounting policies (continued)

2.25 Investments

Investments in subsidiary undertakings are stated in the Statement of Financial Position of the Company at cost less impairment written off.

2.26 Capital management

Full details of the Group and Companies capital management are contained in note 29.

2.27 Exceptional items

Exceptional items are those which are considered significant by virtue of their nature, size or incidence. These items, which do not occur as part of the normal course of business, are presented separately within their relevant income statement categories, to assist in the understanding of the performance and financial results of the Group.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period.

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. Assumptions and accounting estimates are subject to regular review. Any revisions required to accounting estimates are recognised in the period in which the revisions are made including all future periods affected.

The following are the significant estimates and/or judgements used in applying the accounting policies of the Group that have the most significant effect on the financial statements:

Estimates

- Biological assets – the estimate of the fair value of growing crops at the reporting date is based on the estimated yields and the estimated percentage of completion of biological transformation as calculated by management. In most cases the crops are sold at the predetermined estimated prices less the subsequent costs to sell, up to and including harvesting costs which are reasonably predictable. The sensitivity analysis on biological assets is that a 1% quantity increase/decrease would impact the results by £189k (2023: £152k) further details in note 27.

- Impairment review of intangible assets requires an estimation with respect to the discount rate, growth rates and components of forecast cash flows. For the purpose of impairment testing goodwill is split into cash generating units and sensitivities are applied to each cash generating unit:

Flamingo Flowers Limited

If the revenue was to decrease by 1% it would result in a reduction of headroom of £2,907k (2023: £90k).

Bigot France Holdings

If the revenue was to decrease by 1% it would result in a reduction of headroom of £187k (2023: £534k).

Judgements

- Deferred Tax assets are recognised by the Group to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. This requires management to estimate the future taxable income which is based on a forecast cashflow from operations and the application of existing tax laws in each jurisdiction. If the deferred tax rates reduced by 1% the impact to the results would be a decrease in tax of £2,430k (2023: £1,527k).

Critical judgements

- Share-based payment options for some employees were being negotiated in the period. Terms had not been finalised as at the year-end and the class and value of shares are unknown therefore the cost of share-based payment options recognised in the year were calculated based on historic share-based payment options. If the value of the options were to be reduced by 1% the impact to the results would be an increase of profit of £45k (2023:nil).

Notes to the Consolidated Financial Statements continued

4. Revenue

Revenue is all derived from continuing operations.

Analysis of revenue by category:

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Sale of flowers	392,667	388,492
Sale of fresh produce	168,120	162,796
Sale of plants	48,006	49,430
	608,793	600,718

Analysis of revenue by geographical area:

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
United Kingdom	438,934	433,082
European Union	165,359	162,920
Rest of the World	4,500	4,716
	608,793	600,718

5. Operating profit

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Operating profit is stated after charging/(crediting):		
Research and development costs expensed	354	305
Depreciation of property, plant and equipment	17,497	16,245
Depreciation of right-of-use-assets	4,948	5,202
Amortisation and impairment of intangible fixed assets	11,930	12,026
Impairment of assets held for sale	1,452	–
Inventory recognised in cost of sales	317,229	321,700
Stock impairment	406	1,166
(Gain)/loss on movement in fair value of financial instruments	(5,198)	1,329
Gain on movement in fair value of biological assets included in cost of sales (note 27)	(2,058)	(296)
Auditors' remuneration:		
– Fees payable to the company's auditors for the audit of the parent company.	27	26
– Audit of the financial statements of the company's subsidiaries	878	751
– Non audit costs	60	–
Defined contribution costs	2,625	2,116
Defined benefit scheme current service costs	(368)	266

Notes to the Consolidated Financial Statements continued

6. Exceptional costs

The Group has identified some costs which are considered exceptional, these are shown

		52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Refinancing costs	(a)	1,619	5,999
Impairment of goodwill	(b)	21,633	5,527
		23,252	11,526

6(a) Refinancing costs

The Group agreed an Amend and Extend of its existing debt facility, the professional costs associated with the transaction have been included as an expense.

6(b) Impairment of goodwill

The Group impaired the goodwill relating to Blooming Holdings B.V. (£21,045k), this was not trading relating but due to revaluation of Land and Buildings substantially increasing the assets of the business and in Bigot Kenya Plc (£588k) following an impairment review. Prior year impairment of goodwill related to the Plants business, following the loss of a customer.

7. Material profit or loss items

The Group has identified a number of items which are material due to the significance of their nature and/or amount. These are listed separately here to provide a better understanding of the financial performance of the Group.

		52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Transformation programme (included within administrative expenses)	(a)	3,304	3,742
Legal and professional costs	(b)	1,553	1,422
Asset impairment	(c)	1,452	–
		6,309	5,164

7(a) Transformation programme

The Group has continued its transformation programme and incurred a number of transformation and restructuring costs during the period amounting to £3,304k (2023:£3,742k).

7(b) Legal and professional costs

The Group incurred legal costs in relation to an ongoing legal case in Kenya (see note 26), prior year related to the sale of business and additional merger and acquisition transactions.

7(c) Asset Impairment

The group impaired the value of 2 pieces of land held for sale to the expected sale price.

8. Other operating income

		52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Hospital receipts		1,058	1,310
Rental income		542	567
Sundry income		878	973
		2,478	2,850

Notes to the Consolidated Financial Statements continued

9. Directors and employees

The aggregate payroll costs of employees were as follows:

	Group		Company	
	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Staff costs				
Wages and salaries	77,502	77,127	3,369	1,565
Social security costs	6,169	6,043	241	150
Other pension costs (note 31)	2,256	2,382	40	8
Share-based payment expense	803	(4,631)	4,029	–
	86,730	80,921	7,679	1,723

Average monthly number of persons, including directors, employed during the period were as follows:

	Group		Company	
	52 week period ended 28 December 2024 Number	52 week period ended 30 December 2023 Number	52 week period ended 28 December 2024 Number	52 week period ended 30 December 2023 Number
By activity:				
Directors (including directors of group subsidiaries)	16	15	3	2
Management and administration	1,192	957	8	2
Operatives	24,396	23,671	–	–
	25,604	24,643	11	4

Remuneration of the Directors included within the Statement of Comprehensive Income is as follows:

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Remuneration of Directors		
Remuneration	2,150	1,296
Other pension costs	15	3
Share-based payment expense	2,982	(4,760)
	5,147	(3,461)

Notes to the Consolidated Financial Statements continued

During the period retirement benefits were accruing to 2 directors (2023: 1) in respect of defined contribution pension schemes. During the period the value of share options exercised was nil (2023: nil).

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Emoluments of highest paid Director		
Remuneration	1,108	672
Share-based payment expense	1,967	737
	3,075	1,409

Details of key management personnel and their remuneration is disclosed within note 33.

10. Finance costs

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Bank interest payable	19,871	23,218
Other interest payable	789	497
Bank arrangement fees	2,863	3,113
Interest expense for leasing arrangements	1,458	1,729
Foreign exchange movement on borrowings	(4,855)	(2,838)
	20,126	25,719

11. Taxation

Analysis of charge in the period

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Corporation tax		
Current tax on profits for the period	8,289	6,589
Foreign tax on income for the period	1,053	923
Adjustments to tax charge in respect of prior periods	193	(150)
Total current tax	9,535	7,362
Deferred tax		
Origination and reversal of temporary differences	(28)	(10,947)
Adjustments to tax charge in respect of prior periods	335	(1,570)
Movement in unrecognised deferred tax	1,926	11,438
Effect of tax rate change	–	(24)
Total deferred tax	2,233	(1,103)
Taxation on loss	11,768	6,259

Notes to the Consolidated Financial Statements continued

11. Taxation (continued)

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Loss on continuing operations before taxation	(9,022)	(19,219)
Loss on ordinary activities by rate of tax of 25% (2023: 23.52%)	(2,255)	(4,521)
Expenses not deductible for tax purposes	10,362	(455)
Adjustments to tax charge in respect of prior periods	528	(1,720)
Movement in unrecognised deferred tax	1,926	11,438
Other differences leading to an increase in the tax charge	939	670
Difference in overseas tax rates	(10)	786
Effect of tax rate change on deferred tax balance	–	(42)
Impact of overseas tax	278	103
Total tax charge for the period	11,768	6,259

Deferred tax balances:

Group	Property plant and equipment £'000	Intangible £'000	Revaluation of land £'000	Biological assets £'000	Functional currency £'000	Tax losses £'000	Other £'000	Total £'000
At 1 January 2023	(9,868)	(25,610)	(11,679)	(3,540)	(2,719)	4,495	2,572	(46,349)
Credited/charged:								
- to profit or loss	1,048	2,690	59	(908)	(131)	(3,538)	1,883	1,103
- On acquisition	(36)	–	(1,479)	(147)	–	–	(85)	(1,747)
- to other comprehensive income	–	–	–	–	–	–	274	274
- Exchange adjustments	2,206	385	2,416	743	48	(157)	(294)	5,347
At 30 December 2023	(6,650)	(22,535)	(10,683)	(3,852)	(2,802)	800	4,350	(41,372)
At 31 December 2023	(6,650)	(22,535)	(10,683)	(3,852)	(2,802)	800	4,350	(41,372)
(charged)/credited								
- to profit or loss	(1,273)	2,681	592	(767)	(3,143)	(129)	(194)	(2,233)
- to other comprehensive income	(15,142)	–	(7,407)	287	–	–	48	(22,214)
- Exchange adjustments	(1,414)	671	(1,981)	(380)	183	26	(134)	(3,029)
At 28 December 2024	(24,479)	(19,183)	(19,479)	(4,712)	(5,762)	697	4,070	(68,848)

	At 28 December 2024 £'000	At 30 December 2023 £'000
(Liability)/asset expected to be utilised within 12 months of the reporting date	(4,292)	320
Liability expected to be utilised after 12 months of the reporting date	(64,556)	(41,692)
	(68,848)	(41,372)

The Group has unrecognised deferred tax assets in relation to gross losses of £37,050k (2023: £47,952k) due to significant uncertainty regarding future taxable profit forecasts in the relevant jurisdictions. Of these losses Enil (2023: £131k) is expected to expire within 5 years. The rest of the losses have no expiry date and can be carried forward indefinitely.

The Group has not recognised any deferred tax liability in relation to gross unremitted earnings of £31,500k (2023: £62,725k) in relation to its foreign subsidiaries. This is on the basis that the Group is able to control the timing of the reversal of these temporary differences and it is not probable that any distributions from the relevant jurisdictions will be made in the foreseeable future.

