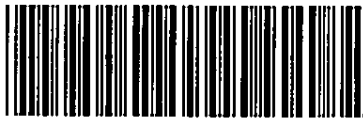


THE MAZDEHEE TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

31st December 2012

THURSDAY



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COMPANIES HOUSE

THE MAZDEHEE TEA COMPANY, LIMITED

Incorporated 1890

SHARE CAPITAL

Authorised
£ 150,000

In shares of £1 each

Issued
£ 150,000

Directors

P J FIELD
A K MATHUR, F C A
A R BHUIYA F C A
I AHMED

Company Secretary

J A MORTON

Independent Auditors

PRICEWATERHOUSECOOPERS LLP
CHARTERED ACCOUNTANTS AND
STATUTORY AUDITORS
1 EMBANKMENT PLACE
LONDON WC2N 6RH

Registered Office

LINTON PARK
LINTON
MAIDSTONE
KENT ME17 4AB

Registered Number

C31287

THE MAZDEHEE TEA COMPANY, LIMITED
REPORT OF THE DIRECTORS

The directors present their report together with the audited accounts for the year ended 31 December 2012

Principal Activities

The principal activity of the company is the growing and manufacturing of tea in Bangladesh

Results and dividends

The profit for the year amounted to £647,497 (2011 £848,578) A dividend of £302,000 (2011 £360,000) was paid during the year

Directors

The directors of the company, who are listed on page one, were all directors for the year and remain in office

Review of business and changes in corporate structure

The company is part of the Camellia Plc group and undertakes its principal activities through a branch in Bangladesh

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

The directors are responsible for the maintenance and integrity of the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

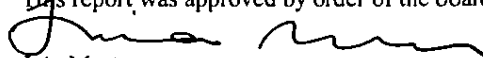
Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are not aware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information and to establish that the company's auditors are aware of that information

Independent Auditors

PricewaterhouseCoopers LLP have indicated that they will be seeking re-appointment as auditor at the forthcoming annual general meeting

This report was approved by order of the board on 30th August 2013



J A Morton

Company Secretary

THE MAZDEHEE TEA COMPANY, LIMITED

Independent auditors' report to the members of The Mazdehee Tea Company, Limited

We have audited the financial statements of The Mazdehee Tea Company, Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Balance Sheet, Statement of Changes in Equity, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

Scope of the report and accounts

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

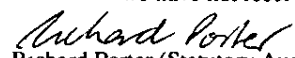
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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


Richard Porter (Statutory Auditor)

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

Date 2 September 2013

THE MAZDEHEE TEA COMPANY, LIMITED**STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31st December 2012

	Note	2012 £	2011 £
Revenue - continuing operations	2	1,789,973	1,679,336
Cost of sales		<u>(705,470)</u>	<u>(745,252)</u>
Gross profit		1,084,503	934,084
Net operating expenses	4	<u>(111,818)</u>	<u>(112,576)</u>
Operating profit - continuing operations	3	972,685	821,508
Gains arising from changes in fair value of biological assets	9	24,716	356,218
Investment income	5	45,714	130,552
Finance income		5,427	635
Finance costs		<u>(13,428)</u>	<u>(18,243)</u>
Profit on ordinary activities before taxation		1,035,114	1,290,670
Taxation	7	<u>(387,618)</u>	<u>(442,092)</u>
Retained profit for the year		647,497	848,578
Other comprehensive expense			
Foreign exchange translation differences		<u>(67,560)</u>	<u>(527,330)</u>
Total comprehensive income for the year		<u>579,937</u>	<u>321,248</u>


