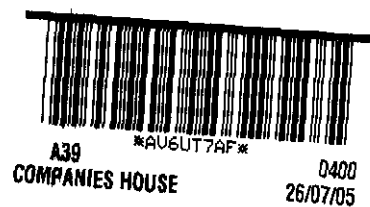


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CERTIFIED TO BE A TRUE COPY

THE MAZDEHEE TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

2004



CERTIFIED TO BE TRUE EXTRACTS
FROM THE COMPANY'S AUDITED
BOOKS OF ACCOUNTS.



SECRETARY

THE MAZDEHEE TEA COMPANY, LIMITED

Incorporated 1890

SHARE CAPITAL

Authorised
£150,000

In shares of £1 each

Issued
£150,000

Directors

P.A. LEGGATT, M.B.E. (Chairman)
A.S.M.O. SUBHAN
A.K. MATHUR, F.C.A.
A.R. BHUIYA
M.D. CONWAY, F.C.I.S.

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

C31287

THE MAZDEHEE TEA COMPANY, LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and sixteenth annual general meeting of The Mazdehee Tea Company, Limited will be held at Linton Park, Linton, Maidstone, Kent ME17 4AB on Thursday, 23rd June 2005 at 3.30 p.m. for the following purposes:-

1. To receive and adopt the directors' report and statement of accounts for the year ended 31st December 2004
2. To re-elect directors
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 2005

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 MAZDEHEE 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 2004.

ACCOUNTS	2004	2003
Profit on ordinary activities before taxation	<u>£257,434</u>	<u>£126,958</u>
Profit on ordinary activities after taxation	<u>£183,502</u>	<u>£53,169</u>
Retained profit for year	<u>£183,502</u>	<u>£53,169</u>

REVIEW OF ACTIVITIES

The principal activity of the company is the growing and manufacturing of tea and rubber in Bangladesh and it is the directors' intention to continue this policy.

DIRECTORS

Board

The present board is shown on page one. Mr M.D. Conway was appointed a director on 30th June 2004.

Mr. A.K. Mathur and Mr. A.R. Bhuiya retire by rotation and, being eligible, offer themselves 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.

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 2005

THE MAZDEHEE TEA COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st December 2004

	Notes	2004 £	2003 £
Turnover - continuing operations	2	745,491	797,358
Cost of sales		<u>(479,325)</u>	<u>(464,388)</u>
Gross profit		266,166	332,970
Net operating expenses	4	<u>(36,996)</u>	<u>(149,418)</u>
Operating profit - continuing operations	3	229,170	183,552
Investment income	5	13,156	16,755
Profit on disposal of associated undertaking	6	58,802	-
Bank interest receivable		4,038	3,013
Interest on bank loans and overdrafts		<u>(47,732)</u>	<u>(76,362)</u>
Profit on ordinary activities before taxation		257,434	126,958
Taxation on ordinary activities	8	<u>(73,932)</u>	<u>(73,789)</u>
Retained profit for the year	16	<u>183,502</u>	<u>53,169</u>

THE MAZDEHEE TEA COMPANY, LIMITED

BALANCE SHEET as at 31st December 2004

	Notes	2004	2003
		£	£
FIXED ASSETS			
Tangible assets	9	946,726	992,311
Investments	10	<u>82,944</u>	<u>215,329</u>
		1,029,670	1,207,640
CURRENT ASSETS			
Stocks	11	206,877	258,154
Debtors	12	193,711	212,280
Cash at bank and in hand		<u>211,461</u>	<u>99,084</u>
		612,049	569,518
LESS CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	13	<u>(631,198)</u>	<u>(853,100)</u>
NET CURRENT (LIABILITIES)		<u>(19,149)</u>	<u>(283,582)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,010,521	924,058
CREDITORS:			
Amounts falling due after more than one year	14	<u>(37,213)</u>	<u>(50,057)</u>
NET ASSETS		<u>£ 973,308</u>	<u>£ 874,001</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	15	150,000	150,000
Revaluation reserve	16	387,547	431,181
Profit and loss account	16	<u>435,761</u>	<u>292,820</u>
		<u>£ 973,308</u>	<u>£ 874,001</u>

Approved on 23rd June 2005 by the board of directors and signed on their behalf by:



A.K. MATHUR
Director

THE MAZDEHEE TEA COMPANY, LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st December 2004