Notes to the Consolidated Financial Statements continued

11. Taxation (continued)

A potential deferred tax asset has not been recognised in respect of interests amounting to £66,438k (2023: £51,169k), which are disallowed under the corporate interest restriction rules.

Pillar 2

6(g) OECD Pillar Two model rules

Flamingo Group International Limited is within the scope of the OECD Pillar Two model rules. Pillar Two legislation has been enacted in the UK, the jurisdiction in which the entity is incorporated, and is effective in 2024.

Under the legislation, the group may be liable to pay a top-up tax in the UK for the difference between the GloBE effective tax rate for each jurisdiction and the 15% minimum rate. In addition, top-up taxes are payable locally where qualifying domestic minimum top-up taxes have been legislated and are in effect. For FY24, based on the Country by Country Reporting work and safe harbour analysis undertaken, we have determined that the safe harbour rules apply, and no top-up tax should apply for any jurisdiction in the Group.

The group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

12. Investments

Company

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Cost and Net book value	156,822	156,822

Subsidiary undertakings

Details of the Group's subsidiaries are as follows:

Name	Registered address	Class of shares	Country of incorporation	Holding	Principal activity
Flamingo Group Midco Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Direct Ordinary	United Kingdom	100%	Holding company
Flamingo Horticulture Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Investment company
Flamingo Horticulture Investments Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Holding company
Flamingo Holdings Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Holding company
Flamingo Horticulture South Africa (Pty) Limited	Plot 25 Syferbult Road Tarlton South Africa	Indirect Ordinary	South Africa	100%	Flower grower and distributor
Flamingo Horticulture Kenya Limited	Watermark Business Park Ndege Road PO box 10222-00400 Nairobi, Kenya	Indirect Ordinary	Kenya	100%	Growing and exportation of flowers and produce
Flamingo Tanzania Limited	Plot JJ55, Nelson Mandela Rd PO Box 23111 Oloreni, Tanzania	Indirect Ordinary	Tanzania	100%	Packing of vegetables

Notes to the Consolidated Financial Statements continued

12. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered address	Class of shares	Country of incorporation	Holding	Principal activity
Flamingo Produce Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Distribution of vegetable products
Flamingo Flowers BV	Jupiter 185 2675 LV Honselersdijk Netherlands	Indirect Ordinary	Netherlands	100%	Flower wholesaler
Flamingo Flowers Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Flower and plant distributor
Omniflora GmbH	Blumen Centre GmbH Odenwaldstrasse 7-9 63263 Neu-Isenburg Germany	Indirect Ordinary	Germany	100%	Distribution of flowers, vegetables and herbs
Kingsholme Limited	Watermark Business Park Ndege Road PO box 10222-00400 Nairobi, Kenya	Indirect Ordinary	Kenya	100%	Growing and exportation of horticultural produce
Siraji Limited	Watermark Business Park Ndege Road PO box 10222-00400 Nairobi, Kenya	Indirect Ordinary	Kenya	100%	Dormant
Mlasia Limited	Watermark Business Park Ndege Road PO box 10222-00400 Nairobi, Kenya	Indirect Ordinary	Kenya	100%	Dormant
Flamingo Plants Group Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Dormant
Flamingo Castlegate 363 Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Direct Ordinary	United Kingdom	100%	Dormant
Flamingo Plants Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Direct Ordinary	United Kingdom	100%	Dormant
Flamingo Plants Properties Limited	Flamingo House, Cockerell Close, Stevenage, Hertfordshire, SG1 2NB	Indirect Ordinary	United Kingdom	100%	Dormant
Blooming Holdings B.V.	Legmeerdijk 313, 1430 BC Aalsmeer, The Netherlands	Indirect Ordinary	Netherlands	100%	Holding company
Sher Holland B.V.	Legmeerdijk 313, 1430 BC Aalsmeer, The Netherlands	Indirect Ordinary	Netherlands	100%	Flower distributor
Sher Flowers B.V.	Legmeerdijk 313, 1430 BC Aalsmeer, The Netherlands	Indirect Ordinary	Netherlands	100%	Holding company
Sher Ethiopia PLC	Bole Sub-City Kebele 03-05 number 2263 PO box 152 code 110 Addis Ababa, Ethiopia	Indirect Ordinary	Ethiopia	100%	Growing and exportation of flowers

Notes to the Consolidated Financial Statements continued

12. Investments (continued)

Subsidiary undertakings (continued)

Name	Registered address	Class of shares	Country of incorporation	Holding	Principal activity
Sher Ethiopia Hospital PLC	Bole Sub-City Kebele 03-05 number 2263 PO box 152 code 110 Addis Ababa, Ethiopia	Indirect Ordinary	Ethiopia	90%	Medical services
Bigot France Holdings	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Holding company
SAS Bigot Jean-Phillippe Horticulture	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Electricity generation
Bigot Finances	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Holding company
Les Fleurs de Nicolas	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Sale of flowers
Societe Civile Immobiliere Bigot Jean-Phillippe	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Real estate company
Bigot Fleurs	Les Mardelles, 72700 Allonnes, France	Indirect ordinary	France	100%	Growing flowers
Bigot Flowers Kenya Plc	Watermark Business Park Ndege Road PO box 10222-00400 Nairobi, Kenya	Indirect Ordinary	Kenya	100%	Sale of flowers

The following UK companies are exempt from audit, having taken the exemption in Section 479A of the UK Companies Act 2006 (the Act) from the requirements in the Act for their individual financial statements to be audited.

Flamingo Group Midco Limited
Flamingo Horticulture Limited
Flamingo Horticulture Investments Limited
Flamingo Holdings Limited

The guarantees given by the Company under section 479C of the Act are disclosed in Note 30.

13. Parent company loss for the period

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the period was £16,640k (2023: £23,297k).

Notes to the Consolidated Financial Statements continued

14. Intangible assets

Group	Customer relationships £'000	Trade names £'000	Licences £'000	Software £'000	Total £'000
Cost					
At 31 December 2023	152,649	3,752	8,625	5,475	170,501
Additions	–	–	1,243	220	1,463
Exchange adjustments	(5,855)	(151)	(380)	113	(6,273)
At 28 December 2024	146,794	3,601	9,488	5,808	165,691
Accumulated amortisation					
At 31 December 2023	64,553	1,344	5,633	3,285	74,815
Charge for period	9,878	322	1,013	717	11,930
Exchange adjustments	(2,320)	(48)	(267)	118	(2,517)
At 28 December 2024	72,111	1,618	6,379	4,120	84,228
Net book value					
At 28 December 2024	74,683	1,983	3,109	1,688	81,463
At 30 December 2023	88,096	2,408	2,992	2,190	95,686
	Customer relationships £'000	Trade names £'000	Licences £'000	Software £'000	Total £'000
Cost					
At 1 January 2023	155,001	3,812	7,396	4,729	170,938
Additions	–	–	1,358	1,047	2,405
Disposals	–	–	–	(108)	(108)
Exchange adjustments	(2,352)	(60)	(129)	(193)	(2,734)
At 30 December 2023	152,649	3,752	8,625	5,475	170,501
Accumulated amortisation					
At 1 January 2023	55,032	1,188	4,759	2,937	63,916
Charge for period	10,251	171	958	646	12,026
Disposals	–	–	–	(108)	(108)
Exchange adjustments	(730)	(15)	(84)	(190)	(1,019)
At 30 December 2023	64,553	1,344	5,633	3,285	74,815
Net book value					
At 30 December 2023	88,096	2,408	2,992	2,190	95,686
At 31 December 2022	99,969	2,624	2,637	1,792	107,022

Included in customer relationships are 8 customers in Blooming Holdings B.V. (2023: 13) which are deemed individually material to the financial statements, the carrying values of the individual relationships range from between £3,090k – £18,724k and are all amortised over a 16 year period. There are no customer relationships in Flamingo Horticulture Limited (2023: 1) which are deemed individually material to the financial statements, these are amortised over a 9 year period.

Notes to the Consolidated Financial Statements continued

14. Intangible assets (continued)

Amortisation is included within administrative expenses. The amortisation periods are:

- Customer relationships 9-16 years.
- Trade names 3-20 years.
- Licences 5 years
- Software 2.5 years

Goodwill

Impairment testing for cash-generating units containing goodwill

The Group tests goodwill for impairment on an annual basis by considering the recoverable amount of individual cash-generating units against carrying value.

Cash generating units comprise operating segments. This is the lowest level at which goodwill balances are monitored for impairment by management. There are no intangible assets with indefinite useful lives (other than goodwill).

For the purpose of impairment testing, the recoverable amount of each cash-generating unit is based on fair value less costs of disposal ("FVLCO"). This valuation approach is determined by applying the income approach, discounted cash flow ("DCF") method.

Management's approach and the key assumptions used to determine the CGU's FVLCO were as follows:

	Period over which management approved forecasts are based		Growth rate		Pre-tax discount rate	
	2024	2023	2024	2023	2024	2023
Flamingo Flowers Limited	3 years	3 years	2.0%	2.0%	14.4%	14.6%
Bigot France Holdings	3 years	3 years	2.0%	2.0%	14.4%	14.6%
Blooming Holdings B.V.	6 years	4 years	2.2%	2.0%	16.1%	17.2%

In preparing value in use calculations for cash-generating units, the Group has estimated the long-term growth rates for each unit based on current market assessments, using data such as inflation forecasts, for each individual cash-generating unit.

The discount rates used in each value in use calculation have been based upon the Group's post-tax weighted average cost of capital ("WACC") together with divisional specific risk-taking account factors such as the nature of service user need, cost profiles and the barriers to entry into each market segment as well as other macro-economic factors.

The Directors believe that, even in the current economic climate and public spending environment and taking into account the nature of the Group's operations, any reasonably possible change in the key assumptions on which recoverable amounts are based would not cause the cash-generating units' carrying amount to exceed the recoverable amount.

Group	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Goodwill upon acquisition	75,209	74,621
Acquired in the period	–	588
Accumulated impairment	(38,289)	(16,656)
Period end carrying value	36,920	58,553

The carrying value of goodwill is split between the following cash-generated units.

Group	28 December 2024 £'000	30 December 2023 £'000
Flamingo Flowers Limited	1,508	1,508
Bigot France Holdings	3,776	3,776
Bigot Flowers Kenya Plc	–	588
Blooming Holdings B.V.	31,636	52,681
Balance at the end of the period	36,920	58,553

Notes to the Consolidated Financial Statements continued

14. Intangible assets (continued)

Goodwill (continued)

An impairment of £21,045k has been made to the Blooming Holdings B.V. following the revaluation of Land and Buildings substantially increasing the assets of the business.