THE MAZDEHEE TEA COMPANY, LIMITED

Registered Number C31287

BALANCE SHEET
as at 31st December 2012

	Note	2012		2011	
		£	£	£	£
NON-CURRENT ASSETS					
Property, plant and equipment	8		477,442		247,939
Biological assets	9		3,063,583		3,084,500
Investments	10		1,782,054		1,817,114
			<u>5,323,079</u>		<u>5,149,553</u>
CURRENT ASSETS					
Inventories	11	328,995		313,954	
Trade and other receivables	12	206,028		508,269	
Cash and cash equivalents		<u>431,874</u>		<u>165,869</u>	
		<u>966,896</u>		<u>988,092</u>	
CURRENT LIABILITIES					
Borrowings	13	1,747		321,818	
Trade and other payables	14	1,047,373		912,176	
Current income tax liabilities		<u>338,262</u>		<u>271,742</u>	
		<u>1,387,383</u>		<u>1,505,736</u>	
NET CURRENT LIABILITIES			<u>(420,486)</u>		<u>(517,644)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,902,593		4,631,909
NON-CURRENT LIABILITIES					
Borrowings	13	2,541		5,211	
Deferred tax liabilities	15	<u>983,092</u>		<u>987,675</u>	
			<u>985,633</u>		<u>992,886</u>
NET ASSETS			<u>3,916,960</u>		<u>3,639,023</u>
EQUITY					
Share capital	16		150,000		150,000
Reserves			<u>3,766,960</u>		<u>3,489,023</u>
TOTAL EQUITY			<u>3,916,960</u>		<u>3,639,023</u>

The notes on pages 8 to 20 form part of the financial statements

Approved on 30th August 2013 by the board of
directors and signed on their behalf by

A K MATHUR
Director

THE MAZDEHEE TEA COMPANY, LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31st December 2012

	Called up Share Capital £	Reserves £	Total Equity £
At 1 January 2011	150,000	3,527,775	3,677,775
Comprehensive income for the year	-	321,248	321,248
Dividend paid	-	(360,000)	(360,000)
At 1 January 2012	150,000	3,489,023	3,639,023
Comprehensive income for the year	-	579,937	579,937
Dividend paid	-	(302,000)	(302,000)
At 31 December 2012	150,000	3,766,960	3,916,960

The distribution of retained profits is subject to exchange control permission for remittances from Bangladesh. Withholding tax at the rate of 15% (2011 15%) is charged when profits are remitted. Cumulative exchange losses amount to £566,998 (2011 £499,438 losses).

THE MAZDEHEE TEA COMPANY, LIMITED

CASH FLOW STATEMENT for the year ended 31st December 2012

	Note	2012 £	2011 £
CASH GENERATED FROM OPERATIONS			
Cash flows from operating activities	17	1,425,758	757,508
Interest paid		(13,519)	(19,964)
Interest received		5,427	635
Income taxes paid		(301,575)	(412,037)
Net cash flow from continuing operating activities		1,116,091	326,142
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(261,690)	(36,238)
Purchases of biological assets		(13,794)	(16,311)
Dividends received from group companies		45,714	130,552
Net cash flow from investing activities		(229,770)	78,003
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayments		(3,375)	(2,786)
Dividend paid		(302,000)	(360,000)
Net cash flow from financing activities		(305,375)	(362,786)
Net increase in cash and cash equivalents		580,946	41,359
Cash and cash equivalents at beginning of year		(153,338)	(221,405)
Exchange gains on cash and cash equivalents		4,267	26,708
Cash and cash equivalents at end of year		431,874	(153,338)
Cash and cash equivalents included in the cash flow statement comprise the following -			
Cash at bank and in hand		431,874	165,869
Bank Overdraft		-	(319,207)
		431,874	(153,338)

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

The principal accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU), IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The company has a registered branch in Bangladesh, the trading results of which are consolidated and presented in these financial statements. The financial statements have been prepared on the historical cost and going concern basis.

b) Foreign currency translation

The presentation currency of the company is pounds sterling, the currency of the country in which the company is incorporated. The operations of the company are based in Bangladesh and the functional currency is Bangladesh takas. The statement of comprehensive income and cash flows are translated into pounds sterling at average exchange rates for the year and balance sheet items are translated at exchange rates ruling at the balance sheet date. Exchange differences arising from translation of the net investment in the foreign operation are taken to shareholders' equity.

