

THE ENDOGRAM TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

2003



THE ENDOGRAM TEA COMPANY, LIMITED

Incorporated 1880

SHARE CAPITAL

Authorised
£80,000

In shares of £1 each

Issued
£60,000

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

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

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

Bankers DUNCAN LAWRIE LIMITED

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

Registered Number 14663C

THE ENDOGRAM TEA COMPANY, LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and twenty fifth annual general meeting of The Endogram Tea Company, Limited will be held at Linton Park, Linton, Maidstone, Kent ME17 4AB on Friday, 25th June 2004 at 4.45 p.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-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

25th 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 ENDOGRAM 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>£(20)</u> | <u>£(1,013)</u> |
| Loss on ordinary activities after taxation | <u>£(2,656)</u> | <u>£(705)</u> |
| Loss for the year | <u>£(2,656)</u> | <u>£(705)</u> |

REVIEW OF ACTIVITIES

The company operated as an investment holding company throughout 2003, with its main investment consisting of a shareholding in Koomber Tea Company Limited, a company incorporated in India.

DIRECTORS

Board

The present board is shown on page one.

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 the directors in shares of group companies are disclosed in the accounts of the ultimate parent 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

25th June 2004

THE ENDOGRAM TEA COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st December 2003

| | Notes | 2003 £ | 2002 £ |
|---|-------|------------------|----------------|
| Loss on ordinary activities before taxation | 3 | (20) | (1,013) |
| Taxation (charge)/credit on profit on ordinary activities | 4 | <u>(2,636)</u> | <u>308</u> |
| Loss on ordinary activities after taxation | | (2,656) | (705) |
| Dividend proposed | | <u>-</u> | <u>-</u> |
| Loss for the year | 8 | <u>£ (2,656)</u> | <u>£ (705)</u> |

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 31st December 2003

| | 2003 £ | 2002 £ |
|---|------------------|------------------|
| Loss for the year | (2,656) | (705) |
| Dividend | <u>-</u> | <u>-</u> |
| Retained loss for the year | (2,656) | (705) |
| Currency translation differences on foreign currency net investments | <u>(24)</u> | <u>(44)</u> |
| Net movement in shareholders' funds | (2,680) | (749) |
| Opening shareholders' funds | <u>160,681</u> | <u>161,430</u> |
| Closing shareholders' funds | <u>£ 158,001</u> | <u>£ 160,681</u> |

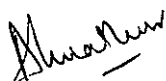
There are no recognised gains or losses other than those included in the above.

THE ENDOGRAM TEA COMPANY, LIMITED

BALANCE SHEET as at 31st December 2003

| | Notes | 2003 | | 2002 | |
|--|-------|-------|-----------------|--------|-----------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Investments | 2 | | 150,189 | | 150,189 |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 7,812 | | 11,482 | |
| CURRENT LIABILITIES | | | | | |
| Creditors: amounts falling due within one year | 6 | - | | 990 | |
| NET CURRENT ASSETS | | | <u>7,812</u> | | <u>10,492</u> |
| NET ASSETS | | | <u>£158,001</u> | | <u>£160,681</u> |
| EQUITY CAPITAL AND RESERVES | | | | | |
| Called up share capital | 7 | | 60,000 | | 60,000 |
| Profit and loss account | 8 | | <u>98,001</u> | | <u>100,681</u> |
| | | | <u>£158,001</u> | | <u>£160,681</u> |

Approved on 25th June 2004 by the board of directors and signed on their behalf by:



A.K. MATHUR
Director

THE ENDOGRAM 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) Consolidated Accounts

Consolidated accounts have not been prepared since the company is a wholly owned subsidiary of Camellia Plc, incorporated in England.

c) Exchange Rates

The rate of exchange used in these accounts was Rs.81.68 = £1 (2002 Rs.77.19 = £1). Exchange differences arising from transactions are included in the Profit and Loss Account. Adjustments arising on translation of foreign currency investments are dealt with in the profit and loss reserve.

d) Group Company

Investment in the group company is stated at cost.

Dividends from the group company are accounted for on a receivable basis.