An impairment of £588k has been identified in the current reporting period based on the most recent assumptions of the Bigot Flowers Kenya Plc trading position (In 2023 there was an impairment of £5,527 relating to the Plants business).

A sensitivity analysis on the goodwill has been performed by management.

Flamingo Flowers Limited

If the revenue was to decrease by 1% it would result in a reduction of headroom of £2,907k (2023: further impairment of £90k).

Bigot France Holdings

If the revenue was to decrease by 1% it would result in a reduction of headroom of £187k (2023: £534k).

Included in the OCI are £187k (2023: £225k) of exchange rate differences arising on goodwill.

15. Property, plant and equipment

Group	Land and buildings £'000	Plant and Machinery £'000	Bearer plants £'000	Total £'000
Cost				
At 31 December 2023	99,126	88,822	41,807	229,755
Restatement*	13,557	(13,557)	–	–
At 31 December 2023 restated	112,683	75,265	41,807	229,755
Additions	14,608	7,212	4,680	26,500
Revaluation	75,325	–	–	75,325
Reclassification	1,410	(2,959)	728	(821)
Assets held for sale	(5,378)	–	–	(5,378)
Disposals	(697)	(2,907)	(2,205)	(5,809)
Exchange adjustments	10,285	17,083	4,059	31,427
At 28 December 2024	208,236	93,694	49,069	350,999
Accumulated depreciation				
At 31 December 2023	26,930	57,763	24,243	108,936
Restatement	8,546	(8,546)	–	–
At 31 December 2023 restated	35,476	49,217	24,243	108,936
Charge for period	5,820	7,362	4,315	17,497
Reclassification	(1,276)	(1,604)	2,060	(820)
Impairment	1,452	–	–	1,452
Disposals	(265)	(2,597)	(2,056)	(4,918)
Assets held for sale	(1,078)	–	–	(1,078)
Exchange adjustments	2,597	13,819	2,162	18,578
At 28 December 2024	42,726	66,197	30,724	139,647
Net book value				
At 28 December 2024	165,510	27,497	18,345	211,352

* As part of the change of accounting policy regarding the valuation of land and buildings green houses in the Kenyan farms have been reclassified as land and buildings from plant and machinery.

Notes to the Consolidated Financial Statements continued

15. Property, plant and equipment (continued)

	Land and buildings £'000	Plant and Machinery £'000	Bearer plants £'000	Total £'000
Cost				
At 1 January 2023	104,475	98,721	44,309	247,505
Additions	4,283	6,588	3,766	14,637
Acquired in the period	7,527	1,013	1,110	9,650
Disposals	(524)	(2,545)	(307)	(3,376)
Exchange adjustments	(16,635)	(14,955)	(7,071)	(38,661)
At 30 December 2023	99,126	88,822	41,807	229,755
Accumulated depreciation				
At 1 January 2023	26,958	61,486	23,892	112,336
Charge for period	3,393	8,489	4,363	16,245
Disposals	–	(2,562)	(274)	(2,836)
Exchange adjustments	(3,421)	(9,650)	(3,738)	(16,809)
At 30 December 2023	26,930	57,763	24,243	108,936
Net book value				
At 30 December 2023	72,196	31,059	17,564	120,819

Depreciation is included within administrative expenses.

The net book value of land and buildings may be further analysed as follows:

	28 December 2024 £'000	30 December 2023 £'000
Freehold property	92,670	52,324
Long leasehold	65,997	16,219
Short leasehold	6,843	3,653
	165,510	72,196

Included in land and buildings is freehold land held at fair value of £1,819k (2023: £8,719k), which is not depreciated.

Included in long and short leasehold property are leasehold improvements with carrying value of £65,997k (2023: £16,219k) and £6,843k (2023: £3,653k) respectively.

16. Right-of-use assets

The Statement of financial position shows the following amounts relating to right-of-use assets:

	28 December 2024 £'000	30 December 2023 £'000
Net book value		
Long leasehold property	20,623	22,221
Short leasehold	363	1,202
Plant and machinery	3,787	3,616
	24,773	27,039

During the period there were additions of £2,847k relating to right-of-use assets (2023: £2,261k).

The statement of Comprehensive income shows the following amounts relating to right-of-use assets:

Notes to the Consolidated Financial Statements continued

16. Right-of-use assets (continued)

	52 week period ended 28 December 2024 £'000	52 week period ended 30 December 2023 £'000
Depreciation charge		
Long leasehold property	2,827	2,877
Short leasehold	839	1,012
Plant and machinery	1,282	1,313
	4,948	5,202
Interest expense (included in finance costs)	1,458	1,729

The Group has not committed to any leases which had not yet commenced (2023:nil).

Total cash outflow for leases for the 52 week period ended 28 December 2024 was £6,072k (2023: £6,307k).

17. Biological assets

Group	28 December 2024 £'000	30 December 2023 £'000
Flowers	17,725	14,277
Produce	1,187	962
	18,912	15,239

Biological assets relate to the unharvested produce of bearer plants. Bearer plants themselves are recognised as Property, plant and equipment. Biological assets are measured at their fair value less estimated costs to sell with any change therein recognised in profit or loss.

Biological assets in the Kenyan Farms are measured using the market approach. The fair value of the Kenyan biological assets are classified as a level 2 type of measurement

Biological assets in the Ethiopian farms are measured using the income approach. Costs to sell include costs that would be necessary to sell the assets, including transportation costs. As future market prices are a significant unobservable input, the fair value measurement of Ethiopian biological assets are classified as a level 3 type of measurement.

	28 December 2024 £'000	30 December 2023 £'000
Ethiopian roses	10,422	8,777
Kenyan roses	622	376
Kenyan mixed flowers	6,681	5,124
Kenyan produce	1,187	962
Total	18,912	15,239

The gain recognised in cost of sales in relation to biological assets during the period is £2,058k (2023: £296).

18. Inventory

Group	28 December 2024 £'000	30 December 2023 £'000
Raw materials	13,694	14,336
Packaging and other consumables	8,518	8,841
Finished goods and goods for resale	3,768	3,941
	25,980	27,118

Inventory recognised in cost of sales during the period as an expense was £317,229k (2023: £321,700k).

An impairment loss of £406k (2023: £1,166k) was recognised in cost of sales against inventory during the period due to slow-moving and obsolete inventory.

Notes to the Consolidated Financial Statements continued

19. Trade and other receivables

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Due within one period				
Trade receivables	48,215	57,057	–	–
Other receivables	2,368	1,890	77	–
Prepayments	1,869	2,037	63	–
Accrued income	5,165	4,092	–	–
Other taxation	14,067	9,832	–	–
Amounts owed by group undertakings	–	–	156,272	128,987
	71,684	74,908	156,412	128,987
Due after more than one period				
Other receivables	83	104	–	–
	83	104	–	–

The directors consider the carrying value of trade and other receivables approximates to its fair value.

All of the Group's trade and other receivables in the comparative periods have been reviewed for indicators of impairment. The impaired trade receivables are mostly due from customers in the business to business market that are experiencing financial difficulties. The Group suffers some incidence of credit losses. However, where management views that there is a significant risk of non-payment, a specific provision for impairment is made and recognised as a deduction from trade receivables.

Note 28 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses. The below shows the loss allowance for the Group using the IFRS 9 expected credit loss model for the current and prior period.

	28 December 2024 £'000	30 December 2023 £'000
Loss allowance	1,923	2,133

The amount of trade receivables past due with no loss allowance at each balance sheet date is as follows:

	28 December 2024 £'000	30 December 2023 £'000
Trade receivables past due	110	1,219

The Company does not have any trade receivables past due that are not impaired.

20. Assets classified as held for sale

Group

During the period the Group listed the Plants site for up for sale, this is expected to be completed by June 2025 and on 28 March 2025 a piece of freehold land at our Sandy site was sold for £1.95m.

	28 December 2024 £'000	30 December 2023 £'000
Non-current assets held for sale		
Land and buildings	4,300	–
	4,300	–

Land and buildings classified as held for sale were measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification, resulting in the recognition of an impairment of write down of £1,452k (note 15).

Notes to the Consolidated Financial Statements continued

21. Cash and cash equivalents

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Cash at bank (GBP)	3,733	4,113	346	106
Cash at bank (EUR)	15,674	13,494	68	143
Cash at bank (USD)	1,325	3,436	–	–
Cash at bank (RAND)	43	41	–	–
Cash at bank (KSH)	3,356	3,890	–	–
Cash at bank (ETB)	1,090	1,906	–	–
Cash at bank (OTH)	146	154	–	–
	25,367	27,034	414	249

All significant cash and cash equivalents were deposited with major clearing banks with at least an 'A' rating; the Group and Company believe the risk of impairment of cash and cash equivalents to be low.

22. Trade and other payables

Amounts falling due within one period:

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Trade payables	34,703	38,737	–	–
Amounts payable to parent undertaking	2,713	1,458	789	2,272
Amounts payable to group undertakings	–	–	76,358	13,163
Other taxation and social security	3,197	3,575	–	55
Other payables	11,842	6,655	82	236
Accrued interest on loan balances and other facilities	7,403	9,950	7,403	9,950
Accruals	46,733	36,456	2,890	7,037
	106,591	96,831	87,522	32,713
Due after more than one period				
Accruals	7,960	–	7,960	–
	7,960	–	7,960	–

Accruals due after more than one period relate to exit fees due on repayment of the term loan.

Notes to the Consolidated Financial Statements continued

23. Borrowings

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Secured – at amortised cost				
– Bank loans and other facilities	199,675	263,554	196,419	258,905
– Arrangement fees capitalised	(11,085)	–	(11,085)	–
Unsecured – at amortised cost				
– Bank loans and other facilities	2,449	4,811	–	–
	191,039	268,365	185,334	258,905
Ageing:				
Current	662	61,530	–	59,427
Non-current	190,377	206,835	185,334	199,478
	191,039	268,365	185,334	258,905

Bank loans and other facilities include £191,039k (2023: £268,365k) of capital in the borrowings table and the accrued interest of £7,403k (2023: £9,950k) is in the Trade and other payables note, note 22. The total debt in relation to the item is £198,442k as at 28 December 2024 (2023: £278,315k).

Summary of borrowing arrangements:**Bank loans and other facilities**

During the period the Group signed a new loan agreement, the terms of the bank loans and other facilities are disclosed in note 28 of these financial statements. There are fixed and floating charges secured against certain assets of the Group.