c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, value added tax and other sales related taxes. Invoices are raised when goods are despatched or when the risks and rewards of ownership otherwise irrevocably pass to the customer.

d) Property, plant and equipment

Property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of these assets. On transition to IFRS, the group has followed the transitional provisions and elected that previous UK GAAP revaluations be treated as deemed cost. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. Depreciation of assets is calculated to write off their cost less residual value on a straight line basis over their expected useful lives.

Rates of depreciation are -

Buildings	3% to 20%
Plant and machinery	7% to 13%
Vehicles	7% to 13%
Fixtures, fittings, tools and equipment	5% to 10%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is included in the statement of comprehensive income.

Costs in respect of operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (continued)

e) Biological Assets

Biological assets are measured on initial recognition and at each balance sheet date at fair value. Any changes in fair value are recognised in the statement of comprehensive income in the year in which they arise. All costs of planting, upkeep and maintenance of biological assets are set against the fair value movement.

f) Investments

Investments in group and associated companies are included at cost.

g) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

h) Inventories

Agricultural produce at the point of harvest is measured at fair value less estimated point-of-sale costs. Any changes arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs are recognised in the statement of comprehensive income in the year in which they arise.

Other inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and selling expenses.

i) Trade receivables

Trade receivables are carried at original invoice amount less provision made for impairment of these receivables. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms. The amount of the provision is recognised in the statement of comprehensive income.

j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (continued)

k) Borrowings

Interest-bearing bank loans and overdrafts are initially recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis to the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

l) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than in a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related tax asset is realised or the tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

m) Financial Instruments

Financial risk management policies are set by the Board. Various financial instruments arise directly from the company's operations, for example cash, trade debtors, trade creditors and accruals, in addition to the company using financial instruments to finance its operations. The company finances its operations by a mixture of retained profits, bank borrowings and long term loans. The objective for the company is to maintain a balance between continuity of funding and flexibility through the use of borrowings which are regularly reviewed.

Changes in accounting policy and disclosures

n) New and amended standards adopted by the company

No new or amended standards have been adopted by the company during 2012.

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES (continued)

- o) Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the company

The following standards and amendments to existing standards have been published and are mandatory for the company's accounting periods beginning on or after 1 January 2013 or later periods, but the company has not adopted them early

IAS 1

(amendment)

Financial statement presentation - effective from 1 July 2012

The main change resulting from these amendments is a requirement for entities to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The amendments do not address which items are presented in other comprehensive income.

IFRS 12

Disclosures of interests in other entities - effective from 1 January 2013

This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. This standard has been endorsed by the EU with an effective date of 1 January 2014.

IFRS 13

Fair value measurement - effective from 1 January 2013

This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

IAS 19

(amendment)

Employee benefits - effective from 1 January 2013

These amendments eliminate the corridor approach and calculate finance costs on a net funding basis.

IAS 27 (revised 2011)

Separate financial statements - effective from 1 January 2013

This revision includes the requirements relating to separate financial statements. This revised standard has been endorsed by the EU with an effective date of 1 January 2014.

IFRS 9

Financial instruments - effective from 1 January 2015

This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the company's accounting for its financial assets. The standard is not applicable until 1 January 2015 but is available for early adoption. This standard has not yet been endorsed by the EU.

