

MG ATLANTIS INCORPORATED

IFRS illustrative consolidated
financial statements
31 December 2023



Summary

This publication has been prepared for illustrative purposes only and does not constitute accounting or other professional advice, nor is it a substitute for reference to the source standards, interpretations and legislative requirements. Although great care has been taken in preparing this document, individuals who use it to assess compliance with International Financial Reporting Standards should possess the necessary training and experience. Users of this document should not take actions based solely on the material contained herein without considering and taking professional advice. Moore Global Network Limited accepts no responsibility for losses occasioned by any party acting or not acting as a result of this material.

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Introduction

Welcome to the illustrative set of consolidated financial statements for MG Atlantis Incorporated and its subsidiaries (the Group) for the year ended 31 December 2023. This set of financial statements has been prepared by Moore Global to assist you in preparing your financial statements in accordance with the International Financial Reporting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB®).

These accounts have been prepared for a fictitious group and aims to provide examples of the various disclosures and scenarios that may be relevant to a corporate entity preparing financial statements in accordance with the IFRS Accounting Standards. However, the disclosures are specific to the facts and circumstances of this fictitious group. In addition, in preparing these financial statements, we have had to make accounting policy elections in accordance with the standards, and therefore they do not represent all disclosures that may be required in your set of financial statements. In order to provide as many disclosures as possible, materiality has not been applied in determining the relevant disclosures, and some disclosures included in here, may not be material to the Group. When preparing your own financial statements, you should ensure that only those disclosures, including accounting policies, that are material are included so that immaterial information does not distract from that information which will be important for your users.

In preparing accounts we have considered all standards, amendments and IFRIC® Interpretations and Agenda Decisions up to 30 September 2023. We have applied all standards that are applicable for years ending 31 December 2023 as applicable to the MG Atlantis Group and we have not early adopted any standards. For a full list of all new IASB standards, amendments, IFRIC Interpretations and Agenda Decisions applicable for the first time for years beginning on or after 1 January 2023 please refer to our Technical Update.

Climate risk in Financial Statements

Investors are increasingly more interested in the impacts of climate change on the financial position and performance of organisations. In July 2023 the IASB released updated guidance on how to consider climate-related matters in their financial statements prepared in accordance with IFRS. Where relevant we have incorporated the impacts of climate-change into these financial statements in accordance with that guidance.

As these are financial statements, they have not incorporated the new Sustainability Reporting Standards that have been issued by the International Sustainability Standards Boards, as these disclosures are not required to be included in a set of financial statements that are prepared in accordance with IFRS. Please consider local guidance as to what sustainability reporting you are required to prepare.

Current global events

These financial statements do not specifically reflect the impacts of COVID, the ongoing conflicts in Europe and the Middle East or any other current globally significant events. Whilst we acknowledge that these global events can have a significant impact on your organisation and should be considered in preparing your financial statements, the impacts are likely to significantly depend on the nature of your entity's operations, location and other factors. Accordingly, it has not been reflected in these financial statements.

Key

IFRS 15.116(b) **This is a disclosure required by paragraph 116(b) of IFRS 15 *Revenue from contracts with Customers***

This is a new disclosure that is required in the current year due to a new standard, amendment, IFRIC interpretation of Agenda Decision.

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Consolidated Statement of Profit or Loss and Other Comprehensive income¹ For the year ended 31 December

	Notes	2023	2022 (Restated)
		€'000	€'000
Continuing Operations			
IAS 1.82(a)			
Revenue	4	35,769	33,074
Cost of Sales		<u>(16,351)</u>	<u>(17,073)</u>
<i>Gross Profit</i>		19,418	16,001
Other income	5	7,877	3,578
Selling and Distribution expense		(4,155)	(4,202)
Administrative expenses		(6,216)	(6,744)
Other expenses	6	(4,362)	(3,586)
IAS 1.82(ba)			
Impairment on financial and contract assets	35	<u>(61)</u>	<u>(96)</u>
<i>Operating Profit</i>		12,501	4,951
Finance income	7	307	330
IAS 1.82(b)			
Finance expense	7	<u>(3,937)</u>	<u>(3,034)</u>
<i>Net finance expense</i>		(3,630)	(2,704)
IAS 1.82(c)			
Share of profit of associates and joint ventures	11	1,075	34
		9,946	2,281
IAS 1.82(d)			
Income tax expense	8	<u>(3,074)</u>	<u>(639)</u>
Profit from continuing operations		6,872	1,642
IFRS 5.33(a)/ IAS 1.82(ea)			
Profit/(Loss) from discontinued Operations (net of tax)	13	425	(16)
IAS 1.81A(a)			
Profit for the period		7,297	1,626
Other Comprehensive income			
IAS 1.82A(ii)			
<i>Items that may or will be reclassified to profit or loss</i>			
Translation of foreign operations		(1,153)	985
Reclassification of translation reserve on loss of significant influence		61	-
Associates and joint ventures - share of OCI	11	14	17
Change in fair value of net investment hedges	35	(1,419)	1,332
Gains on effective cash flow hedges	35	332	246
Costs of hedging	35	25	(21)
Gain on hedging instruments transferred to profit or loss	35	(103)	(53)
IAS 1.91(b)			
Income tax relating to these items	8	239	(398)
IAS 1.82A(i)			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of property, plant and equipment	18	4,593	-
Revaluation of net defined benefit obligations	26	372	(116)
Associates and joint ventures – share of OCI	11	(90)	49
Revaluation of investments in equity instruments	22	56	(27)
IAS 1.91(b)			
Income tax relating to these items	8	<u>(1,202)</u>	<u>29</u>
IAS 1.81A(b)			
Total Other Comprehensive Income		1,725	2,043
IAS 1.81A(c)			
Total Comprehensive income		9,022	3,669

¹ The Group has elected to present one statement of consolidated profit or loss and other comprehensive income. The two statement approach of presenting a separate consolidated statement of profit or loss and a separate consolidated statement of comprehensive income can be found in the appendix

Consolidated Statement of Profit or Loss and Other
 Comprehensive income
 For the year ended 31 December (continued)

	Notes	2023 €'000	2022 (Restated) €'000
Profit attributable to:			
IAS 1.81B(a)(ii)		7,279	1,605
IAS 1.81B(a)(i)	14	18	21
		7,297	1,626
Total Comprehensive income attributable to:			
IAS 1.81B(b)(ii)		9,001	3,650
IAS 1.81B(b)(i)	14	21	19
		9,022	3,669
IAS 33.66	Earnings per share		
	9	0.55	0.13
	9	0.43	0.12
IAS 33.66	Earnings per share – continuing operations		
	9	0.52	0.13
	9	0.40	0.12

Refer to note 40 for further details on the prior period restatement

These financial statements should be read in conjunction with the related notes.

Consolidated Statement Financial Position

As at 31 December 2023

	Notes	2023 €'000	2022 (Restated) €'000	1 January 2022 (Restated) €'000
Current Assets				
IAS 1.54(i)	Cash and Cash equivalents	15	2,194	790
IAS 1.54(h)	Trade and other receivables	17	770	1,021
IFRS 15.105	Contract Assets	4	166	219
IAS 1.54(g)	Inventories	16	2,757	1,773
IAS 1.78(b)	Prepayments		553	738
	Other current assets		384	819
IAS 1.54(d)	Other current financial assets	22	345	206
IAS 1.54(j)	Assets held-for-sale	13	-	1,802
	Total Current Assets		7,169	7,368
Non-Current Assets				
122.282	Trade and other receivables	17	2,439	2,439
IAS 1.54(h)	Contract assets	4	894	2,331
IAS 1.54(a)	Property, Plant and Equipment	18	42,451	38,239
IAS 1.54(b)	Investment Property	19	7,988	2,150
IAS 1.54(c)	Intangible assets	20	15,418	9,010
IAS 1.54(f)	Agricultural Assets	21	2,018	1,992
IFRS 16.47 (a)	Right-of-Use Assets	23	6,631	4,071
IAS 1.54(e)	Equity accounted investments in Associates and joint ventures	11	1,646	2,514
IAS 1.54(d)	Other non-current financial assets	22	675	927
	Other non-current assets		821	1,293
IAS 1.54(o)	Deferred tax assets	8	5,517	6,683
	Total Non-current Assets		86,498	71,796
	Total Assets		93,667	73,046
Current Liabilities				
IAS 1.54(k)	Trade and other Payables	24	1,413	1,245
	Contract Liabilities	4	988	1,028
IAS 1.54(a)	Current tax liabilities		1,303	933
IAS 1.54(p)	Liabilities held-for-sale	13	-	1,030
IAS 1.54(l)	Provisions	25	354	453
	Employee benefits	26	325	331
	Government Grants	27	742	913
IAS 1.54(m)	Loans and Borrowings	28	11,579	11,026
IAS 1.54(m)	Other current financial liabilities	29	53	217
	Total Current Liabilities		16,757	17,176
Non-current Liabilities				
IAS 1.54(l)	Provisions	25	1,723	1,456
	Employee benefits	26	2,275	2,028
	Government Grants	27	2,755	2,026
IAS 1.54(m)	Loans and Borrowings	28	26,712	30,095
IAS 1.54(m)	Other non-current financial liabilities	29	1,275	522
IAS 1.54(o)	Deferred tax liabilities	8	7,059	6,434
	Total Non-current Liabilities		41,799	42,561
	Total Liabilities		58,556	59,737
	Net Assets		35,111	16,202

Consolidated Statement Financial Position As at 31 December (continued)

	Notes	2023 €'000	2022 (Restated) €'000	1 January 2022 (Restated) €'000
Equity				
IAS 1.54(r)	Share capital	30	16,762	7,843
	Retained Earnings		8,578	3,350
IAS 1.54(r)	Reserves	33	9,701	8,076
	Total Equity attributable to shareholders of MG Atlantis Incorporated		35,041	19,269
IAS 1.54(q)	Non-controlling Interests	14	70	158
	Total Equity		35,111	16,202

Refer to note 40 for further details on the prior period restatement

These financial statements should be read in conjunction with the related notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Notes	Share capital (Note 30)	Retained Earnings	Share-based payment (Note 37)	Hedging (Note 33)	Foreign currency translation (Note 33)	Revaluation Reserve (Note 33)	Financial Asset valuation reserve (note 33)	Total Equity attributable to MG Atlantis shareholder	Non-Controlling interests (Note 14)	Total Equity
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance as at 31 December 2022 (restated)		7,843	3,350	1,740	(78)	5,259	1,036	119	19,269	158	19,427
Profit for the year		-	7,279	-	-	-	-	-	7,279	18	7,297
Other Comprehensive income		-	238	-	134	(2,136)	3,451	35	1,722	3	1,725
Total Comprehensive income		-	7,517	-	134	(2,136)	3,451	35	9,001	21	9,022
Hedging gains/losses and costs of hedging transferred to inventory	35	-	-	-	(3)	-	-	-	(3)	-	(3)
Transfer of gain on FVOCI on disposal	22	-	97	-	-	-	-	(97)	-	-	-
Transfer to retained earnings for closed out awards		-	941	(941)	-	-	-	-	-	-	-
Transactions with Owners in their capacity as owners											
Shares issued for cash	30	1,240	-	-	-	-	-	-	1,240	-	1,240
Call on partially paid shares	30	1,400	-	-	-	-	-	-	1,400	-	1,400
Shares purchased on market	30	(479)	-	-	-	-	-	-	(479)	-	(479)
On-market buy back of redeemable preference shares	30	(1,250)	-	-	-	-	-	-	(1,250)	-	(1,250)
Dividends	32	741	(3,315)	-	-	-	-	-	(2,574)	(56)	(2,630)
Consideration of business acquisition	12	2,000	-	-	-	-	-	-	2,000	-	2,000
Conversion of convertible note	28	4,689	-	-	-	-	-	-	4,689	-	4,689
Exercise of employee options		40	-	-	-	-	-	-	40	-	40
Transaction costs on share transactions		(336)	-	-	-	-	-	-	(336)	-	(336)
Reduction in NCI outstanding	14	-	(12)	-	-	-	-	-	(12)	(53)	(65)
Share-based payment transactions	37	874	-	1,182	-	-	-	-	2,056	-	2,056
Balance as at 31 December 2023		16,762	8,578	1,981	53	3,123	4,487	57	35,041	70	35,111

Refer to note 40 for further details on the prior period restatement
 These financial statements should be read in conjunction with the related notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Share capital (Note 30)	Retained Earnings	Share-based payment (Note 37)	Hedging (Note 33)	Foreign currency translation (Note 33)	Revaluation Reserve (Note 33)	Asset valuation reserve (Note 33)	Financial Asset valuation reserve (note 33)	Total Equity attributable to MG Atlantis shareholder	Non-Controlling interests (Note 14)	Total Equity
		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance as at 1 January 2022		7,293	4,542	1,674	(69)	3,271	1,233	141	16,587	139	16,726	
Impact of restatement	40	-	(524)	-	-	-	-	-	(524)	-	(524)	
Restated Balance as at 1 January 2022		7,293	4,018	1,674	(69)	3,271	1,233	141	16,063	139	16,202	
Profit for the year (Restated)		-	1,605	-	-	-	-	-	1,605	21	1,626	
Other Comprehensive income		-	(43)	-	122	1,988	-	(22)	2,045	(2)	2,043	
Total Comprehensive Income (restated)		-	1,562	-	122	1,988	-	(22)	3,650	19	3,669	
Hedging gains/losses and costs of hedging transferred to inventory	35	-	-	-	(131)	-	-	-	(131)	-	(131)	
Transferred into carrying amount of assets held for sale		-	-	-	-	-	(197)	-	(197)	-	(197)	
Transfers to retained earnings for closed out awards		-	649	(649)	-	-	-	-	-	-	-	
Transactions with Owners in their capacity as owners												
Shares issued for cash, net of transaction costs	30	1,009	-	-	-	-	-	-	1,009	-	1,009	
Shares purchased on market	30	-	-	-	-	-	-	-	(560)	-	(560)	
Dividends	32	623	(2,879)	-	-	-	-	-	(2,256)	-	(2,256)	
Issuance of redeemable preference shares	28	-	-	-	-	-	-	-	545	-	545	
Share-based payments	37	-	-	715	-	-	-	-	1,146	-	1,146	
Balance as at 31 December 2022 (restated)		7,843	3,350	1,740	(78)	5,259	1,036	119	19,269	158	19,427	

Refer to note 40 for further details on the prior period restatement
 These financial statements should be read in conjunction with the related notes.

Consolidated Statement of Cash Flows² For the year ended 31 December 2023

	Notes	2023 €'000	2022 €'000
Cash flows from operating activities			
		35,504	32,965
		(17,541)	(20,892)
	28	(3,412)	(3,216)
IAS 7.35		(1,985)	(566)
		12,566	8,291
Cash flows from investing activities			
IAS 7.39	12	(2,486)	-
IAS 7.39	13	837	-
	18	(11,457)	(6,509)
		4,044	2,215
	19	-	(782)
	20	(929)	(151)
	21	-	(258)
	27	3,285	1,029
	11	643	130
	7	44	47
	36	195	196
	22	197	-
		(5,627)	(4,083)
Cash flows from financing activities			
	30	1,240	1,060
	30	40	-
	30	1,400	-
	30	(336)	(51)
	30	(1,250)	-
	30	(559)	(605)
IAS 7.42A	14	(65)	-
	23	(1,515)	(2,248)
	32	(3,315)	(2,879)
		2,490	4,934
		(3,690)	(2,269)
		(5,560)	(2,058)
Net Change in cash			
		1,379	2,150
	15	340	(1,612)
		77	(198)
	15	1,796	340

These financial statements should be read in conjunction with the related notes.

² The Group has elected to present cash flows from operations using the direct method. The cash flow statement using the indirect method is presented in the appendix.

³ The Group has elected to present interest payments as a cash flow from operating activities. It is equally acceptable to present these as part of cash flows from financing activities (IAS 7.31)

⁴ The Group has elected to present interest and dividends received as a cash flow from investing activities, it is equally acceptable to present this as part of cash flows from operating activities (IAS 7.31)

⁵ The Group has elected to present dividends paid as a cash flow from financing activities. It is equally acceptable to present these as part of cash flows from operating activities (IAS 7.31)

Notes to the Consolidated Financial Statements

1. General information

IAS 1.138(a)
IAS 1.138(b) MG Atlantis Incorporated is a Privately owned corporation incorporated in Europa. MG Atlantis is a diversified Group operating across the natural resources (predominately Timber), renewable energy and shipping sectors. The Registered office of MG Atlantis Incorporated is 123 Moore Way, Newtown, Europa.

IAS 1.51(a)(b)(c)
IAS 10.17 The consolidated Financial Statements of MG Atlantis Incorporated and its controlled subsidiaries (collectively the Group) for the year ended 31 December 2023 were approved by the Board of Directors on 31 January 2024.

IAS 1.51(d)
IAS 1.51(c) The consolidated Financial Statements are presented in Euro (€), which is the presentation currency of the Group. Different entities within the Group have different functional currencies. All amounts are rounded to the nearest thousand Euro (€'000) unless otherwise specified.

2. Critical Accounting Estimates and Judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Actual results in the future could differ from such estimates.

Judgements

IAS 1.122 The Group has made the following significant judgements in applying its accounting policies. Further information about these judgements can be found in the relevant note.

- Existence of significant influence over Prometheus AB – note 11
- Satisfaction of the requirements to classify Demeter Group Limited as held-for-sale and a discontinued operation – note 13
- Capitalised development costs satisfy the requirements for capitalisation – note 20
- Expected lease terms where the Group is a lessee – note 23
- Classification of trade payables that are subject to a supplier financing arrangement – note 24

Estimates

IAS 1.125 The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. With all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial statements. Further information on the nature and impact of the assumptions can be found in the relevant note.

- Fair value measurement of assets and liabilities carried at fair value including
 - Property, plant and equipment – note 18
 - Investment properties – note 19
 - Agricultural assets – note 21
 - Other financial assets – note 22
 - Other financial liabilities – note 29
 - Assets acquired in a business combination – note 12
 - Assets held-for-sale – note 13

Fair value hierarchy information is located in note 34

- Impairment testing of non-financial assets – note 20
- Expected credit losses on financial assets – note 35
- Measurement of provisions – note 25
- Measurement of employee benefits – note 26
- Measurement of share-based payments – note 37
- Percentage of completion of revenue recognised over time – note 4
- Recoverability of deferred tax assets arising from tax losses – note 8

3. Operating Segments

For Management purposes the Group Chief Executive Officer (CEO) and the executive team (the Chief Operating Decision Maker – ‘CODM’), considers the Group as consisting of 3 different divisions based on the types of products and services that they generate, taking into account the interactions between various business units. The CEO and executive team review financial reporting from each division at least quarterly for the purpose of making decisions regarding performance assessment and resource allocations. The three divisions are considered to be separate reportable segments.

- Agriculture**
 This consists of the tea plantation, timber operations and includes the downstream integration of the manufacture of finished products and has operations across Scandinavia, Asia and South America
- Maritime**
 This consists of shipping and port operations and operates predominately in Europe although shipping voyages may occur around the globe.
- Energy**
 This consists of the various energy plants and the associated R&D to improve the energy industry and has operations across Scandinavia, Asia and South America.

Some operations such as the leasing of excess space and head office operations are excluded from the reported segments. As all financing decisions are made centrally, all financial assets and liabilities other than trade payables and receivables are also not allocated to individual reporting segments. Accordingly, the Group assesses performance for the operating segments using earnings before interest and tax (EBIT) including discontinued operations. All transactions between segments are priced on an arm's length basis.

IFRS 8.27(a)

Segment results:

	Agriculture	Maritime	Energy	Total Segments	Adjustments/ unallocated	Total
	€'000	€'000	€'000	€'000	€'000	€'000
2023						
IFRS 8.23(a) External	9,112	17,775	8,882	35,769	-	35,769
IFRS 8.23(b) .28(Inter-segment		2,009	315	2,324	(2,324)	-
Total Revenue	9,112	19,784	9,197	38,093	(2,324)	35,769
IFRS 8.23(e) Depreciation and amortisation	924	3,587	2,181	6,692	322	7,014
IFRS 8.23(f) (i) Impairment ⁶	-	-	957	957	-	957
IFRS 8.23(g) Share of profit of associates and Joint ventures	118	701	256	1,075	-	1,075
Segment EBIT	3,992	6,052	7,729	17,773	7,827	9,946
IFRS 8.24(a) Investments in Associates and joint ventures	520	1,126	-	1,646	-	1,646
IFRS 8.24(b) Capital expenditure	1,264	4,540	6,317	12,121	265	12,386
IFRS 8.23 Segment Assets	19,062	31,220	26,744	77,026	16,641	93,667
IFRS 8.23 Segment Liabilities	2,750	5,392	1,960	10,102	48,454	58,556

⁶ IFRS 8.23(f) requires disclosure of material items of income and expense included in the segment profit measure, or otherwise disclosed to the Chief Operating Decision maker, and IFRS 8.23(i) requires the disclosure of material non-cash items included in the segment profit measure or otherwise disclosed to the Chief Operating Decision Maker. Specific disclosure requirements will be entity specific.

3. Operating Segments (continued)

	Agriculture	Maritime	Energy	Total Segments	Adjustments/ unallocated	Total
	€'000	€'000	€'000	€'000	€'000	€'000
2022						
IFRS 8.23(a) External	8,789	17,261	7,024	33,074	-	33,074
IFRS 8.23(b) .28(Inter-segment	-	1,871	299	2,170	(2,170)	-
Total Revenue	8,789	19,132	7,323	35,244	(2,170)	33,074
€S 8.23(e) Depreciation and amortisation	765	2,641	1,843	5,249	298	5,547
IFRS 8.23(f) (i) Impairment	672	-	-	672	-	672
IFRS 8.23(g) Share of profit of associates and Joint ventures	95	(493)	418	34	-	34
Segment EBIT (restated)	1,266	4,694	3,814	9,774	(7,493)	2,281
IFRS 8.24(a) Investments in Associates and joint ventures	363	1,173	978	2,514	-	2,514
IFRS 8.24(b) Capital expenditure	1,523	2,773	3,014	7,310	390	7,700
IFRS 8.23 Segment Assets	16,083	30,041	21,426	67,550	10,914	86,498
IFRS 8.23 Segment Liabilities (restated)	2,370	5,467	1,894	9,731	50,006	59,737

The following amounts can further be reconciled between the total segment balance and the reported balance per the financial statements as follows:

	Notes	2023	2022 restated
		€'000	€'000
IFRS 8.28(b) Segment EBIT		17,773	9,774
Elimination of inter segment sales		(2,324)	(2,170)
Unallocated other income		1,506	378
Unallocated corporate expenses		(2,954)	(3,013)
Net finance costs	7	(3,630)	(2,704)
Less (profit)/loss from discontinued operations	13	(425)	16
Profit before income tax before from continuing operations		9,946	2,281
IFRS 8.28(c) Total segment assets		77,026	67,550
Unallocated Trade receivables		641	444
Unallocated property, plant and equipment		1,475	1,038
Investment properties	19	7,988	2,150
Other financial assets	22	1,020	1,133
Deferred Tax assets	8	5,517	6,849
Total Assets		93,667	79,164
IFRS 8.28(d) Total segment liabilities		10,102	9,731
Unallocated Trade payables		169	204
Unallocated employee benefits		423	325
Current tax payable		763	1,003
Loans and borrowings	28	38,291	41,301
Other financial Liabilities	29	1,328	739
Deferred tax Liabilities	8	7,480	6,434
Total Liabilities		58,556	59,737

The following information provides information based on a geographical basis. Revenues are classified based on the country of the customers, whilst the non-current assets are classified based on the country in which they are located.