	2004	2003
	£	£
Profit on ordinary activities after taxation	183,502	53,169
Currency translation differences on foreign currency net investments	<u>(84,195)</u>	<u>(113,699)</u>
Total recognised gains/(losses) since last annual report	<u>£ 99,307</u>	<u>£ (60,530)</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st December 2004

	2004	2003
	£	£
Retained profit for year	183,502	53,169
Currency translation differences on foreign currency net investments	<u>(84,195)</u>	<u>(113,699)</u>
Net movement in shareholders' funds	99,307	(60,530)
Opening shareholders' funds	<u>874,001</u>	<u>934,531</u>
Closing shareholders' funds	<u>£ 973,308</u>	<u>£ 874,001</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The company's accounting policies are disclosed below:-

a) Basis of Accounting

The accounts have been prepared under the historical cost convention, as modified by the revaluation of the company's plantation and are in accordance with applicable accounting standards. In accordance with FRS 18 the directors have considered whether the company will continue in operational existence for the foreseeable future. As in previous years the company's balance sheet discloses that the company has net current liabilities. Included in creditors, amounts falling due within one year, are bank overdrafts secured on the company's net assets. The directors believe the facilities will continue to be provided for the foreseeable future.

b) Turnover

Turnover is based on proceeds receivable and sales at invoiced values excluding value added tax.

c) Foreign Currencies

The operations of the Bangladesh branch are funded by local finance. Consequently the net assets and results of the branch have been translated using a closing rate of Takas 114.59 = £1 (2003 Takas 105.40 = £1), and an average rate of Takas 108.54 = £1 (2003 Takas 105.40 = £1). Exchange differences arising on the translation of revalued Planted Tea have been taken to revaluation reserve. Exchange differences arising on other fixed assets and net current assets are taken to profit and loss reserve. Exchange differences arising from trading transactions are included in the results for the year. Realised exchange differences on remittances are dealt with in the profit and loss account net of amounts previously provided in the reserves.

d) Tangible Fixed Assets

Fixed assets are stated at cost or valuation. Fixed assets revalued prior to the implementation of FRS 15 in 2000 are stated at revalued amounts. A policy of annual revaluation has not been adopted.

The anticipated life of tea bushes is considered to exceed 50 years. Where bushes have been replaced these have been charged to profit and loss account. Depreciation is deemed to be immaterial and has not been provided. Depreciation of tea estates development is provided for by charging the cost of replacement of tea bushes to profit and loss account. Depreciation of other fixed assets has been provided so as to write off the cost over their expected useful lives at the following annual rates on written down values.

	<u>Annual</u>
Rubber	5%
Buildings	10% to 20%
Plant and Machinery	20%
Vehicles	20%
Fixtures and Fittings	10% to 18%

e) Fixed Asset Investments

Investments are stated at cost less provision for permanent diminution in value.

f) Stocks

(i) Tea and Rubber

Stocks of tea and rubber have been valued at the lower of cost or net realisable value.

(ii) Estate Stores

Estate stores have been valued at the lower of cost or net realisable value.

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

1. ACCOUNTING POLICIES (continued)

g) Deferred Taxation

Deferred taxation is recognised as an asset or liability, at appropriate rates, in respect of transactions and events recognised in the accounts of the current and previous periods which give a right to pay less, or an obligation to pay more, in future tax periods. Deferred tax assets are only recognised to the extent that it is probable that there will be suitable taxable profits from which they can be recovered.

h) Operating Leases

Costs in respect of operating leases are charged in the year in which they are incurred.

	2004 £	2003 £
2. TURNOVER		
Tea Sales		
Bangladesh	658,972	728,230
Rubber Sales		
Bangladesh	<u>86,519</u>	<u>69,128</u>
	<u>£ 745,491</u>	<u>£ 797,358</u>
3. OPERATING PROFIT		
<i>Is stated after charging:</i>		
Depreciation of tangible assets	£32,673	£21,776
Hire of plant and machinery	£14,930	£18,796
Remuneration of the auditors	£369	£313
Land rent	<u>£3,041</u>	<u>£3,132</u>
4. NET OPERATING EXPENSES		
Administrative expenses	85,774	79,901
Fixed asset impairment provision	-	91,129
Sundry receipts	(48,778)	(22,660)
Exchange loss on remittances	-	5,903
Other exchange (gains)	<u>-</u>	<u>(273)</u>
	36,996	154,000
Exchange loss previously provided in reserves	<u>-</u>	<u>(4,582)</u>
	<u>£ 36,996</u>	<u>£ 149,418</u>
5. INVESTMENT INCOME		
Income from listed investments	12,971	16,565
Income from unlisted investments	<u>185</u>	<u>190</u>
	<u>£ 13,156</u>	<u>£ 16,755</u>