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

	2012	2011
2 REVENUE	£	£
Bangladesh		
Tea Sales	1,559,211	1,386,390
Rubber Sales	230,762	292,946
	<u>1,789,973</u>	<u>1,679,336</u>
3 OPERATING PROFIT	2012	2011
	£	£
Is stated after charging		
Depreciation of tangible assets	27,926	15,441
Remuneration of the auditors	677	634
Land rent	11,246	2,199
Employee costs	295,665	265,686
	<u>111,818</u>	<u>112,576</u>
4 NET OPERATING EXPENSES	2012	2011
	£	£
Administrative expenses	115,985	117,120
Other income	(4,167)	(4,544)
	<u>111,818</u>	<u>112,576</u>
5 INVESTMENT INCOME	2012	2011
	£	£
Income from listed investments	45,714	130,552
6 EMPLOYEES AND DIRECTORS	2012	2011
	£	£
Staff costs		
Wages and salaries	279,540	248,371
Other pension costs	16,124	17,315
	<u>295,665</u>	<u>265,686</u>
	2012	2011
The monthly average number of persons	Number	Number
employed by the company was	1,081	1,081

The directors received no emoluments during the year from the company (2011 £nil) As they are remunerated by other group companies the value of their service to this company was negligible

The emoluments of Mr I Ahmed and Mr A R Bhuiya are disclosed in the accounts of Lungla (Sylhet) Tea Company, Limited and the emoluments of the other directors are disclosed in the accounts of the ultimate holding company, Camellia Plc

THE MAZDEHEE TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS

7	TAXATION	2012 £	2011 £
	(a) Current tax		
	UK Corporation tax		
	UK Corporation tax at 24.5% (2011 26.5%)	-	193,628
	Double tax relief	-	(193,628)
		-	-
	Foreign tax		
	Corporation tax	373,177	302,394
	Total current tax	373,177	302,394
	Deferred tax		
	Overseas	14,441	139,698
	Tax on profit on ordinary activities	387,618	442,092
	(b) Factors affecting tax charge for year		
	The differences between tax calculated at the standard rate of taxation in the UK of 24.5% (2011 26.5%) and that charged in the accounts are explained below		
	Profit on ordinary activities before tax	1,035,114	1,290,670
	Profit on ordinary activities at 24.5% (2011 26.5%)	253,603	342,028
	Effects of		
	Expenditure not deductible for tax purposes	5,507	17,413
	Income not subject to taxation	(6,056)	(24,239)
	Prior Year Adjustment	-	(12,237)
	Higher tax rates on overseas earnings	134,564	119,127
		387,618	442,092

- (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. There are no UK losses carried forward.

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

8 PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings £	Plant and Machinery £	Vehicles £	Fixtures Fittings Tools and Equipment £	Total £
Cost					
At 1st January 2011	402,753	333,090	24,236	30,351	790,430
Currency retranslation	(53,989)	(44,089)	(3,274)	(5,548)	(106,900)
Additions	10,807	-	1,049	24,382	36,238
At 1st January 2012	359,571	289,001	22,011	49,185	719,768
Currency retranslation	(6,775)	(5,154)	(424)	(949)	(13,302)
Additions	73,328	188,161	201	-	261,690
At 31st December 2012	426,124	472,008	21,788	48,236	968,156
Accumulated Depreciation					
At 1st January 2011	222,804	260,726	17,179	26,422	527,131
Currency retranslation	(29,809)	(34,896)	(2,350)	(3,688)	(70,743)
Provision for the year	5,070	6,132	1,209	3,030	15,441
At 1st January 2012	198,065	231,962	16,038	25,764	471,829
Currency retranslation	(3,808)	(4,435)	(307)	(491)	(9,041)
Provision for the year	6,076	18,088	1,035	2,727	27,926
At 31st December 2012	200,333	245,615	16,766	28,000	490,714
Net book value					
At 31st December 2012	225,791	226,393	5,022	20,236	477,442
Net book value					
At 31st December 2011	161,506	57,039	5,973	23,421	247,939