3. Operating Segments (continued)

	Notes	2023 €'000	2022 €'000
IFRS 8.33(a) IFRS 15.114			
Revenue by country			
Europa		10,259	9,872
Norway		4,005	3,515
Malaysia		10,202	7,990
Brazil		7,749	8,754
Other		3,554	2,943
Total revenue to external customers	4	35,769	33,074
Non-current Assets by country			
Europa		27,530	20,764
Norway		12,026	10,429
Malaysia		14,082	9,862
Brazil		25,957	21,593
Other		711	1,391
Total non-current assets		80,306	64,039

Total non-current assets exclude financial instruments and deferred taxes

4. Revenue

The Group's revenue from contracts with customers can be disaggregated as:⁷

IFRS 15.114, 115

	Agriculture	Maritime	Energy	IntraGroup sales	Total
	€'000	€'000	€'000	€'000	€'000
2023					
Timber	3,014	-	-	-	3,014
Timer Products	3,956	-	-	-	3,956
Tea	2,142	-	-	-	2,142
Shipping	-	11,845	-	(2,009)	9,836
Port Operations	-	7,939	-	-	7,939
Energy	-	-	9,197	(315)	8,882
Total revenue from contracts with customers	9,112	19,784	9,197	(2,324)	35,769
2022					
Timber	2,937	-	-	-	2,937
Timer Products	3,008	-	-	-	3,008
Tea	2,844	-	-	-	2,844
Shipping	-	12,457	-	(1,871)	10,586
Port Operations	-	6,675	-	-	6,675
Energy	-	-	7,323	(299)	7,024
Total revenue from contracts with customers	8,789	19,132	7,323	(2,170)	33,074

Further disaggregation of revenue by geographical region can be found in the segment disclosures in note 3.

IFRS 8.34

The Group derives 24% of their revenue from a single customer, being the Olympus Port operations (2022: 21%). In addition, two other customers, being the local energy grids, in the energy segment collectively generate a further €5,941,000 (18%) of total revenue (2022: €6,032,000 (18%)).

IFRS 15.120(a)

The Port operations contract is the Group's only long-term contract. €60,547,000 of the transaction price has been allocated to the unsatisfied future performance obligations and will be recognised as revenue in future periods. The Group has 10 years remaining on the contract and the revenue will be recognised over that time. This transaction price does not include any variable consideration that the Group may be entitled to in future periods.

IFRS 15.120(b)

IFRS 15.122

Contract balances

IFRS 15.116(a)

Notes

2023
€'000

2022
€'000

Contract assets

As at 1 January

2,556

2,421

IFRS 15.116(c)

Cumulative catch-up adjustment

(1,210)

-

IFRS 15.118(b)

IFRS 15.118(d)

Transfers to trade receivables

(832)

(543)

Revenue recognised as contract asset

548

678

As at 31 December

1,062

2,556

IFRS 15.118(c)

Less allowance for expected credit loss

(2)

(6)

Net contract assets

1,060

2,550

⁷ IFRS 15.114 requires disaggregation into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are impacted by economic factors. IFRS 15.B89 notes that the disaggregation can be done by any method appropriate to the entity including by product line, geographical region, customer type, contract duration, timing of transfer of goods or service or sales channels. It has been determined that product line is the most relevant for the Group.

4. Revenue (continued)

	Notes	2023 €'000	2022 €'000
Contract liabilities			
		1,028	995
IFRS 15.116(b)	As at 1 January		
	Amounts recognised as revenue	(1,028)	(974)
	Cash received in advance	973	1,028
IFRS 15.118(a)	Amount recognised in business combination	15	-
	Amount transferred to liabilities held-for-sale	-	(21)
	As at 31 December	988	1,028
	Refund liability	24	225
	Right to returned inventory	16	121

IFRS 15.116(c)
IFRS 15.118(b)

During the year, the Group reforecast out the costs to complete the long-term Port Operations Contract and determined that the costs to complete were lower than previously expected. This resulted in a cumulative catch up of €1,210,000 (2022: Nil) of revenue attributable to services provided in prior years being recognised as revenue in the current period due to the change in the measure of progress on the contract.

Costs to obtain and fulfil contracts

The Group incurs costs in obtaining contracts or setup costs prior to performance obligations being delivered. These capitalised costs are presented as part of other assets.

	2023 €'000	2022 €'000
IFRS 15.128(a)		
	226	121
	501	572
	727	693
IFRS 15.128(b)		
	342	366

Accounting Policy

Wholesale Timber

IFRS 15.119(c)
IFRS 15.119(a)

The Group sells whole logs from the plantation, generally on CIF or FOB shipping terms, and the revenue is recognised at the point-in-time when the last goods are loaded into a shipment, and it departs the Group's site as this is when control has passed to the customer. The Group bears no risk of the inventory once it has been shipped.

IFRS 15.119(c)
IFRS 15.119(a)

Due to the seasonality of the timber harvest, some customers require the timber to be stored until it is required in their production processes. In this instance, the storage is considered to be a separate performance obligation. Revenue is recognised on the sale of the logs when they are moved into the storage area, as they are specifically earmarked for that customer, and then revenue on the storage service is recognised overtime as the storage is provided. The Group provides storage for a maximum of nine months. The transaction price is allocated between the performance obligations based on the relative stand-alone selling prices, with the stand-alone selling price for storage services being determined using a cost-plus margin approach.

IFRS 15.119(b)
IFRS 15.117

Contracts are generally fixed price contracts and payment terms are typically payment due 30-day terms after shipment or being placed in storage. This results in contract liabilities in relation to the storage services.

4. Revenue (continued)

Wholesale Timber products and Tea

IFRS
15.119(a)(c)
IFRS 15.125

The Group sells timber planks and Tea products wholesale. Revenue is recognised when the goods are delivered to the customer as this is when control passes. Delivery is not considered to be a separate performance obligation and the Group bears all risks associated with inventory whilst it is in transit.

IFRS 15.126(c)

Timber product customers are entitled to prospective volume rebates if sufficient volumes are purchased within a year. This volume rebate is considered to be material rights and a separate performance obligation to which the transaction price is allocated based on relative stand-alone selling prices. The stand-alone selling price of the material right is determined based on the expected future discount that the customer will be entitled to and adjusted for the probability that they will use that discount. Consideration allocated to the material right, is recognised initially as a contract liability and then recognised as revenue as the future volume rebate is used, or when the right to the discount expires (typically at the end of each year).

IFRS 15.117

IFRS 15.125

IFRS 15.119(d)

IFRS 15.126(d)

Some contracts permit the customer to return inventory. In this instance revenue is only recognised to the extent that it is highly probable that a significant reversal of revenue will not be required, that is net of expected returns. The level of returns is estimated based on historical terms over the last 3 years, adjusted for changes in customer type and other factors. A refund liability is recognised, as well as an asset to recover the returned goods, which is recognised as part of inventory (note 17).

IFRS 15.119(e)

The Group only has statutory obligations to repair or replace faulty products under standard warranty terms, and this is recognised as a provision (note 29).

IFRS 15.119(b)

Payment terms are typically 30-days after delivery.

Shipping

IFRS 15.119(c)
IFRS 15.119(a)

IFRS 15.124

The Group provides shipping services around the globe. The performance obligation is considered to be delivered overtime as the ships undertake the delivery. Revenue is recognised based on the number of days the cargo is on board the ship. Other related services such as loading and unloading are not considered to be separate performance obligations as the customer could not derive benefit from them separately to the shipping.

IFRS 15.119(c)

IFRS 15.126(C)

For some customers the Group also arranges shipping insurance, which is provided by a third-party insurer, which is a separate performance obligation. The Group acts as an agent in relation to arranging this insurance and recognises the transaction price allocated to this obligation, upfront once the insurance has been arranged. The transaction price is allocated between the different performance obligations based on the relative standalone selling price, which if not directly observable is estimated using a cost plus margin approach.

IFRS 15.119(b)

As payment terms for shipping services vary, with some customers required to pay upfront in full for shipments, whereas some long-term customers pay a deposit upfront, and the remainder when the ship arrives at the port of disembarkation. Cargo will not be unloaded if payment is not received.

IFRS 15.119(c)

Port Operations

IFRS 15.119(a)

IFRS 15.119(b)
IFRS 15.124

IFRS 15.117

The Group has a 15-year contract to provide support services to the Olympus shipping port in Europe, including loading and unloading services, on ground logistics, port security, cleaning, maintenance, and other related services. The Contract is structured such that the Port Owner is the customer and the integrated services provided are considered a series of performance obligations delivered over time. The Group receives annual fixed payments for the contract and uses a cost to complete model to recognise the revenue on the contract, given significant costs expected in the earlier years of the contract, the cost to complete method was considered the best depiction of the benefits obtained by the customer. This results in contract assets being recognised in the earlier years of the contract, as services are provided ahead of when the Group is entitled to payment.

4. Revenue (continued)

- IFRS 15.123(a) Costs-to-complete are reassessed for the contract on a regular basis, based on costs incurred to date and updated forecasts based on information provided by the customer on expected future usage of the port. If the updated forecast results in a change in the percentage of completion, an adjustment is made to the amount of revenue recognised to date.
- IFRS 15.126(c) The Group is entitled to bonuses if performance hurdles are met each year of the contract. As this relates specifically to the Group's efforts in that year, the Group's accounting policy is to allocate the revenue to that specific performance obligation and recognise the variable consideration in the year that service is provided and not to allocate it over the total contract life. Contract assets are recognised during the year, to the extent it is expected that the performance hurdle will be achieved. These are only recognised as receivables once the Customer has confirmed their achievement and agreed to pay the bonus.
- IFRS 15.117

Power Generation

- IFRS 15.119(c) The Group generally sells the electricity generated into the local grids where the power generation facilities exist at a spot price in that market. The performance obligation is satisfied and revenue is recognised as the electricity passes through the meter as it enters the local grid. Payments are typically received from the grids at the end of each week or month, for all output generated in the preceding week or month.
- IFRS 15.119(a)
- IFRS 15.119(b)

The Group has some contracts to sell electricity at a fixed price directly to customers in both Brazil and Malaysia, where the power station is directly next to the customers plant, and revenue is recognised at the fixed price as the electricity passes through a meter directly to the customer's site.

Costs to obtain and fulfil contracts

- IFRS 15.127(a) The Group capitalises costs relating to obtaining contracts, if they are incremental costs that would not have been incurred if the contract had not been obtained. This includes costs of verifying insurance for shipping contracts, and other contract finalisation costs.
- IFRS 15.127(a) Set-up costs are considered to be fulfilment costs, if they are costs that are incurred prior to the performance obligations being fulfilled, and the Group would not be able to fulfil the performance obligations without these costs being incurred. No costs relating to the Port Operations Contract have been considered a fulfilment cost as the incursion of those costs was considered part of the fulfilment of that performance obligation.
- IFRS 15.127(b) The Group amortises the fulfilment costs on a straight-line basis across the contract with the customer as part of the cost of sales.

5. Other income

	Notes	2023	2022 (restated)
		€'000	€'000
IFRS 15.123(a)	12	674	-
IAS 16.74A(b)	a	567	135
	b	541	-
IAS 1.98(c)	18	1,129	1,256
	19	-	115
	19	832	263
	21	1,407	1,151
	27	2,727	658
Total other income		7,877	3,578

7. Finance income and expense

	Notes	2023	2022
		€'000	€'000
Finance income			
	36	195	196
IFRS 7.20(b)		<u>195</u>	<u>196</u>
		25	26
IFRS 7.11A(d)	22	19	21
		68	87
		<u>307</u>	<u>330</u>
Finance expense			
	28	2,889	2,489
IFRS 7.20(b)		<u>947</u>	<u>667</u>
		3,836	3,156
	35	4	-
	35	(103)	(53)
		125	-
	29	42	58
	12	45	-
	25	24	19
IAS 21.52(a)		53	132
		<u>4,026</u>	<u>3,312</u>
		(89)	(278)
		<u>3,937</u>	<u>3,034</u>
		<u>3,630</u>	<u>2,704</u>

8. Income tax expense

	Notes	2023 €'000	2022 €'000
Income tax expense			
<i>Current tax expense</i>			
IAS 12.80(a)	On current tax on year taxable profit for year	1,651	(400)
IAS 12.80(b)	Adjustments to prior periods current tax	(117)	205
	Total current tax expense/ (income)	1,534	(195)
<i>Deferred tax expense</i>			
IAS 12.80(c)	Origination and reversal of temporary differences	1,127	927
IAS 12.80(d)	Changes in tax rate	a	89
IAS 12.80(f)	Previously unrecognised tax losses	b	(128)
IAS 12.80(g)	Write-down of previously recognised deferred tax asset	b	-
	Total deferred tax expense	1,540	888
	Total tax expense	3,074	693
IAS 12.81(d)	a <i>Change in tax rate</i>		
	In 2022 the tax rate in the Government in Country Z legislated to increase the tax rate from 15% to 18% which will be effective in 2025. Deferred tax has been remeasured to take effect of the change in the tax rate. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.		
	b See discussion on unused tax losses below		
		2023	2022
			(restated)
		€'000	€'000
IAS 12.81(c)(i)	Reconciliation of effective tax rate		
	profit before tax from continuing operations	9,946	2,281
	Tax at Europa's statutory tax rate of 25% (PY: 25%)	2,486	570
	Adjustments to current tax in previous years	(117)	205
	Effects of foreign jurisdiction tax rates	1,524	(86)
	Recognition of previously unrecognised tax losses	-	(128)
	Write-down of previously recognised deferred tax asset	413	-
	Tax effects of amounts that are not deductible/ (taxable)		
	Impairment of intangibles	239	-
	Revaluation of contingent consideration	11	-
	Government grants	(682)	(164)
	Revaluation of existing interest in acquiree	(918)	-
	Insurance recovery	(135)	-
	Share of associates and Joint Ventures profit	(269)	(9)
	Dividends on redeemable preference shares	125	63
	Other non-deductible expenses	397	188
	Income tax expense	3,074	639
	Effective tax rate	31%	28%
IAS 12.81(ab)	Income tax recognised in other comprehensive income		
		2023	2022
		€'000	€'000
	Change in fair value of net investment hedges	(354)	339
	Gains on effective cash flow hedges	112	36
	Costs of hedging	8	14
	Revaluation of property, plant and equipment	1,150	-
	Revaluation of net defined benefit obligations	52	(16)
	Revaluation of investments in equity instruments	13	(6)
	Share of associates' Other comprehensive income	(18)	1
	Total tax recognised in other comprehensive income	963	369

8. Income tax expense (continued)

IAS 12.81(a)	Income tax recognised directly in equity					
	Issuance of redeemable preference shares				-	182
	Transactions on own shares		30		(80)	45
	Total deferred tax expense/(income) recognised directly in equity				(80)	227
IAS 12.81(g)	Deferred tax balances					
		2023			2022	
		Deferred tax assets	Deferred tax liabilities	Amount in profit or loss	Deferred tax assets	Deferred tax liabilities
		€'000	€'000	€'000	€'000	€'000
	Property, plant & equipment	4,527	(2,250)	1,920	4,868	(2,244)
	Investment property	-	(1,676)	511	-	(1,809)
	Intangible assets	-	(3,074)	(1,107)	-	(2,932)
	Right-of-use assets ⁸	-	(989)	(108)	-	(850)
	Agricultural assets	97	(447)	(140)	308	(220)
	Equity accounted investments	21	(469)	546	28	(823)
	Derivatives	68	(27)	(83)	15	(84)
	Provisions	523	-	282	556	-
	Contract liabilities	482	-	18	620	-
	Other Loans and borrowings	-	(97)	15	-	(84)
	Lease liabilities ⁸	1,242	-	151	1,952	-
	Share-based payments	23	(12)	(31)	14	(54)
	Defined benefit obligations	483	(45)	(84)	618	(87)
	Other items	93	(443)	(160)	332	(349)
	Tax losses	428	-	(190)	621	-
	Total Deferred Tax Expense			1,540		888
	Total Deferred tax balance	7,987	(9,529)		9,930	(9,536)
	<i>Amounts set-off</i>	<i>(2,470)</i>	<i>2,470</i>		<i>(3,102)</i>	<i>3,102</i>
	Net Deferred tax per balance sheet	5,517	(7,059)		6,830	(6,434)
	Unrecognised Tax losses					
IAS 12.81(e)	The Group has tax losses of €1,543,000 available for use by various taxpayers in the Group to offset future taxable profits (2022: €4,608,000). These tax losses have no expiry date. The Group only recognises deferred tax assets to the extent that it is probable that there will be future taxable profits to offset them against. If the Group was to recognise the deferred tax assets it would result in an additional €388,000 of deferred tax assets being recognised (2022: €1,161,000).					
IAS 1.129	The downturn in the performance of the South American Power Generation CGU, has led to the Group determining that €413,000 in deferred tax assets (2022: nil) previously recognised are no longer likely to be able to be utilised as the taxpayer is not expected to achieve a taxable profit in the foreseeable future.					
IAS 12.81(k) IAS 12.82 IAS 1.129	A deferred tax asset of €128,000 has been recognised in the year (2022: nil), which was previously not recognised on the acquisition in 2018 of Cabeiri South America Inc. The deferred tax asset is now expected to be realised given the gradual return to profitability of the subsidiary.					

⁸ The Deferred tax assets and liabilities arising from the right-of-use assets and lease liabilities, have been recognised gross in line with the amendments to IAS 12 *Deferred Tax related to Assets and liabilities arising from a single transaction*. In prior years these were recognised net, the prior year has also been restated on a gross basis.

8. Income tax expense (continued)

Unrecognised Temporary differences
 IAS 12.81(f) Deferred tax liabilities of €4,185,000 (2022: €4,093,000) have not been recognised as they related to the undistributed profits of certain subsidiaries which would be taxable in the parent company if distributed. This is because The Group is able to control the timing of the distribution and does not intend to distribute these profits in the foreseeable future.

Pillar Two Tax reforms

IAS 12.88A The Group operates in a number of jurisdictions where its current effective interest rate is below 15% and will be impacted by the new global Pillar Two 15% minimum tax rules. The Group has elected to apply the exemption not to recognise deferred tax assets and liabilities arising from the implementation of these reforms.

IAS 12.88B No jurisdiction has currently enacted legislation to implement Pillar 2 reforms and there is no impact on the current tax expense.

IAS 12.88C For those jurisdictions where Pillar 2 reform legislation has been substantially enacted but is not yet effective The Group's main exposures to the Pillar 2 reforms are:

	Taxable profits	Current effective tax rate	Expected effective tax rate	Year to be effective
	2023	tax rate	rate	
	€'000	%	%	
Country Y	689	13.1	16.0	2024
Country X	712	9.0	15.1	2025
Other	541	10.1 – 14.8	15.0 – 15.8	2024-2026

In addition, the Group has the following exposures where the current effective tax rate is less than 15%, but as yet no legislation has been enacted to implement the Pillar 2 reforms, and the Group expects it to be enacted in the future.

	Taxable profits	Current effective tax rate
	2023	rate
Country W	659	13.8
Country V	522	14.5
Other	213	10.9 – 14.6

Accounting Policy

Income tax expense includes both current and deferred taxes. Both current and deferred tax is recognised in profit or loss unless the item to which the tax relates was recognised outside profit or loss being other comprehensive income or equity. The tax associated with such an item is also recognised in other comprehensive income or equity respectively.

Current Taxes

Current tax is the expected tax payable in the taxable income for the year using the rate that is applicable as at the reporting date, and any adjustments to the tax payable in respect of previous years.

Deferred Taxes

Deferred tax balances are determined by calculating the temporary difference between the carrying amounts of assets and liabilities on the balance sheet and their corresponding amounts for tax purposes. The amount of deferred tax is based on the expected manner or realisation and using tax rates that have been enacted or substantially enacted as at balance date and will be applicable when the deferred tax is realised.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available for which the losses can be utilised in the future. This assumption is reviewed each reporting date. Deferred tax assets are reduced to the extent it is no longer probable that the future taxable profits will occur.

Deferred tax assets and liabilities are offset on the balance sheet when they relate to the same taxation authority and the Group has the legal ability and intention to either settle the current tax on a net basis or realise the assets and liabilities in the same period in the future.

9. Earnings per share

	Notes	2023 €'000	2022 (restated) €'000
Basic earnings per share			
Continuing operations		0.52	0.13
Discontinued operations		0.03	(0.00)
Earnings per share attributable to ordinary shareholders		0.55	0.13
Diluted earnings per share			
Continuing operations		0.40	0.12
Discontinued operations		0.03	(0.00)
Earnings per share attributable to ordinary shareholders		0.43	0.12
Profit from continuing operations (per the income statement)		6,872	1,642
Less profit from continuing operations attributable to non-controlling interests	15	(18)	(21)
Less dividend on non-redeemable preference share	34	(80)	(80)
Profit from continuing operations (attributable to ordinary shareholders)		6,774	1,541
Profits from discontinued operations (attributable to ordinary shareholders)	14	425	(16)
Profit attributable to ordinary shareholders		7,199	1,525
<i>Earnings reconciliation for diluted earnings per share</i>			
Profits from continuing Operations (attributable to ordinary shareholders)		6,774	1,541
Plus costs saved on convertible note		-	391
Plus costs saved on redeemable preference share		550	274
Earnings from continuing operations (attributable to ordinary shareholders) for diluted EPS		7,324	2,206
Earnings from discontinued operations (attributable to ordinary shareholders)		425	- 16
Profit attributable to ordinary shareholders for diluted EPS		7,749	2,222
Weighted average number of ordinary shares for basic EPS	30	13,037,099	11,752,666
Adjustments for the calculation of diluted earnings per share			
- redeemable preference shares	28	5,000,000	5,000,000
- convertible note	28	0	2,034,934
Weighted average number of Ordinary shares for diluted EPS		18,037,099	18,787,600

As at 31 December 2023 the following potential ordinary shares have been excluded from the diluted earnings per share calculation:

- 265,000 deferred shares (2022:240,000) awarded as share-based payments (refer to note 37) as they would have been anti-dilutive.

IAS 33.72

- 1,190,000 outstanding executive share options (2022: 1,010,000) awarded as share-based payments (refer to note 37) as they are contingent on a TSR hurdle being achieved and as at balance date, that TSR hurdle is yet to be achieved.

10. Interests in subsidiaries

The Group's material subsidiaries are outlined below. The ownership interests reflect the Group's direct interest in the ordinary shares of the entity. The proportion of ownership interests held also equals the voting rights held by the Group. The country of incorporation is also the principal place of business unless noted otherwise.

IFRS 12.12
(a)- (d)
IAS 24.13

Name of subsidiary	Country of incorporation	Principal activity	Ownership interests	
			2023 %	2022 %
Cronus Plantations Inc.	Malaysia	Timber and tea plantations	100	100
Attis Plantations Ltd	Norway	Timber plantation	100	100
Poseidon Shipping GmbH	Europa ^a	Shipping and port operations	90	85
Syceus Manufacturing Pty Ltd.	Norway	Manufacture of timber products	100	100
Hephaestus Energy Ltd	Brazil	Power Generation	100	100
Cabeiri South America Inc.	Brazil	Timber plantation & products	100	100
<i>Acquired during the year</i>				
Kratos Limited and subsidiaries	Malaysia	Power Generation	100	25
<i>Disposed of during the year</i>				
Demeter Group Limited	Norway	Manufacture of Timber furniture	-	100

^a Poseidon Shipping GmbH has operations throughout Europe

IFRS 12.11

^b Kratos Limited currently has a financial year-ended 30 September 2023. This aligned with the year-end of the previous owner. It is the Group's intention to align its year end to 31 December by 31 December 2024.

IAS 24.13

MG Atlantis Incorporated, is controlled (via a 55% shareholding) by Zeus Pty Ltd a private company. Zeus Pty Ltd does not produce publicly available financial statements.

IFRS 12.12 (c)

The only non-controlling interest in the Group is that held in Poseidon Shipping GmbH of 10% (2022: 15%). Refer to note 14.

IFRS 12.13 (a), (c)

Kratos Limited has a number of subsidiaries operating throughout Asia in countries that have restrictions on the transfer of capital out of those countries. This limits the ability of the Group to access the cash and cash equivalents held in those entities for use elsewhere in the Group. As at 31 December 2023 cash and cash equivalents with a carrying amount of €539,000 are subject to these restrictions (2022: Nil).

IAS 7.48

11. Interests in associates and joint ventures

The Groups interests in equity accounted associates and joint ventures are outlined below.

