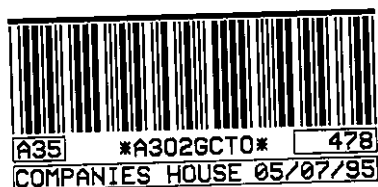


37431

THE ALLYNUGGER TEA COMPANY, LIMITED
REPORT AND ACCOUNTS
1994



THE ALLYNUGGER TEA COMPANY, LIMITED

Incorporated 1892

SHARE CAPITAL

Authorised		Issued
50,000	In 6% (now 4.2% plus tax credit) cumulative	50,000
	preference shares of £1 each	
400,000	In ordinary shares of £1 each	400,000
<u>£450,000</u>		<u>£450,000</u>

Directors P.A. LEGGATT, M.B.E. (Chairman)
 A.S.M.O. SUBHAN
 K. MAYES

Secretary K. MAYES

Auditors MOORE STEPHENS

Bankers DUNCAN LAWRIE LIMITED

Registered Office Wrotham Place, Wrotham, Sevenoaks,
 Kent, TN15 7AE.

Registered Number 37431

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and fourth annual general meeting of The Allynugger Tea Company, Limited will be held at Wrotham Place, Wrotham, Sevenoaks, Kent, TN15 7AE on Thursday, 18th May 1995 at 10.45 a.m. for the following purposes:-

1. To receive and adopt the directors' report and statement of accounts for the year ended 31st December 1994.
2. To re-elect a director.
3. To declare an ordinary dividend.
4. To re-appoint the auditors and authorise the directors to fix their remuneration.

By Order of the Board

K. MAYES

Secretary

18th May 1995

A member entitled to attend and vote 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 ALLYNUGGER TEA COMPANY, LIMITED

REPORT OF THE DIRECTORS

The directors submit to the members their report for the year ended 31st December 1994

ACCOUNTS

	1994	1993
Profit on ordinary activities before taxation	£78,132	£296,551
Profit on ordinary activities after taxation	£46,281	£160,496
Preference dividend	£2,100	£2,100
Ordinary dividend - proposed	£20,000	£20,000
Retained profit for the year	£24,181	£138,396

REVIEW OF ACTIVITIES

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

Notwithstanding the increased tea crop the profit on ordinary activities was lower than that for the previous year due to lower sale prices. At this stage it is not possible to forecast the results for 1995.

DIRECTORS

Board

The present board is shown on page one.

Mr. K. Mayes 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.

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

K. Mayes

K. MAYES

Secretary

18th May 1995

THE ALLYNUGGER TEA COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31st December 1994

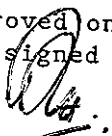
	Notes	1994 £	1993 £
Turnover - continuing operations	2	1,448,080	1,890,785
Cost of sales		<u>1,449,277</u>	<u>1,478,050</u>
Gross (loss) profit		(1,197)	412,735
Net operating (income) expenses	4	<u>(75,965)</u>	<u>120,677</u>
Operating profit - continuing operations		74,768	292,058
Investment and other income	5	123	-
Bank interest receivable		<u>3,241</u>	<u>4,493</u>
Profit on ordinary activities before taxation	3	78,132	296,551
Taxation on ordinary activities	7	<u>31,851</u>	<u>136,055</u>
Profit on ordinary activities after taxation		46,281	160,496
Preference dividend	14	2,100	2,100
Ordinary dividend - proposed	14	<u>20,000</u>	<u>20,000</u>
Retained profit for the year	16	<u>£24,181</u>	<u>£138,396</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

