

THE BRITISH INDIAN TEA COMPANY LIMITED

REPORT AND ACCOUNTS

2003



THE BRITISH INDIAN TEA COMPANY LIMITED

Incorporated 1863

SHARE CAPITAL

Authorised		Issued
20,000	In 5% cumulative preference shares of £5 each	16,500
180,000	In ordinary shares of £1 each	170,310
<u>£200,000</u>		<u>£186,810</u>

Directors P.A. LEGGATT, M.B.E. (Chairman)
A.K. MATHUR, F.C.A.
M.C. PERKINS, F.C.A.

Secretary M.D. CONWAY, F.C.I.S.

Auditors MOORE STEPHENS
ST. PAUL'S HOUSE,
WARWICK LANE,
LONDON EC4P 4BN

Registered Office LINTON PARK,
LINTON,
MAIDSTONE,
KENT ME17 4AB

Registered Number 687C

THE BRITISH INDIAN TEA COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and forty-first annual general meeting of The British Indian Tea Company Limited will be held at Linton Park, Linton, Maidstone, Kent ME17 4AB on Wednesday, 23rd June 2004 at 9.40 a.m. for the following purposes:-

1. To receive and adopt the directors' report and statement of accounts for the year ended 31st December 2003
2. To re-elect a director
3. To re-appoint the auditors and authorise the directors to fix their remuneration.

By Order of the Board

M.D. CONWAY

Secretary

Linton Park,
Linton,
Maidstone,
Kent, ME17 4AB

23rd June 2004

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him and such proxy need not be a member of the company.

THE BRITISH INDIAN TEA COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors submit to the members their report together with the accounts for the year ended 31st December 2003.

ACCOUNTS	2003	2002
Loss on ordinary activities before taxation	<u>£ -</u>	<u>£(139)</u>
Loss on ordinary activities after taxation	<u>£ -</u>	<u>£(13)</u>
Preference Dividends	<u>£(578)</u>	<u>£(577)</u>
Loss for the year	<u>£(578)</u>	<u>£(590)</u>

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of an investment holding company.

The investment consists of shares in Stewart Holl (India) Ltd., a company incorporated in India and which operates tea estates in that country. During 2003 the estates operated at a loss and as a result no dividends are receivable. The estates are expected to return to profitability in 2004.

DIRECTORS

Board

The present board is shown on page one. Mr P.E. Hill retired as director and company secretary on 28th November 2003.

Mr. A.K. Mathur retires by rotation and, being eligible, offers himself for re-election.

Shareholdings

Neither at the end of the year, nor at any time during the year, has any director held a beneficial interest in any shares of the company.

The interests of Mr. M.C. Perkins in shares of group companies are disclosed in the accounts of the holding company Camellia Plc.

AUDITORS

Moore Stephens have expressed their willingness to continue as auditors of the Company and a resolution proposing their re-appointment and empowering the directors to fix their remuneration will be put before the annual general meeting.

By Order of the Board



M.D. CONWAY

Secretary

23rd June 2004

THE BRITISH INDIAN TEA COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 2003

	Notes	2003 £	2002 £
Administrative expenses		-	(421)
Exchange gain		<u>-</u>	<u>282</u>
Loss on ordinary activities before taxation	2	-	(139)
Taxation (credit) on ordinary activities	3	<u>-</u>	<u>(126)</u>
Loss on ordinary activities after taxation		-	(13)
Preference dividend		<u>(578)</u>	<u>(577)</u>
Retained loss for the year	7	<u>£ (578)</u>	<u>£ (590)</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

for the year ended 31st December 2003

	2003 £	2002 £
Loss for the year	-	(13)
Dividends	<u>(578)</u>	<u>(577)</u>
Retained loss for the year	(578)	(590)
Currency translation differences on foreign currency net investments	<u>(795)</u>	<u>(586)</u>
Net movement in shareholders' funds	(1,373)	(1,176)
Opening shareholders' funds	<u>196,331</u>	<u>197,507</u>
Closing shareholders' funds	<u>£194,958</u>	<u>£196,331</u>

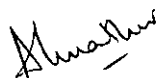
There are no recognised gains or losses other than those included in the above.