IFRS 12.21 (a), (b)(iii)	Name	Country of incorporation	Note	Ownership interest		Quoted Fair Value		Carrying amount	
				2023	2022	2023	2022	2023	2022
				%	%	€'000	€'000	€'000	€'000
	Kratos Limited	Malaysia	13.1	100	25	-	-	-	978
	Prometheus AB	South Africa	13.1	20	20	521	440	448	363
	Achelous GmbH	Denmark	13.3	40	40	-	-	1,126	1,115
	Immaterial Associates		13.2	-	-	-	-	72	58
	Total equity accounted investments							1,646	2,514

The Group also has an interest in a joint operation – refer to 13.4 below.

11.1 Associates

Kratos Limited

IFRS 12.21
(a), (ii) Kratos Limited is the proprietor of certain power generation technology utilizing timber and other waste products throughout Asia. The Group acquired the remaining 75% of the share capital of Kratos Limited on 1 July 2023 (Note 12).

IFRS 12. The information summarised below in relation to Kratos Limited for 2023, only reflects the six-month period to 30 June 2023, when it was an associate, prior to it becoming a subsidiary.

Prometheus AB

IFRS 12.21(a)(ii) Prometheus AB is engaged in research into reducing environmental impacts of plantation businesses and reduction in waste in the sector. The Group hopes to use the technical developments made by Prometheus AB to improve the environmental credentials of other entities within the Group.

IFRS 12.9
IAS 1.122 Significant influence is exercised over Prometheus AB as the Group has appointed one member of the Board and material transactions take place between the Agricultural segment and the associate.

Prometheus AB is listed on the South African Stock Exchange.

During the year the summarised financial performance and position of the material associates was:

IFRS 12.21(b), B12	Kratos Limited		Prometheus AB	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Current assets	-	3,940	2,253	2,481
Non-current assets	-	6,567	4,970	5,490
Total assets	-	10,507	7,223	7,971
Current liabilities	-	(1,063)	(1,905)	(2,999)
Non-current liabilities	-	(5,532)	(3,078)	(3,157)
Total liabilities	-	(6,595)	(4,983)	(6,156)
Net assets	-	3,912	2,240	1,815
Groups share of net assets	-	978	448	363

11. Interests in associates and joint ventures (continued)

IFRS 12.21(b), B12	Kratos Limited		Prometheus AB		
	2023 €'000	2022 €'000	2023 €'000	2022 €'000	
Revenue	2,493	5,321	1,079	998	
Profit or loss from continuing operations (net tax)	967	1,786	590	475	
Profit or loss from discontinued operations (net tax)	-	(112)	-	-	
Other comprehensive income	89	201	(10)	54	
Total comprehensive income	1,056	1,875	580	529	
Reconciliation of carrying amounts					
IFRS 12. B14(b)	Opening balance as at 1 January	978	610	363	287
	Share of profit for the period	241	418	118	95
	Share of other comprehensive income for the period	23	50	(2)	11
IFRS 12 B12(a)	Less Dividends received by the Group	-	(100)	(31)	(30)
	Less amount recognised as part of subsidiary	(1,242)	-	-	-
	Closing balance as at 31 December	-	978	448	363

11.2 Investments in other immaterial associates⁹

In addition to those associates disclosed above, the Group has interests in a number of immaterial associates that are accounted for using the equity method. The following analysis is performed in aggregate for these associates

IFRS 12.B16	Group's aggregate share of		2023	2022
			€'000	€'000
	Profit or loss from continuing operations (net tax)		15	14
	Profit or loss from discontinued operations (net tax)		-	2
	Other comprehensive income		(1)	1
	Total comprehensive income		14	17
	Carrying amount of individually immaterial associates		72	58

⁹The same aggregate disclosures are also required in aggregate for any immaterial joint ventures, of which the Group has none.

11. Interests in associates and joint ventures (continued)

11.3 Investment in joint ventures

Achelous GmbH

IFRS 12
21(a)(ii)

Achelous GmbH is a shipping business which specialises in the shipment of woodchips and is utilised by the Groups timber plantations in Norway.

IFRS 12.8
IAS 1.122

The Group considers this to be a joint venture although there is only a 40% ownership interest because the constitution of Achelous GmbH requires that all decisions are unanimous between the Group and the other owner that holds the remaining 60%.

IFRS
12.12(b),
B12, B13

	2023	2022
	€'000	€'000
Cash and cash equivalents	1,016	954
Other current assets	2,754	2,174
Non-current assets	401,157	409,919
Total assets	404,927	413,047
Current financial liabilities	(562)	(632)
Other current liabilities	(1,995)	(2,248)
Non-current financial liabilities	(342,059)	(349,999)
Other non-current liabilities	(57,496)	(57,381)
Total Liabilities	(402,112)	(410,260)
Net assets	2,815	2,787
Group's share of net assets	1,126	1,115
Revenue	12,053	9,876
Interest income	41	52
Depreciation and amortisation	(3,965)	(4,674)
Interest expense	(2,498)	(3,003)
Income tax expense	(2,256)	(2,589)
Profit or loss from continuing operations	1,754	(1,238)
Profit or loss from discontinued operations	-	-
Other comprehensive income	(195)	8
Total comprehensive income	10	(1,230)
<i>Reconciliation of carrying amounts</i>		
Opening balance as at 1 January	1,115	1,607
Share of profit/(loss) for the period	701	(495)
Share of other comprehensive profit/ (loss) for the period	(78)	3
Less Dividends received by the Group	(612)	-
Closing balance as at 31 December	1,126	1,115

13.4 Investment in Joint Operation

IFRS
12.21(a)

Through Cronus Plantations Inc the Group has a joint operation established as a partnership with Cuppa Tee Limited to package and sell tea bags produced off the Cronus Plantation tea estates. It principally operates in Malaysia and has a processing factory next door to the Cronus Plantation tea estate. Cuppa Tee Limited is an established tea distributor, and the partnership allows the Group to access their distribution networks. The partners both directly own the underlying assets of the venture and are joint and severally liable for the liabilities incurred. The Group and Cuppa Tee Limited both have a 50% interest in the operation and all decisions must be made unanimously. Accordingly, this has been classified as a joint operation.

11. Interests in associates and joint ventures (continued)

Accounting Policy

Associates

Investments in associates are those over which the Group has significant influence. Significant influence is considered to be participation in the financial and operating policy decisions of the investee and is usually evidenced when the Group owns between 20% and 50% of that company's voting rights. Investments in associates are accounted for using the equity method of accounting (see below).

Joint Arrangements

Joint arrangements are any arrangement where the Group and one or more other parties have joint control over the arrangement. Depending on the contractual rights and obligations of the parties to the arrangement the joint arrangements are classified as either:

- *Joint Ventures*
arrangements where the parties that have joint control over the arrangement only have rights to the net assets of the arrangement. The Groups interest in these joint ventures are accounted for using the equity method of accounting.
- *Joint Operations*
arrangements whereby the parties that have joint control over the arrangement have rights to the underlying assets and obligations for the liabilities relating to the arrangement. The Group accounts for its interest in the joint operation by accounting for its share of the underlying assets, liabilities, revenue and expenses of the operation as part of the appropriate captions in the financial statements.

Equity Accounting

Investments accounted for using the equity method are initially recognised at cost. Subsequent to initial recognition the carrying amount of the investment is adjusted for the Group's share of the investee's profit or loss, other comprehensive income or other movement in equity reserves until the date where significant influence or joint control ceases. Dividends received are deducted from the carrying amount.

Where a Group entity has transactions with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associated entity. Accounting policies of associated entities have been changed where necessary to ensure consistency with the policies adopted by the Group

Equity accounted investments are subject to impairment testing in accordance with the policy described in note 20. If the Group's share of losses exceeds its interest in the investee, the carrying amount of that investment is reduced to nil and no further losses are recognised unless the Group has an obligation to make further contributions to that investee.

12. Business combination (continued)

	€'000
Purchase consideration settled in cash	3,000
Less cash and cash equivalents acquired	(115)
Net cash outflows on acquisition	<u>2,486</u>

IFRS 3.B64 (e),
(k)

Goodwill

The goodwill of €2,486,000 is attributable to the Group's ability to exploit the power generation licence, technology, and expertise in other jurisdictions, including arrangements to develop and operate similar facilities on behalf of third parties. None of the goodwill recognised is deductible for tax purposes.

IFRS 3.B64 (h)

Trade receivables

The trade receivables are recognised at fair value. This constitutes gross contractual cash flows of €317,000 and an allowance for doubtful debts of €20,000.

IFRS 3.B64 (j)

Contingent liability

A contingent liability of €31,000 was recognised on acquisition. This relates to a dispute that Kratos Limited has with a previous landlord regarding whether Kratos Limited appropriately 'made-good' the property when they vacated it. It is currently scheduled for arbitration and a resolution is expected in late 2024.

IFRS 3.B64 (m)

Transaction costs of €74,000 relating to the legal costs associated with the acquisition of Kratos Limited have been recognised in administrative expenses.

Accounting Policy

IFRS 3.4

The acquisition method of accounting is used when the Group undertakes business combinations. The Group has acquired a business when it obtains control over a collection of assets and the acquired assets and activities that include inputs, substantive processes and the ability to produce outputs.

IFRS 3.37

IFRS 3.39, .58

All consideration transferred is recognised at fair value at the date of acquisition. This includes assets transferred, liabilities incurred by the owners and equity instruments issued by the Group. Contingent consideration is initially recognised at fair value. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. If the contingent consideration is classified as a financial liability, it is remeasured to fair value at each reporting date, with the movement in fair value being recognised in the statement of profit or loss.

IFRS 3.42

IFRS 3.19

At the acquisition date any equity interest held prior to the acquisition date is recognised at fair value with a resulting gain or loss recognised in profit or loss. The Group has elected to recognise a non-controlling interest (NCI) at the acquisition date based on the proportionate share of net assets.¹⁰

IFRS 3.18, .20

IFRS 3.53

All identifiable assets acquired and liabilities including contingent liabilities assumed, with limited exceptions are recognised at the date of acquisition at their fair value.

IFRS 3.32, .34

Acquisition related costs are expensed as incurred unless they relate to the issue of financial instruments in which case they are accounted for in accordance with accounting policies relating to that specific type of financial instrument.

At acquisition date, to the extent that the total consideration transferred, fair value of prior equity interests and NCI are greater than the net assets acquired, goodwill is recognised. If the fair value of the net assets acquired is more than the total consideration transferred, then the difference is recognised in profit or loss as a bargain purchase.

¹⁰

Under IFRS 3.19 the Group has an accounting policy choice to either elect separately for each business combination, to measure the NCI at either the proportionate share of net assets or fair value. The Group has elected the former.

13. Discontinued operations

IAS 1.122

On 17 October 2022, the Group announced plans to dispose of Demeter Group Limited (Demeter) and entered into an active marketing campaign to identify potential buyers. The Group had decided to exit timber furniture manufacturing, to focus on other core parts of the Groups operations. A sale was expected to occur in 2023 so the associated assets and liabilities of Demeter were presented as held-for-sale in the 2022 financial statements.

An agreement to sell Demeter was signed on 26 January 2023 and the transfer of control occurred on 31 March 2023. Accordingly, Demeter has been presented as a discontinued operation.

	2023	2022
	€'000	€'000
	Results of discontinued operations	
IFRS 5.33 (b)(i)	Revenue	1,027
IFRS 5.33 (b)(i)	Expenses	(758)
IFRS 5.33 (b)(ii)	<i>Profit before income tax</i>	<u>269</u>
IAS 12.81(h)(ii)	Income tax on discontinued operations	(183)
IFRS 5.33 (b)(iii)	Impairment loss on remeasuring to fair value less cost of disposal	-
IFRS 5.33 (b)(iii)	Gain on sale of discontinued operation	274
IFRS 5.33 (b)(iv)	Income tax	(63)
IAS 12.81(h)(i)	<i>Profit (Loss) from discontinued operations</i>	<u>425</u>
IAS 1.98(e)		<u>(16)</u>
	Earnings per share	
IAS 33.68	Basic earnings (loss) for discontinued operations	0.03
IAS 33.68	Diluted earnings (loss) for discontinued operations	(0.01)
	Cash flows from discontinued Operations	
IFRS 5.33 (c)	Operating	347
	Investing*	724
	Financing	-
	<i>Net cash inflow (outflow)</i>	<u>1,071</u>
		<u>1,024</u>

2023 Investing cash flows includes net cash inflow of €837,000 from the disposal of the discontinued operation

Gain on sale of subsidiary

	2023	
	€'000	
	Consideration received	
IAS 7.40(b)	Cash paid	900
	Contingent consideration	118
IAS 7.40(a)	<i>Total consideration</i>	<u>1018</u>
IAS 7.40(c)	Cash	63
	Inventories	122
	Trade receivables	381
	Property, plant and equipment	953
	Right of use asset	239
IAS 7.40(d)	<i>Total assets held for sale</i>	<u>1,758</u>

13. Discontinued operations (continued)

	2023
	€'000
Trade and other payables	(59)
Deferred tax liabilities	(114)
Employee benefit liability	(72)
Borrowings	(538)
Lease liabilities	(231)
IAS 7.40(d) <i>Total liabilities held for sale</i>	<u>(1,014)</u>
<i>Net assets disposed</i>	<u>744</u>
<i>Gain on sale of discontinued operation</i>	<u>274</u>

The Group disposed of Demeter for cash consideration of €900,000. The arrangement is also subject to an earn-out clause, where the Group will receive an additional €200,000 if the revenue for 12-months after 31 March 2023 is greater than €4,200,000. The contingent consideration has been recognised at fair value and is included as a financial asset at fair value through profit or loss (Note 22)

Assets and liabilities of disposal Group classified for sale

IFRS 5.38 As at 31 December 2022, Demeter was classified as held-for-sale. The major classes of assets and liabilities reclassified as held for sale were :

	2022
	€'000
Cash	74
Inventories	125
Trade receivables	371
Property, plant and equipment	986
Right of use asset	246
<i>Total assets held for sale</i>	<u>1802</u>
Trade and other payables	(47)
Contract Liabilities	(21)
Deferred tax liabilities	(117)
Employee benefit obligations	(63)
Borrowings	(543)
Lease liabilities	(239)
<i>Total liabilities held for sale</i>	<u>1030</u>
	<u>772</u>

IFRS 5.33(b) On 17 October 2022, immediately before the assets were initially reclassified to held-for-sale, the recoverable amount was assessed and no impairment was identified. At 31 December 2022 a further analysis of the property, plant and equipment and the right of use asset determined that they were being carried in excess of their fair value and were accordingly written down to their fair values, resulting in an impairment of €523,000 and €334,000 respectively.

IFRS 13.93(d)
IAS 1.129 The fair value of the property, plant and equipment and right of use asset were valued based on comparative market sales or leases of similar equipment. The valuations are classified as level 2 in the fair value hierarchy. Refer to note 34 for the fair value hierarchy disclosures.

13. Discontinued operations (continued)

Accounting Policy

- IFRS 5.6 Where an asset, or disposal Group (an asset together with related liabilities), is to be recovered principally through a sale transaction and not through continuing use, and an active plan has been entered into to dispose of the asset or disposal Group, it is reclassified as held for sale.
- IFRS 5.15 On reclassification, the asset is measured at the lower of its carrying amount or fair value less costs to sell. Any losses on remeasurement are recognised in profit and loss.
- IFRS 5.25 Property, plant and equipment and finite life intangibles are not depreciated or amortised once classified as held for sale.
- IAS 54(j), (p) Assets held-for-sale and liabilities held-for sale are presented separately as current in the statement of financial position.
- IFRS 5.32 A discontinued operation is a component of the Group's activities that is distinguishable by reference to a line of business, in this instance furniture manufacturing, that is held for sale, has been disposed of or discontinued, or is a subsidiary acquired exclusively with a view to resale. When an operation is classified as discontinued, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

IFRS 12.12 **14. Non-controlling interests**

IFRS 12. B11 Set out below is the summary financial information of Poseidon Shipping GmbH (Poseidon), the only material subsidiary of the Group with non-controlling interests (NCI). The summary information is shown before elimination of any inter-company transactions. The Non-controlling interests hold a 10% interest in Poseidon (2022:15%).

	Notes	2023 €'000	2022 €'000
IFRS 12. 12(g), B10(b)	Summarised Statement of Financial Position		
	Current assets	1,052	1,047
	Non-current assets	1,823	1,899
	Total assets	2,875	2,946
	Current liabilities	826	745
	Non-current liabilities	1,346	1,147
	Total liabilities	2,172	1,892
	Net assets	703	1,054
IFRS 12. 12(f)	Amount attributable to NCI	70	158
IFRS 12.B10(b)	Summarised Statement of Profit and Loss		
	Revenue	651	597
	Net profit	182	143
	Other comprehensive income	29	(15)
	Total comprehensive income	211	128
IFRS 12. 12(e)	Profit allocated to NCI	18	21
	Other comprehensive income allocated to NCI	3	(2)
IFRS 12. B10(a)	Dividends paid to NCI	56	-
IFRS 12.b10(b)	Summarised Statement of Cash flows		
	Cash flows from operating activities	115	142
	Cash flows from investing activities	(482)	180
	Cash flows from financing activities	522	(451)
	Net increase/(decrease) in cash and cash equivalents	155	(129)
IFRS 12. 10(b)(iii), 18	On 1 January 2023, the Group acquired an additional 5% of the shares of Poseidon for €65,000. Immediately prior to the purchase the net carrying amount of the existing 15% NCI in Poseidon was €158,000. The Group has derecognised €53,000 of NCI and recognised a reduction in equity attributable to the owners of the parent of €12,000.		
		2023 €'000	2022 €'000
	Consideration paid to acquire NCI	65	-
	Less Carrying amount of NCI acquired	(53)	-
	Excess of consideration paid recognised as reduction in equity	12	-

15. Cash and cash equivalents

IAS 7.45	Notes	2023	2022
		€'000	€'000
Cash at bank and on hand		773	524
Demand deposits		851	266
Short-term deposits		570	-
<i>Cash and cash equivalents per the balance sheet</i>		2,194	790
Overdraft	28	(398)	(450)
<i>Cash and cash equivalents per the cash flow statement</i>		1,796	340

IAS 7.48 As discussed in note 10, as at 31 December 2023 cash and cash equivalents with a carrying amount of €539,000 (2022: Nil) are subject to restrictions on transferring the cash out of that specific country, resulting in it not being available for use by the wider Group.

Accounting Policy

IAS 7.46 Cash consists of cash on hand and at the bank and demand deposits. Short-term deposits are considered to be cash equivalents if they are readily convertible into a known amount of cash, with an original maturity of 3 months or less and exposed to an insignificant risk of changes in value.

For the purposes of the cash flow statement, overdrafts which are included in loans and other borrowings on the balance sheet (note 28) are included as part of cash and cash equivalents as they are considered to form an integral part of the Group's cash management process.

16. Inventories¹¹

	2023	2022
	€'000	€'000
IAS 1.78(c)		
Raw Materials (at cost)	937	510
Work in progress (at cost)	673	384
Finished goods (at lower of cost and net realisable value)	1,026	772
Right to recover returned inventory	121	107
Total inventory	2,757	1,773

IAS 2.36(d) Inventories worth €4,734,000 (2022: €5,109,000) were recognised as an expense during the year and included in 'cost of sales'.

IAS 1.98(a)
IAS 2.36(e) Write downs of inventories to net realisable value in the current year amount to €986,000 (2022: nil) which has also been recognised in 'cost of sales'.

The Group has pledged €1,000,000 of inventories as security for the XYZ facility (2022: €1,000,000)

The harvested agricultural assets that were transferred to inventories during the current year amounted to €1,465,000, comprising Timber €1,023,000 and Tea plantation €442,000 (2022: €855,000, comprising Timber €532,000 and Tea plantation €323,000). Refer to note 21.

Accounting Policy

Inventories are carried at the lower of cost and net realisable value.

Harvested agricultural assets are included in inventory at their fair value at the date of harvest.

Costs are calculated using the first-in, first-out (FIFO) method and includes direct materials, direct labour and an appropriate allocation of fixed and variable manufacturing overheads allocated on a basis of normal operating capacity. Costs also include the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to the purchase of raw materials.

Net realisable value (NRV) represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

¹¹ Disclosures are also required for the reversal of any write down to NRV, including the quantum of the reversal and the reason (IAS 2.36(f) – (g)) which have not been illustrated in these accounts. It also requires disclosure of any inventory held at fair value less cost to sell, but the Group does not have any broker/ traders who would apply this measurement model.

17. Trade and other receivables

	Notes	2023 €'000	2022 €'000
IAS 1.78(b)	Trade receivables	894	1,158
IAS 1.78(b)	Receivable from related party	2,439	2,439
	<i>Less allowance for expected credit losses</i>	<i>(124)</i>	<i>(137)</i>
IFRS 7.8(f)	Total financial assets measured at amortised cost	3,209	3,460

Trade receivables arise from contracts with customers and have terms of 30 – 180 days.

For terms and conditions of related party receivables refer to note 38.

Classified as:

Current	770	1,021
Non-Current	2,439	2,439
	3,209	3,460

IFRS 7.29(a) Due to their short-term nature the carrying amount of trade receivables approximates its fair value.

IFRS 7.28
IFRS 13.93(d) The fair value of the related party receivable is €2,360,000 (2022: 2,391,000). This is determined by discounting the expected cash flows at the current market rate of interest and is considered to be a level 2 valuation in the fair value hierarchy (2022: level 2)

IFRS 13.93(b)

Trade receivables financing facility

IFRS 7.14
IFRS 7.42D

In November 2023 the Group entered into a receivable financing facility where it 'sold' \$750,000 of receivables to a financier. The receivables have not been derecognised as the Group retains substantially all the risks of ownership of the asset – specifically the credit risk associated with them and they continue to be considered to be held within a 'held-to-collect' business model consistent with their continued recognition. Refer to note 28 for further details on the debt.

Carry amount of receivable transferred to bank	750	-
Carry amount of associated financial liability	744	-

Accounting Policy

Trade receivables without a significant financing component are recognised when they are initiated at their transaction price. All other receivables are initially recognised at fair value, which generally equates to transaction price, less any transaction costs.

Subsequent to initial recognition, Trade and other receivables are measured at amortised cost as they are held for the purpose of obtaining contractual cash flows, which are solely interest and principal. Interest is calculated using the effective interest method and included in finance income in profit or loss. Impairment is presented in a separate line in profit or loss.

Refer to note 35 for further details on impairment testing of trade and other receivables

Trade and other receivables are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or
- the rights to the cash flows are transferred such that:
- substantially all the risks and rewards of ownership are transferred; or
- the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.
- Where the Group enters into transactions where trade and other receivables are transferred but it retains all or substantially all the risks and rewards of the asset, then in such cases those assets are not derecognised.

18. Property, Plant and Equipment

	Land & Buildings	Plant & Equipment	Power Generation	Vessels	Bearer plants	Assets under construction	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cost							
At 1 January 2022	30,866	8,390	13,944	9,174	2,179	2,432	66,985
Additions	-	2,274	2,906	-	161	1,168	6,509
Reclassification to held-for-sale	(1,078)	(873)	-	(3,180)	-	-	(5,131)
Disposals	(1,895)	(989)	(1,209)	-	-	-	(4,093)
Exchange differences	(33)	24	(49)	-	12	-	(46)
At 31 December 2022	27,860	8,826	15,592	5,994	2,352	3,600	64,224
Additions	2,432	3,478	3,885	547	178	937	11,457
Business Combination	737	166	1,324	-	-	-	2,227
Transfers	-	-	-	4,537	-	(4,537)	-
Reassessment of restoration provision	-	-	128	-	-	-	128
Revaluation	747	-	-	1,348	-	-	2,095
Reclassification to investment property	(8,900)	-	-	-	-	-	(8,900)
Disposals	-	(2,394)	(3,401)	-	-	-	(5,795)
Exchange differences	(75)	53	65	-	(37)	-	6
At 31 December 2023	22,801	10,129	17,593	12,426	2,493	-	65,442
Accumulated Depreciation							
At 1 January 2022	11,722	3,383	8,809	4,310	499	-	28,723
Depreciation	1,543	1,102	693	429	112	-	3,879
Impairment loss	-	-	-	-	672	-	672
Reclassification to held-for-sale	(956)	(492)	-	(2,697)	-	-	(4,145)
Disposals	(1,413)	(754)	(967)	-	-	-	(3,134)
Exchange differences	(6)	7	(13)	-	2	-	(10)
At 31 December 2022	10,890	3,246	8,522	2,042	1,285	-	25,985
Depreciation	1,468	1,376	791	456	382	-	4,473
Revaluation	-	-	-	(2,498)	-	-	(2,498)
Reclassification to investment property	(2,092)	-	-	-	-	-	(2,092)
Disposals	-	(1,004)	(1,876)	-	-	-	(2,880)
Exchange differences	(10)	9	15	-	(11)	-	3
At 31 December 2023	10,256	3,627	7,452	-	1,656	-	22,991

IAS 16.73(e)(ii)

IAS 16.73(e)(i)

IAS 16.73(e)(iii)

IAS 16.73(e)(iv)

IAS 16.73(e)(viii)

IAS 16.73(d)

IAS 16.73(e)(vii)

IAS 16.73(e)(v)

IAS 16.73(e)(viii)

IAS 16.73(d)

**18. Property, Plant and Equipment
(continued)**

Net Carrying amount									
31 December 2022	16,970	5,580	7,070	3,952	1,067	3,600	38,239		
31 December 2023	12,545	6,502	10,141	12,426	837	-	42,451		

18. Property, Plant and Equipment (continued)

Assets under construction

IAS 16.74(b)
IAS 23.26(a)
IAS 23.26(b)

During 2023, the Group completed the construction of a new vessel for use in its shipping operations. The Group incurred €937,000 (2022: €1,168,000) in construction costs on this project. This included capitalised borrowing costs of €89,000 (2022: €278,000) which was calculated using an effective interest rate of 5.31% (2022: 5.31%) on the specific borrowing used for the construction project.