24. Leases

Lease liabilities are presented in the statement of financial position as follows:

	28 December 2024 £'000	30 December 2023 £'000
Current	3,618	4,149
Non-current	22,934	25,316
	26,552	29,465

The Group has leases for warehouses, buildings, plant and machinery, motor vehicles and some IT equipment. Each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 15).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. The Group is prohibited from selling or pledging the underlying leases assets as security. For leases over office buildings and warehouse premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

Notes to the Consolidated Financial Statements continued

24. Leases (continued)

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet

As at 28 December 2024

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Land and buildings	31	1-19	5 years	2	0	3	0
Plant and machinery	128	1-6 years	2 years	0	0	0	0

As at 30 December 2023

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with options to purchase	No. of leases with variable payments linked to an index	No. of leases with termination options
Land and buildings	31	1-20	6 years	2	0	3	0
Plant and machinery	139	1-7 years	2 years	0	0	0	0

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

As at 28 December 2024

	Minimum lease payments due						
	Within 1 period £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	After 5 years £'000	Total £'000
28 December 2024							
Lease payments	4,879	4,006	3,791	3,664	2,746	15,746	34,832
Finance charges	(1,337)	(1,190)	(1,054)	(917)	(798)	(2,865)	(8,161)
Foreign exchange	(12)	(4)	(9)	(9)	–	(85)	(119)
Net present values	3,530	2,812	2,728	2,738	1,948	12,796	26,552

As at 30 December 2023

	Minimum lease payments due						
	Within 1 period £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	After 5 years £'000	Total £'000
30 December 2023							
Lease payments	5,712	4,317	3,830	3,634	3,403	18,703	39,599
Finance charges	(1,523)	(1,342)	(1,210)	(1,080)	(949)	(3,819)	(9,923)
Foreign exchange	(40)	(35)	(33)	(19)	(20)	(64)	(211)
Net present values	4,149	2,940	2,587	2,535	2,434	14,820	29,465

Notes to the Consolidated Financial Statements continued

25. Financial instruments

Classification of financial instruments

The tables below set out the Group's accounting classification for the classes of its financial assets and liabilities.

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Financial assets				
Fair value through profit or loss				
Derivative financial instruments	2,965	–	–	–
Measured at amortised cost				
Trade and other receivables (note 19)	55,831	63,143	156,349	128,987
Cash and cash equivalents (note 21)	25,367	27,034	414	249
	81,198	90,177	156,763	129,236

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Financial liabilities				
Fair value through profit or loss				
Derivative financial instruments	–	2,441	–	–
Measured at amortised cost				
Trade and other payables (note 22)	111,354	93,256	95,482	32,658
Provisions (note 26)	3,081	2,012	–	–
Borrowings (note 23)	191,039	268,365	185,334	258,905
	305,474	363,633	280,816	291,563

A description of the Group's financial instruments risks, including risk management objectives and policies is given in note 27.

26. Provisions

	28 December 2024 £'000	30 December 2023 £'000
Non- current liability		
Kenyan VAT provision	2,081	2,012
Kenyan legal fees provision	1,000	–
	3,081	2,012

Kenyan VAT provision

In the 2023 financial accounts a new provision was made for the asset held in Flamingo Horticulture Kenya Limited relating to VAT owed by the Kenyan Revenue Authority from prior years. We are continuing with this provision as the late payment continues, albeit the position has marginally improved. We are owed 1.487B Kenyan Shillings for the period 2020-24 in relation to VAT balances, which is translated into £9.185m and this compares in 2023 to 909m Kenyan Shillings, converted to £5.049m GBP. Whilst the Group considers there to be limited risk in receiving the payments, we expect there will be a delay in recovering the payments, so it is prudent to make a time value of money adjustment based on an 13% local discount rate due to the slow nature of repayments.

Notes to the Consolidated Financial Statements continued

26. Provisions (continued)

Kenyan legal fees provision

The Group received pre-action correspondence on 11th March 2024 in which allegations are made regarding the security operations at Ibis Farm, part of Flamingo Horticulture in Kenya. We have since instructed an external investigation to assess the allegations thoroughly and independently. The Group is aware of no material evidence to support these claims and is continuing to take legal advice with regard to the claims, and the investigation remains ongoing. We have both incurred costs in 2024 and have included a provision for expected committed further costs in 2025.

The Group anticipates that it will robustly defend its position in relation to the allegations. However, if the Group was unable to successfully defend the allegations in the event that proceedings were brought, any liabilities could, cumulatively, have a material adverse impact on the Group.

27. Fair value measurement

The fair value hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The Group holds foreign currency forward and option contracts at their fair value. The contracts are the only financial statement item classified at fair value through the profit or loss (FVTPL).

During the period the net effect of the changes in fair value within the Statement of Comprehensive Income was a gain of £5,198k (2023: £1,329k loss).

The gain recognised in cost of sales in relation to the changes in fair value of biological assets during the period are £2,058k (2023: £296k).

The Group holds biological assets in growing fresh flowers and fresh vegetable produce.

The information below sets out the gross amounts of the corresponding assets and liabilities as well as the methodology used to establish their fair values.

Group

	Level 2		Level 3	
	28 December 2024 £'000	30 December 2023 Restated* £'000	28 December 2024 £'000	30 December 2023 Restated* £'000
Assets				
Foreign Currency	4,098	–	–	–
Biological assets	8,490	6,462	10,422	8,777
	12,588	6,462	10,422	8,777

Notes to the Consolidated Financial Statements continued

27. Fair value measurement (continued)

	Level 2		Level 3	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Liabilities				
Commodities	1,133	1,001	–	–
Foreign currency	–	1,440	–	–
	1,133	2,441	–	–

* The prior year has been restated to correct the classification of the Kenyan biological assets to level 2.

Measurement of fair value of financial instruments**Foreign currency forward contracts (Level 2)**

The Group's foreign currency forward and option contracts are not traded in active markets. These have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for foreign currency forward contracts.

Commodity forward contracts (Level 2)

The Group's commodities forward and option contracts are not traded in active markets. These have been fair valued using observable commodity rates and interest rates corresponding to the maturity of the contract. The effects of non-observable inputs are not significant for commodity forward contracts.

Biological assets (Level 2)

The fair value method of calculation for the Kenyan biological assets is based on observable non-quoted market inputs.

The assumption to calculate this fair value is based upon 52m unharvested roses, 157m various flower stems and 1,101T of various produce (mainly tenderstem broccoli and fine beans).

The 2023 comparatives were valued in a similar way 28m unharvested roses, 138m various flower stems and 1,295T of various produce.

Biological assets (Level 3)

The fair value method for calculation is the valuation of the future selling price less directly attributable cost of sale and production i.e. pre-harvesting costs, harvesting costs, and post harvesting costs including direct labour, and outbound transportation costs, based on the average maturity period for each identifiable product type.

The assumption to calculate this fair value is based upon 192m unharvested roses in Ethiopia (2023: 186m).

	Level 2 £'000	Level 3 £'000
Biological assets		
Period ended 28 December 2024		
Opening balance	6,462	8,777
Sales	(6,462)	(8,777)
Current period fair value	8,490	10,422
	8,490	10,422
	Level 2 £'000	Level 3 £'000
Period ended 30 December 2023 – restated*		
Opening balance	7,087	6,872
Acquired in the period	361	–
Sales	(7,448)	(6,872)
Current period fair value	6,462	8,777
	6,462	8,777

* The prior year has been restated to correct the classification of the Kenyan biological assets to level 2.

Notes to the Consolidated Financial Statements continued

27. Fair value measurement (continued)

Measurement of fair value of financial instruments (continued)

A sensitivity analysis on the biological assets, where quantity and EBITDA (earnings before interest, tax, depreciation and amortisation) were increased/decreased by 1% is shown below:

	Period ended 30 December 2024 EBITDA Movement			Period ended 30 December 2023 EBITDA Movement		
	1% decrease £'000	Current £'000	1% increase £'000	1% decrease £'000	Current £'000	1% increase £'000
Quantity (1% decrease)	18,536	18,723	18,912	14,936	15,086	15,239
Quantity (current period)	18,723	18,912	19,101	15,086	15,239	15,391
Quantity (1% increase)	18,912	19,101	19,292	15,239	15,391	15,545

28. Financial instrument risk exposure and management

The Group and Company's operations expose it to degrees of financial risk that include liquidity risk, credit risk, interest rate risk, and foreign currency risk.

This note describes the Group and Company's objectives, policies and process for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented in the notes.

The Group successfully completed the Amend & Extend of its existing debt facility in January 2024, with additional shareholder investments of £50m reducing Group debt levels. The Group's revised principal debt facilities now comprises a €236m term loan maturing August 2028, and €15m currently unused revolving credit facility. The Group has also put in place multiple supply chain finance schemes. The Group's primary restricting covenant is a leverage ratio of 5.95x.

The Group is exposed to risks arising from environmental and climatic changes. The Groups geographic spread of farms allows a high degree of mitigation against adverse climatic conditions such as drought, floods and disease outbreaks. The Group has strong environmental policies and procedures in place to comply with environmental and other laws.

The Group and Company's principal financial liabilities comprise loans and borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations.

The Group's principal financial assets, include trade and other receivables and cash and cash equivalents that derive directly from its operations. The Company's principal financial assets, include other receivables and cash and cash equivalents that derive directly from its operations.

The Group and Company is exposed to interest rate risk, credit risk, foreign currency risk and liquidity risk. The Group enters into derivatives, principally to minimise foreign exchange risk.

Interest rate risk

The Group and Company's borrowing facilities comprise a term loan, variable loan notes, local overdraft facilities and a revolving credit facility, principally in Euros and GBP. Interest is charged at fixed rates.

Cash and deposits earn interest at floating rates based on the bank's short-term treasury deposit rates, short-term trade and other receivables are interest-free.

At 28 December 2024, if interest rates were 50 basis points lower, with all other variables held constant, annualised net interest expense would decrease by £982k (2023: £1,295k).

The Group and Company's other financial assets and liabilities are not exposed to interest rate risk.

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Credit risk

Financial instruments which potentially expose the Group to credit risk consist primarily of cash equivalents and trade receivables. Cash equivalents are deposited only with major financial institutions that satisfy certain credit criteria.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all significant prospective customers and all existing customers requiring credit beyond a certain threshold. Varying approval levels are set on the extension of credit depending upon the value of the sale.