BALANCE SHEET
as at 31st December 1994

	Notes	1994	1993
		£	£
FIXED ASSETS			
Tangible assets	8	3,388,420	3,383,787
Investments	9	1,396	423
		<u>3,389,816</u>	<u>3,384,210</u>
CURRENT ASSETS			
Stocks	10	377,569	397,101
Debtors	11	789,191	770,383
Cash at bank and in hand		152,839	136,087
		<u>1,319,599</u>	<u>1,303,571</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	1,268,122	1,125,641
NET CURRENT ASSETS			
		<u>51,477</u>	<u>177,930</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		3,441,293	3,562,140
CREDITORS: Amounts falling due after more than one year			
	13	381,359	277,843
NET ASSETS			
		<u>£3,059,934</u>	<u>£3,284,297</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	15	400,000	400,000
Revaluation reserve	16	2,316,540	2,528,257
Profit and Loss account	16	293,394	306,040
		<u>3,009,934</u>	<u>3,234,297</u>
NON-EQUITY CAPITAL			
Called up share capital	15	50,000	50,000
		<u>£3,059,934</u>	<u>£3,284,297</u>

Approved on 18th May 1995 by the board of directors
and signed on their behalf by:


P.A. LEGGATT
Director

THE ALLYNUGGER TEA COMPANY, LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31st December 1994

	1994 £	1993 £
Profit on ordinary activities after taxation	46,281	160,496
Currency translation differences on foreign currency net investments	(248,544)	68,022
Total recognised (losses) and gains since last annual report	<u>£(202,263)</u>	<u>£228,518</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31st December 1994

	1994 £	1993 £
Profit on ordinary activities after taxation	46,281	160,496
Dividends	(22,100)	(22,100)
Retained profit for the year	24,181	138,396
Currency translation differences on foreign currency net investments	(248,544)	68,022
Net (reduction) addition to shareholders' funds	(224,363)	206,418
Opening shareholders' funds	3,284,297	3,077,879
Closing shareholders' funds	<u>£3,059,934</u>	<u>£3,284,297</u>

THE ALLYNUGGER 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 plantations and are in accordance with applicable accounting standards.

b) 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 the closing rate method at the rate of Takas 62.27 = £1 (1993 Takas 57.70 = £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.

c) Depreciation

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 cost over expected useful lives at the following initial and annual rates on written down values.

	<u>Initial</u>	<u>Annual</u>
Rubber Plantation	-	5%
Buildings	10%	10% to 20%
Plant and Machinery	25%	15%
Vehicles	25%	20%
Fixtures and Fittings	25%	10% to 15%

d) 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.

e) Deferred Taxation

Deferred taxation is provided in respect of material timing differences, using the liability method, where, in the opinion of the directors, the liability will arise in the foreseeable future.

f) Operating Leases

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

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

2. TURNOVER	1994	1993
	£	£
Turnover		
Tea Sales		
Bangladesh		
U.K.	1,347,252	1,532,348
Rubber Sales	79,159	350,291
Bangladesh		
	21,669	8,146
	<u>£1,448,080</u>	<u>£1,890,785</u>
3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Is stated after charging:		
Depreciation of tangible assets	£67,325	£82,162
Remuneration of the auditors	£2,266	£2,200
Interest	£125,694	£126,193
Land Rent	£12,960	£13,986
4. NET OPERATING (INCOME) EXPENSES		
Administrative expenses	119,747	122,190
Profit on sale of fixed assets	(4,753)	(858)
Sundry receipts	(190,959)	(655)
	<u>£(75,965)</u>	<u>£120,677</u>
5. INVESTMENT AND OTHER INCOME		
Income from unlisted investments	£123	£Nil

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

	1994	1993
6. DIRECTORS AND EMPLOYEES		
The number of directors who emoluments fell in the undernoted bracket was:		
Nil to £5,000	3	3
The number of directors who have waived fees was	3	3
The emoluments of the chairman were	Nil	Nil
The aggregate amount of fees waived was	£750	£750
Staff costs:		
Wages and salaries	535,840	485,148
Pension costs	22,356	20,801
	<u>£558,196</u>	<u>£505,949</u>
The average number of persons employed by the company was	<u>3,569</u>	<u>3,554</u>
7. TAXATION		
On profits for the year - estimated		
U.K. Corporation Tax at 33%	34,883	123,502
Bangladesh taxation	35,330	136,055
	<u>70,213</u>	<u>259,557</u>
Double taxation relief	34,883	123,502
	<u>35,330</u>	<u>136,055</u>
Adjustments in respect of previous years		
Bangladesh	(3,479)	-
	<u>£31,851</u>	<u>£136,055</u>
Deferred taxation		
There is no potential deferred taxation liability (1993 - Nil).		