Impairment loss

IAS 36.130(a)
c(i)
IAS 36.130(b)
IAS 36.130(c)(ii)

During 2022, the Group's tea plantations suffered damage from the Monsoons in Malaysia. This resulted in a number of the plants being destroyed resulting in the impairment charge of €672,000 recognised in other operating expenses. The impaired tea plantation sits in the Agriculture segment (refer to Note 3)

IAS 16.74(d)

In 2023, the Group received €541,000 (202:Nil) from their insurance company to compensate for the damage. This has been recognised as other income.

Security

IAS 16.74(a)

As at 31 December 2023, land and buildings with a net carrying amount of €6,318,000 (2022: € 6,038,000) have been pledged as first mortgage security for bank borrowings. (See note 28)

Revaluation of Vessels

IAS 16.77(a)
IAS 16.77(b)
IFRS 13.93(b)

The Group carries Vessels at fair value. The Vessels were revalued on 31 December 2023 by Independent valuers – Colella & Co and are classified as level 2 in the fair value hierarchy (2022: level 2). For further details on the fair value hierarchy refer to note 34.

IFRS 13.93(d)
IAS 1.129

The shipping vessels are valued based on comparative market sales of vessels of a similar model and age.

If the Vessels had been measured using the cost model the carrying amounts of the vessels would have been:

IAS 16.77(e)	2023	2022
	€'000	€'000
Cost	14,989	10,452
Accumulated Depreciation	(7,547)	(6,389)
<i>Net Carrying amount</i>	<u>7,442</u>	<u>4,063</u>

Accounting Policy

All Property, plant and Equipment is recognised at cost at initial recognition, including capitalised borrowing costs.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets.

Subsequent costs, including the costs of replacing or fixing a part are only recognised as separate assets if it is probable that separate future economic benefits will flow to the Group. All other repairs, maintenance and subsequent costs are charged to profit or loss during the period in which they occur.

18. Property, Plant and Equipment (continued)

IAS 16.73(a) Vessels are subsequently stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

Any revaluation increase arising on the revaluation of the Vessels is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in an expense. In which case the revaluation increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in the carrying amount arising on the revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve associated with a previous revaluation of that asset.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred directly to retained earnings.

IAS 16.73(a) All other property, plant and equipment are carried at cost less accumulated depreciation.

IAS 16.73(b) Depreciation is calculated to write off the cost or valuation of the assets less their residual values over their estimated useful life, using a straight-line method of depreciation on the following basis:

IAS 16.73(c)	<ul style="list-style-type: none"> ● Buildings 25 years ● Plant and Equipment 5 – 10 years ● Power Generation 5 – 30 years ● Vessels Remaining economic life from date of delivery of the vessel up to 25 years ● Bearer plants 15 years
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Land is not depreciated.

Depreciation rates, useful lives and residual values are reassessed each reporting date and adjusted when necessary. There has been no change in the estimated useful life in the current period.

The Group assesses at each reporting date if there are any indicators of impairment for items of property, plant and equipment. If there are indicators of impairment, the asset is assessed for impairment either individually or, if it does not generate standalone cash flows, as part of a cash generating unit in line with the principles included in note 21.

19. Investment Property

	Notes	2023 €'000	2022 €'000
At 1 January		2,150	1,253
IAS 40.76/ IFRS 13.93(e) IAS40.76(a)/ IFRS 13.93(e)(iii) IAS40.76(f) Additions		-	782
IAS40.76(d)/ IFRS 13.93(e)(i) IAS40.76 (e) Reclassification from Property, Plant & Equipment	19	6,808	-
Fair value gain/(loss)		(1,013)	115
Exchange differences		39	(54)
At 31 December		7,988	2,150

Amounts recognised in profit or loss

IAS 40.75(f)(i)/ IFRS 16.91(b) IAS 40.75(f)(ii) Rental income		832	263
IAS 40.75(f)(iii) Direct operating expenses that generated rental income		(253)	(92)
IAS 40.75(f)(iii) Direct operating expenses that did not generate rental income		(23)	(12)

IFRS 16.92(a)
IFRS 16.91(b)
Investment properties consist of offices and warehouses held that are not currently used for the operational requirements of the Group and are instead rented out via operating leases. All rental income is fixed, and the Group is not subject to any variable lease payments.

IFRS 13.93
(e)(i), (f)
Changes in fair value are recognised in other expenses (2022: other income) and all fair value movements are unrealised.

IFRS 16.97
The undiscounted lease payments expected to be received in the future on the leases of investment properties are:

	2023 €'000	2022 €'000
Within 1 year	841	213
1 – 2 years	846	224
2 – 3 years	623	215
3 – 4 years	614	211
4 – 5 years	128	190
Later than 5 years	-	129

The Group has no contracted lease payments beyond 2028.

Reclassification from Property, Plant & Equipment

During 2023, the Group identified a factory/warehouse that is currently in excess of its current operational requirements. The Group reclassified this factory to investments properties and has commenced to lease it out. This resulted in the factory being revalued to its fair value of €563,000 net of tax being recognised in the asset revaluation reserve on the date of reclassification.

Revaluation of Investment properties

IAS 40.75(a)
IAS 40.75(e)
IFRS 13.93(b)
The Group carries investment properties at fair value. Properties were revalued on 31 December 2023 and 2022 by Global Valuers & Co, a valuation company that specialises in property valuations in accordance with the principles outlined by the International Valuations Standards Committee. Investment properties are categorised as level 3 in the fair value hierarchy (2022: level 3) and are considered a single class of asset. Refer to note 34 for fair value hierarchy disclosures.

IFRS 13.93(d)
IAS 1.129
The investment properties are valued using a discounted cash flow model. This model considers the present value of the net cash flows to be generated by the investment properties over its life. These cash flow forecasts take into consideration expected rental growth rates, long-term occupancy rates and costs such as management fees, maintenance costs and lease incentives. These net cash flows are discounted at a market discount rate.

19. Investment Property (continued)

IFRS 13.93(d)	Significant unobservable inputs	Range	
		2023	2022
	Rental growth rates	3.5% - 4%	3.2% - 3.8%
	Long term occupancy rates	75% - 85%	79% - 90%
	Discount rate	5.6% - 8.2%	4.9% - 7.3%

IFRS 13.93((h)(i)) Significant increases (decreases) in the rental growth rates or occupancy rates would lead to an increase (decrease) in the valuation, whilst an increase (decrease) in the discount rate would lead to a decrease (increase) in the valuations. An increase (decrease) in Rental growth rates often also results in an increase (decrease) in the discount rate which would have an offsetting impact on the valuation.

Security

IAS 40.75(g) As at 31 December 2023 Investment properties with a carrying value of €1,043,000 (2022: €1,064,000) were pledged as first mortgage security over a bank loan. For further details refer to note 28.

Accounting Policy

Investment properties are real estate assets, including land and buildings, which are held to earn rentals and/or for capital appreciation, are initially recognised at cost.

IAS 40.35 Subsequently it is measured at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

IAS 40.57 Transfers into, or out of, investment properties arise when there is a change in use of the underlying asset. Owner-occupied buildings that are reclassified to investment properties are first revalued through the revaluation reserve at the date of revaluation in accordance with the accounting requirements for property, plant and equipment.

IFRS 16.81 Rental income from investment properties are considered operating leases where the Group is the lessor and is recognised in income on a straight-line basis over the lease term.

20. Intangible Assets

	Goodwill	Technology development	Patents & licences	Customer relationships	Total	
	€'000	€'000	€'000		€'000	
Cost						
IAS 38.118(c)	At 1 January 2022	1,786	9,676	1,103	268	12,833
IAS 38.118(e)(i)	Additions	-	128	23	-	151
IAS38.118(e)(vii)	Exchange differences	(12)	42	8	2	40
IAS 38.118(c)	At 31 December 2022	1,774	9,846	1,134	270	13,024
IAS 38.118(e)(i)	Additions	-	417	512	-	929
IAS 38.118(e)(i)	Internal development	-	589	-	-	589
IAS 38.118(e)(i)	Business combination	2,486	3,879	-	1,548	7,913
IE38.118(e)(vii)	Exchange differences	19	38	(11)	(1)	45
IAS 38.118(c)	At 31 December 2023	4,279	14,769	1,635	1,817	22,500
Accumulated Amortisation						
IAS 38.118(c)	At 1 January 2022	186	2,312	457	161	3,116
IAS 38.118(e)(vi)	Amortisation	-	759	96	21	876
IAS38.118(e)(vii)	Exchange differences	(5)	22	6	(1)	22
IAS 38.118(c)	At 31 December 2022	181	3,093	559	181	4,014
IAS38.118(e)(vi)	Amortisation	-	1,874	105	109	2,088
IAS38.118(e)(iv)	Impairment	957	-	-	-	957
IAS 38.118(e)(vii)	Exchange differences	9	25	(12)	1	23
IAS 38.118(c)	At 31 December 2023	1,147	4,992	652	291	7,082
Net Carrying amount						
	31 December 2022	1,593	6,753	575	89	9,010
	31 December 2023	3,132	9,777	983	1,526	15,418

Research and development

IAS 38.126
IAS 1.122

During 2023, the Group incurred €2,334,000 (2022: €1,983,000) of costs associated with the research and development in their power generation segment that did not meet the criteria for capitalisation and was instead recognised as an expense during the year.

Amortisation expense

IAS 38.118
(d)

The amortisation expense has been recognised across the following lines in the income statement as noted below

	2023	2022
	€'000	€'000
Cost of sales	109	21
Selling and distribution	322	130
Administrative expenses	1,657	725
Total Amortisation expense	2,088	876

20. Intangible assets (continued)

Impairment testing of Goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The Group has allocated goodwill to the following CGUs:

	Operating segment	2023 €'000	2022 €'000
IAS 36.134(a)	2023		
	Energy – South America	635	1,593
	Energy - Asia	2,497	-
	Total	3,132	1,593

The Group has no other indefinite life intangibles.

IAS 36.130(a), (d)(i)	During 2023, increased environmental controls in Brazil, the energy generation operations in South America, faced increased regulation and costs to update and amend the generation process to meet the new regulatory requirements. Accordingly, this has led to an impairment charge being recognised against this cash generating unit of €957,000 during the period. This has been recognised in other expenses in the statement of profit or loss. This impairment loss was recognised entirely against the goodwill. The increased regulatory controls also resulted in an onerous contract of €121,000 during the period (refer to note 25) As at 31 December 2023 the recoverable amount of the South American Energy cash generating unit was €18,421,000.
IAS 36.126(a)	
IAS 36.130(b)	
IAS 36.130(d)(ii)	
IAS 36.130(e)	

IAS 36.134(f)(i)	The recoverable amount of the Asian Energy cash generating unit, exceeds the carrying amount by €1,012,000. If the gross margins in Asian Energy decrease by 5% from 60% to 55%, with all other assumptions remaining constant, the recoverable amount would equal the carrying amount. Management considers this to be a reasonably possible change.
IAS 36.134(f)(iii)	

Recoverable Amounts

IAS 36.134(c)	For both 2023 and 2022 the Group used the value-in-use methodology to determine the recoverable amount of both cash generating units. The Group has used explicit cash flow forecasts over the next 5 years based on approved budgets.
IAS 36.134(d)(iii)	
IAS 1.129	

The key assumptions used in the determination of the Value-in-use for each cash generating unit were:

	Power Generation – South America	Power Generation - Asia
	2023	
IAS 36.134(d)(i)	Sales growth	3.1%
IAS 36.134(d)(i)/ IAS 36.134(f)(ii)	Gross margin	46%
IAS 36.134(d)(iv)	Long term growth rate	2.5%
IAS 36.134(d)(v)	Pre-tax discount rate	9.44%
	2022	
IAS 36.134(d)(i)	Sales growth	2.9%
	Gross margin	58%
IAS 36.134(d)(iv)	Long term growth rate	3.2%
IAS 36.134(d)(v)	Pre-tax discount rate	8.75%

20. Intangible assets (continued)

IAS 36.134(d)(ii)

- Sales growth
Based on past performance and management's future expectations, taking into account growth in the industry and increased demand for power in the marketplace
- Gross Margin
Typically based on the last 3-years actual margins, Gross margins in the South American Power Generation business, have been adjusted in the current year to reflect expectations of increased costs to comply with increased environmental regulation.
- Long term growth rate
Consistent with growth rate forecast included in industry reports. The long-term growth rate is used to extrapolate the cash flows beyond the 5-year forecast period.
- Pre-tax discount rate
The discount rate reflects risks specific to each cash generating unit including the industry, country of location and other risk factors. The discount rate has been adjusted to reflect the uncertainty that is arising from climate change

Accounting Policy

Research and Development – Technology development

Research costs are expensed in the year in which they are incurred. Development costs that are directly attributable to the design and testing of identifiable patentable technology controlled by the Group are capitalised as intangible assets only when it is technically feasible to complete the project, it is intended that the project will be completed and it will generate probable future economic benefits and the Group has the ability to use the product. Directly attributable costs that are capitalised include relevant employee costs and an appropriate portion of relevant overheads.

Patents and licences

Patents and licences are purchased from the relevant Government authority and are recognised initially at cost. All patents and licences are for fixed periods but may be able to be extended at an additional cost to the Group.

Customer Relationships

Customer relationships were acquired as part of a business combination and are recognised initially at their fair value.

Subsequent measurement.

IAS 38.118(a)

IAS 38.118(b)

All intangible assets are measured at cost and other than goodwill are finite-life assets. Amortisation is calculated to write off the cost or valuation of the intangible assets over their estimated useful life, using a straight-line method of amortisation on the following basis:

- Patents & Licences 5 – 20 years
- Software 5 – 7 years
- Customer relationships 5 – 10 years

Goodwill is not amortised.

20. Intangible assets (continued)

Amortisation rates and useful lives are reassessed each reporting date to assess if reasonable. There has been no change in the estimated useful life in the current period. The amortisation period reflects the best estimate of the period in which future economic benefits are expected to accrue to the Group. Use of other assumptions could lead to a different assessment of the estimated period in which future economic benefits are expected to be received.

Gain or losses arising from derecognition of an intangible asset except goodwill on consolidation are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment

Finite-life intangible assets are subject to impairment testing if there are indicators of impairment. As an indefinite life intangible, goodwill is assessed annually for impairment.

When there are indicators of impairment, or annually for goodwill, the recoverable amount of the asset is estimated in order to determine the extent of an impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. A cash generating unit is the smallest collection of assets that generate largely independent cash inflows.

If the recoverable amount of an asset or cash generating unit is estimated to be less than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Impairment losses are allocated first to any goodwill in the cash generating unit, and then on a pro-rata basis to other assets.

A reversal of an impairment may arise in subsequent periods, except for goodwill. When a reversal occurs, the carrying amount of the asset is revised upwards to the recoverable amount.

21. Agricultural Assets

All standing timber, and the new growth on tea plants that are available for harvest are accounted for as agricultural assets.

	Timber €'000	Tea Plantation €'000	Total €'000
IAS 41.50/ IFRS 13.93(e) IAS41.50(b)	At 1 January 2022		
IAS41.50(a)	932	563	1,495
IAS41.50(d)	258	-	258
IAS41.50(f)	895	256	1,151
	(532)	(323)	(855)
	(42)	(15)	(57)
	1,511	481	1,992
IAS41.50(a)	921	486	1,407
IAS41.50(d)	(1,023)	(442)	(1,465)
IAS41.50(f)	63	21	84
	1,472	546	2,018

Timber

IAS 41.41
IAS 41.46(a)
IAS 41.46(b)(i)

The Group grows timber to be used in timber products. As at 31 December 2023 the Group had approximately 600 hectares of timber plantations of various ages (2022: 600 hectares).

IAS 41(b)(ii)

Timber is assessed each year to determine if it is ready for harvest, and usually is harvested after approximately 25 years of growth. During 2023 the Group harvested 75 hectares (2022: 50 hectares) and produced 1,000 tonnes of timber (2022: 650 tonnes).

IFRS 13.93(b)

The Group carries the standing timber plantations at fair value less costs to sell and are categorised as level 3 in the fair value hierarchy (2022: level 3). Refer to note 34 for fair value hierarchy disclosures.

	2023 €'000	2022 €'000
IFRS 13.93(f)	Change in fair value recognised in other income	
	606	647
	315	248
	921	895

IFRS 13.93(d)
IAS 1.129

Standing timber plantations are valued using a discounted cash flow model. This model considers the present value of the net cash flows to be generated by the timber plantations over the trees' lives. These cash flow forecasts take into consideration expected future timber prices, expected timber yield per hectare, and costs such as maintenance and harvest costs. These net cash flows are discounted at a risk adjusted discount rate.

IFRS 13.93(d)	Significant unobservable inputs		Range	
		2023		2022
	Expected year of harvest	2024 -2047		2023 - 2047
	Future timber prices per tonne	€195 - €275		€175 - € 260
	Timber yield per hectare (GMT/ Hectare)	200 - 230		195 – 220
	Harvest costs per tonne	€30 - € 55		€35 - €60
	Discount rate	6.1% - 9.9%		5.7% - 9.2%

IFRS 13.93(h)(i)

Significant increases / (decreases) in the future timber prices or timber yields would lead to an increase / (decrease) in the valuation, whilst an increase / (decrease) in the discount rate or harvest costs would lead to a decrease / (increase) in the valuations.

The impact of climate change is uncertain and may significantly impact the future value of the timber plantation. The risk adjusted discount rate includes adjustments related to this uncertainty.

21. Agricultural Assets (continued)

Tea Plantation

IAS 41.41
IAS 41.46(a)
IAS 41.46(b)(i)

The Group grows and harvests tea at its tea plantations in Malaysia. The underlying tea plants are considered bearer plants and are included in property, plant & equipment (refer to note 18). As at 31 December 2023 the Group had approximately 500 hectares of tea plantations (2022: 500 hectares).

IAS 41(b)(ii)

During 2023 the Group harvested 2 tonnes of tea (2022: 1.5 tonnes of tea). During 2022 a monsoon in Malaysia damaged a number of plants in the tea plantation. As such the change in fair value in 2022 includes the impact of the damage. As a result there was a reduced harvest.

IFRS 13.93(b)
IAS 1.129

The Group carries the tea crop at fair value and they are categorised as level 3 in the fair value hierarchy (2022: level 3). Refer to note 34 for fair value hierarchy disclosures.

	2023	2022
	€'000	€'000

Change in fair value recognised in other income

IFRS 13.93(f)

Unrealised gains	419	453
Realised gains	67	(197)
	486	256

IFRS 13.93(d)

The tea crops are valued using a discounted cash flow model. This model considers the present value of the net cash flows to be generated by the current tea crop. These cash flows include specific forecasts for the 1-year current crop of tea and take into consideration, expected future tea prices, expected yield per hectare, and costs such as harvest costs. These net cash flows are discounted at a risk adjusted discount rate.

IFRS 13.93(d)

Significant unobservable inputs	Range	
	2023	2022
Tea price per tonne	€540 - €675	€490 - €630
yield per hectare (GMT/ Hectare)	5 - 25	2 - 25
Harvest costs per tonne	€25 - € 45	€23 - €44
Discount rate	5.1% - 7.9%	5.7% - 7.2%

IFRS 13.93(h)(i)

Significant increases / (decreases) in the tea prices or yields would lead to an increase / (decrease) in the valuation, whilst an increase / (decrease) in the discount rate or harvest costs would lead to a decrease / (increase) in the valuations.

IAS 41.49(c)

Risk management strategies

The Group faces the following financial risks from our agricultural activities:

- The Group is subject to price and demand risk as the sales price of both Timber and Tea can fluctuate over time. The Group manages this by entering into long-term customer contracts for a proportion of the tea crop each year. The Group also has the opportunity to delay the harvest of the Timber if prices are sufficiently adverse and there is an expectation of improving prices.
- The length of the growth period for Timber also exposes the Group to cash flow risks, with the outflows to plant new timbers, and annual maintenance arising significantly before any inflows from harvest. The Group manages this risk, by ensuring that different stands of trees have different harvest profiles, to try and maintain regular cash inflows from the Timber. In addition, the Group maintains sufficient working capital facilities to fund the ongoing costs prior to the timber being harvested. As at 31 December 2023, the Group had €602,000 available in undrawn working capital overdraft facilities (2022: €550,000)

Accounting Policy

Agricultural assets are measured at fair value less costs to sell at each balance date with any changes recognised in profit and loss during the period. When harvested, the biological assets are transferred to inventory at their fair value at that date.

22. Other financial assets

	2023 €'000	2022 €'000
Financial assets at fair value through profit and loss		
Forward exchange contracts not designated as hedging instruments	82	109
Contingent consideration receivable	186	-
Listed equity investments	213	252
IFRS 7.8	<u>481</u>	<u>361</u>
IFRS 7.22A(a),(b)	Derivatives designated as hedging instruments	
Forward exchange contracts	77	-
Commodity forward contracts	-	97
Interest rate swap	256	352
IFRS 7.8, 24A(a)(b)	<u>333</u>	<u>449</u>
Financial assets at fair value through other comprehensive income		
Unlisted equity investments		
IFRS 7.11A(a), (c)	- Ceres Pty Ltd	154
IFRS 7.11A(a), (c)	- Silvanus GmBH	169
IFRS 7.8	<u>206</u>	<u>323</u>
Total other financial assets		
	<u>1,020</u>	<u>1,133</u>
Current	345	206
Non-current	675	927
	<u>1,020</u>	<u>1,133</u>

Financial instruments at fair value through other comprehensive income

IFRS 7.11A(b) The Group has elected to irrevocably present the investment in some equity instruments as fair value through other comprehensive income because they represent strategic long-term investments for the Group. In 2023, the Group received dividends of €19,000 (2022: €21,000) of which €8,000 (2022: €10,000) related to Silvanus GmBH which was disposed of during 2023.

IFRS 7.11A(d)

IFRS 7.11B(a)

The investment in Silvanus GmBH was disposed of during the year, as it was a furniture manufacturer and disposal was consistent with the Group's strategic decision to exit the furniture manufacturing business. The fair value of the investment at the date of disposal was €197,000 and the total accumulated gain recognised in equity was €97,000 (net of tax) and this was transferred to retained earnings on its disposal.

IFRS 7.11B(b)

IFRS 7.11B(c)

IFRS 7.11A(e)

IFRS 7.13F

Offsetting financial instruments

Refer to note 29 for information on the offsetting of the financial instruments subject to an enforceable master netting agreement.