The Group provides credit to customers in the normal course of business. The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have significant financing component. The amounts presented in the Statement of Financial Position in relation to the Group's trade receivables are presented net of loss allowances. The Group measures loss allowances at an amount equal to the lifetime expected credit losses (ECL's) using both quantitative and qualitative information and analysis based on the Group's historical experience and forward looking information. During the period there was a credit to the Consolidated Income Statement of £210k (2023: £365k charge) to decrease the loss allowance.

At the reporting date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset. Based on past experience, the Group believes that no further impairment allowance is necessary in respect of trade receivables not past due. The Group consider that the carrying value of trade receivables approximates its fair value.

The trade receivables as at 28 December 2024 and 30 December 2023 are aged as follows:

	28 December 2024 £'000	30 December 2023 £'000
Under 3 months past due	48,105	55,838
More than three months but not more than six months past due	66	113
More than six months but not more than twelve months past due	(292)	218
More than twelve months past due	336	888
Trade receivables (note 19)	48,215	57,057

The movement in the loss allowance for expected credit losses in respect of trade receivables during the period was as follows:

	For the 52 week period ended 28 December 2024 £'000	For the 52 week period ended 30 December 2023 £'000
At beginning of the period	2,133	1,768
(Credited)/charged to the Consolidated Income Statement	(210)	365
At the end of the period	1,923	2,133

All of the Group's trade and other receivables have been reviewed using the expected credit loss model. Following this review a decrease to the provision of £210k (2023: increase of £365k) has been recorded within administration expenses. The impaired trade receivables are mostly due from customers experiencing financial difficulties.

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Credit risk (continued)

The Group and Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the period end, as summarised below:

	Group		Company	
	28 December 2024 £'000	30 December 2023 £'000	28 December 2024 £'000	30 December 2023 £'000
Cash and cash equivalents	25,367	27,034	414	249
Trade and other receivables	55,831	63,143	156,349	128,987
	81,198	90,177	156,763	129,236

As at the period end, Group management considers that all of the above financial assets that are not impaired or past due for each period end reporting dates under review are of good credit quality.

Amounts owed by subsidiaries are unsecured, have no fixed date of repayment and are repayable on demand.

The Group has certain trade receivables that have not been settled by the contractual date but are not considered to be impaired. The amounts at 28 December 2024 and 30 December 2023 analysed by the length of time past due, are:

	28 December 2024 £'000	30 December 2023 £'000
Not more than 3 months	–	–
More than 3 months but not more than 6 months	66	113
More than 6 months but not more than 1 period	(292)	218
More than 1 period	336	888
	110	1,219

There were no amounts for the Company that have not been settled by the contractual date and no allowance for impairment in respect of trade receivables.

Foreign currency risk

The Group and Company's main operating entities' functional currency and the Group and Company's presentational currency is GBP, although some transactions are executed in non-sterling currencies, including Euros and US dollars. The transactional amounts realised or settled are therefore subject to the effects of movements in these currencies against sterling. Management of these exposures is centralised and managed by the Group's finance function by entering into foreign exchange forward contracts for all significant net exposures.

Group

The Group generates about half of its profits in non-GBP currencies and has assets in non-GBP jurisdictions, principally in Africa where the currency utilised is the Kenyan Shilling and Ethiopian Birr and Europe where the currency utilised is the Euro.

To mitigate the Group's exposure to foreign currency risk, the Group's forecasted procurement in non GBP currencies and cash spend is monitored and foreign exchange contracts are entered into in accordance with the group hedging policies as agreed by directors.

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Foreign currency risk (continued)

The table below shows the Group's currency exposures that give rise to net currency gains and losses recognised in the consolidated Statement of Comprehensive Income as a result of assets and liabilities that are not denominated in the functional currency of the subsidiaries involved.

	Sterling £'000	Euro £'000	US Dollar £'000	Ethiopian Birr £'000	Kenyan Shilling £'000	Other £'000	Total £'000
28 December 2024							
Cash and cash equivalents	3,733	15,674	1,325	1,090	3,356	189	25,367
Trade receivables	40,916	7,026	125	125	23	–	48,215
Secured loans	–	(199,675)	–	–	–	–	(199,675)
Unsecured loans	–	(2,449)	–	–	–	–	(2,449)
Accrued interest on bank loans and other facilities	–	(7,403)	–	–	–	–	(7,403)
Trade payables	(6,434)	(14,644)	(10,213)	(736)	(2,670)	(6)	(34,703)
Balance sheet exposure	38,215	(201,471)	(8,763)	479	709	183	(170,648)
30 December 2023							
Cash and cash equivalents	4,113	13,494	3,436	1,906	3,890	195	27,034
Trade receivables	48,497	7,681	152	136	28	563	57,057
Secured loans	–	(263,554)	–	–	–	–	(263,554)
Unsecured loans	–	(4,811)	–	–	–	–	(4,811)
Accrued interest on bank loans and other facilities	–	(9,950)	–	–	–	–	(9,950)
Trade payables	(18,188)	(8,887)	(9,790)	(98)	(1,708)	(66)	(38,737)
Balance sheet exposure	34,422	(266,027)	(6,202)	1,944	2,210	692	(232,961)

A 1% weakening of the following currencies against the pound sterling at 28 December 2024 would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	28 December 2024		30 December 2023	
	Equity £'000	SOCI £'000	Equity £'000	SOCI £'000
South African Rand	49	49	(6)	(6)
Kenyan Shilling	(7)	(7)	(56)	(56)
Euro	2,015	2,015	2,660	2,660
US Dollar	88	88	62	62
Ethiopian Birr	(5)	(5)	(19)	(19)
	2,140	2,140	2,641	2,641

A 1% strengthening of the above currencies against the pound sterling at 28 December 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant. We are applying a consistent 1% across all currencies as 1% is deemed an appropriate fluctuation of the largest GBP conversion currency.

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Company

The Company generates and makes payments in Sterling, however settles interest on the term loan in Euros.

The table below shows the Company's currency exposures that give rise to net currency gains and losses recognised in the Statement of Comprehensive Income as a result of assets and liabilities that are not denominated in the functional currency of the subsidiaries involved.

	Sterling £'000	Euro £'000	Total £'000
28 December 2024			
Cash and cash equivalents	346	68	414
Trade and other receivables	116,583	39,766	156,349
Trade and other payables	(77,147)	–	(77,147)
Accrued interest on bank loans and other facilities	–	(7,403)	(7,403)
Secured loans	–	(196,419)	(196,419)
Balance sheet exposure	39,782	(163,988)	(124,206)
30 December 2023			
Cash and cash equivalents	106	143	249
Trade and other receivables	42,279	86,708	128,987
Trade and other payables	(15,435)	–	(15,435)
Accrued interest on bank loans and other facilities	–	(9,950)	(9,950)
Secured loans	–	(258,905)	(258,905)
Balance sheet exposure	26,950	(182,004)	(155,054)

A 1% weakening of the following currencies against the pound sterling at 28 December 2024 would have increased (decreased) equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables, in particular other exchange rates and interest rates, remain constant.

	28 December 2024		30 December 2023	
	Equity £'000	SOCl £'000	Equity £'000	SOCl £'000
28 December 2024				
Euro	1,640	1,640	1,820	1,820

A 1% strengthening of the above currencies against the pound sterling at 28 December 2024 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

Group

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group manages liquidity risk through both the treasury and finance functions. Cash flow forecasts are prepared and reviewed on a weekly basis, normally covering a period of 3 months.

In addition, cash flow forecasts are prepared as part of the Group's overall budgeting and forecasting process and performance is monitored against this each month. This is intended to give the Board sufficient forward visibility of debt levels and cash requirements.

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Liquidity risk (continued)

The tables below show the undiscounted cash flows on the Group's financial liabilities as at 28 December 2024 and 30 December 2023, on the basis of their earliest possible contractual maturity:

At 28 December 2024	Carrying Value £'000	Contractual Cashflow £'000	Within 3 months £'000	Within 3-6 months £'000	6-12 months £'000	1-2 years £'000	Greater than 2 years £'000	Greater than 5 years £'000
Trade payables	34,703	34,703	33,496	1,739	378	(910)	–	–
Other payables and accruals	66,535	66,535	58,575	–	–	–	7,960	–
Accrued interest on bank loans and other facilities	7,403	7,403	7,403	–	–	–	–	–
Amounts payable to parent undertaking	2,713	2,713	2,713	–	–	–	–	–
Borrowings	191,039	270,978	10,274	850	10,487	20,616	228,424	327
	302,393	382,332	112,461	2,589	10,865	19,706	236,384	327

At 30 December 2023	Carrying Value £'000	Contractual Cashflow £'000	Within 3 months £'000	Within 3-6 months £'000	6-12 months £'000	1-2 years £'000	Greater than 2 years £'000	Greater than 5 years £'000
Trade payables	38,737	38,737	38,177	303	2	255	–	–
Other payables and accruals	43,111	43,111	43,111	–	–	–	–	–
Accrued interest on bank loans and other facilities	9,950	9,950	9,950	–	–	–	–	–
Amounts payable to parent undertaking	1,458	1,458	1,458	–	–	–	–	–
Borrowings	268,365	271,150	60,041	2,561	1,199	203,929	2,761	659
	361,621	364,406	152,737	2,864	1,201	204,184	2,761	659

In assessing and managing liquidity risks of its derivative financial instruments, the Group considers both contractual inflows and outflows. As at 28 December 2024, the contractual cash flows of the Group's derivative financial assets and liabilities are as follows:

At 28 December 2024	Within 12 months £'000
Gross-settled forward contracts	
– Cash outflow	(189,055)
– Cash inflow	193,153
Total	4,098

This compares to the contractual cash flows of the Group's derivative financial assets and liabilities in the previous reporting period as follows:

At 30 December 2023	Within 12 months £'000
Gross-settled forward contracts	
– Cash outflow	(206,141)
– Cash inflow	204,701
Total	(1,440)

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Liquidity risk (continued)

Terms and debt repayment schedule 28 December 2024:

	Currency	Interest rate %	Period of maturity	Face value €'000	Carrying amount £'000
Credit Suisse	EUR	EURIBOR + 5.75	2028-08	236,488	196,419
Credit Suisse	EUR	EURIBOR + 3	2028-08	15,000	–
Capitalised arrangement fees	GBP	–	–	–	(11,085)
Credit Agricole	EUR	3.40%	2026-10	250	37
Credit Agricole	EUR	1.26%	2026-05	120	23
Credit Agricole	EUR	0.84%	2027-04	300	84
Societe Generale	EUR	0.58%	2026-04	21	6
Credit Agricole	EUR	0.55%	2026-04	930	276
Credit Agricole	EUR	4.07%	2030-07	500	341
Societe Generale	EUR	3.53%	2030-07	500	335
Credit Agricole	EUR	3.00%	2028-07	7	4
BPI France	EUR	4.45%	2028-08	500	304
Credit Agricole	EUR	3.23%	2027-06	100	20
Credit Agricole	EUR	3.23%	2027-07	100	21
Credit Agricole	EUR	1.61%	2026-04	200	27
BPI France	EUR	2.28%	2025-08	300	37
Credit Agricole	EUR	1.60%	2026-01	41	5
Credit Agricole	EUR	0.95%	2025-02	100	2
Societe Generale	EUR	1.35%	2027-03	120	33
Societe Generale	EUR	0.58%	2027-04	97	29
Credit Agricole	EUR	0.55%	2026-05	671	199
BPI France	EUR	1.80%	2026-04	230	71
Credit Agricole	EUR	4.07%	2030-04	500	331
Societe Generale	EUR	3.51%	2030-03	150	100
Credit Agricole	EUR	1.00%	2026-11	120	28
BPI France	EUR	0.00%	2027-11	75	37
Credit Agricole	EUR	2.05%	2028-03	230	–
Credit Agricole	EUR	1.90%	2029-07	218	75
Credit Agricole	EUR	1.97%	2033-05	165	82
Credit Agricole	EUR	1.82%	2030-09	52	22
Credit Agricole	EUR	1.82%	2030-10	38	17
Credit Agricole	EUR	0.95%	2031-02	11	6
Credit Agricole	EUR	0.95%	2031-03	31	17
Credit Agricole	EUR	1.25%	2033-11	252	159
Credit Agricole	EUR	1.25%	2033-09	382	236
Credit Agricole	EUR	0.52%	2027-04	2,500	1,273
Credit Agricole	EUR	0.00%	n/a	1,700	166
Credit Agricole	EUR	0.00%	n/a	550	457
Asba Bank Kenya	EUR	EURIBOR - 3 months	2027-01	2,000	692
Barclays Kenya	EUR	EURIBOR - 3 months	2026-01	800	155
				266,349	191,041

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Liquidity risk (continued)

Terms and debt repayment schedule 30 December 2023:

	Currency	Interest rate %	Period of maturity	Face value €'000	Carrying amount £'000
Credit Suisse	EUR	EURIBOR + 5.75	2025	280,000	243,266
Credit Suisse	EUR	EURIBOR + 3	2024	18,000	15,639
Credit Agricole	EUR	3.40%	2026-10	250	58
Credit Agricole	EUR	1.26%	2026-05	120	42
Credit Agricole	EUR	1.00%	2024-05	100	8
Credit Agricole	EUR	0.84%	2027-04	300	126
Societe Generale	EUR	0.58%	2026-04	21	11
Credit Agricole	EUR	0.55%	2026-04	930	490
Credit Agricole	EUR	4.07%	2030-07	500	412
Societe Generale	EUR	3.53%	2030-07	500	407
Credit Agricole	EUR	3.00%	2024-01	7	6
BPI France	EUR	4.45%	2028-08	500	405
Credit Agricole	EUR	3.52%	2024-10	80	6
Credit Agricole	EUR	3.65%	2024-04	70	2
Credit Agricole	EUR	3.23%	2027-06	100	29
Credit Agricole	EUR	3.23%	2027-07	100	29
Credit Agricole	EUR	1.61%	2026-04	200	45
BPI France	EUR	4.29%	2024-12	600	104
BPI France	EUR	2.28%	2025-08	300	91
Credit Agricole	EUR	1.60%	2026-01	41	11
Credit Agricole	EUR	1.10%	2024-09	100	12
Credit Agricole	EUR	0.95%	2025-02	100	20
Societe Generale	EUR	1.35%	2027-03	120	50
Societe Generale	EUR	0.58%	2027-04	97	51
Credit Agricole	EUR	0.55%	2026-05	671	354
BPI France	EUR	1.80%	2026-04	230	125
Credit Agricole	EUR	4.07%	2030-04	500	403
Societe Generale	EUR	3.51%	2030-03	150	122
BNP Paribas	EUR	1.10%	2024-10	100	11
Credit Agricole	EUR	1.00%	2026-11	120	44
BPI France	EUR	0.00%	2027-11	75	52
Credit Agricole	EUR	2.05%	2028-03	230	76
Credit Agricole	EUR	1.90%	2029-07	218	94
Credit Agricole	EUR	1.97%	2033-05	165	95
Credit Agricole	EUR	1.82%	2030-09	52	27
Credit Agricole	EUR	1.82%	2030-10	38	20
Credit Agricole	EUR	0.95%	2031-02	11	7
Credit Agricole	EUR	0.95%	2031-03	31	20
Credit Agricole	EUR	1.25%	2033-11	252	183
Credit Agricole	EUR	1.25%	2033-09	382	273
Credit Agricole	EUR	0.52%	2027-04	2,500	1,813

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Liquidity risk (continued)

	Currency	Interest rate %	Period of maturity	Face value €'000	Carrying amount £'000
Credit Agricole	EUR	0.00%	n/a	1,700	1,474
Credit Agricole	EUR	0.00%	n/a	550	478
Asba Bank Kenya	EUR	EURIBOR - 3 months	2027-01	2,000	1,073
Barclays Kenya	EUR	EURIBOR - 3 months	2026-01	800	301
				313,911	268,365

Company

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company manages liquidity risk through both the treasury and finance functions. Cash flow forecasts are prepared and reviewed on a weekly basis, normally covering a period of 3 months.

In addition, cash flow forecasts are prepared as part of the Company's overall budgeting and forecasting process and performance is monitored against this each month. This is intended to give the Board sufficient forward visibility of debt levels and cash requirements.

The tables below show the undiscounted cash flows on the Company's financial liabilities as at 28 December 2024 and 30 December 2023, on the basis of their earliest possible contractual maturity:

	Carrying Value £'000	Contractual Cashflow months £'000	Within 3 months £'000	Within 3-6 months £'000	6-12 months £'000	1-2 years £'000	Greater than 2 years £'000	Greater than 5 years £'000
At 28 December 2024								
Other payables and accruals	10,932	10,932	2,972	–	–	–	7,960	–
Accrued interest on bank loans and other facilities	7,403	7,403	7,403	–	–	–	–	–
Amounts payable to parent undertaking	789	789	789	–	–	–	–	–
Amounts payable to group undertakings	76,358	76,358	76,358	–	–	–	–	–
Borrowings	185,334	264,969	9,464	–	9,464	18,981	227,060	–
	280,816	360,451	96,986	–	9,464	18,981	235,020	–

	Carrying Value £'000	Contractual Cashflow £'000	Within 3 months £'000	Within 3-6 months £'000	6-12 months £'000	1-2 years £'000	Greater than 2 years £'000	Greater than 5 years £'000
At 30 December 2023								
Other payables and accruals	7,273	7,273	7,273	–	–	–	–	–
Accrued interest on bank loans and other facilities	9,950	9,950	9,950	–	–	–	–	–
Amounts payable to parent undertaking	2,272	2,272	2,272	–	–	–	–	–
Amounts payable to group undertakings	13,163	13,163	13,163	–	–	–	–	–
Borrowings	258,905	261,108	59,427	–	–	201,681	–	–
	291,563	293,766	92,085	–	–	201,681	–	–

Notes to the Consolidated Financial Statements continued

28. Financial instrument risk exposure and management (continued)

Company (continued)

Terms and debt repayment schedule 28 December 2024:

	Currency	Interest rate %	Period of maturity	Face value €'000	Carrying amount £'000
Credit Suisse	EUR	EURIBOR + 5.75	2028-08	236,488	196,419
Credit Suisse	EUR	EURIBOR + 3	2028-08	15,000	–
Capitalised arrangement fees	GBP	–	–	–	(11,085)
				251,488	185,334

Terms and debt repayment schedule 30 December 2023:

	Currency	Interest rate %	Period of maturity	Face value €'000	Carrying amount £'000
Credit Suisse lead consortium	EUR	EURIBOR + 5.75	2025	280,000	243,266
Credit Suisse lead consortium	EUR	EURIBOR + 3.75	2024	18,000	15,639
				298,000	258,905

Financial compliance risk (Group and Company)

Risk

The Group and Company is subject to banking covenants - which were first tested for the quarter ended 30 September 2018. In the event that the covenants are not met, the Group would be in breach of its loan agreements and, as would be the case in any covenant breach, the bank could withdraw a portion of their funding to the Group, requiring early repayment of part of the loan. Since incorporation the Group has always met its covenant requirements with its bankers.

In addition to covenant compliance the Group and Company must ensure that it manages its liquidity such that it has sufficient funds to meet its obligations as they fall due.

Mitigation

The Group reviews its performance on an on-going basis. The Group and Company manages liquidity risk through the finance function. Cash flow forecasts are prepared and reviewed on a weekly basis covering near term fluctuation of liquidity on a short term 3 month period, along with cash forecasts for the full period which are reviewed monthly following trading updates. A top level cashflow for the 52 week period of the strategic plan is prepared annually. In addition, cash flow forecasts are prepared as part of the Group and Company's overall budgeting and forecasting process and is monitored against this each month. In the event of a forecast covenant breach the Group and Company would seek a covenant waiver or amendment from its lenders.

29. Capital management

The Group and Company manages its capital through on-going reviews of working capital and continuous monitoring of trading to ensure that the Group and Company has sufficient funds in place moving forward to meet payment requirements and regulated minimum capital requirements, as necessary.

Management monitor projected trading cash flows and establish capital requirements well in advance of the date required.

The Group and Company defines and monitors capital on the basis of the carrying amount of equity plus its outstanding loan notes, less cash and cash equivalents as presented on the face of the statement of financial position and as follows:

	Group 28 December 2024 £'000	Company 28 December 2024 £'000	Group 30 December 2023 £'000	Company 30 December 2023 £'000
Equity	115,674	32,832	3,311	(5,560)
Borrowings	191,039	185,334	268,365	258,905
Cash and cash equivalents	(25,367)	(414)	(27,034)	(249)
	281,346	217,752	244,642	253,096

The directors are satisfied that the capital management procedures are appropriately implemented and that controls are operating effectively.

The Group and Company are not subject to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements continued

30. Guarantees and other financial commitments

Under the senior financing agreement any group entities which contributes 5% or more of the group EBITDA have granted security of its material assets.

The UK trading companies' banker, NatWest Plc., has provided a duty deferment guarantee of £462,500 to HM Revenue & Customs (2023: £462,500).