2. FIXED ASSET INVESTMENT

2003

2002

Cost

At 1st January and 31st December

6,170 Rs.1,000 Ordinary shares
in Koomber Tea Company Limited

£150,189

£150,189

On 14th January 1983 the Reserve Bank of India approved the scheme to transfer Endogram's Indian assets to Koomber Tea Company Limited with effect from close of business on 31st December 1981 placing a value of £81,159 on Endogram's 35.89% shareholding in Koomber. During 1985 Koomber Tea Company Limited issued a further 320 equity shares of Rs.1,000, of which 280 were taken up by Endogram, thus increasing its shareholding to 39.81%. On 12th February 1988 Koomber made a capitalization issue in the ratio of 1:1, thereby increasing Endogram's holding to 3,360 shares of Rs.1,000 each. During 1992 Koomber issued a further 4,263 equity shares of Rs.1,000, of which 2,810 were taken up by Endogram, thus increasing its shareholdings to 51.12%.

THE ENDOGRAM TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2003 £ | 2002 £ |
|---|---------------|------------------|
| The loss on ordinary activities before taxation is arrived at as follows:- | | |
| Interest received | - | 1 |
| Administrative expenses | (20) | (1,026) |
| Exchange gains | - | 12 |
| | <u>£ (20)</u> | <u>£ (1,013)</u> |

Included in administrative expenses is the
following item:-

| | | |
|------------------------------|------------|--------------|
| Remuneration of the auditors | <u>£ -</u> | <u>£ 990</u> |
|------------------------------|------------|--------------|

4. TAXATION CHARGE/(CREDIT)

(a) Analysis of charge in the year

| | | |
|-------------------------------------|------------------|--------------|
| U.K. corporation tax | 6 | 308 |
| Adjustment in respect of prior year | <u>(2,642)</u> | <u>-</u> |
| Total current tax charge | <u>£ (2,636)</u> | <u>£ 308</u> |

(b) Factors affecting tax charge for period

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

| | 2003 £ | 2002 £ |
|---|------------------|------------------|
| Loss on ordinary activities before tax | <u>£ (20)</u> | <u>£ (1,013)</u> |
| Tax at the standard rate of corporation tax at 30% (2002: 30%) | 6 | 304 |
| Adjustment in respect of prior period | (2,642) | - |
| Income not subject to taxation | - | 4 |
| | <u>£ (2,636)</u> | <u>£ 308</u> |

THE ENDOGRAM TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

| | 2003 £ | 2002 £ |
|---|-----------------|------------------|
| 5 DEBTORS | | |
| Amount due from group companies | 7,401 | 11,047 |
| Taxation recoverable on dividend | <u>411</u> | <u>435</u> |
| | <u>£ 7,812</u> | <u>£ 11,482</u> |
| 6 CREDITORS - Amounts falling due within one year | | |
| Other creditors | <u>£ -</u> | <u>£ 990</u> |
| 7. SHARE CAPITAL | | |
| Authorised: | | |
| 80,000 shares of £1 each | <u>£ 80,000</u> | <u>£ 80,000</u> |
| Allotted, called up and fully paid: | | |
| 60,000 shares of £1 each | <u>£ 60,000</u> | <u>£ 60,000</u> |
| 8. PROFIT AND LOSS ACCOUNT RESERVE | | |
| At 1st January | 100,681 | 101,430 |
| Loss on currency fluctuation | (24) | (44) |
| Loss for the year | <u>(2,656)</u> | <u>(705)</u> |
| At 31st December | <u>£ 98,001</u> | <u>£ 100,681</u> |

9 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.

10. 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 ENDOGRAM 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 ENDOGRAM TEA COMPANY, LIMITED

INDEPENDENT AUDITORS' REPORT

to the shareholders of The Endogram Tea Company, Limited

We have audited the financial statements of The Endogram Tea Company, Limited for the year ended 31st December 2003 set out on pages four to eight. 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.

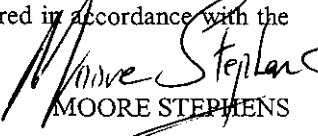
Basis of audit opinion

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

25th June 2004