IAS 1.129

Fair Value measurement

Listed Equity Instruments

IFRS 13.93(d)

IFRS 13.93(b)

These are listed on major exchanges throughout the world that are deemed to be an active market (Level 1 in the fair value hierarchy) (2022: level 1)

Forward Exchange Contracts

IFRS 13.93(d)

IFRS 13.93(b)

These are valued based on the present value of future cash flows based on forward exchanges applicable as at balance date. They are considered level 2 valuations in the fair value hierarchy (2022: level 2)

Interest Rate Swaps

IFRS 13.93(d)

IFRS 13.93(b)

These are valued based on the present value of future cash flows based on the forward interest rate curves observable as at balance date. The maturity of the Interest Rate Swaps are such that there are observable yield curves available for the full duration of the interest rates swaps lives. They are considered level 2 valuations in the fair value hierarchy (2022: level 2)

IFRS 13.93(d) **22. Other Financial Assets (continued)**
Commodity forwards
IFRS 13.93(b)

These were valued based on the present value of future cash flows based on the forward price curves as applicable as at the balance date. In 2022 these were considered level 2 in the fair value hierarchy.

Unlisted equity instruments

These have been valued based on earnings multiples techniques. This approach looks at the price to earnings ratio of similar listed companies, and applies similar multiples to the earnings of the company being valued, with adjustments made for illiquidity associated with it being unlisted. These are considered level 3 valuation in the fair value hierarchy (2022: level 3)

IFRS- 13.93(d)-

Significant unobservable inputs	Range	
	2023	2022
Earnings multiple	8 - 15	7.5 - 14

Increases (decreases) in the earning multiple would lead to increases (decreases) in the valuation.

IFRS 13.93(f)

For the year ended 31 December 2023 €28,000 of the gain (2022: loss of €27,000) recognised in finance income was unrealised and €28,000 (2022: nil) was realised from the sale of the Silvanus GmbH shares.

Contingent consideration receivable

This is valued using a discounted cash flow model. The cash flow forecasts take into account the expected future payment receivable based on the probability of the required revenue targets being achieved, discounted at a risk adjusted discount rate. These are considered level 3 valuation in the fair value hierarchy.

IFRS 13.93(d)

Significant unobservable inputs	Range
	2023
Probability of revenue hurdle being achieved	35% - 70%
Discount rate	8.9%

IFRS 13.93(h)(i)

Increases (decreases) in the expected future payments would lead to an increase (decrease) in the valuation, whilst an increase (decrease) in the discount rate would lead to a decrease

IFRS 13.93(h)(ii)

(increase) in the valuation. If the required revenue target is not achieved, then the contingent consideration would not be payable, and the fair value could be reduced to nil.

IFRS 13.93(f)

As at 31 December 2023 the full €68,000 recognised in finance income is unrealised.

The following table reconciles the movement in the carrying values of financial assets categorised as level 3 in the fair value hierarchy.

	Unlisted Equity	Contingent consideration receivable
	€'000	€'000
	350	-
At 1 January 2022	(27)	-
IFRS 13.93(e)(ii) Change in fair value recognised in other comprehensive income	-	-
IFRS 13.93(e)(iii) At 31 December 2022	323	-
IFRS 13.93(e)(iii) Contingent consideration recognised on sale of Discontinued operation	-	118
IFRS 13.93(e)(i) Change in fair value recognised in finance income	-	68
IFRS 13.93(e)(ii) Change in fair value recognised in other comprehensive income	56	-
IFRS 13.93(e)(iii) Sold during the year	(173)	-
At 31 December 2023	206	186

22. Other Financial Assets (continued)

Accounting Policy

Other financial assets are all initially recognised at fair value, which generally equates to their transaction price. For those not measured at fair value through profit or loss, transaction prices are also adjusted against the carrying amount.

Financial assets at fair value through profit or loss

Financial assets whose payments are not simply payments of principal and interest, including equity instruments and derivatives, are classified as fair value through profit or loss, with all changes in fair value presented in finance income and expense.

Equity instruments at fair value through other comprehensive income

For equity investments that the Group considers to be long term strategic investments, the Group has taken the election in IFRS 9 to present the changes in fair value through other comprehensive income. On the sale of these equity investments, the cumulative OCI gain/ loss will be transferred within equity and will not be recycled through profit or loss.

Dividends are recognised as other income when there is a right to receive payment.

Derecognition

Financial assets are derecognised when:

- The contractual rights to cash flows from the financial asset expire, or
- the asset is transferred such that:
- substantially all the risks and rewards of ownership are transferred; or
- the Group neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

Hedging

Refer to note 35 for details on the accounting policy for hedge accounting.

23. Leases (as a lessee)

- IFRS 16.59(a) As a lessee the Group has entered into leases over buildings, equipment and various vehicles. Leases typically vary between 3 – 10 years in length and some contain options to extend. For some of the leases over equipment the Group has the option to purchase the equipment for nominal consideration at the conclusion of the lease agreement.
- IFRS 16.59(c) For some leases the Group is restricted from entering into sub-leases and other lease agreements require that the Group maintains certain financial ratios. The lease liabilities are secured against the associated leased asset and leased assets cannot be used as security for any other borrowing.
- IFRS 16.B51 The Group does not provide residual guarantees on any of their leases.
- IFRS 16.60 The Group also enters into short-term leases of equipment that are for periods of less than 12 months and low-value office equipment. The Group has elected not to recognise Right-of-Use Assets or lease liabilities for these amounts and instead recognises the lease payments as an expense on a straight-line basis over the lease term. The value of the low value and short-term leases is expected to be similar in 2024
- IFRS 16.55

Amounts recognised on the Statement of Financial Position

Right-of-Use assets¹²

	Buildings	Plant & Equipment	Vehicles	Total
	€'000	€'000	€'000	€'000
Cost				
As at 1 January 2022	1,775	451	750	2,976
IFRS 16.53(h) Additions	1,913	1,438	834	4,185
Reclassification to held-for-sale	(527)	-	-	(527)
Exchange differences	(56)	25	(30)	(61)
Balance as at 31 December 2022	3,105	1,914	1,554	6,573
IFRS 16.53(h) Additions	540	603	154	1,297
Acquisition of subsidiary	-	1,239	504	1,743
Exchange differences	39	(53)	(15)	(29)
Balance as at 31 December 2023	3,684	3,703	2,197	9,584
Accumulated depreciation				
As at 1 January 2022	626	605	773	2,004
IFRS 16.53(a) Depreciation	152	557	83	792
Reclassification to held-for-sale	(281)	-	-	(281)
Exchange differences	(14)	10	(9)	(13)
Balance as at 31 December 2022	483	1,172	847	2,502
IFRS 16.53(a) Depreciation	210	162	81	453
Exchange differences	14	(11)	(5)	(2)
Balance as at 31 December 2023	707	1,323	923	2,953
Net Carrying amount				
IFRS 16.53(j) 31 December 2022	2,622	742	707	4,071
IFRS 16.53(j) 31 December 2023	2,977	2,380	1,274	6,631

¹² IFRS 16 does not explicitly require this full reconciliation of movements in the Right-of-use Asset for the period. The Group has presented it in this manner as they consider this is the easiest way to present the disclosures that are required by class of asset including additions, depreciation expense and carrying amount.

23. Leases (as lessee) (continued)

	Notes	2023	2022
		€'000	€'000
<i>Lease liabilities</i>			
Current	28	889	1,023
Non-current	28	5,613	4,013
Total lease liability		6,502	5,036

Amounts recognised in the Statement of Profit or Loss

The following amounts have been recognised in the statement of profit or loss in relation to the Group's leases

	2023	2022
	€'000	€'000
IFRS 16.53(a) Depreciation expense on right-of-use assets	453	792
IFRS 16.53(e) Variable lease payments (included in cost of sales)	41	77
IFRS 16.53(b) Interest expense on lease liabilities (included in finance costs)	947	667
IFRS 16.53(c) Expenses relating to short-term leases (included in cost of sales)	98	89
IFRS 16.53(d) Expenses relating to low-value leases (included in administrative expenses)	52	48

IFRS 16.53(g) The total cash outflow in relation to leases for 2023 was €2,653,000 (2022: €3,129,000)

Options to extend

IFRS 16.B50
IAS 1.122 A large number of the Group's leases contain options to extend at the Group's discretion. These extension clauses are included to maximise the Group's flexibility to align with the business needs as they change over time. The Group has exercised significant judgements in determining whether it is reasonably certain that the extension options will be exercised at the commencement date of the leases, and updates that assessment if there has been a significant change in circumstances.

IFRS 16
.59(b)(ii) As at 31 December 2023, the Group estimates that there is €9,439,000 (2022: €10,192,000) of potential future lease payments from extension options that have not been reflected in the measurement of the lease liability.

Variable lease payments

IFRS 16.B49 Some plant and equipment lease agreements in the maritime segment have variable lease payments based on the number of shipping containers processed. This reflects the nature of the assets and is a common lease arrangement for these types of assets. In 2023 these variable lease payments represented 11% (2022: 9%) of the total lease payments made. As at 31 December 2023, the Group estimates that there is €249,000 (2022: €231,000) of variable payments over the next 5 years that have not been reflected in the lease liability.

IFRS 16
.59(b)(i)

Accounting Policy

IFRS16.15 As a lessee the Group enters into contracts that contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone selling prices, except for vehicle leases where it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

IFRS 16.22 Leases are recognised as a right-of-use asset and corresponding lease liability at the date at which the leased asset is available for use by the Group.

23. Leases (as lessee) (continued)

Lease liabilities

IFRS 16.27 Lease liabilities is initially measured at the net present value of lease payments at the commencement date of the lease. It consists of the following lease payments throughout the lease term:

- Fixed payments (including in-substance fixed payment), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease term is considered to be the non-cancellable term of the lease and any periods covered by extension options if it is reasonably certain that the Group will exercise those options; or periods covered by termination options if it is reasonably certain that the Group will not exercise those options.

IFRS 16.38(b) Variable lease payments that are not based on an index or rate, are expensed in the relevant period that they are incurred.

IFRS 16.26 The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms security and conditions.

IFRS 16.36(c) Subsequent to initial recognition the lease liability is carried at amortised cost. It is remeasured when there is a modification, change in the expected lease term, lease payments linked to an index or rate, or change in assumption about a purchase option.

Right-of-Use Assets

IFRS 16.24 Right-of-Use assets are measured at cost comprising of:

- The amount of the initial measurement of the lease liability;
- Any lease payments made or lease incentives received at or before the commencement date;
- Any initial indirect costs; and
- An estimate of the cost to dismantle, remove, refurbish or restore the underlying asset.

IFRS 16.32 Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

FRS 16.33 Right-of-use assets are also subject to impairment. Refer to note 20 for policies on impairment

Short-term and Low Value Leases

IFRS 16.6 The Group also enters into short-term leases of equipment that are for periods of less than 12 months and low-value office equipment. The Group considers office equipment to be a low value when the cost of the asset is less than €5,000. The Group has elected not to recognise Right-of-Use Assets or lease liabilities for these amounts and instead recognises the lease payments as an expense on a straight-line basis over the lease term.

24. Trade and other payables

IAS 1.77		2023	2022
		€'000	€'000
	Trade payables	529	348
	Trade payables in supplier financing arrangement	659	640
	Trade payables to related parties	74	85
IFRS 7.8	Total financial liabilities at amortised cost	1,188	988
	Refund liability	225	257
	Total trade and other payables	1,413	1,245

All trade payables are payable within the ordinary operating cycle of the Group and are classified as current liabilities.

The Group has a supplier financing arrangement with a number of key suppliers. Once a supplier is part of this arrangement, the bank agrees to pay the suppliers immediately upfront and receive payment from the Group at a later date, allowing the suppliers to receive payment upfront and the Group to still manage its cash flows. The Group is no longer able to pay those suppliers directly. However, the Group has determined that the terms of the trade payable are substantially unchanged and therefore it is still appropriate to present them as part of trade payables as the arrangement does not extend the payment terms beyond that on the invoice and the Group does not incur any additional interest from the bank.

IAS 1.122

IAS 7.43

In the cash flow statement payments made by the Group to the bank are still included in operating cash flows as they remain for the purpose of paying for goods and services of the Group. When the bank pays the supplier this is considered a non-cash transaction. In 2023 this amounted to €3,988,000 (2022: € 4,009,000).

IFRS 7.29(a)

Due to their short-term nature the carrying amount of trade payables approximates their fair value.

25. Provisions

	Assurance Warranty	Onerous contracts	Restoration	Contingent liability arising from Business combination	Legal	Total
	€'000	€'000	€'000	€'000	€'000	€'000
IAS 37.84(a) At 1 January 2023	238	-	1,572	-	99	1,909
IAS 37.84(a) Assumed in business combination	-	-	-	31	-	31
IAS 37.84(b) Made during the year	183	121	128	-	-	432
IAS 37.84(c) Used during the year	(185)	(9)	(26)	-	-	(220)
IAS 37.84(d) Released during the year	-	-	-	-	(99)	(99)
IAS 37.84(e) Unwind of discount	-	-	24	-	-	24
At 31 December 2023	236	112	1,698	31	-	2,077

IAS37.85(a)-(c)
IAS 1.129

Assurance Warranty

A provision has been recognised for expected warranty claims on products sold. It is based on past experience with warranty claims for repair and replacement for similar products. Warranty provisions are generally expected to be used in the next 12-months. The Group expects that it will receive a reimbursement of €25,000 from a supplier, who has accepted responsibility for faulty parts supplied to the Group.

IAS37.85(a)(b)
IAS 1.129

Onerous Contracts

The onerous contracts relate to specific long-term contracts to supply electricity at a fixed price. Due to the increased environmental controls in Brazil the costs to fulfil these contracts have increased resulting in them becoming onerous. The contracts are due to expire in 2026. The Group is currently exploring options to reduce costs and improve environmental standards in the impacted businesses which may reduce the extent to which the contracts are onerous in a future period. Whilst the South American CGU was also impaired, there are no assets that are used solely for the fulfilment of this contract that have been individually impaired.

IAS37.85(a)(b)
IAS 1.129

Restoration

Due to the nature of the Group's activities, a large number of sites require restoration and make-good when the Group leaves those locations. During the year, the Group commenced the restoration of a site in Norway which is no longer being used for Timber growth and is required to be replanted and rehabilitated back to its natural state. The Group utilised €26,000 to commence this project. The bulk of this rehabilitation work is expected to occur in the next two years.

For the remaining sites, there is no intention to cease operations on those sites that would trigger the requirement to restore. Accordingly, these will be settled at some point in the future. These restoration provisions are complex to estimate given their long-term nature and the continually changing technology available to restore these sites. The increase in provision of €128,000 in the current year is due to an increase in expected costs.

IAS37.85(a)(b)
IAS 1.129

Contingent liability arising from Business combination

This relates to a dispute that Kratos Limited has with a previous landlord regarding whether Kratos Limited appropriately 'made-good' the property when they vacated it. It is currently scheduled for arbitration and a resolution is expected in late 2024.

IAS37.85(a)(b)
IAS 1.129

Legal

The legal provision had been raised in the prior year in relation to legal proceedings that had been initiated in relation to a dispute with a supplier. On 23 March 2023, the court proceedings were finalised and found in the Groups favour. Accordingly, the provision has been reversed in 2023.

25. Provisions (continued)

Accounting Policy

Provisions are recognised when the Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the Group's best estimate of the expenditure that is expected to be required to settle the obligation at the reporting date. It is discounted to a present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

The Group recognizes an indemnification asset if, and only if, it is virtually certain that the indemnification will be received if the Group settles the obligation.

Where restoration provisions relate to recognised assets, such as property, plant and equipment, the initial recognition of the restoration provision is capitalised as part of the asset and any changes in the expected future cash flows are also added or deducted from the cost of the asset.

Onerous Contracts

Provisions are recognised for onerous contracts when unavoidable costs of fulfilling the contract exceed the economic benefit expected to be received from it. Prior to recognising a provision any assets used to fulfil that contract are impaired.

26. Employee Benefits¹³

The Group's employee benefits consist of:

	Notes	2023 €'000	2022 €'000
IFRS 2.51(b)(i) Leave entitlements		572	431
Share appreciation rights	37	37	-
Net defined benefit obligation		1,991	1,928
Total		2,600	2,359
Current		325	331
Non-current		2,275	2,028
		2,600	2,359

Post employment benefit plans

IAS 19.39(a) The Group has a defined benefit retirement plan for its employees in Europa. Employees are entitled to a pension based on their final year salary and number of years' service. The plan is managed by a separately administered fund. The Board of the fund includes two board members appointed by the Group and two employee board members along with three independent members.

IAS 39(a)(iii)

The following table shows a reconciliation of the net defined benefit liability and plan assets for the year.

IAS 19.140		Defined benefit obligation		Plan assets		Net defined benefit liability	
		2023 €'000	2022 €'000	2023 €'000	2022 €'000	2023 €'000	2022 €'000
	As at 1 January	3,823	3,942	(1,895)	(1,470)	1,928	2,472
	<i>Recognised in Profit or loss</i>						
IAS 19.141(a)	Current service cost	459	510	-	-	459	510
IAS 19.141(d)	Past service cost	-	(215)	-	-	-	(215)
IAS 19.141(b)	Interest expense (income)	102	118	(98)	(103)	4	15
	<i>Recognised in other comprehensive income</i>						
	<i>Actuarial gains and losses</i>						
IAS19.141(c)(ii)	- Demographic assumptions	(97)	172	-	-	(97)	172
IAS19.141(c)(iii)	- Financial assumptions	183	(99)	-	-	183	(99)
IAS19.141(c)(i)	Return on plan assets (excluding interest)	-	-	286	(189)	286	(189)
IAS 19.141(e)	Effects of movements in exchange rates	12	(13)	(15)	12	(3)	(1)
	<i>Other</i>						
IAS 19.141(f)	Employer contributions	-	-	(769)	(737)	(769)	(737)
IAS 19.141(g)	Benefits paid	(623)	(592)	623	592	-	-
	As at 31 December	3,859	3,823	(1,868)	(1,895)	1,991	1,928

¹³ IAS 19 contains disclosure requirements for where organisations participate in multi-employer plans, or where there are defined benefit plans that share risks between entities under common control. The Group does not participate in any such plans and these disclosures have not been provided.

26. Employee benefits (continued)

IAS 19.142

Plan Assets

The assets of the plan consist of the following:

	2023	2022
	€'000	€'000
<i>Quoted in an active market</i>		
Cash	105	98
Listed equity instruments		
- Consumer markets	168	161
- Oil & gas	154	189
- Financial institutions	108	135
IAS 19.143 - Company's own ordinary shares	126	127
<i>Not Quoted in an active market</i>		
Government bonds		
- Americas	153	149
- Europe	218	251
- Asia	177	145
Investment properties	659	640
Total	1,868	1,895

IAS 19.146

The Board of the plan assesses its asset mix at least annually to ensure that the asset-liability matching strategy is appropriate, and its investment risk policies are effective. The annual contributions required are determined based on this review. The Board of the plan intends to keep approximately 40% of the assets of the plan in debt instruments and the remaining 60% in equity and investment properties. This investment mix was the same in 2022.

IAS 19.147(a) (b)

Contributions to the Group are based on the actuarial assessment and vary from year to year. The Group expects to pay contributions of €750,000 in 2024.

IAS 19.139(b)

The Group is exposed to risks from the defined benefit plan, from the longevity of the members lives, interest and salary growth rates as well as investment risk on the return of the plan assets. The average duration of the defined benefit obligation at the end of the reporting period is 27.4 years (2022: 27.6 years).

IAS 19.147(c)

The following actuarial assumptions have been used to determine the defined benefit obligation as at 31 December:

IAS 19.144

Actuarial Assumptions

	2023	2022
Discount rate	8.13%	9.02%
Future salary increases	2.5%	2.5%
Life expectancy for current pensioners		
- Male	20.0	20.0
- Female	22.5	22.5
Life expectancy for members retiring in 20 years		
- Male	19.5	19.5
- female	22.0	22.0

26. Employee benefits (continued)

Sensitivity analysis

IAS 145(b) (c)

The following sensitivity analysis for both 2023 and 2022 is based on changing the individual key assumptions and holding all other assumptions constant. The sensitivity analysis may not be representative of actual impacts as it is unlikely that a change in any one assumption would occur in isolation.

IAS 145(a)

	Impact on defined benefit obligation	
	2023 €'000	2022 €'000
<i>Discount rate</i>		
- increase 1%	(92)	(89)
- decrease 1%	97	95
<i>Future salary increases</i>		
- increase 2%	197	184
- decrease 2%	(186)	(179)
<i>Life expectancy of male pensioners</i>		
- Increase by 1 year	253	258
- Decrease by 1 year	(249)	(256)
<i>Life expectancy of female pensioners</i>		
- Increase by 1 year	255	256
- Decrease by 1 year	(248)	(253)

Accounting Policy

IAS 19.9, 11(b)

Short-term benefits

Salaries and wages, annual leave and other shorter-term benefits are considered to be short-term benefits when it is expected to be wholly settled within 12-months of the related service being provided. They are recognised as expenses as the employee service is provided and the liabilities are measured at the amount expected to be paid.

IAS 19.155

Long-term benefits

This relates to employee benefits that are not expected to be wholly settled within 12-months of the related service being provided. Provisions for long service leave and other long-term benefits are recognised at the present value of the amount expected to be required to pay to settle the obligation for past service as at the balance date. The Group discounts long-term benefits using a high quality corporate bond rate with a similar tenure to the liability, sourced from the relevant jurisdiction, or if that is not available the relevant government bond rate.

IAS 19.165, 168(b)

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Defined contribution plans

The Group has both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit plan.

26. Employee benefits (continued)

Defined Benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date. Actuarial gains and losses arising from experience adjustments and changes in assumptions are recognised immediately in other comprehensive income. Past service costs are recognised immediately. All other costs related to the defined benefit plan are recognised in profit or loss within employee benefit costs. Changes in the actuarial assumptions could lead to material changes in the book value of the liabilities and in the operating results.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the plan.

27. Government Grants

	2023	2022 (Restated)
	€'000	€'000
<i>Deferred Government grants:</i>		
As at 1 January	2,939	2,568
Government assistance received	3,285	1,029
Assistance recognised as income	(2,727)	(658)
As at 31 December	<u>3,497</u>	<u>2,939</u>
Current	742	913
Non-current	2,755	2,026

Refer to note 40 for further details on the restatement.

Assistance for purchase of Power Generation

IAS 20.39(a)-(b)

The Group has received grants during the year of €1,250,000 as part of the Government scheme to encourage the use of lower carbon emitting power generation technologies (2022: €967,000). The Group has also received other similar government grants in prior years. The life of the Power Generation assets associated with these grants is between 10 – 30 years and the grants will be amortised in the income statement over that time frame as part of other income.

IAS 20.39(c)

Entitlement to €250,000 of the 2023 grant, is dependent on the Group utilising the installed assets for a minimum of 10 years, which the Group expects to adhere to, based on the business plan for the associated site.

Other forms of Government Assistance

[Insert details of any other forms of Government assistance from which the entity has benefitted from, if any]

IAS 20.39(a)

Accounting Policy

Government Grants are recognised when there is reasonable assurance that the Group will comply with the conditions attached to the grant and that the grant will be received. This includes non-monetary grants which are recognised at fair value.

Government grants received as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support are recognised in the income statement when receivable as 'other income'. Government Grants in respect of capital expenditure, or the grant of non-monetary assets are recognised as deferred income and amortised over the anticipated useful life of the relevant asset as other income.

28. Loans and borrowings

IFRS 7.7

	Notes	Current	Non-current	Total
			€'000	€'000
2023				
Overdraft - secured	15	398	-	398
Bank loan – secured		2,269	7,036	9,305
Bank loan – unsecured		8,023	4,758	12,781
Redeemable preference share		-	9,305	9,305
Lease liability	23	889	5,613	6,502
Total loans and borrowings		11,579	26,712	38,291

2022

IFRS 7.8(g)

Overdraft -secured	15	450	-	450
Bank loan – Secured		2,531	5,771	8,302
Bank loan – unsecured		2,569	11,026	13,595
Convertible note		4,453	-	4,453
Redeemable preference share		-	9,285	9,285
Lease liability	23	1,023	4,013	5,036
Total loans and borrowings		11,026	30,095	41,121

IFRS 7.7

Overdraft – secured

The overdrafts are secured against a proportion of the Group's Cash deposits.