THE MAZDEHEE TEA COMPANY LIMITED
NOTES TO THE ACCOUNTS (continued)

	2004	2003
	£	£
6. PROFIT ON DISPOSAL OF ASSOCIATED UNDERTAKING		

Profit on disposal of shares in associated undertaking	<u>£ 58,802</u>	<u>£ -</u>
--	-----------------	------------

During the year, the company sold 20,000 shares and realised a net profit of £58,802 on the part disposal of its interest in United Leasing Company Limited, reducing its shareholding to 1% from 3%.

	2004	2003
	£	£
7. EMPLOYEES		
Staff costs:		
Wages and salaries	144,552	148,281
Pension costs	<u>8,177</u>	<u>8,277</u>
	<u>£ 152,729</u>	<u>£ 156,558</u>

The average number of persons employed by the company was:	<u>1,059</u>	<u>1,051</u>
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None of the directors received a remuneration during the year (2003 £nil).

The company makes contributions on behalf of its employees into the Lungla (Sylhet) Tea Company Limited Bangladesh Superannuation Fund. This fund provides pensions to the company's employees and employees of fellow subsidiaries operating in Bangladesh on a defined benefit basis.

The charge to the profit and loss account for the year ended 31st December 2004 of £8,177 (2003 £8,277) is based upon contributions in the current year.

At 31st December 2004 the fund was valued as follows:

	2004	2003
	£	£
Market Value of Assets	1,057,257	1,032,068
Present Value of Liabilities	<u>(1,257,451)</u>	<u>(1,177,419)</u>
Net Pension Scheme deficit	<u>£ (200,194)</u>	<u>£ (145,351)</u>

Valuations were completed by Watson Wyatt India Pvt. Ltd..

	2004	2003
	£	£
8. TAXATION		
(a) Current year tax charge		
On profits for the year		
U.K. Corporation tax	65,166	69,460
Bangladesh taxation	<u>73,704</u>	<u>77,854</u>
	138,870	147,314
Less double taxation relief	<u>(65,166)</u>	<u>(69,460)</u>
	73,704	77,854
Taxation adjustments in respect of previous years - Bangladesh	<u>228</u>	<u>(4,065)</u>
	<u>£ 73,932</u>	<u>£ 73,789</u>

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

8. TAXATION (continued)

(b) Factors affecting tax charge for period

The differences between tax calculated at the standard rate of taxation in the UK of 30% and that charged in the accounts are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>£257,434</u>	<u>£126,958</u>
Profit on ordinary activities multiplied by 30%	77,230	38,087
Effects of:		
Expenditure not deductible for tax purposes	12,249	27,339
Income not subject to taxation	(22,011)	-
Fixed asset timing differences	(7,523)	4,033
Higher tax rates on overseas earnings	13,759	8,395
Prior year adjustment	<u>228</u>	<u>(4,065)</u>
	<u>£ 73,932</u>	<u>£ 73,789</u>

- (c) The results of the company's branch in Bangladesh are subject to local taxation at rates in excess of those charged in the UK. Tax losses in Bangladesh can be carried forward and offset against future profits generated by the branch.

The results of the company are subject to taxation in the UK. Where profits arise UK tax arising can be offset through double tax relief against tax payable in Bangladesh and by losses surrendered by other UK companies. It is group practice to pay for all losses surrendered at the tax rate prevailing in the year of transfer. There are no UK losses carried forward. However there is a potential deferred tax asset arising due to the tax written down value of assets being greater than the net book value of the equivalent assets. This has not been recognised in the accounts as there is no likelihood of being able to utilise these losses in the foreseeable future.

A deferred tax liability of £116,264 has not been recognised in respect of the revaluation of planted tea as there is no intention for the assets to be sold.