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

9 BIOLOGICAL ASSETS	Tea £	Other horticulture £	Total £
Fair value			
At 1 January 2011	2,071,002	1,081,659	3,152,661
Exchange differences	(288,068)	(152,621)	(440,689)
Increases due to purchases	13,723	2,587	16,310
Gains arising from changes in fair value less estimated point-of-sale costs	208,325	147,893	356,218
At 1st January 2012	2,004,982	1,079,518	3,084,500
Exchange differences	(38,190)	(21,237)	(59,427)
Increases due to purchases	11,466	2,328	13,794
Gains arising from changes in fair value less estimated point-of-sale costs	208,845	(184,129)	24,716
At 31 December 2012	2,187,103	876,480	3,063,583

Other horticulture comprises rubber production

Biological assets are carried at fair value obtained by professional valuations at the year end

The areas planted to the various crop types at the end of the year were

	2012 Hectares	2011 Hectares
Tea	613	613
Rubber	238	238
Output of agricultural produce during the year was	2012 Metric tonnes	2011 Metric tonnes
Tea	1,059	1,023
Rubber	95	108
Fair value of agricultural output after deducting estimated point-of-sale costs	2012 £	2011 £
	1,789,135	1,581,090

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2012	2011
	£	£
10 INVESTMENTS		
Cost at 1st January	1,817,114	2,094,327
Currency fluctuation	(35,060)	(277,213)
Additions	-	-
At 31st December	<u>1,782,054</u>	<u>1,817,114</u>
Investments at cost include		
Listed on Dhaka Stock Exchange	<u>78,901</u>	<u>80,454</u>
Market value	<u>688,653</u>	<u>915,071</u>
Investments at cost consist of		
Subsidiaries of group	1,703,153	1,736,660
Associates of group	<u>78,901</u>	<u>80,454</u>
	<u>1,782,054</u>	<u>1,817,114</u>
	2012	2011
11 INVENTORIES	£	£
Stock of tea	107,244	65,242
Stock of rubber	16,236	20,472
Estate stores	<u>205,515</u>	<u>228,240</u>
	<u>328,995</u>	<u>313,954</u>

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

	2012	2011
	£	£
12 TRADE AND OTHER RECEIVABLES		
Due within one year		
Trade debtors	136,395	136,514
Other debtors	35,620	113,456
Amounts owed by group companies	10,152	241,842
Prepayments and accrued income	13,438	5,829
Interest receivable	-	-
Due in more than one year		
Other debtors	<u>10,423</u>	<u>10,628</u>
	<u>206,028</u>	<u>508,269</u>

No provision for bad debts was made at 31 December 2012 (2011 £nil) No trade debtors were past their due date at 31 December 2012 (2011 £nil)

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2012 £	2011 £
13 BORROWINGS		
Current		
Bank overdraft (secured against hypothecation of crop)	-	319,207
Term loans secured	1,747	2,611
	<u>1,747</u>	<u>321,818</u>
Non-current		
Bank loans (secured against property, plant and equipment and biological assets)	2,541	5,211
	<u>4,288</u>	<u>327,029</u>
Bank loans include the following amounts repayable over more than five years by instalments		
Aggregate amount of loans	-	7,822
Amount due beyond five years	918	1,170
The repayments of bank loans and overdrafts fall due as follows		
Within 12 months or on demand	1,747	321,818
Between 1 - 2 years	357	2,611
Between 2 - 5 years	1,266	1,430
After 5 years	918	1,170
	<u>4,288</u>	<u>327,029</u>
Interest rates vary from 9.5% per annum to 13% per annum		
14 TRADE AND OTHER PAYABLES	2012 £	2011 £
Amounts falling due within one year		
Trade and other creditors	209,643	216,444
Amounts owed to group companies	837,342	695,243
Interest payable	389	489
	<u>1,047,374</u>	<u>912,176</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2012	2011
	£	£
15 DEFERRED TAX LIABILITIES		
At 1 January	987,675	987,451
Exchange differences	(19,024)	(139,474)
Charged in statement of comprehensive income	14,441	139,698
At 31 December	<u>983,092</u>	<u>987,675</u>
The deferred tax liability at the start and end of the year relates to the changes in value of biological assets		
16 SHARE CAPITAL	2012	2011
	£	£
Authorised, allotted, and fully paid		
150,000 (2011 150,000) shares of £1 each	<u>150,000</u>	<u>150,000</u>
17 RECONCILIATION OF PROFIT FROM OPERATIONS TO CASH FLOW	2012	2011
	£	£
Profit from operations	972,685	821,508
Depreciation	27,926	15,441
Increase in inventories	(21,051)	(67,261)
Decrease/(increase) in debtors	65,265	(131,900)
(Decrease)/increase in creditors	(2,619)	48,002
Change in intra-group balances	381,679	82,226
Exchange adjustments	1,873	(10,508)
Cash flow from operating activities	<u>1,425,758</u>	<u>757,508</u>
18 CAPITAL COMMITMENTS	2012	2011
	£	£
Contracted for	<u>-</u>	<u>155,524</u>