Bank loans – secured

The secured loans are secured against, inventory, trade receivables, property plant and equipment and investment properties of the Group (2022: inventory, property, plant and equipment and investment properties).

Redeemable preference share

IAS 1.79(vii)

On 2 June 2022 the Group issued 5,000,000 redeemable preference shares with a mandatory 5% coupon for €10,000,000. These redeemable preferences have a 10 year maturity at which point they will convert at the option of the holder into 5,000,000 ordinary shares. If the conversion option is not exercised, the preference shareholder will be repaid cash upon maturity at the face value. The Group has accounted for the redeemable preference share as a compound financial instrument and the conversion feature has been classified as equity (refer to note 30).

IFRS 7.17

The initial fair value of the liability portion was recognised at a fair value of €9,273,000 measured using the market rate of interest for an equivalent non-convertible bond at the issue date and is subsequently measured at amortised cost. The remainder of the proceeds has been allocated to equity net of deferred tax, and is not remeasured.

Convertible note

IFRS 7.17

On 9 November 2018 the Group issued convertible notes at a coupon rate of 7% for €4,500,000. At maturity date, the notes are convertible to ordinary shares at the option of the holder at the lower of €2.25 per share and the VWAP of the Company's shares during the 5 days just prior to the maturity date.

Upon initial recognition, the conversion feature has been accounted for as a separate embedded derivative liability at fair value (refer to note 29) and is recognised separately from the host debt instrument. The host debt instrument is subsequently measured at amortised cost.

On 9 November 2023, the noteholders elected to convert the notes into 2,084,000 ordinary shares at €2.25 per share.

28. Loans and borrowings (continued)

Compliance with loan covenants

IAS
1.135(d)

A number of the Groups secured and unsecured borrowings are subject to debt covenants. During both 2023 and 2022, the Group has complied with all of its debt covenants, except as set out below:

IFRS 7.18

The Group has as 10,000,000BRL loan (€1,827,000, 2022: €1,824,000) maturing in 2027 which contains covenants that are tested each quarter and requires the Group to retain a working capital ratio in excess of 2.0. In the event that the covenant is not met, the debt becomes repayable on demand. The Group failed to meet this working capital ratio at 31 October 2023, however have received a waiver from the bank that they would not call the debt and as at 31 December, the Group is now satisfying its working capital ratio again. Accordingly, the debt was not payable on demand and is presented as non-current as at 31 December 2023.

IAS 7.44A
IAS 7.44C

Reconciliation of financing cash flows

	Other loans and borrowings	Leases	Derivative liabilities ^a	Interest rate swap assets	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2022	33,951	3,412	1,080	(502)	37,941
IAS 7.44B(a) Financing cash flows	2,665	(2,248)	-	-	417
<i>Other movements</i>					
IAS 7.44B(e) Interest expense	2,489	667	-	-	3,156
Interest paid	(2,337)	(775)	(189)	85	(3,216)
IAS 7.44B(b) Reclassification due to held-for-sale	(543)	(239)	-	-	(782)
IAS 7.44B(d) Fair value Adjustments	-	-	(251)	65	(186)
IAS 7.44B(e) New leases	-	4,185	-	-	4,185
IAS 7.44B(c) Exchange differences	(140)	34	-	-	(106)
At 31 December 2022	36,085	5,036	640	(352)	41,409
IAS 7.44B(a) Financing cash flows	(1,200)	(1,515)	-	-	(2,715)
<i>Other movements</i>					
IAS 7.44B(e) Interest expense	2,889	947	-	-	3,836
Interest paid	(2,369)	(936)	(263)	156	(3,412)
IAS 7.44B(b) Business combination	2,430	1,743	-	-	4,173
IAS 7.44B(d) Fair value Adjustments	-	-	341	(60)	281
IAS 7.44B(e) New leases	-	1,297	-	-	1,297
IAS 7.44B(e) Equity conversion	(4,500)	-	(189)	-	(4,689)
IAS 7.44B(c) Exchange differences	(1,546)	(70)	-	-	(1,616)
At 31 December 2023	31,789	6,502	529	(256)	38,564

^a Derivative liabilities include both the Interest rate swaps used to hedge loans and borrowings and the embedded derivative liability related to the convertible note.

IFRS 7.8(g)

Total financial liabilities at amortised cost consists of:

	2023	2022
	€'000	€'000
Loans and borrowings	38,291	41,121
Trade Payables	1,188	988
Total financial liabilities at amortised cost	39,479	42,109

28. Loans and borrowings (continued)

Fair value of loans and other borrowings

The carrying amount of the overdrafts and a number of the secured and unsecured borrowings approximate their fair value as they are short-term or are at a floating rate of interest, which reflects the current market rate.

The following liabilities have a fair value that is materially different from their carrying amount:

IFRS 7.28

	Carrying amount	Fair value
	€'000	€'000
2023		
Bank loans – secured	3,017	3,095
Bank loans – unsecured	5,246	5,228
Redeemable preference shares ^b	9,305	9,253
2022		
Bank loans – secured	3,042	3,004
Bank loans – unsecured	5,719	5,697

IFRS 7.28
IFRS
13.93(d)

These fair values are determined by discounting the expected cash flows at the current market rate of interest as at balance date. Whilst Group has considered its own credit risk in determining the fair values, it is not considered a significant input into the valuation and the valuations are considered to be a level 2 valuation in the fair value hierarchy (2022: level 2)

IFRS
13.93(b)

^b The carrying amount of the redeemable preference shares which were issued in 2022 approximated fair value in the year it was issued.

Refer to note 34 for further information about fair values.

Refer to note 35 for further information on financial risk management.

Accounting Policy

Loans and borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis, within finance costs in the statement of comprehensive income.

The Group derecognises financial liabilities when the obligations of the Group are discharged, cancelled or have expired.

Embedded derivatives

Derivatives embedded in Loans and borrowings are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value through profit and loss.

Compound financial instruments

Compound financial instruments issued by the Group comprise redeemable preference shares that can be converted to share capital at the option of the holder, and the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

29. Other financial liabilities

	Notes	2023 €'000	2022 €'000
Financial instruments at fair value through profit and loss			
Forward exchange contracts not designated as hedging instruments		38	12
Embedded derivative in convertible note	28	-	147
Contingent consideration payable	12	697	-
		<u>735</u>	<u>159</u>
Derivatives designated as hedging instruments			
Forward Exchange contracts		64	87
Interest rate swap		529	493
		<u>593</u>	<u>580</u>
		<u>1,328</u>	<u>739</u>
Total other financial liabilities			
Current		53	217
Non-current		1,275	522
		<u>1,328</u>	<u>739</u>

Offsetting financial assets and financial liabilities

IFRS 7.13E Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The Group does not currently have any financial assets and liabilities that meet the requirements to be offset. However, the Group has entered into an enforceable master netting agreement with respect to its derivatives, which does permit amounts to be offset in certain circumstances, including bankruptcy or termination of the contract.

29. Other financial liabilities (continued)

IFRS 7.13C

	Note	Gross amount presented on statement of financial position €'000	Related amount not offset that are subject to master netting agreement €'000	Net amount €'000
2023				
Financial assets				
Forward exchange contracts	22	159	(159)	-
Commodity forward contracts	22	112	(112)	-
Interest rate swap	22	256	(256)	-
		527	(527)	-
Financial liabilities				
Forward exchange contracts		(102)	48	(54)
Interest rate swap		(529)	479	(50)
		(631)	527	(104)
2022				
Financial assets				
Forward exchange contracts	22	109	(109)	-
Commodity forward contracts	22	97	(97)	-
Interest rate swap	22	352	(352)	-
		558	(558)	-
Financial liabilities				
Forward exchange contracts		(99)	51	(48)
Interest rate swap		(493)	507	14
		(592)	558	(34)

Fair value measurement

IAS 1.129

Refer to note 22 for the valuation approach for forward exchange contracts and Interest rate swaps.

Embedded derivative in convertible note

These have been valued using the Black-Scholes-Merton model, based on the company's share price, volatility and other inputs as at the valuation date. These are considered level 2 valuation in the fair value hierarchy (2022: level 2)

Contingent consideration payable

This is valued using a discounted cash flow model. The cash flow forecasts take into account the expected future payment payable based on the probability that the relevant customers will remain until 1 July 2025, discounted at a risk adjusted discount rate. These are considered level 3 valuations in the fair value hierarchy.

IFRS 13.93(d)

Significant unobservable inputs	Range 2023
Probability of the customers remaining	75% - 85%
Discount rate	8.9%

29. Other financial liabilities (continued)

IFRS 13.93(h)(i) Increases (decreases) in the expected future payments would lead to an increase (decrease) in the valuation, whilst an increase (decrease) in the discount rate would lead to a decrease (increase) in the valuation. If the required customers do not remain until 1 July 2025, then the contingent consideration would not be payable, and the fair value will reduce to nil.

IFRS 13.93(h)(ii)

The following table reconciles the movement in the carrying values of financial liabilities categorised as level 3 in the fair value hierarchy.

	Contingent consideration payable €'000
At 31 December 2022	-
IFRS 13.93(e)(iii) Contingent consideration recognised on acquisition of Kratos	652
IFRS 13.93(e)(i) Change in fair value recognised in finance expense	45
At 31 December 2023	697

IFRS 13.93(f) The full change in fair value is unrealised as at 31 December 2023.

Accounting Policy

Other financial liabilities are all initially recognised at fair value, which generally equates to their transaction price.

Financial instruments at fair value through profit or loss

Financial instruments are categorised as fair value through profit or loss if they are derivatives, held for trading or designated as such on initial recognition. Gains and losses on such financial liabilities are recognised in the income statement.

Derecognition

Financial liabilities are derecognised when the contractual obligation is discharged or cancelled or expires. If the terms of an existing financial liability (loans and borrowings) are substantially modified this will be considered to meet the criteria for derecognition of the original liability, and a new financial liability is recognised.

The difference between the carrying value derecognised and consideration paid is recognised in profit or loss.

Hedging

Refer to note 35 for details on the accounting policy for hedge accounting.

30. Share capital (continued)
Treasury shares

IAS 1.79(b)

The Group uses MG Atlantis Employee Share Trust to hold shares that are used to settle employee and other share-based payments. Refer to note 37.

	Shares	€'000
As at 1 January 2022	750,000	1,498
Shares purchased on market	300,000	605
Less shares issued for settlement of share-based payments		
- Deferred shares	(215,000)	(431)
Impact of deferred taxes	-	(45)
As at 31 December 2022	835,000	1,627
Shares purchased on market	250,000	559
Less shares issued for settlement of share-based payments		
- Employee share options	(20,000)	(46)
- Deferred shares	(240,000)	(473)
- for goods and services	(175,000)	(355)
Impact of <i>deferred</i> taxes	-	80
As at 31 December 2023	650,000	1,232

 IAS
1.79(a)(vi)

IAS 1.134

31. Capital Management

The board's policy is to maintain and develop a strong and flexible capital base in order to maintain investor and creditor confidence as well as sustain the future development of the business. Similar policies apply also to individual business segments so as to minimise demands for routine trading activities on finance obtained at Group level. This is seen as important for the sustenance of future developments in the business and the maintenance of flexibility of capital management strategies.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or realise assets in order to reduce debt. In 2023, the Group repurchased 500,000 non-redeemable preference shares, to allow the Group more flexibility with the size of future dividend payments. The Board seeks to maintain a balance between the higher returns that may be possible with a higher level of borrowings and the security offered by a higher level of equity funding. The Group periodically buys back its own shares and they are primarily intended for use in issuing shares under the Group's share-based payments. Buy and sell decisions in relation to its own shares are on a transaction by transaction basis. The Group does not have a formal share buyback scheme in place.

IAS 1.135(c)

During 2023, the Group's strategy, which was unchanged from 2021, was to maintain the gearing ratio below 225% and a BB+ credit rating. This credit rating has been maintained throughout the period. There have been no other changes in the way that the Group manages capital.

IAS 1.135(a)(i)

The Group monitors levels of capital by reference to the gearing ratio, computed as net debt divided by total capital. Net debt is calculated as total loans and borrowings (Note 28) less cash and cash equivalents (Note 15). Total capital is calculated as total equity.

IAS 1.135(b)

	Notes	2023 €'000	2022 €'000
Loans and borrowings	31	38,291	41,121
Less cash and cash equivalents	16	(2,194)	(790)
Net Debt		36,097	40,331
Total equity		35,111	19,427
Gearing ratio		102.8%	207.6%

IAS 1.135(a)(ii)

IAS 1.136

The Group is not subject to any externally imposed capital requirements, however, an individual company within the Group is subject to a regulatory requirement to have aggregate equity of at least 1 billion BRL and to maintain cash reserves of 1,000,000 BRL at all times. The Entity has complied with this regulatory requirement throughout 2023 and 2022.

32. Dividends

	2023	2022
	€'000	€'000
	Ordinary shares	
IAS 1.107	Final dividend for year ended 31 December 2022 of 15 cents (2022: 13 cents)	
	1,935	1,577
IAS 1.107	Interim dividend for year ended 31 December 2023 of 10 cents (2022: 10 cents)	
	1,300	1,222
	Non-redeemable preference shares	
IAS 1.107	Dividend of 8% of face value of shares (2022: 8%)	
	80	80
	3,315	2,879
	Dividends paid in cash	
	2,574	2,256
IAS 7.43	Dividends settled by issue of shares	
	741	623
	3,315	2,879

Dividend reinvestment plan

The Group has a dividend reinvestment plan, that permits ordinary shareholders to elect to use the dividends they are entitled to re-invest into shares of the company.

Dividends declared after year-end

IAS 1.137(a)
IAS 12.81(i)
IAS 10.12

After the Balance sheet date, the Board of Directors has recommended the following dividends. These dividends have not been recognised as liabilities and there are no tax consequences.

	2023	2022
	€'000	€'000
	Ordinary shares	
	Final dividend for year ended 31 December 2023 of 26 cents (2022: 25 cents)	
	4,197	3,279
	Non-redeemable preference shares	
	Dividend of 8% of face value of shares (2022: 8%) (pro rata)	
	40	40
	4,237	3,319

33. Reserves

IAS 1.79(b)

Share-based payments reserve

The share-based payments reserve includes the share-based payment expense relating to all equity settled share-based payments. If the share-based payment relates to the provision of shares, once the shares are fully vested, the Group's policy is to transfer the related amount to retained earnings. Where a share-based payment relates to an option, the related amount will only be transferred to retained earnings when the options are exercised or expired. Refer to note 37.

Hedging reserve

The hedging reserve represents the cumulative effective portion of fair value changes in hedging instruments used in cash flow hedging relationships. Amounts relate to currently outstanding hedges and will be transferred out of this reserve when either the hedged item impacts the income statement, a non-financial asset or liability is recognised on the balance sheet, or the hedge is no longer expected to occur. The reserve also includes the costs of hedging which reflect the forward points on forward contracts that are not part of the designated hedge. Refer to note 35.

Asset revaluation reserve

The asset revaluation reserve relates to the fair value changes in property, plant and equipment that is measured at fair value. When an asset that has been revalued has been disposed of the associated revaluation increment will be transferred from this reserve to retained earnings. Refer to note 18.

Financial asset valuation reserve

The financial asset valuation reserve relates to the equity instruments that the Group has elected to measure at fair value through other comprehensive income. When these assets are disposed of the balance of this reserve will be transferred to retained earnings. Refer to note 22.

Foreign currency translation reserve

This reserve contains the translation differences that arise from the translation of the foreign controlled entities of the Group into the presentation currency for consolidation. In addition, cumulative gains or losses associated with net investment hedges are recognised in this reserve. When the Group loses control of the foreign entity, the amounts in this reserve will be recognised in profit or loss. Refer to note 41 and note 35.

33. Reserves (continued)

 IAS 1.106A
 IFRS 7.24E

Impact of other comprehensive income on reserves

	Hedging	Foreign currency translation	Asset revaluation reserve	Financial asset valuation reserve	Retained earnings	Non-contr olling interests	Total
	€'000	€'000	€'000	€'000	€'000	€'000	€'000
2023							
Translation of foreign operations	-	(1,157)	-	-	-	4	(1,153)
Reclassification of translation reserve on loss of significant influence	-	61	-	-	-	-	61
Change in fair value of net Investment hedges	-	(1,419)	-	-	-	-	(1,419)
Gains on effective cash flow hedges	332	-	-	-	-	-	332
Amounts reclassified to profit or loss	(103)	-	-	-	-	-	(103)
Costs of hedging Associates and Joint Ventures – share of OCI	25	-	-	-	-	-	25
Revaluation of property, plant & equipment	-	14	-	-	-	-	14
Revaluation of net defined benefit obligations	-	-	4,593	-	-	-	4,593
Revaluation of investments in equity instruments	-	-	-	-	372	-	372
Associates and Joint Ventures – share of OCI	-	-	-	56	-	-	56
Income tax	-	-	-	(8)	(82)	-	(90)
	(120)	365	(1,142)	(13)	(52)	(1)	(963)
Total	134	(2,136)	3,451	35	238	3	1,725
2022							
Translation of foreign operations	-	985	-	-	-	-	985
Change in Fair Value of Net Investment hedges	-	1,335	-	-	-	(3)	1,332
Gains on effective cash flow hedges	246	-	-	-	-	-	246
Amounts reclassified to profit or loss	(53)	-	-	-	-	-	(53)
Costs of hedging Associates and Joint Ventures – share of OCI	(21)	-	-	-	-	-	(21)
Revaluation of net defined benefit obligations	-	17	-	-	-	-	17
Revaluation of investments in equity instruments	-	-	-	-	(116)	-	(116)
Associates and Joint Ventures – share of OCI	-	-	-	(27)	-	-	(27)
Income tax	-	-	-	(2)	51	-	49
	(50)	(349)	-	7	22	1	(369)
Total	122	1,988	-	(22)	(43)	(2)	2,043

34. Fair value measurement

The following table outlines the categorization in the fair value hierarchy for all of the Group's assets and liabilities recognised at fair value as at 31 December 2023.

IFRS 13.93(b)

	Notes	Quoted prices in active market (level 1) €'000	Significant observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000	Total €'000
Assets measured at fair value					
<i>Property, plant & equipment</i>					
Vessels	18	-	12,426	-	12,426
Investment properties	19	-	-	7,988	7,988
<i>Agricultural assets</i>					
Timber	21	-	-	1,472	1,472
Tea crop	21	-	-	546	546
<i>Financial Assets</i>					
Forward exchange contract					
- not designated as hedging instruments	22	-	82	-	82
- designated as hedging instruments	22	-	77	-	77
Interest rate swaps	22	-	256	-	256
Equity investments	22	213	-	206	419
Contingent consideration receivable	22	-	-	186	186
Liabilities measured at fair value					
Forward exchange contracts					
- not designated as hedging instruments	29	-	38	-	38
- designated as hedging instruments	29	-	64	-	64
Interest rate swaps	29	-	529	-	529
Contingent consideration Payable	29	-	-	697	697

34. Fair value measurement (continued)

Fair value hierarchy classification as at 31 December 2022:

	Notes	Quoted prices in active market (level 1) €'000	Significant observable inputs (Level 2) €'000	Significant unobservable inputs (Level 3) €'000	Total €'000
Assets measured at fair value					
<i>Property, plant & equipment</i>					
Vessels	18	-	3,952	-	3,952
Investment properties	19	-	-	2,150	2,150
<i>Agricultural assets</i>					
Timber	21	-	-	1,511	1,511
Tea crop	21	-	-	481	481
<i>Assets held-for-sale</i>					
Property plant & equipment	13	-	986	-	986
Right of use asset	13	-	246	-	246
<i>Financial Assets</i>					
Forward exchange contract					
- not designated as hedging instruments	22	-	109	-	109
- designated as hedging instruments	22	-	-	-	-
Commodity forward contracts designated as hedging instruments	22	-	97	-	97
Interest rate swaps	22	-	352	-	352
Equity investments	22	252	-	323	575
Liabilities measured at fair value					
Forward exchange contracts					
- not designated as hedging instruments	29	-	12	-	12
- designated as hedging instruments	29	-	87	-	87
Interest rate swaps	29	-	493	-	493
Embedded derivative on convertible note	29	-	-	147	147

IFRS 13.93(c) There have been no transfers between levels during the year (2022: no transfers)

Accounting Policy

The Group recognises a number of both financial and non-financial assets and liabilities at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as at the measurement date. It is based on assumptions that the market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If the asset or liability being valued is traded in an active market, the Group will use the quoted price in that active market. Where the market has a bid-ask spread, the Group uses the bid price for the measurement of assets and the ask price for liability positions. If there is no active market, the Group uses a number of valuation techniques to determine fair value, and uses techniques that maximise the use of observable inputs and minimises the use of unobservable inputs.

IFRS 13.93(g)

34. Fair value measurement (continued)

The Group's CFO is responsible for determining the policies and procedures for determining all fair values, especially those which are not determined by observable prices in an active market. This includes the engagement of external valuers, where the CFO determines that the Group does not have the knowledge and skills to perform the valuations in house. The CFO assesses the valuations prepared by external valuers to ensure that the movements appear reasonable and consistent with their knowledge of the markets.

The Group aims to keep the valuation methodology consistent from valuation to valuation and only changes the valuation methodology if the new methodology uses more observable inputs and reduces the number of unobservable inputs. See notes 18, 19, 21, 22 and 29 for specific details of the different valuation methodologies used.

All valuations are categorised into the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement:

- Level 1 – Prices quoted (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Valuation techniques where the inputs are observable either directly from quoted prices (other than those satisfying the requirements of level 1) or indirectly such as the use of observable forward curves
- Level 3 – Valuation techniques where the inputs are based on unobservable data

35. Financial Risk Management

Credit risk

IFRS 7.33(a)

Credit risk is the risk that a counter party will not meet its contractual obligations under a financial instrument, lease receivable or customer contract, leading to a financial loss to the Group. The Group is exposed to credit risk on all financial assets, and the maximum exposure is the carrying amount of those assets.

To manage credit risk, the Chief financial officer and the treasury function select all financial institutions to be used by the Group in accordance with the Group's risk management policies. This ensures that the counterparties for cash deposits and all derivatives are of high credit quality, minimizing credit risk exposure. The Group sets maximum credit limit exposures which are approved by the Board and are regularly reviewed.

IFRS 7.34(c)

The Group has no material disclosure to any individual customer or counterparties, but risk is concentrated to customers domiciled in the following countries and macro-economic factors in these jurisdictions can drive the credit risk of the counterparties.

	NOK		BRL		MYR		USD	
	2023	2022	2023	2022	2023	2022	2023	2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Cash and Cash equivalents	123	27	201	45	78	21	15	13
Trade Receivables	1,588	1,674	71	71	71	95	102	153
Related Party receivables	(523)	(218)	(789)	(789)	(789)	(1,548)	(2,050)	(2,410)
Contract Assets	(2,396)	(3,285)	(10,024)	(10,024)	(10,024)	(9,931)	-	-
Other financial assets	10	(5)	(23)	39	57	63	(13)	(87)

For those financial assets that are measured at fair value the impact of credit risk is reflected in the fair value measurement (see note 34). For financial assets measured at amortised cost, where impairment is provided for separately, the following policies and approaches are applied.

Trade receivables and contract assets

The Group has in place a credit risk management policy, which with respect to customer transactions is implemented by the individual business units. New Customers are required to undergo a credit check prior to credit being extended to them.

IFRS 7.35F

The Group has customers in a number of different markets. Where those customers operate in clients that are less stable, credit risk is managed by shorter payment terms and restrictions on the amount per order. We typically do not carry significant receivables balances that would be considered to be high risk. Where we do seek to take advantage of opportunities in less developed markets, other ways of minimising risk are sought, through deposits, guarantees or credit insurance.

For trade receivables, contract assets and lease receivables the Group has elected to apply the simplified approach to determining expected credit losses and the loss allowance is calculated based on lifetime expected credit losses.

IFRS 7.35F(c)

To measure the expected credit losses, the Group uses a provision matrix. The trade receivables and contract assets have been grouped based on shared credit characteristics, including size and location, and the loss rate for a given number of days past due. As the contract assets will convert into trade receivables, they have substantially the same risk profile and the same loss rates are applied.