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE FIXED ASSETS

	Planted Tea	Buildings	Plant and Machinery	Vehicles	Fixtures Fittings Tools and Equipment	Assets in course of construction	Total
Balance at beginning of year	2,914,002	385,353	326,646	109,998	282,812	89,665	4,108,476
Currency retranslation	(213,859)	(28,281)	(23,973)	(8,073)	(20,755)	(6,580)	(301,521)
Assets brought into use	-	701	4,818	-	2,773	(8,292)	-
Additions	-	16,730	7,450	-	34,607	263,452	322,239
Cost of assets sold and written off	-	-	(975)	-	(2,458)	-	(3,433)
At end of year	<u>2,700,143</u>	<u>374,503</u>	<u>313,966</u>	<u>101,925</u>	<u>296,979</u>	<u>338,245</u>	<u>4,125,761</u>
Depreciation at beginning of year	2,922	223,880	224,605	99,355	173,927	-	724,689
Currency retranslation	(214)	(16,430)	(16,484)	(7,292)	(12,765)	-	(53,185)
Provision for the year	1,352	19,020	19,791	1,972	25,190	-	67,325
Adjustment in respect of assets sold and written off	-	-	(636)	-	(852)	-	(1,488)
At end of year	<u>4,060</u>	<u>226,470</u>	<u>227,276</u>	<u>94,035</u>	<u>185,500</u>	<u>-</u>	<u>737,341</u>
Net book value at 31st December 1994	<u>£2,696,083</u>	<u>£148,033</u>	<u>£86,690</u>	<u>£7,890</u>	<u>£111,479</u>	<u>£338,245</u>	<u>£3,388,420</u>
at 31st December 1993	<u>£2,911,080</u>	<u>£161,473</u>	<u>£102,041</u>	<u>£10,643</u>	<u>£108,885</u>	<u>£89,665</u>	<u>£3,383,787</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

8. 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	-	105,612	2,754	-	7,456	-	115,822
Valuation 1991	2,308,973	-	-	-	-	-	2,308,973
Cost less assets sold and written off	26,263	503,460	388,017	156,919	333,948	338,245	1,746,852
Exchange adjustments on retranslations	364,907	(234,569)	(76,805)	(54,994)	(44,425)	-	(45,886)
Total valuation or cost	2,700,143	374,503	313,966	101,925	296,979	338,245	4,125,761
Aggregate depreciation	4,060	226,470	227,276	94,035	185,500	-	737,341
Net book value at end of year	<u>£2,696,083</u>	<u>£148,033</u>	<u>£86,690</u>	<u>£7,890</u>	<u>£111,479</u>	<u>£338,245</u>	<u>£3,388,420</u>
Net book value at beginning of year	<u>£2,911,080</u>	<u>£161,473</u>	<u>£102,041</u>	<u>£10,643</u>	<u>£108,885</u>	<u>£89,665</u>	<u>£3,383,787</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 £369,900 in 1970.

No provision has been made for capital gains tax on revaluations as it is not the board's intention to sell the plantations.

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

9. INVESTMENTS

	1994	1993
Cost at 1st January 1994	423	414
(Loss) gain on currency fluctuation	(31)	9
Additions during year	1,004	-
At 31st December 1994	<u>£1,396</u>	<u>£423</u>
Investments at cost include:		
Listed on Bangladesh Stock Exchange	<u>£1,004</u>	<u>£Nil</u>
Market value	<u>£2,679</u>	

Investments also include an unlisted investment of 3,820 shares of Tk 10 each in Chittagong Warehouses Limited, a company incorporated and operating in Bangladesh representing 5.29% of the issued share capital.