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

19 FINANCIAL INSTRUMENTS

Capital risk management

The company manages its capital to ensure it will be able to continue as a going concern, while maximising the return to stakeholders through the optimisation of its debt and equity balance. The capital structure of the company consists of debt, which includes the borrowings disclosed in note 13, cash and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

Categories of financial instruments	Carrying value	
	2012	2011
	£	£
Financial assets		
Cash and cash equivalents	431,874	165,869
Trade and other receivables	198,012	502,440
Investments	<u>1,782,054</u>	<u>1,817,114</u>
	<u>2,411,940</u>	<u>2,485,423</u>
Financial liabilities		
Trade and other payables	1,047,374	912,176
Borrowings	<u>4,288</u>	<u>327,029</u>
	<u>1,051,662</u>	<u>1,239,205</u>

Financial risk management objectives

The company finances its operations by a mixture of retained profits, bank borrowings and long-term loans. The objective is to maintain a balance between continuity of funding and flexibility, through the use of borrowings. To achieve this, the borrowings and facilities are regularly reviewed. The company also seeks to maintain sufficient undrawn committed borrowing facilities to provide flexibility in the management of the company's liquidity.

(A) Market risk

(i) Foreign exchange risk

The company has no material exposure to foreign currency exchange risk on trading activities.

(ii) Price risk

The company's exposure to commodity price risk is not significant.

(iii) Cash flow and interest rate risk

The company's interest rate risk arises from interest-bearing assets and short and long-term borrowings. Borrowings issued at variable rates expose the company to cash flow interest rate risk. The company has no fixed rate exposure.

(B) Credit risk

The company has policies in place to limit its exposure to credit risk. Credit risk arises from cash at bank, as well as credit exposures to customers, including outstanding receivables and committed transactions. Management assesses the credit quality of the customer taking into account its financial position, past experience and other factors and monitors the utilisation of credit limits regularly.

(C) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors. The company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

THE MAZDEHEE TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

20 PARENT COMPANY

The ultimate parent company at 31st December 2012 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.

21 RELATED PARTY TRANSACTIONS

There were transactions with group companies during the year of £431,990 (2011: 117,502) in respect of inter group sales and recharges which are included within revenue and cost of sales.

Company Name	Sales to	Recharges	Net
The Allynugger Tea CO	800		
Lungla Sylhet	513,239		
Duncan Brothers	146		
Amo Tea Co Ltd	78,328		
Surmah Valley Tea Co		(153,787)	
The Chandpore Tea Co		(6,736)	
	591,713	(160,523)	431,190

22 CONTROL OF CAMELLIA PLC

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia Plc (representing 51.34% of total voting rights). Camellia Holding AG is owned by The Camellia Private Trust Company Ltd, a private trust company incorporated under the laws of Bermuda to act as a trustee of the Camellia Foundation. The Camellia Foundation is a Bermudian trust, the income of which is utilised for charitable, educational and humanitarian causes at the discretion of the trustees.