35. Financial Risk Management (continued)

IFRS 7.35G(c) The expected loss rates are based on historical losses over the 5 years prior to the period in question. This information is continuously rolled over to obtain the most up to date data. These historical loss rates are adjusted for current and forecast macroeconomic conditions, including expectations around interest rates and inflation, to reflect the Groups expectations of what losses the Group may incur in the future on these receivables. The loss rates are examined regularly by the Group and changes in the assumptions used to calculate the allowance could lead to material changes in the allowance required.

IFRS 7.35F(b) Management has not rebutted the presumption that receivables above 90 Days overdue are considered to be in default and are provided for in full. The Group writes off all balances that are unpaid above 180 days, at which point it is no longer considered to be recoverable.

IFRS 7.35N

	Current	Days past due				Total
		< 30 days	31 – 60 days	61 -90 days	90 days +	
2023	€'000	€'000	€'000	€'000	€'000	€'000
Expected Loss rate	0.24%	1.2%	8.1%	25.2%	100%	
Trade receivables	401	196	109	103	85	894
- Expected credit loss	(1)	(2)	(9)	(27)	(85)	(124)
Contract Assets	1,062	-	-	-	-	1,062
- Expected credit loss	(2)	-	-	-	-	(2)
Total Expected credit loss	(3)	(2)	(9)	(27)	(85)	(126)
2022						
Expected Loss rate	0.25%	1.3%	8.3%	24.7%	100%	
Trade receivables	449	267	237	119	86	1,158
- Expected credit loss	(1)	(3)	(18)	(29)	(86)	(137)
Contract Assets	2,556	-	-	-	-	2,556
- Expected credit loss	(6)	-	-	-	-	(6)
Total Expected credit loss	(7)	(3)	(18)	(29)	(86)	(143)

The movement in the allowance for expected credit losses for the year, relating to trade receivables and contract assets is as follows:

	2023	2022
	€'000	€'000
As at 1 January	143	130
Increase in allowance recognised in profit and loss	61	96
IFRS 7.35I(c) Receivables written off during the year as uncollectible	(72)	(81)
IFRS 7.35I(a) Amount recognised on business combination	20	-
IFRS 7.35I(c) Amount written off due to sale of subsidiary	(31)	-
Foreign exchange movement	5	(2)
Balance as at 31 December	126	143

IFRS 7.35L Of the €61,000 (2022: €65,000) of debts that were written off during the year in line with the Group's credit risk policy as they were 180 days past due, the Group is still pursuing the collection of €25,000 (2022: NIL).

Cash and Cash equivalents

IFRS 7.35F(a)(i) The Group only uses financial institutions with a credit rating of AA- or above to hold cash deposits and monitors the credit agencies for any changes in that credit rating.

Whilst the Group assesses credit impairment on its cash equivalents using a 12-month expected loss basis, as at 31 December 2023 there is no provision for expected credit loss recognised in relation to these balances (2022: NIL).

35. Financial Risk Management (continued)

Related Party Loans

IFRS 7.35K(a) The Group has provided a loan to its joint venture that matures in 2030. At 31 December 2023 the balance outstanding was €2,439,000 (2022: €2,439,000) which represents the maximum exposure to the credit risk of the joint venture.

IFRS 7.35K(b)(i) The loan is secured against a building owned by the joint venture. The building is an office building in a substantial business park in Norway and the fair value of buildings as at 31 December 2023 was €3,600,000 (2022: €3,550,000). Accordingly, as the collateral for this loan has a fair value in excess of the principal amount of this loan, the Group has determined that it is not necessary to recognise an expected credit loss provision as it would be able to recover the full exposure if the Joint Venture failed to pay as and when payment was due.

IFRS 7.35K(b)(iii)

Liquidity Risk

IFRS 7.33(a) The Group has various commitments and obligations including significant capital expenditure and operates in some cash intensive segments and locations, particularly through investment in emerging markets and revenue streams. Therefore, there is a risk that the Group may be unable to meet its short-term financial demands or obligations when due.

IFRS 7.33(a),(b), .39(c) The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The Group Treasury team sets out the policy and the headroom that different business segments and revenue lines are required to maintain and ensures that there are sufficient facilities in place to meet the demands. Cash intensive capital projects are managed centrally, and borrowings are secured and maintained by the Group treasury to ensure the most appropriate facilities for the purpose and best terms.

IAS 7.50(a)/
IFRS 7.B11F

As at 31 December 2023, the Group had the following facilities available:

- €1,000,000 Overdraft facility (2022: €1,000,000) of which €602,000 is undrawn as at 31 December 2023 (2022: €550,000). The overdraft facility is unsecured and attracts a floating rate of interest
- €3,000,000 unsecured loan facility (2022: €3,500,000) of which €500,000 is undrawn as at 31 December 2023 (2022: €500,000). This unsecured loan facility has a floating rate of interest.

35. Financial Risk Management (continued)

IFRS 7.35 The following are the undiscounted contractual cashflows of the Group's financial liabilities based on their contractual maturity dates as at 31 December. It is broadly representative of the exposure throughout the year.

	On demand €'000	0 – 3 Months €'000	3 – 12 months €'000	1 – 5 years €'000	> 5 years €'000	Total €'000	Carrying amount €'000
2023							
IFRS 7.39(a)	Non-derivative financial liabilities						
	Overdraft	398	-	-	-	398	398
	Trade Payables	-	301	887	-	1,188	1,188
	Bank loan – secured	-	956	1,382	3,817	10,059	9,305
	Bank loan – unsecured	-	5,005	3,040	2,213	14,382	12,781
	Redeemable Pref Shares	-	-	-	10,000	10,000	9,305
IFRS 16.58	Lease Liability	-	225	690	3,767	7,690	6,502
	Contingent consideration payable	-	-	-	1,000	1,000	697
IFRS 7.39(b)	Derivative financial liabilities						
IFRS 7.B11D(c)	Net settled Interest rate swap	-	16	54	209	286	565
IFRS 7.B11D(d)	Gross settled FECs						
	- Inflows	-	(119)	(259)	(208)	(586)	
	- outflows	-	128	272	296	696	102
2022							
IFRS 7.39(a)	Non-derivative financial liabilities						
	Overdraft	450	-	-	-	450	450
	Trade Payables	-	229	759	-	988	988
	Bank loan – secured	-	638	1,902	2,233	9,070	8,302
	Bank loan – unsecured	-	1,054	1,520	7,956	14,382	13,595
IFRS 7.B11A	Convertible Note	-	-	4,815	-	4,815	4,600
	Redeemable Pref Shares	-	-	-	10,000	10,000	9,285
IFRS 16.58	Lease Liability	-	260	792	2,376	5,950	5,036
IFRS 7.39(b)	Derivative financial liabilities						
IFRS 7.B11D(c)	Net settled Interest rate swap		13	48	199	279	539
IFRS 7. B11D(d)	Gross settled FECs						
	- Inflows	-	(134)	(168)	(281)	(583)	
	- outflows	-	150	229	306	685	99

IFRS 7.B11D The interest payments on variable rate instruments have been included based on the applicable interest rate as at 31 December. Subsequent changes in the interest rates would result in different cash outflows.

35. Financial Risk Management (continued)

IFRS 7.B10A As noted in Note 28, a number of the Group's debt facilities are subject to debt covenants. If the Group was to breach those debt covenants in the future, the Group may be required to repay those debts earlier than indicated in the table above.

Market Risk

IFRS 7.33(a)(b) The Group is exposed to market risks from future cash flows or fair values of financial instruments changing in response to market prices. The Group typically considers that it is exposed to four kinds of market price risk: foreign exchange risk, interest rate risk, equity price risk.

IFRS 7.21A The Chief Financial Officer and the central treasury function are responsible for managing the market risks of the Group. Market risk data is monitored to see that it is maintained within acceptable ranges, and from time-to-time the treasury will use derivatives to manage that risk. Cash flow hedging and net investment hedging is applied to some transactions to further decrease the volatility in the statement of profit or loss or statement of financial position.

IFRS 7.33(c) The risk management policies have been applied consistently in 2023 and 2022 except for in relation to commodity price risk. Over the last couple of years the Group has experienced a decline in its exposure to commodity price risk in the Agriculture segment due to the maturing market, decreased price volatility and the increase in prevalence of fixed price contracts. Accordingly in 2023, the Group reassessed its commodity price risk management policy and will no longer use derivatives to manage this risk. As no financial instruments outstanding as at 31 December 2023 are exposed to commodity price risk, no sensitivity disclosures have been provided. During the year, whilst the remaining commodity derivatives were realised, losses of €14,000 were recognised in the income statement.

IFRS 7.35

Foreign Exchange Risk

IFRS 7.33(a) The Group is exposed to foreign exchange risk due to sales and purchases, receivables and payables being denominated in currencies other than the functional currency of the relevant entity in which they are recognised. In addition, internal and external funding arrangements may also be denominated in currencies other than the functional currency of the relevant entity, which gives rise to further foreign currency exposures.

Sales and Purchases

IFRS 7.33(b)
7.22B(a) The Group monitors the foreign exchange risk at a transactional level and uses forward contracts to manage the exposure from trading both through designated cash flow hedges where criteria are met, and others are held at fair value through profit and loss.

IFRS 7.22B(b) (c)

The Group uses foreign exchange forward contracts to hedge forecast purchases in the shipping businesses in Europe. A large number of the Shipping costs are denominated in USD. Where the forwards are designated into cash flow hedges, only the spot element of the forward is designated into the hedging relationship and at the time of the designation the critical terms of the hedging instrument match exactly the terms of the hedged item and a 1:1 hedging ratio is applied. The Group therefore performs a qualitative assessment of the hedge's effectiveness and no ineffectiveness is expected at the inception of the hedge.

IFRS 7.23D. 23E

When there is a change in the hedged item, such that the critical terms no longer match, a hypothetical derivative will be used instead to test effectiveness and it may give rise to ineffectiveness. Ineffectiveness may also arise if there is a change in the creditworthiness of either the Group entity or the counterparty to the derivative.

The forward points on the foreign exchange forward contracts are excluded from the hedging relationship and are accounted for separately as a cost of hedging and are deferred in the cost of hedging reserve in equity.

35. Financial Risk Management (continued)

		Forward Exchange Contracts in designated cash flow hedges			
		2023		2022	
		Asset	Liability	Asset	Liability
IFRS 7 .24A(d)	Notional (€'000)	1,000	1,500	-	2,000
IFRS 7 .24A(a)	Carrying amount (€'000)	77	(64)	-	(87)
IFRS 7.24A(b)	Balance Sheet line item	Other financial assets	Other financial liabilities	-	Other financial liabilities
IFRS 7.23B(a)	Maturity date	2024-2025		2023	
IFRS 7 .23B(b)	Weighted average forward rate	1.0EUR: 1.05USD		1,10EUR: 1.11USD	
IFRS 7 .24A(c)	change in intrinsic value of hedging instrument during year (€'000)	100		(63)	
IFRS 7 .24B(b)(i)	change in fair value of related hedge item during year (€'000)	(100)		63	

These cash flow hedges of foreign currency have not experienced any ineffectiveness during the period. (2022: no ineffectiveness)

Net Investment Hedges

IFRS 7.33(b)
IFRS 7.22A

The Group manages the foreign exchange risk arising from funding by aiming to denominate external funding in the currency of the entity that it is funding. Translation risk also arises on the translation of foreign currency entities back to Euro, which is the presentation currency of the Group.

IFRS 7.22B

The Group has a significant exposure to its investment in Hephaestus Energy Ltd in Brazil that has BRL as its functional currency. In 2021 the Group entered into a 10-year 55m BRL loan which mitigates the foreign exchange risk on the net assets of Hephaestus Energy Ltd. It has designated the loan as a net investment hedge of its investment in Hephaestus Energy Ltd. No ineffectiveness has arisen as a result of this hedge.

		Net Investment hedges	
		2023	2022
IFRS 7 .24A(d)	Notional (€'000)	55m BRL	55m BRL
IFRS 7 .24A(a)	Carrying amount (€'000)	10,247	8,828
IFRS 7.24A(b)	Balance Sheet line item	Loans and borrowings	
IFRS 7.23B(a)	Maturity date	2031	
IFRS 7 .24A(c)	change in intrinsic value of hedging instrument during year (€'000)	(1,419)	1,332
IFRS 7 .24B(b)(i)	change in fair value of related hedge item during year (€'000)	1,419	(1,332)

35. Financial Risk Management (continued)

Exposures to Foreign Exchange risks

The following table outlines the Group's material exposures to foreign exchange risk at the end of the reporting period, expressed in Euros. It reflects both external positions and intercompany balances denominated in a currency other than the functional currency of the relevant entity it is held in, which exposes the Group to foreign exchange risk.

IFRS 7.34(a)	NOK		BRL		MYR		USD	
	2023	2022	2023	2022	2023	2022	2023	2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Trade Receivables	1,588	1,674	71	71	71	95	102	153
Trade Payables	(523)	(218)	(789)	(789)	(789)	(1,548)	(2,050)	(2,410)
Loans and Borrowings	(2,396)	(3,285)	(10,024)	(10,024)	(10,024)	(9,931)	-	-
Foreign Currency forwards	10	(5)	(23)	39	57	63	(13)	(87)

IFRS 7.40(b) The Group considers that a 7.5% shift in exchange rates is reasonably possible based on current volatility in the foreign exchange markets (2022: 6.5%). If exchange rates were to move by that amount, and all other variables, including interest rates remained constant, based on the balances as at 31 December the impact on the financial statements would be as follows:

IFRS 7.40(a)	Post-tax profit or loss				Equity, net of tax			
	Strengthen		Weaken		Strengthen		Weaken	
	2023	2022	2023	2022	2023	2022	2023	2022
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
NOK	(77)	(81)	79	85	(89)	(85)	85	80
BRL	85	67	(79)	(59)	1,049	998	(1,041)	(989)
MYR	586	683	(592)	(618)	614	672	(601)	(615)
USD	(55)	(63)	49	57	(40)	(45)	46	56

Interest Rate Risk

IFRS 7.33(a)(b) The Group is exposed to interest rate risk through the cash flows on its variable rate instruments fluctuating in response to changes in variable interest rates. This mainly arises on the Group's long-term borrowings. The Group manages this risk by ensuring at least 50% of all long-term borrowings are at a fixed rate. This is achieved through a combination of entering into fixed rate agreements, or by borrowing at a variable rate and then using interest rate swaps to hedge the variability in cash flows associated with the variable rates.

IFRS 7.22B(b)(c) The Group uses Interest rate swaps to hedge the variable cash flows on borrowings across the Group. All interest rate swaps entered into by the Group are designated into cash flow hedge relationships. The Group uses perfect hypothetical derivatives to assess effectiveness and no ineffectiveness is expected at the inception of the hedge as the interest rates entered into perfectly match the critical terms of the underlying debt.

IFRS 7.23D. 23E Some ineffectiveness has arisen over the life of the hedges due to changes in the creditworthiness of either the Group entity or the counterparty to the interest rate swap.

35. Financial Risk Management (continued)

		Interest rate swaps			
		2023		2022	
		Asset	Liability	Asset	Liability
IFRS 7.24A(d)	Notional (€'000)	3,250	6,000	3,250	6,000
IFRS 7.24A(a)	Carrying amount (€'000)	256	(529)	352	(493)
IFRS 7.24A(b)	Balance Sheet line item	Other financial assets	Other financial liabilities	Other financial assets	Other financial liabilities
IFRS 7.23B(a)	Maturity date	2025 – 2028		2025 – 2028	
IFRS 7.23B(b)	Weighted average fixed rate	4.3%		4.3%	
IFRS 7.24A1	change in intrinsic value of hedging instrument during year (€'000)	(236)		(309)	
IFRS 7.24B(b)(i)	change in fair value of related hedge item during year (€'000)	232		315	
IFRS 7.24C(b)(i)	Hedge ineffectiveness recognised in profit and loss	4		_14	
IFRS 7.24C(b)(ii)	The ineffectiveness has been recognised as part of finance expense in the income statement (Note 8).				

Exposures to Variable interest rates

The following table outlines the Group's exposures to variable interest rates as at 31 December:

IFRS 7.34(a)	2023	2022
	€'000	€'000
Overdraft facility	398	450
Bank loans	18,548	18,025
<i>Less</i>		
Cash and cash equivalents	(2,194)	(5,275)
Notional of Interest Rate Swaps	(12,000)	(12,000)
Net exposure to interest rate risk	4,752	1,200

IFRS 7.40(b) The Group's profit and loss and equity will be impacted by movements in interest rates. The Group considers that 75 basis points is a reasonably possible change in interest rates as at 31 December (2022: 70 basis points). If interest rates were to move by that amount, and all other variables, including exchange rates remained constant, based on the balances as at 31 December the impact on the financial statements would be as follows. This does not include the impact of fixed rate instruments measured at FVTPL as the Group does not have any material fixed rate financial instruments measured at FVTPL.

IFRS 7.40(a)	Post-tax profit or loss		Equity, net of cash	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Increase of 75 bp (2022: 70bp)	(52)	(42)	188	165
Decrease of 75 bp (2033: 70bp)	53	44	(183)	(159)

¹⁴ Although ineffectiveness of €6,000 arose in 2022, due to the fair value of the hedging instrument being less than the fair value of the hedged item, this full amount was taken to the cash flow hedge reserve, and therefore there is no ineffectiveness recognised in the income statement.

35. Financial Risk Management (continued)

Equity Price Risk

7.33(a)(b) The Group is exposed to Equity price risk through its investment in listed and unlisted equity instruments. The Group minimises this risk by diversifying the investment across geography and sectors, although all investments are strategic investments linked to future operations of the Group. The fair values of these investments are regularly reported to the Board, to factor into any decision of the ongoing investment in these entities.

IFRS 7.40(b) As at 31 December 2023 €200,000 (2022: €245,000) of the Group's investments in listed equity instruments were listed on the NYSE and movements in the share prices of these equity instruments is correlated with movements in the NYSE composite index. Based on the volatility in the NYSE, the Group considers an 11% change to be reasonably possible (2022: 12%). Such an Increase / (decrease) would likely result in a €25,000/ (€23,000) impact on profit and loss after tax and equity. In 2022 the 12% increase/ decrease would have resulted in a €32,000/ €29,000 impact to profit and loss after tax and equity.

IFRS 7.40(a)

The fair value sensitivities for the unlisted equity instruments are included as part of the fair value disclosures in note 22.

IFRS 7.24E

Hedge Accounting Activities

The movements in the hedging reserve (note 33) are attributable to the different hedges as follows

	Forwards	Interest rate swaps	Cost of hedging	Total
At 1 January 2022	64	(164)	31	(69)
Changes in hedging instrument recognised in OCI	(63)	309	-	246
Cost of hedging recognised in OCI	-	-	(21)	(21)
<i>Less</i>				
Amounts reclassified to inventory	(80)	-	(51)	(131)
Amounts reclassified to profit or loss	-	(53)	-	(53)
Deferred Tax	38	(74)	(14)	(50)
At 31 December 2022	(41)	18	(55)	(78)
Changes in hedging instrument recognised in OCI	100	232	-	332
Cost of hedging recognised in OCI	-	-	25	25
<i>Less</i>				
Amounts reclassified to inventory	15	-	(18)	(3)
Amounts reclassified to profit or loss	-	(103)	-	(103)
Deferred Tax	(16)	(96)	(8)	(120)
At 31 December 2023	58	51	(56)	53

35. Financial Risk Management (continued)

Accounting Policy

The Group designates certain derivatives into hedge relationships to either mitigate the cash flow risk associated with highly probable forecast transactions, and certain non-derivative liabilities as hedges of foreign currency risk in net investments in foreign operations.

At the inception of the hedge, the hedge relationship is documented including identifying the hedging instrument, hedged item, hedging ratio, and the risk management objective and strategy for undertaking the hedge. The Group also ensures and documents that

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the change in fair values.

Qualifying hedges are accounted for as follows:

Cash flow Hedging

IFRS 9.6.5.11

For cash flow hedges, the effective portion of the change in fair value of the derivatives designated in the cash flow hedge is recognised in OCI and then within the cash flow reserve within equity. The ineffective portion is recognised immediately in the income statement as part of finance income or expenses. The amount in the Cash flow hedge reserve is adjusted to the lesser of the cumulative change in the fair value of the hedging instrument and the hedged item.

IFRS 9.6.5.16

The Group uses forwards in cash flow hedges and has elected to designate only the change in the fair value of the spot element of the forwards in the hedge relationship. The change in the fair value of the forward points, to the extent it relates to the effective hedge, is separately accounted for as a cost of hedging and recognised with a cost of hedging reserve within equity.

IFRS 9.6.5.11

For cash flow hedges affecting future transactions, the gains or losses which are recognised as part of other comprehensive income are transferred to profit or loss in the same period in which the hedge transaction affects income. Where the hedge transaction results in the recognition of an asset or liability, the associated gains or losses that had previously been recognised in other comprehensive income are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

IFRS 9.6.5.13

Net Investment Hedging

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedges is recognised in other comprehensive income and then within the foreign currency translation reserve within equity. The ineffective portion (if any) is recognised immediately in the income statement as part of finance income or expense.

Gains and losses accumulated in equity are included in profit or loss when the foreign operation which is being hedged is disposed of or sold.

36. Related Parties

Key Management Personnel compensation

	2023	2022
	€'000	€'000
IAS 24.17(a) Short-term employee benefits	658	631
IAS 24.17(b) Post-employment benefits	58	37
IAS 24.17(c) Other long-term benefits	121	93
IAS 24.17(d) Termination benefits ^a	55	-
IAS 24.17(e) Share-based payments	372	360
Total	1,264	1,121

^a This termination benefit relates to a payment made to Mrs Anderson who was the Global Head of Timber manufacturing. With the Sale of the Demeter Business that role was made redundant, resulting in the termination payment to Mrs Anderson.

Transactions with Related Parties

For details of the subsidiaries of the Company refer to note 10 and for details of associates and joint ventures refer to note 11.

The following transactions arose with Related Parties during the year:

IAS 24.18(a)(b)	Transactions during the year		Balance outstanding as at end of year	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
IAS 24.19	Sales of goods and services			
	KMP controlled entities ^a	168	231	76
	Other related parties	63	75	13
	Purchases of goods and services			
	From associates	159	263	52
	From joint venture	102	96	22
	Other			
	Lease from parent ^b	17	19	937
	Dividends from associates	31	130	-
	Dividends from joint venture	612	-	-
	Loan to joint venture ^c	195	196	2,439

IAS 24.18 ^a This includes sales of €74,000 to WoodCo Inc. a company controlled by a KMP of the Group (2022: €97,000). At the end of the year the amount owed by WoodCo was €35,000 (2022: €15,000) Due to financial difficulties at WoodCo, during the year an allowance for doubtful debts of €25,000 has been recognised (2022: Nil). This was all recognised as an expense in the current year.

IAS 24.18(b) ^b The Group leases an office from its parent Zeus Pty Ltd. The lease is on market terms and is due to expire in 2027. During the year it paid €98,000 in lease payments (2022: €99,000) and incurred €17,000 in interest expense (2022: €19,000). The associated right of use asset is currently recognised at €933,000 (2022: €941,000)

IAS 24.18(b)(i) ^c The loan to the joint venture was entered into on market terms and matures in 2030. It bears an interest rate of 8% and is secured against a building owned by the joint venture.

All other sales and purchases of goods and services with related parties entered into at mutually agreed terms and conditions. Any balances outstanding at year-end are non-interest bearing, unsecured and expected to be settled in cash within the next year.

The Parent and KMP to the extent that they were shareholders received dividends during the year, consistent with their ownership interest (Refer to note 32)

36. Related Parties (continued)

Commitments

The Group's Joint Venture Achelous GmbH has fuel commitments. Refer to note 38 for further information.

Guarantees

IAS 24.18(b)

To facilitate the ongoing development of Prometheus AB., during the year the Group has provided a guarantee over a \$2,000,000 loan facility that they have entered into. The loan facility expires in 2033. As at 31 December 2023, Prometheus was yet to be drawn down on that facility.