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

9. TANGIBLE FIXED ASSETS

	Planted Tea and Rubber	Buildings	Plant and Machinery	Vehicles	Fixtures Fittings Tools and Equipment	Assets in Course of Construction	Total
Balance							
At 1st January 2004	704,930	353,670	126,864	15,689	91,796	76,961	1,369,910
Currency retranslation	(57,835)	(29,351)	(11,288)	(1,307)	(7,530)	(6,224)	(113,535)
Assets brought into use	23,838	-	-	-	-	(23,838)	-
Additions	315	18,479	21,011	902	3,132	24,763	68,602
At 31st December 2004	<u>£ 671,248</u>	<u>£ 342,798</u>	<u>£ 136,587</u>	<u>£ 15,284</u>	<u>£ 87,398</u>	<u>£ 71,662</u>	<u>£ 1,324,977</u>
Depreciation provision							
At 1st January 2004	34,015	152,698	106,242	14,126	70,518	-	377,599
Currency retranslation	(3,079)	(12,781)	(9,222)	(1,159)	(5,780)	-	(32,021)
Provision for the year	6,630	10,032	13,228	481	2,302	-	32,673
At 31st December 2004	<u>£ 37,566</u>	<u>£ 149,949</u>	<u>£ 110,248</u>	<u>£ 13,448</u>	<u>£ 67,040</u>	<u>£ -</u>	<u>£ 378,251</u>
Net book value							
At 31st December 2004	<u>£ 633,682</u>	<u>£ 192,849</u>	<u>£ 26,339</u>	<u>£ 1,836</u>	<u>£ 20,358</u>	<u>£ 71,662</u>	<u>£ 946,726</u>
Net book value							
At 31st December 2003	<u>£ 670,915</u>	<u>£ 200,972</u>	<u>£ 20,622</u>	<u>£ 1,563</u>	<u>£ 21,278</u>	<u>£ 76,961</u>	<u>£ 992,311</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

9. TANGIBLE FIXED ASSETS (continued)

	Planted Tea and Rubber	Buildings	Plant and Machinery	Vehicles	Fixtures Fittings Tools and Equipment	Assets in Course of Construction	Total
Fixed assets comprise the following:-							
Valuation 1970 less assets sold and written off	-	68,490	2,081	484	5,633	-	76,688
Valuation 1991	773,156	-	-	-	-	-	773,156
Cost less assets sold and written off	259,507	568,899	241,495	41,273	162,819	71,662	1,345,655
Exchange adjustments on retranslations	<u>(361,415)</u>	<u>(294,591)</u>	<u>(106,989)</u>	<u>(26,473)</u>	<u>(81,054)</u>	<u>-</u>	<u>(870,522)</u>
Total valuation or cost	671,248	342,798	136,587	15,284	87,398	71,662	1,324,977
Aggregate depreciation	<u>(37,566)</u>	<u>(149,949)</u>	<u>(110,248)</u>	<u>(13,448)</u>	<u>(67,040)</u>	<u>-</u>	<u>(378,251)</u>
Net book value at 31st December 2004	<u>£ 633,682</u>	<u>£ 192,849</u>	<u>£ 26,339</u>	<u>£ 1,836</u>	<u>£ 20,358</u>	<u>£ 71,662</u>	<u>£ 946,726</u>
Net book value at 31st December 2003	<u>£ 670,915</u>	<u>£ 200,972</u>	<u>£ 20,622</u>	<u>£ 1,563</u>	<u>£ 21,278</u>	<u>£ 76,961</u>	<u>£ 992,311</u>

The lease of the land is for a term of 35 years commencing 15th August 1972 with a right to negotiate renewal for a further term. The directors are of the opinion that the company will be granted a renewal by the Government of Bangladesh.

For historical cost purposes, the directors' valuation of fixed assets at 1970 is deemed to be cost, as the actual cost cannot be obtained without unreasonable expense. The planted tea was valued at £100,400 in 1970.

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

	2004 £	2003 £
10. INVESTMENTS		
Cost at 1st January	215,329	243,478
Loss on currency fluctuation	(17,277)	(28,149)
Additions	2,704	-
Disposals - see note 6	(117,812)	-
At 31st December	<u>£ 82,944</u>	<u>£ 215,329</u>
Investments at cost include:		
Listed on Dhaka Stock Exchange	<u>£ 79,174</u>	<u>£ 211,230</u>
Market value	<u>£ 193,639</u>	<u>£ 331,757</u>

Investments also includes an unlisted investment of 10,040 (2003 - 10,040) shares of Tk.10 each in Chittagong Warehouses Limited, a fellow subsidiary, incorporated and operating in Bangladesh, representing 5.56% (2003 - 5.56%) of the issued share capital.