THE BRITISH INDIAN TEA COMPANY LIMITED

BALANCE SHEET as at 31st December 2003

	Notes	2003	2002
		£	£
FIXED ASSETS			
Investments	4	52,538	52,538
CURRENT ASSETS			
Debtors: Amounts due from group companies		142,998	144,770
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	5	(578)	(977)
NET CURRENT ASSETS		<u>142,420</u>	<u>143,793</u>
NET ASSETS		<u>194,958</u>	<u>£ 196,331</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	6	170,310	170,310
Profit and loss account	7	<u>8,148</u>	<u>9,521</u>
		178,458	179,831
NON-EQUITY CAPITAL AND RESERVES			
Preference shares	6	<u>16,500</u>	<u>16,500</u>
		<u>£ 194,958</u>	<u>£ 196,331</u>

Approved on 23rd June 2004 by the board of directors and signed on their behalf by:



A.K. MATHUR
Director

THE BRITISH INDIAN TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts are prepared on the historical cost basis of accounting and are in accordance with applicable accounting standards.

b) Rate of Exchange

The Indian rate of exchange has been taken at Rs.81.68 = £1 (2002 Rs.77.19 = £1). Long-term investments are translated at the rate applicable at the date of acquisition. Adjustments arising on translation of foreign currency investments are dealt with in the profit and loss account reserve. Realised exchange gains or losses are dealt with in the profit and loss account.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2003 £	2002 £
The loss on ordinary activities before taxation is arrived at after charging:		
Auditor's remuneration	<u>£ -</u>	<u>£ 400</u>

3. TAXATION

(a) Analysis of credit in period

U.K. Corporation taxation	<u>£ -</u>	<u>£ (126)</u>
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(b) Factors affecting tax credit for period

Tax losses recorded are surrendered to fellow subsidiaries at the standard rate of taxation of 30%. The current year's taxation credit is arrived at as follows:

Loss on ordinary activities before tax	<u>£ -</u>	<u>£ (139)</u>
Tax at the standard rate of corporation tax	-	(42)
Income not subject to taxation	-	(84)
	<u>£ -</u>	<u>£ (126)</u>

4. FIXED ASSET INVESTMENTS

The company owns 13.80% of the nominal value of the issued shares of Stewart Holl (India) Limited, incorporated in India

	2003 £	2002 £
Shares at cost at 1st January 1978	<u>£52,538</u>	<u>£52,538</u>

The principal country of operation is India.

THE BRITISH INDIAN TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

5.	CREDITORS	2003 £	2002 £
	Amounts falling due within one year:		
	Other creditors	-	400
	Dividend	578	577
		<u>£ 578</u>	<u>£ 977</u>
6.	SHARE CAPITAL		
	Authorised:		
	4,000 5% cumulative preference shares of £5 each	20,000	20,000
	180,000 ordinary shares of £1 each	<u>180,000</u>	<u>180,000</u>
		<u>£200,000</u>	<u>£200,000</u>
	Allotted, called up and fully paid:		
	3,300 5% cumulative preference shares of £5 each	16,500	16,500
	170,310 ordinary shares of £1 each	<u>170,310</u>	<u>170,310</u>
		<u>£186,810</u>	<u>£186,810</u>
7.	PROFIT AND LOSS ACCOUNT		
	At 1st January	9,521	10,697
	Exchange loss arising on translation of net foreign currency investments	(795)	(586)
	Loss for the year	<u>(578)</u>	<u>(590)</u>
	At 31st December	<u>£ 8,148</u>	<u>£ 9,521</u>

8 PARENT COMPANY

The ultimate parent company at 31st December 2003 was Camellia Plc which is registered in England and Wales. The consolidated financial statements of Camellia Plc can be obtained from the Company's registered office at Linton Park, Linton, Maidstone, Kent ME17 4AB.

9 CONTROL OF CAMELLIA PLC

Camellia Holding AG held 1,421,000 ordinary shares of Camellia Plc (representing 54.75 per cent of the issued share capital). Camellia Holding AG is owned by Camellia Private Trust Company Ltd. (a corporate trustee incorporated in Bermuda to hold on trust the investments of the Camellia Foundation). The Camellia Foundation is a Bermudan Trust, associated with Mr. Gordon Fox, whose income is utilised for charitable, educational and humanitarian causes at the discretion of the Trustees.

THE BRITISH INDIAN TEA COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the financial year. The directors consider that in preparing the accounts, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. In addition the directors confirm that the going concern basis is appropriate and all applicable accounting standards have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

THE BRITISH INDIAN TEA COMPANY LIMITED

Independent Auditors' Report to the shareholders of The British Indian Tea Company Limited

We have audited the financial statements of The British Indian Tea Company Limited for the year ended 31st December 2003 set out on pages four to seven. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page six.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

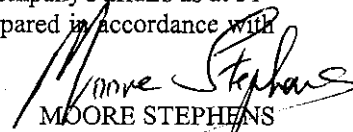
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practises Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MOORE STEPHENS

Chartered Accountants
and Registered Auditors

23rd June 2004