37. Share-based payments

	2023 €'000	2022 €'000
Equity settled		
- To employees	732	715
- For goods and services	450	-
	<u>1,182</u>	<u>715</u>
Cash settled	37	-
IFRS 2.51(A) Total Share-based Payment expense	<u>1,219</u>	<u>715</u>

During the year, the Group had the following share-based payment arrangements:

Executive Share Options (ESO)

IFRS 2.45(a) The Group's executive share option scheme provides eligible executives and other senior management employees with incentives in the form of options over shares in the Company, to provide these employees with long-term incentives. The Board determines who is entitled to participate in this scheme from time to time.

The employees receive the options for no consideration and are exercisable on or after the fourth anniversary of their issue, as long as the employee is still employed by the Group and the Company has achieved a required Total Shareholder Return (TSR) as determined at the time of the original grant. The option expires on the sixth anniversary of the grant date of the option. The exercise prices are determined by the Directors at the time of the grant. When the options are exercised the employee will receive ordinary shares in the Company.

This is an equity settled share-based payment and the expense is recognised over the 4-year vesting period.

The details of the number and weighted average exercise price of options, granted, forfeited, exercised and expired during the year are as follows:

	2023		2022	
	Weighted avg exercise price	Number of options	Weighted avg exercise price	Number of options
IFRS 2.45(b)(i) Outstanding as at 1 January	€2.23	1,010,000	€2.17	800,000
IFRS 2.45(b)(ii) Granted during the year	€2.75	300,000	€2.34	250,000
IFRS 2.45(b)(iii) Forfeited during the year		-	€2.50	(40,000)
IFRS 2.45(b)(iv) Exercised during the year	€1.99	(20,000)		-
IFRS 2.45(b)(v) Expired during the year	€2.50	(100,000)		-
IFRS 2.45(b)(vi) Outstanding as at 31 December	<u>€2.65</u>	<u>1,190,000</u>	<u>€2.23</u>	<u>1,010,000</u>
IFRS 2.45(d) Exercisable as at 31 December	€2.45	170,000	€2.19	190,000

IFRS 2.45(d) Options outstanding as at 31 December 2023 had an average remaining contractual life of 4 years (2022: 3.5 years).

IFRS 2.45(c) The weighted average share price on the date of exercise for options exercised during the year was €2.39 (2022 – not applicable).

Deferred Shares

IFRS 2.45(a) As part of the executive's short-term incentive (STI), when the executives are awarded a bonus based on meeting specific KPIs, 50% of their bonus is paid immediately in cash, and 50% is paid in shares which are deferred for a further year. If the executive leaves before that 1 year is completed, they forfeit their right to the shares. The executives are not entitled to any dividends nor do they have any voting rights associated with the deferred shares before the 1 year vesting has completed.

37. Share-based payments (continued)

IFRS 2.46 The number of deferred shares to be awarded is based on 50% of the value of the STI bonus achieved divided by the weighted average share price of the Company's shares in the week leading up to the declaration of the STI. In March 2023 265,000 deferred shares (2022: 240,000) were allocated to executives in relation to their 2022 STI, based on a weighted average share price of €2.28 (2022: €2.21).

The deferred shares are considered an equity-settled share-based payment and are recognised as an expense over the two-year vesting period, which is the year the bonus relates to plus the additional year deferral.

Share Appreciation Rights (SAR)

IFRS 2.45(a) On 1 April 2023 a Group of employees were awarded 200,000 one-off Share Appreciation Rights in acknowledgement of their efforts with regards to the completion of the disposal of Demeter Group Limited (2022: nil). These employees will become entitled to future cash payments based on the increase in the Company's share price from the date of the grant to the second anniversary as long as they are still employed by the Group at that time. This is considered a cash settled share-based payment.

IFRS 2.51(b) The carrying amount of the cash-settled share based payment liability at 31 December 2023 is €37,000 (2022: nil).

Share-based payments for services

IFRS 2.48 The Company issued 175,000 shares in consideration for research services received in the year in connection with its power generation business (2022: Nil). The fair value of shares issued in such circumstances is determined by reference to the market value of the relevant services provided. The fair value of services received in the period was €450,000.

Fair value of awards Granted

IFRS 2.47(a)(iii) The fair value of the ESO has been determined using Monte Carlo Simulation. This has permitted the TSR hurdle (a market-based performance condition) to be able to be factored into the fair value. The SAR have been fair valued using the Black-Scholes-Merton methodology. Service conditions and any other non-market performance conditions have not been reflected in the fair values. The inputs used in the valuation are:

	2023		2022*
	ESO	SAR	ESO
Weighted average Fair value	€0.81	€0.19	€0.75
Date of valuation	15 Mar 23	31 Dec 23	12 Mar 22
Valuation model used	Monte Carlo	Black-Scholes Merton	Monte Carlo
Weighted average share price	€2.24	€2.35	€2.19
Exercise price	€2.75	€2.29	€2.34
Risk-free interest rate	8.15%	8.12%	8.84%
Expected volatility	15.7%	13.1%	15.9%
Option life (years)	6.0	2.0	6.0
Dividend yield	2.4%	2.4%	2.4%
Expected TSR	9.5%	N/A	8.75%

*The SAR was only issued in 2023 and there are therefore no 2022 comparatives.

IFRS 2.47(a)(ii) Expected volatility is based on the historical volatility over the equivalent period to the option life and is the Group's best expectation of future trends in volatility and may not necessarily be reflective of the actual future outcome.

37. Share-based payments (continued)

Accounting Policy

Equity-settled Share-based payments

The Grant date fair value of equity-settled share-based payments is recognised as an expense over the period when the associated service is rendered (the vesting period), with a corresponding increase in equity. Vesting conditions, other than market conditions, are used to determine the number of awards that are expected to vest, the estimate being adjusted at each period as necessary. If these conditions are not met, the cumulative expense recognised in relation to these awards will be nil. For awards with market-based performance conditions or non-vesting conditions the probability of these being achieved is factored into the fair value and there is no true-up if these conditions ultimately are not met.

Where awards are modified, the minimum expense recognised will always be the grant date fair value of the original award, provided the non-market vesting conditions of the original award were met. To the extent the modification results in any incremental expense determined at the date of modification, this will be recognised over the remaining vesting period of the modified award.

When an award is cancelled the remaining amount of the grant date fair value that has not already been recognised, will be recognised immediately as an expense in the income statement.

Cash-settled Share-based payments

For the cash-settled share-based payments including the Share Appreciation Rights, a liability for the fair value of services received is recognised and remeasured at each reporting dated over the vesting period and right up to the date of settlement, with changes recognised in profit or loss.

Equity instruments granted for services received

When the Group issues equity instruments for goods or services received, the fair value of the goods or services received is recognised as the cost of the goods or services received with a corresponding increase in equity. If the fair value of the equity instrument granted is greater than the fair value of the goods or services received the difference is recognised in profit or loss as consideration for unidentified services.

38. Commitments

IAS 16.74(c)
IAS 41.49(b)

As at 31 December 2023 the Group had unrecognised commitments to purchase power generation equipment of €2,482,000 (2022: nil). The Group has also entered into a €270,000 contract to replant 50 hectares of timber stands which will be undertaken in 2024. Neither of these have been recognised as liabilities.

IFRS 12.23(a)
IAS 24.18(b)

In addition, the Group's joint venture Achelous GmbH has unrecognised commitments to purchase fuel of €1,000,000 (2022: €850,000) of which the Group's share was €400,000 (2022: €340,000).

39. Contingent Liabilities and Contingent Assets

Contingent Liability

IAS 37.86(a)
IAS 37.86(b)
IAS 37.86(c)

The Group is defending legal action that has been taken against a subsidiary in Norway regarding contaminated water run-off at one of the timber plantations. The Group believes it will be successful in defending the claim and does not admit liability. However, if the legal action is successful, then the fines and compensation that the Group may be required to pay could range from €5 million to € 25 million based on outcomes of other similar cases. It is expected that this should be partially covered up to €15m by the Group's insurance policies. The legal proceedings are expected to be finalised in 2024.

Contingent Asset

IAS 37.89

A subsidiary has entered into proceedings against a supplier, who provided the Group with faulty equipment and is seeking the repayment of €452,000. The matter has been referred to arbitration and the Group has received legal advice that a favourable outcome for the Subsidiary is probable. However, the amount has not been recognised as a receivable as at 31 December 2023 because the amount receivable will be dependent on the arbitration process.

Accounting Policy

When assessing the possible outcomes of legal claims filed against the Group, the Group relied on the opinions of its legal advisors. These assessments by the legal advisors are based on their professional judgment. Since the results of the claims will be determined by the courts, the outcomes could be different from the assessments.

40. Prior period Restatement ¹⁵

IAS 8.49(a) During the year the Group identified that historically some Government grants that related to capital expenditure, had in correctly been recognised immediately in the income statement, rather than being deferred and recognised as income over the life of the associated asset. Accordingly, other income in prior periods had been overstated, and the government grants liability understated. The error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

IAS 8.49(b)(i) IAS 8.49(c)	Balance sheet as at 1 January 2022	As previously reported	Adjustment	Restated balance
		€'000	€'000	€'000
	Government grants (current)	526	49	575
	Total current liabilities	15,470	49	15,421
	Government grants (non-current)	1,518	475	1,993
	Total non-current liabilities	40,984	475	41,423
	Total Liabilities	56,320	524	56,844
	Net Assets	16,726	(524)	16,202
	Retained Earnings	4,542	(524)	4,018
	Total Equity attributable to shareholders of MG Atlantis Incorporated	16,587	(524)	16,063
	Total Equity	16,726	(524)	16,202
IAS 8.49(b)(i)	Balance sheet as at 31 December 2022			
	Government grants (current)	857	56	913
	Total current liabilities	17,120	56	17,176
	Government grants (non-current)	1,607	419	2,026
	Total non-current liabilities	42,142	419	42,561
	Total Liabilities	29,262	475	59,737
	Net Assets	19,902	(475)	19,427
	Retained Earnings	3,825	(475)	3,350
	Total Equity attributable to shareholders of MG Atlantis Incorporated	19,744	(475)	19,269
	Total Equity	19,902	(475)	19,427
IAS 8.49(b)(i)	Statement of Comprehensive income for year ended 31 December 2022			
	Other income	3,529	49	3,578
	Operating Profit	4,902	49	4,951
	Profit before income tax from continuing operations		49	2,281
	Profit from continuing operations	1,593	49	1,642
	Profit for the period	1,577	49	1,626
	Total Comprehensive income	3,620	49	3,669

IAS 8.49(B)(ii) The correction of this error had no material impact on the basic and diluted earnings per share and no impact on the operating, investing, or financing cash flow presented for 2022.

¹⁵ This prior period restatement has no impact on income tax or deferred taxes as the government grants are not assessable for tax purposes. If a restatement also impacts tax balances, the impacts on those line items should also be included in the above disclosures

41. Events After the End of the Reporting Period

Subsequent to the end of the reporting period, the following events occurred that will have a material impact on the 2024 financial statements:

- IAS 10.21 On 21 January 2024, the Group successfully refinanced a €5,000,000 debt facility that was previously due in March 2024. The new facility is now due 31 March 2029. The new facility has a floating interest rate of SONIA + 1.3%.
- IAS 10.21 On 30 January 2024, one of the Group's vessels ran aground and suffered significant damage. The vessel also spilled fuel on the coast, which will cost the Group significant costs to clean up and the Group may be subject to fines for the environmental damage. The Group is continuing to work with local authorities to remediate the area and it is too early in the process to estimate the expected costs.
- IAS 10.21 On 31 January 2024, the Board declared a final dividend for 2023 of 26 cents per ordinary share (€4,197,000), this will also result in a dividend on the non-redeemable preference shares of €40,000 – refer to note 32.

42. Significant Accounting Policies

42.1 Basis of Preparation

The financial statements have been prepared on a historical cost basis, except for the following:

- Some financial instruments including derivatives, investment in equity instruments and contingent consideration payable and receivable that have been measured at fair value
- Investment properties and vessels which are measured at fair value
- Share-based payments which are measured in accordance with IFRS 2 *Share-based Payments*

- IAS 1.16 The consolidated financial statements comply with International Financial Reporting Standards (IFRS) and Interpretations as issued by the International Accounting Standards Board (IASB) and are prepared on a going concern basis.

IAS 1.25

42.2 Basis of Consolidation

- IFRS 10.6 The financial statements comprise those of the Company and its subsidiaries, which are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Generally, control is achieved with a shareholding of more than one half of the voting rights over the relevant activities of the investee. The existence and effect of potential voting rights that are exercisable or convertible are considered when assessing whether the Group controls another entity.

- IFRS 10.20 The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition, or up to the effective date of disposal, as appropriate.

- IFRS 10.19 The consolidated financial statements are based on the financial statements of the individual companies drawn up using the standard Group accounting policies. Accounting policies applied by individual subsidiaries have been revised where necessary to ensure consistency with Group policies. All companies in the Group have the same reporting date of 31 December except as explained in note 10.

42. Significant Accounting Policies (continued)

IFRS 10. B86(c) All intra-Group transactions and balances between Group entities are eliminated on consolidation except for foreign currency transaction gains and losses. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the transferred asset.

IFRS 10. B94

Non-controlling interests are initially measured at their proportionate share of the net assets at the date of acquisition.

IFRS 10. B96

Profit or loss and each component of other comprehensive income are attributed to either the owners of the parent or any non-controlling interests, even if this allocation results in the non-controlling interests having a deficit balance.

IFRS 10. B98 – B99

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for in equity.

If the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary along with any non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any investment retained in the entity is measured at fair value at that date.

42.3 Foreign Currency

IAS 21.9

The consolidated Financial Statements are presented in Euros which MG Atlantis Incorporated has also determined is its functional currency. Each entity in the Group has determined its functional currency as being the currency of the primary economic environment in which the entity predominantly operates. No Group entity has a functional currency of a hyper-inflationary economy.

Transactions and balances

IAS 21.21

IAS 21.23

Transactions in foreign currencies are translated to the functional currency at the exchange rates prevailing on the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are retranslated at the exchange rates prevailing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. All other non-monetary assets and liabilities are translated at the date of initial recognition and are not retranslated.

IAS 21.28 - .32

Foreign exchange gains or losses are generally recognised in profit or loss unless they relate to a cash flow hedge, net investment hedge or are part of a net investment in a foreign operation in which case the gain or loss will be recognised in other comprehensive income. Foreign exchange gains and losses on non-monetary items at fair value follow the treatment of the underlying fair value gain or loss as either in profit or loss or other comprehensive income.

Translation of foreign operations

IAS 21.39

On consolidation, the financial statements of foreign operations are translated as follows:

- Assets and liabilities – at the exchange rate prevailing at reporting dates
- Income and expenses – at the average exchange rate for the period, unless the average rate is not a reasonable approximation of the exchange rates at the dates of the transaction, in which case the exchange rates at the dates of the transactions are used.
- Equity transaction – at the exchange rate prevailing at the date of the transaction.

Exchange differences from the above translations are recognised in other comprehensive income and these are accumulated in a separate translation reserve within equity. Accumulated exchange differences arising from translation that are attributable to non-controlling interests are allocated to, and recognised as part of, non-controlling interests in the consolidated statement of financial position.

42. Significant Accounting Policies (continued)

On disposal, the accumulated translation differences attributable to the Group are reclassified to the income statement as part of the gain or loss on disposal in the period in which the foreign operation is disposed of.

42.4 Changes in accounting policies – new accounting standards

The Group has applied for the first time the following amendments:

- IAS 8.28(a) • Amendments to IAS 12 *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction*

IA€ 28(c) This amendment requires the Group to recognise deferred tax assets and liabilities gross in relation to their leases which were previously these were recognised net. There is no impact on the amounts disclosed on the balance sheet as the amounts continue to be offset in accordance with the requirements of IAS 12, however in note 8 the amounts have been presented gross. The Prior period disclosures have also been amended consistent with the transitional provisions in the amendment

IAS 8.28(f)

IAS 8.28(d)
- IAS 8.28(a) • Amendments to IAS 12 *International Tax Reform – Pillar Two Model Rules*

IA€ 28(c) This amendment permits the Group to not recognise deferred tax assets and liabilities related to the Pillar Two tax reforms. Due to the uncertain nature of the tax reforms, the Group cannot quantify the impact that this has had on the amount of Deferred tax assets and liabilities not recognised on the balance sheet in the current period. No amounts were recognised in the prior period in relation to the Pillar Two Model Rules, to which this amendment would apply.

IAS 8.28(f)

43. Standards Issued but not yet Effective¹⁶

The following standards and amendments are not yet effective but may have an impact on the financial statements of the Group in the future.

- IAS 8.31(a) *Amendments to IAS 1 – Classification of Liabilities as Current or Non-current & Amendments to IAS 1 – Non-current Liabilities with Covenants*
- IAS 8.31(b) These amendments together impact the classification of liabilities with covenants and any convertible notes that the Group issues with liability classified conversion features. It may impact the classification of some of the Group's debts and will require additional disclosure about the effect of the covenants on the Group.
- IAS 8.31(e)(ii)
IAS 8.31(c),(d)
- The Group is still currently assessing the impact of these amendments. They are effective for the 2024 Financial Statements.
- IAS 8.31(a) *Amendments to IAS 7 & IFRS 7 Supplier Financing Arrangements*
- IAS 8.31(b) This amendment will have no impact on the amounts recognised in the financial statements but will require additional disclosures to be provided around the Group's use of supplier financing arrangements.
- IAS 8.31(c),(d)
- This amendment will be effective for the 2024 Financial Statements.

There are no other new standards or amendments that are expected to have a material impact on the Group.

¹⁶ This disclosure only includes those standards and amendments that are relevant to the Group, other organisations may have other relevant applicable upcoming standards.

Appendix A

Two Statement approach to Statement of Profit and Loss and Statement of Comprehensive Income

The main body of these illustrated financial statements presents a single statement of profit and loss. IAS 1.81A also permits entities to present two separate statements, which are illustrated below.

Consolidated Statement of Profit or Loss For the year ended 31 December 2023

	Notes	2023 €'000	2022 (Restated) €'000	
Continuing Operations				
IAS 1.82(a)	Revenue	4	35,769	33,074
	Cost of Sales		(16,351)	(17,073)
	<i>Gross Profit</i>		<u>19,418</u>	<u>16,001</u>
	Other income	5	7,877	3,578
	Selling and Distribution expense		(4,155)	(4,202)
	Administrative expenses		(6,216)	(6,744)
	Other expenses	6	(4,362)	(3,586)
IAS 1.82(ba)	Impairment on financial and contract assets	35	(61)	(96)
	<i>Operating Profit</i>		<u>12,501</u>	<u>4,951</u>
	Finance income	7	307	330
IAS 1.82(b)	Finance costs	7	(3,937)	(3,034)
	<i>Net finance Costs</i>		<u>(3,630)</u>	<u>(2,704)</u>
IAS 1.82(c)	Share of profit of associates and joint ventures	11	1,075	34
	Profit before income tax from continuing operations		9,946	2,281
IAS 1.82(d)	Income tax expense	8	(3,074)	(639)
	Profit from continuing operations		6,872	1,642
IFRS 5.33(a)/ IAS 1.82(ea)	Profit/(Loss) from discontinued operations (net of tax)	13	425	(16)
IAS 1.81A(a)	Profit for the period		<u>7,297</u>	<u>1,626</u>
Profit attributable to:				
IAS 1.81B(a)(ii)	Owners of the Company		7,279	1,605
IAS 1.81B(a)(i)	Non-controlling Interests	14	18	21
			<u>7,297</u>	<u>1,626</u>
Earnings per share				
IAS 33.66	Basic earnings per share	9	0.55	0.13
	Diluted earnings per share	9	0.43	0.12
Earnings per share – continuing operations				
IAS 33.66	Basic earnings per share	9	0.52	0.13
	Diluted earnings per share	9	0.40	0.12

Refer to note 40 for further details on the prior period restatement
These financial statements should be read in conjunction with the related notes.

Appendix B

Statement of cash flows (indirect method)

The main body of these illustrated financial statements presents the cash flow from operations using the direct method. IAS 7.18 permits entities to use either the direct or indirect method for determining the operating cash flows. The cash flow statement below illustrates the use of this indirect method.

Consolidated Statement of Cash Flows

For the year ended 31 December 2023

	Notes	2023 €'000	2022 €'000
Operating cash flows			
Profit before tax from continuing operations		9,946	2,281
Profit before tax from discontinued operations	13	269	836
<i>Profit before income tax</i>		<u>10,215</u>	<u>3,117</u>
Adjustments for:			
Depreciation of property, plant and equipment and right of use assets	18 / 23	4,926	4,671
Amortisation of intangibles	20	2,088	876
Impairment of property plant and equipment and intangibles	18 / 20	957	672
Write down of assets held-for-sale	13	-	857
Non-cash share-based payment expense	37	1,182	715
Remeasurement of existing interest in acquiree	12	(674)	-
Gain on disposal of Property, plant & equipment	18	(1,129)	(1,256)
Fair value gains/ losses on investment property	19	1,013	(115)
Fair value gains on agricultural assets	21	(1,407)	(1,151)
Government grants	27	(2,727)	(658)
Net finance costs	7	3,630	2,704
Share of profit of associates and joint ventures	11	(1075)	(34)
Gain on sale of discontinued operations	13	(274)	-
Change in working capital			
(increase)/ decrease in Inventories	16	(232)	1,251
decrease in Trade & other receivables	17	251	523
(increase)/ decrease in contract assets	4	1,490	(51)
(increase)/ decrease in prepayments		85	91
increase/ (decrease) in contract liabilities	4	(40)	33
Increase/ (decrease) in Trade and other payables	24	168	252
Increase / (decrease) in Provisions	25	(582)	206
<i>Cash Generated from Operations</i>		<u>17,963</u>	<u>12,703</u>
Interest paid	28	(3,412)	(3,216)
Taxes paid		(1,985)	(566)
Net cash flows from operating activities		<u>12,566</u>	<u>8,291</u>

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023

	Cash flows from investing activities			
IAS 7.39	Acquisition of subsidiary, net of cash acquired	12	(2,486)	-
IAS 7.39	Disposal of subsidiary, net of cash transferred	13	837	-
	Payments for property, plant & equipment	18	(11,457)	(6,509)
	Proceeds from disposal of property, plant & equipment		4,044	2,215
	Payments for Investment properties	19	-	(782)
	Payments for intangible assets	20	(929)	(151)
	Payments for Agricultural assets	21	-	(258)
	Receipt of government grants	27	3,285	1,029
	Dividends from associates and Joint ventures	11	643	130
	Dividends from investments	7	44	47
	Interest received from related party loan ¹⁷	36	195	196
	Proceeds on disposal of share investment	22	197	-
	Net cash flows from investing activities		(5,627)	(4,083)
	Cash flows from financing activities			
	Proceeds from issue of shares	30	1,240	1,060
	Proceeds from exercise of options	30	40	-
	Proceeds from call on partially paid shares	30	1,400	-
	Transaction costs on issuance	30	(336)	(51)
	Buy-back of non-redeemable preference shares	30	(1,250)	-
	Purchase of shares on market	30	(559)	(605)
IAS 7.42A	Acquisition of non-controlling interest	14	(65)	-
	Principal payments on lease liabilities	23	(1,515)	(2,248)
	Dividends paid ¹⁸	32	(3,315)	(2,879)
	Proceeds from borrowings		2,490	4,934
	Repayment of borrowings		(3,690)	(2,269)
	Net cash flows from financing activities		(5,560)	(2,058)
	Net Change in cash		1,379	2,150
	Cash and cash equivalents at 1 January	15	340	(1,612)
	Effect of movement in exchange rates		77	(198)
	Cash and cash equivalent as at 31 December	15	1,796	340

These financial statements should be read in conjunction with the related notes.

¹⁷ The Group has elected to present interest and dividends received as a cash flow from investing activities, it is equally acceptable to present this as part of cash flows from operating activities (IAS 7.31)

¹⁸ The Group has elected to present dividends paid as a cash flow from financing activities. IT is equally acceptable to present these as part of cash flows from operating activities (IAS 7.31)

For more information, get in touch with your local firm or email info@moore-global.com



Moore Global Network Limited is a company incorporated in accordance with the laws of England and provides no audit or other professional services to clients. Such services are provided solely by member firms of MCNL in their respective geographic areas. MCNL and its member firms are legally distinct and separate entities owned and managed in each location.