11. STOCKS

Stock of tea	77,052	95,265
Stock of rubber	5,999	9,472
Estate stores	<u>123,826</u>	<u>153,417</u>
	<u>£ 206,877</u>	<u>£ 258,154</u>

There was no material difference between the replacement cost and value shown in stocks.

12. DEBTORS

Due within one year		
Trade debtors	27,156	82,069
Other debtors	50,723	53,419
Amounts owed by group companies	100,505	60,262
Prepayments and accrued income	5,844	6,059
Interest receivable	1,812	2,130
Due in more than one year		
Other debtors	<u>7,671</u>	<u>8,341</u>
	<u>£ 193,711</u>	<u>£ 212,280</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

	2004 £	2003 £
13. CREDITORS		
Amounts falling due within one year		
Term loans secured (see note 14)	8,712	12,783
Other creditors	65,390	60,596
Amounts owed to group companies	60,411	53,836
Corporation tax	52,045	64,981
Interest payable	19,046	20,002
Bank overdraft (secured against hypothecation of crop)	425,594	640,902
	<u>£ 631,198</u>	<u>£ 853,100</u>
14. CREDITORS		
Amounts falling due after more than one year		
Bank loans (secured against certain fixed assets)	<u>£ 37,213</u>	<u>£ 50,057</u>
Bank loans include the following amounts repayable over more than five years by instalments		
Aggregate amount of loans	£45,925	£62,840
Amount due beyond five years	£14,887	£19,428
The repayments of bank loans and overdrafts fall due as follows:		
Within 12 months or on demand (included in Creditors: due within one year)	434,306	653,685
Between 1 - 2 years	8,642	9,534
Between 2 - 5 years	13,684	21,095
After 5 years	14,887	19,428
	<u>£ 471,519</u>	<u>£ 703,742</u>
Interest rates vary from 5% per annum to 11% per annum.		
15. SHARE CAPITAL		
Authorised 150,000 shares of £1 each	<u>£ 150,000</u>	<u>£ 150,000</u>
Allotted, called up and fully paid 150,000 shares of £1 each	<u>£ 150,000</u>	<u>£ 150,000</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

16. RESERVES	Revaluation	Profit and Loss
At 1st January 2004	431,181	292,820
Foreign currency translation gains/(losses):		
On net current assets and investments	-	8,859
On fixed assets	(43,634)	(69,901)
On depreciation	-	32,021
On profits using average rate	-	(11,540)
Retained profit for year	-	183,502
At 31st December 2004	<u>£ 387,547</u>	<u>£ 435,761</u>

The distribution of retained profits is subject to exchange control permission for remittances from Bangladesh. Withholding tax at the rate of 15% (2003 15%) is charged when profits are remitted.

17. CAPITAL COMMITMENTS	2004	2003
Contracted for	<u>£ 9,469</u>	<u>£ 8,350</u>

18. LEASING COMMITMENTS

Annual commitment in respect of operating leases		
Land and buildings - expiring after more than five years	<u>£ 3,041</u>	<u>£ 3,132</u>
Other assets - expiring within one year	2,413	2,104
- expiring between 2 to 5 years	<u>12,517</u>	<u>16,692</u>
	<u>£ 14,930</u>	<u>£ 18,796</u>

19. PARENT COMPANY

The ultimate parent company at 31st December 2004 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.

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

20. RELATED PARTY TRANSACTIONS

The company is included within the consolidated accounts of Camellia Plc. Transactions with entities in the group headed by Camellia Plc are not disclosed on the grounds that 100% of the voting rights are controlled within that group.

21. CONTROL OF CAMELLIA PLC

Camellia Holding AG held 1,421,000 ordinary shares of Camellia Plc (representing 54.76 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 Bermudian Trust, whose income is utilised for charitable, educational and humanitarian causes at the discretion of the Trustees.

THE MAZDEHEE 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 MAZDEHEE TEA COMPANY, LIMITED

INDEPENDENT AUDITORS' REPORT

to the shareholders of The Mazdehee Tea Company, Limited

We have audited the financial statements of The Mazdehee Tea Company, Limited for the year ended 31st December 2004 set out on pages four to sixteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages seven and eight.

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, 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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens

MOORE STEPHENS

Chartered Accountants
and Registered Auditors

23rd June 2005