The UK trading companies provide an unlimited cross guarantee to their principle bankers NatWest Plc. concerning their liabilities. The total liabilities for the period ending 28 December 2024 were £322,488k (2023: £328,746k).

The UK trading companies form a Group VAT registration and as such are jointly and severally liable for the VAT liabilities.

Flamingo Horticulture Kenya Limited has provided a bank guarantee of £170k to Kenya Power and lighting (2023: £133k).

Flamingo Flowers BV has provided a bank guarantee of £142k to ABN Amro (2023: £148k).

Bigot France Holdings has £434k (2023: £529k) of secured loans with Societe Generale and £1,974k with Credit Agricole (2023: £2,747k).

Sher Ethiopia PLC has been subject to claims by individuals alleging former ownership of land parcels in the Adami Tulu and Koka regions of Ethiopia. These parcels were lawfully and contractually acquired by Sher Ethiopia PLC from the Oromia Regional Government in 2014, with consideration determined and paid in accordance with applicable laws and regional directives.

Management categorically disputes the legitimacy of these claims, as the transaction was conducted with the regional government and not with private individuals. Accordingly, management does not consider the company liable and expects no material adverse outcome.

As of the reporting date, total claims amounted to approximately £847k (ETB 140 million). Of this amount, ETB 129 million (£790k) was dismissed by the court. Sher Ethiopia PLC was required to pay ETB 12.8 million (£79k) based on a court ruling. Certain claimants subsequently contested the sufficiency of this payment and reasserted claims for the full ETB 140 million.

Additionally, Sher Ethiopia PLC has initiated legal proceedings against its former insurer, Nile Insurance Company S.C., concerning a denied claim from 2020 amounting to £337k plus interest. The Ethiopian court has ruled in favour of Sher Ethiopia PLC, ordering Nile Insurance to make the payment. However, the final settlement is still pending.

In accordance with Section 479C of the Companies Act 2006, the Company has provided a guarantee over the liabilities of certain Subsidiaries as shown in note 12, however it is expected that no liability will arise under the guarantee.

31. Retirement benefit plans

Kenya

The Group operates an unfunded gratuity arrangement in Kenya and the gratuity benefits are paid out of the Group's general revenues as and when they arise. Upon retirement, resignation, or death in service, the arrangement provides a benefit of 23 days basic pay per period worked to employees with over 5 years of service. The arrangement also pays an additional death in service lump sum of £265, KShs 43,000 (2023: £247, KShs 43,000).

Since the plan is unfunded, neither the Group nor the employees make any contribution. Further, there are no assets held separately in respect of this arrangement. However, an employee benefit liability is made in the Group's financial statements in relation to the end of service gratuity benefits to employees. The results of the actuarial valuation were updated at 28 December 2024 by an independent qualified actuary in accordance with IAS 19 "Employee Benefits".

(a) Major assumptions used by the scheme's actuaries at the balance sheet date (in nominal terms)

	28 December 2024	30 December 2023
Rate of increase in pensionable salaries	5.00%	5.00%
Discount rate	13.90%	15.9%

The discount rate is determined with reference to Government of Kenya long-term bond yields.

Demographic assumptions -

- Employees are assumed to retire at the age of 60.
- Assumptions regarding future mortality have been based on the A1949-1952 ultimate table for pre-retirement mortality.

Notes to the Consolidated Financial Statements continued

31. Retirement benefit plans (continued)

- Terminations (voluntary or resignation) are assumed to follow the Specimen Salaried Male/Female Ultimate Experience Table scaled up to 200%. No allowance is made for retrenchment, redundancies and dismissals.
- Retirement due to ill health is based on average experience of other similar arrangements.

The assumptions represent management's best estimate of long-term expectations.

(b) The amount included in the balance sheet arising from the Group's obligations in respect of all the gratuity scheme and the movements during the period are as follows:

	For the 52 week period ended 28 December 2024 Group £'000	For the 52 week period ended 30 December 2023 Group £'000
At the beginning of the period	(1,050)	(1,519)
Current service costs	–	(9)
Net interest expense	(183)	(176)
Actuarial (loss)/ gain	(217)	162
Benefits paid	130	113
Foreign exchange differences	(263)	379
Carried forward	(1,583)	(1,050)

(c) Amounts recognised in income in respect of the gratuity scheme

	For the 52 week period ended 28 December 2024 Group £'000	For the 52 week period ended 30 December 2023 Group £'000
Current service costs charged to operating profit in the income statement	–	(9)
Net interest expense	(183)	(176)
Total gratuity charge	(183)	(185)

Gratuity costs have been charged in the Statement of Comprehensive Income within administration expenses.

Sensitivity analysis

The results of the actuarial valuation will be more sensitive to changes in the financial assumptions than changes in the demographic assumptions. In preparing the sensitivity analysis, the actuaries have relied on their calculations of the duration of the liability. Based on this methodology, the results are summarised below:

	Discount rate	One percentage point increase/ decrease £'000
Effect on defined benefit obligation – 2024	13.9%	+/-98
Effect on defined benefit obligation – 2023	15.9%	+/-74

Since all the benefits payable under the arrangement are salary-related, the sensitivity of the liability to a change in the salary escalation assumption is not expected to be materially different from the sensitivity of the interest rate calculations. As the benefits are based on the final salary, any changes in salary that differ from the salary escalation rate assumed will have a direct bearing on the benefits paid under the gratuity arrangement.

The timing of benefit payments is influenced by the age at which employees retire or leave service from the Group.

Notes to the Consolidated Financial Statements continued

31. Retirement benefit plans (continued)

Ethiopia

The Group operates an unfunded severance benefit plan in Ethiopia and the gratuity benefits are paid out of the Group's general revenues as and when they arise. Employees who have served the Company for 5 years or more and are below the retirement age (i.e. has not met the requirement to access the pension fund) are entitled to the benefit. The final pay-out is determined by reference to the final monthly salary and number of years in service computed as one month salary for the first period in employment plus one-third of monthly salary for subsequent years to a maximum of twelve months salary.

Since the plan is unfunded, neither the Group nor the employees make any contribution. Further, there are no assets held separately in respect of this arrangement. However, an employee benefit liability is made in the Group's financial statements in relation to the end of service gratuity benefits to employees. The results of the actuarial valuation were updated at 28 December 2024 by an independent qualified actuary in accordance with IAS 19 "Employee Benefits".

(a) Major assumptions used by the scheme's actuaries at the balance sheet date (in nominal terms)

	28 December 2024	30 December 2023
Rate of increase in pensionable salaries	12.75%	12.30%
Discount rate	14.75%	14.30%

The discount rate is based on the average lending rate in the third quarter of 2023/24 as provided by the National Bank of Ethiopia Quarterly Bulletin.

Demographic assumptions -

- Employees are assumed to retire at the age of 60.
- Assumptions regarding future mortality have been based on the A1949/52 ultimate table for pre-retirement mortality.
- Terminations (voluntary or resignation) are based on average experience of other similar arrangements.
- Retirement due to ill health is based on average experience of other similar arrangements.

The assumptions represent management's best estimate of long-term expectations.

(b) The amount included in the balance sheet arising from the Group's obligations in respect of all the gratuity scheme and the movements during the period are as follows:

	For the 52 week period ended 28 December 2024 Group £'000	For the 52 week period ended 30 December 2023 Group £'000
At the beginning of the period	(966)	(618)
Current service costs	(368)	(257)
Net interest expense	(114)	(95)
Actuarial (loss)/gain	(238)	(179)
Benefits paid	74	95
Foreign exchange differences	765	88
Carried forward	(847)	(966)

Notes to the Consolidated Financial Statements continued

31. Retirement benefit plans (continued)

Ethiopia (continued)

(c) Amounts recognised in income in respect of the gratuity scheme

	For the 52 week period ended 28 December 2024 Group £'000	For the 52 week period ended 30 December 2023 Group £'000
Current service costs charged to operating profit in the income statement	(368)	(257)
Net interest expense	(114)	(95)
Total gratuity charge	(482)	(352)

Gratuity costs have been charged in the Statement of Comprehensive Income within administration expenses.

Sensitivity analysis

A sensitivity analysis on the defined benefit obligation to changes in the weighted principal assumption is:

	Change in assumption	Increase £'000	Decrease £'000
Discount rate	1%	64	(72)
Salary increases	1%	(51)	45

The timing of benefit payments is influenced by the age at which employees retire or leave service from the Group.

Defined contribution schemes

The Group operates multiple defined contribution schemes for all qualifying employees. The pension costs, which represents contributions payable by the Group, amounted to £2,256k (2023: £2,382k). The largest 3 schemes are detailed below:

Sher Ethiopia PLC's pension plan is a state pension plan. The Ethiopian government is responsible for the execution and pension payments after retirement. The pension obligations are recognized in accordance with defined contribution schemes. This approach accounts for the contribution payable to the government as an expense in the Statement of Comprehensive Income. As at period-end 2024, there are no obligations for which a pension provision has been included. The pension expenses (defined contribution) charged to the Statement of Comprehensive income amount to £882k (2023: £955k). Employer and employee contribute for a fixed part (11% and 7% respectively of basis salary) in the annual pension premium.

The UK workplace pension plan is financed through contributions to insurance companies. The pension obligations are recognized in accordance with defined contribution schemes. This approach accounts for the contribution payable to the insurance Company as an expense in the Statement of Comprehensive Income. The pension expenses (defined contribution) charged to the Statement of Comprehensive income amount to £845k (2023: £915k). Employer and employee contribute in accordance with UK Government Workplace minimum pension contributions (3% and 5% respectively of basis salary) in the annual pension premium.

Sher Holland' B.V.'s pension plan is financed through contributions to insurance companies. The pension obligations are recognized in accordance with defined contribution schemes. This approach accounts for the contribution payable to the insurance Company as an expense in the Statement of Comprehensive Income. As at period-end 2024, there are no obligations for which a pension provision has been included. The pension expenses (defined contribution) charged to the Statement of Comprehensive income amount to £275k (2023: £251k). Employer and employees contribute for 75% and 25% respectively in the annual pension premiums due to the pension provider. Pension premiums vary as they depend on the employee's personal situation (i.e. age and marital status).

Notes to the Consolidated Financial Statements continued

32. Share capital

The total allotted share capital is:

Authorised, allotted, issued and fully paid

	28 December 2024		30 December 2023	
	Number	£'000	Number	£'000
Classed as equity:				
Ordinary shares of £0.01 each	41,882	418	20,941	209
Total share capital	41,882	418	20,941	209

The share premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

33. Related party transactions

Group

During the period the Group purchased £125k (2023: £105k) in consulting fees from Sun Capital Partners Management VI, LLC a related party. Sun Capital Partners Management VI, LLC is an affiliate of Sun Capital Partners, Inc. As at the period end the total amount outstanding was £21k (2023: £48k) which was paid 21 January 2025.