10. STOCKS

Stock of tea	219,125	245,004
Stock of rubber	11,093	19,996
Estate stores	147,351	132,101
	<u>£377,569</u>	<u>£397,101</u>

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

11. DEBTORS

Due within one year		
Trade Debtors	215,910	200,639
Other debtors	464,592	378,088
Amounts owed by group companies	68,695	164,040
Prepayments and accrued income	22,286	11,645
Interest receivable	6,430	3,800
Due in more than one year		
Other debtors	11,278	12,171
	<u>£789,191</u>	<u>£770,383</u>

12. CREDITORS: Amounts falling due within one year

Term loans secured (see note 13)	33,624	34,912
Other creditors	132,961	162,675
Amount owed to parent company	110,077	80,201
Amounts owed to group companies	29,818	585
Dividend payable	20,000	20,000
Taxation	35,548	134,377
Interest payable	78,323	41,651
Bank loans and overdraft (secured against hypothecation of crop)	827,771	651,240
	<u>£1,268,122</u>	<u>£1,125,641</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

13. CREDITORS: Amounts falling due after more than one year	1994	1993
Bank loans (secured against certain fixed assets)	<u>£381,359</u>	<u>£277,843</u>
Bank loans includes the following amounts repayable over more than five years by instalments		
Aggregate amount of loans	£414,983	£312,755
Amount due beyond five years	<u>£230,625</u>	<u>£138,632</u>
The repayments of bank loans and overdrafts fall due as follows:		
Within 12 months or on demand (included in Creditors: due within one year)		
Between 1 - 2 years	861,395	686,152
Between 2 - 5 years	31,366	36,287
After 5 years	119,368	102,924
	<u>230,625</u>	<u>138,632</u>
	<u>£1,242,754</u>	<u>£963,995</u>
14. DIVIDENDS	1994	1993
Preference dividend 4.2%	<u>£2,100</u>	<u>£2,100</u>
Ordinary dividend - proposed	<u>£20,000</u>	<u>£20,000</u>
15. SHARE CAPITAL		
Authorised		
50,000 6% (now 4.2% plus tax credit) cumulative preference shares of £1 each	50,000	50,000
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
	<u>£450,000</u>	<u>£450,000</u>
Allotted, called up and fully paid		
50,000 6% (now 4.2% plus tax credit) cumulative preference shares of £1 each	50,000	50,000
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>
	<u>£450,000</u>	<u>£450,000</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

16. RESERVES

	Revaluation	Profit and Loss
At 1st January 1994	2,528,257	306,040
Foreign currency translation gains (losses):-		
On net current assets	-	(6,788)
On fixed assets	(211,717)	(83,224)
On depreciation	-	53,185
Profit for year	-	24,181
At 31st December 1994	<u>£2,316,540</u>	<u>£293,394</u>

The distribution of retained profits is subject to exchange control permission for remittances from Bangladesh.

17. CAPITAL COMMITMENTS

	1994	1993
Contracted for	£39,104	£44,021
Authorised but not contracted for	£14,967	£64,471

18. LEASING COMMITMENTS

Annual commitment in respect of
operating leases expiring after
more than five years:

Land rent	<u>£12,960</u>	<u>£13,986</u>
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19. PARENT COMPANY

The parent company is Longbourne Holdings Limited (a subsidiary of Lawrie Group Plc) and the ultimate parent company is Camellia Plc all of which are registered in England. Accounts are filed with the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.

THE ALLYNUGGER TEA COMPANY, LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND AUDITORS' REPORT

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.

AUDITORS' REPORT

to the members of The Allynugger Tea Company, Limited

We have audited the accounts on pages four to fourteen which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described above, the directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

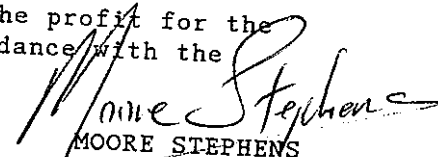
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31st December 1994 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MOORE STEPHENS

Chartered Accountants
and Registered Auditors

18th May 1995