During 2023 Gerjoh BV, a company owned by one of Flamingo Group International Limited directors, undertook consultancy work for Flamingo Group International Limited. In the accounting period ending 28 December 2024 the transaction amounted to £5k (2023: £231k). As at the period end the total amount outstanding was £nil (2023:£11k).

During 2023 one of Flamingo Group International Limited's subsidiaries, Sher Holland B.V. rented cold room facilities from Simba BV, a company owned by one of the Flamingo Group International Limited directors. In the accounting period ending 28 December 2024 the transaction amounted to £69k (2023: £54k). As at the period end the total amount outstanding was £2k which was paid in January 2025.

Key management personnel are identified as the senior executives of the Group, and their remuneration is disclosed as follows:

	For the 52 week period ended 28 December 2024 £'000	For the 52 week period ended 30 December 2023 £'000
Remuneration of key management personnel		
Short-term employee benefits	4,409	5,260
Post-employment benefits	75	81
Share-based payment	803	(4,631)
	5,287	710

Company

Key management personnel are identified as the directors of the Company, and their remuneration is disclosed as follows:

	For the 52 week period ended 28 December 2024 £'000	For the 52 week period ended 30 December 2023 £'000
Remuneration of key management personnel		
Short-term employee benefits	2,432	2,027
Post-employment benefits	15	3
Share-based payment	4,029	–
	6,476	2,030

Notes to the Consolidated Financial Statements continued

34. Share-based payments

The Group has a Long-Term Incentive Plan (LTIP) for purchasing shares in its parent company, Zara UK Topco Limited, which is open to certain directors and employees of the Group. Shares are issued at a value equal to the fair market value of such shares on the date of issuance. The shares vest over a five period. Shares may be purchased if the director/employee leaves the employment of the Group.

Certain Directors and employees have been granted one of six subclasses of the B Shares Zara UK Topco Limited; B1 and B2 Shares ("B1&B2 Shares"), which have equivalent rights; B3 Shares ("B3 Shares"), B4 Shares ("B4 Shares"), B5 Shares ("B5 Shares") and B6 Shares ("B6 Shares"). The B Shareholders are entitled to distributions, whether upon a change in control or liquidation event occurring ("Exit Event") or otherwise subject to meeting certain other shareholder distribution requirements.

Certain employees have been issued options on one of 2 subclasses of the Class D shares of Zara UK Topco Limited; D1 shares ("D1 Shares" and D2 Shares ("D2 Shares"). The D Shareholders are entitled to distributions upon a change in control or liquidation event occurring ("Exit Event").

	B1 & B2 share		B4 shares		B5 shares	
	Number of shares	Weighted average exercise price per share £	Number of shares	Weighted average exercise price per share £	Number of shares	Weighted average exercise price per share £
Outstanding at 1 January 2023	89,000	23.75	16,800	6.16	149,817	0.17
Granted	–	–	–	–	–	–
Forfeited	–	–	–	–	(133,765)	0.17
Exercised	–	–	–	–	–	–
Outstanding at 30 December 2023	89,000	23.75	16,800	6.16	16,052	0.17
Granted	–	–	–	–	–	–
Forfeited	–	–	–	–	–	–
Exercised	–	–	–	–	–	–
Outstanding at 28 December 2024	89,000	23.75	16,800	6.16	16,052	0.17
Exercisable at 28 December 2024	–	–	–	–	–	–
Exercisable at 30 December 2023	–	–	–	–	–	–
	B6 shares		D1 shares		D2 shares	
	Number of shares	Weighted average exercise price per share £	Number of shares	Weighted average exercise price per share £	Number of shares	Weighted average exercise price per share £
Outstanding at 1 January 2023	50,000	0.12	24,000	59.51	50,000	61.71
Granted	–	–	–	–	–	–
Forfeited	(50,000)	0.12	–	–	–	–
Exercised	–	–	–	–	–	–
Outstanding at 30 December 2023	–	–	24,000	59.51	50,000	61.71
Granted	–	–	–	–	–	–
Forfeited	–	–	–	–	(50,000)	61.71
Exercised	–	–	–	–	–	–
Outstanding at 28 December 2024	–	–	24,000	59.51	–	–
Exercisable at 28 December 2024	–	–	–	–	–	–
Exercisable at 30 December 2023	–	–	–	–	–	–

Notes to the Consolidated Financial Statements continued

34. Share-based payments (continued)

	B1 & B2 shares	B4 shares	B5 shares*	B6 shares*	D1 shares*	D2 shares*
Option grant dates	29 Nov 2016	18 Apr 2018	2 Dec 2020	2 Dec 2020	30 Mar 2022	30 Mar 2022
Vesting commencement dates	29 Nov 2016	18 Apr 2018	20 Jun 2019	2 Jan 2020	2 Feb 2018	1 Sep 2018
Weighted average exercise share price at the date of the exercise of the share options exercised during the period	-	-	-	-	-	-
Weighted average exercise price of options outstanding at 28 December 2024	£23.75	£6.16	£0.17	-	£59.51	-
Weighted average remaining contractual life	-	-	-	-	-	-

* These awards were communicated to participants prior to being granted. On the basis that service was provided from the vesting commencement date the expense is being recognised from that date.

Cash settled awards

Details of the cash settled are shown below, in prior periods accounts these were shown as exercised shares now treated as cash settled. The revaluation at the period-end is based on the valuation of the company.

	B2 shares			B4 shares			B5 shares		
	Number of shares	Fair value price per share £	Fair value of shares £'000	Number of shares	Fair value price per share £	Fair value of shares £'000	Number of shares	Fair value price per share £	Fair value of shares £'000
As at 1 January 2023	27,000	46.44	1,254	16,800	8.02	135	16,052	0.67	11
Fair value adjustment	-	(1.60)	(43)	-	(0.59)	(10)	-	-	-
As at 30 December 2023	27,000	44.84	1,211	16,800	7.43	125	16,052	0.67	11
Vested shares	-	-	-	-	-	-	-	-	-
Fair value adjustment	-	1.60	43	-	37.30	626	-	34.10	547
As at 28 December 2024	27,000	46.44	1,254	16,800	44.73	751	16,052	34.77	558

The aggregate of the estimated fair values of the shares issued to certain directors and employees of the Group is £nil (2023: £nil). The fair values as at the financial period end have been calculated using the Monte Carlo simulation model.

During the period a debit of £804k (2023: £4,684k credit) was recognised as an expense for share-based payments and £nil (2023: £nil) for national insurance on share-based payments.

	For the 52 week period ended 28 December 2024 £'000	For the 52 week period ended 30 December 2023 £'000
Charge for the year	3,754	866
Forfeited shares	(4,167)	(5,497)
Fair value of cash settled shares	1,217	(53)
Charge/(credit) to the income statement	804	(4,684)

The key assumptions used by the Monte Carlo model were:

	B1 & B2 shares	B4 shares	B5 shares	B6 shares	D1 shares	D2 shares
WACC	-	-	12%	12%	12%	12%
Long term growth rate	-	-	2%	2%	2%	2%
Volatility (sigma)	29.0%	30.0%	41.5%	41.5%	41.5%	41.5%
Risk free rate	0.36%	0.89%	(0.02%)	(0.02%)	0.06%	0.06%
Employee exit rate (per annum)	0%	0%	0%	0%	0%	0%
Dividend yield (per annum)	0%	0%	0%	0%	0%	0%

Volatility was based on a weighted volatility calculation with reference to the historic daily share price movements of identified comparable companies, from the respective issuance dates.

Notes to the Consolidated Financial Statements continued

34. Share-based payments (continued)

Risk free rates were, for B1 & B2 shares and for B3 shares respectively, the yield on a 3.5% nominal zero coupon government security and a 2.5 period nominal zero coupon government security at the Grant Dates, in line with the expected years through to the Exit Date. The risk free rate on B4 shares is the yield on 3 period nominal zero government security at the Grant Date. The risk free rate on B5, B6, D1 and D2 shares is the yield on a nominal zero coupon government security at the Grant Date, in line with the number of years until the Exit Date in each scenario.

35. Net debt

Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

	Long-term borrowings £'000	Short-term borrowings £'000	Total £'000
At 30 December 2023	232,156	75,624	307,780
Cash flows:			
Repayments of bank loans	(243,917)	(18,858)	(262,775)
Interest paid on bank loans and other facilities	–	22,064	22,064
New loan	202,126	–	202,126
Payments for right-of-use assets	–	(6,072)	(6,072)
Non-cash:			
Capitalised arrangement fees	(13,847)	–	(13,847)
Amortisation	2,763	–	2,763
Lease liability movement	(2,382)	5,542	3,160
Accrued interest	–	(2,547)	(2,547)
Convert to long term borrowings	39,550	(39,550)	–
Finance costs	–	(22,064)	(22,064)
Foreign exchange movement	(5,432)	(172)	(5,604)
At 28 December 2024	211,017	13,967	224,984
	Long-term borrowings £'000	Short-term borrowings £'000	Total £'000
At 1 January 2023	283,796	18,504	302,300
Cash flows:			
Repayments of bank loans	–	(12,153)	(12,153)
Interest paid on bank loans and other facilities	–	19,296	19,296
Acquired in the period	1,750	–	1,750
New loan	–	17,367	17,367
Payments for right-of-use assets	–	(6,307)	(6,307)
Non-cash:			
Amortisation	–	3,113	3,113
Lease liability movement	(2,975)	6,167	3,192
Accrued interest	–	3,409	3,409
Convert to short term borrowings	(50,230)	50,230	–
Finance costs	–	(19,296)	(19,296)
Foreign exchange movement	(185)	(4,706)	(4,891)
At 30 December 2023	232,156	75,624	307,780

36. Ultimate controlling party

As at the 28 December 2024 Flamingo Group International Limited was a subsidiary undertaking of Zara UK Holdco Limited, the smallest and largest group to consolidate, a company incorporated in the UK.

The immediate parent undertaking is Zara UK Topco Limited, a company incorporated in the UK.

Copies of the financial statements of the Group and Parent company can be obtained by a request in writing to the Group's registered office.

The ultimate parent undertaking and controlling party is a private equity investment fund advised by an affiliate of Sun Capital Partners, Inc. a company incorporated in the USA.

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Olivia Streatfeild
Rosalind Kainyah (appointed 24 April 2025)

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