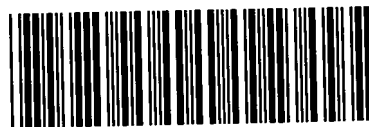


THE ALLYNUGGER TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

31st December 2013

WEDNESDAY



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COMPANIES HOUSE

THE ALLYNUGGER TEA COMPANY, LIMITED

Incorporated 1892

SHARE CAPITAL

Authorised		Issued
50,000	In 6% cumulative preference shares of £1 each	50,000
400,000	In ordinary shares of £1 each	400,000
<u>£450,000</u>		<u>£ 450,000</u>

Directors	P.J. FIELD A.K. MATHUR, F.C.A. A. R. BHUIYA 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	37431

THE ALLYNUGGER TEA COMPANY, LIMITED

Strategic report for the year ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

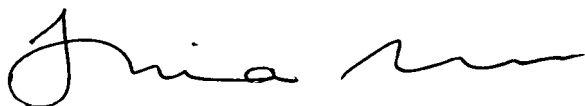
Business review and future developments

The company continues to operate as a grower and manufacturer of tea in Bangladesh. The results for the year and the financial position of the company are as shown in the annexed financial statements.

Principal risks and uncertainties and key performance indicators

The company is a Bangladeshi tea operating company within the Camellia Plc group and as such the principal risks and uncertainties, key performance indicators, strategy and business model are in line with those of the group as a whole. A review of the principal risks and uncertainties, strategy and business model of the Camellia Plc group can be found in Camellia Plc's annual report on pages 6 to 7.

This report was approved by the board on 11th August 2014.

A handwritten signature in black ink, appearing to read 'J.A. Morton', with a stylized flourish at the end.

J.A. Morton
Secretary

THE ALLYNUGGER TEA COMPANY, LIMITED
REPORT OF THE DIRECTORS

The directors present their report together with the audited accounts for the year ended 31 December 2013.

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 £772,391 (2012: £1,097,673). A dividend of £721,000 (2012: £240,000) 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 Strategic Report, 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.

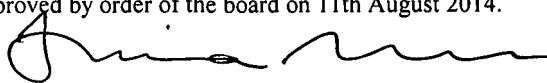
Independent Auditors

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 11th August 2014.

J.A. Morton

Company Secretary



THE ALLYNUGGER TEA COMPANY, LIMITED

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

Report on financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by The Allynugger Tea Company, Limited, comprise:

- the Balance sheet as at 31 December 2013;
- the Statement of comprehensive income for the year then ended;
- the Cash flow statement for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Report and Accounts (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page three,

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 ISAs (UK & 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.



Richard Porter (Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date 11th August 2014

THE ALLYNUGGER TEA COMPANY, LIMITED

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31st December 2013

	Note	2013 £	2012 £
Revenue	2	3,350,848	3,133,196
Cost of sales		<u>(1,801,737)</u>	<u>(1,621,848)</u>
Gross profit		1,549,111	1,511,348
Net operating expenses	4	<u>(211,324)</u>	<u>(202,101)</u>
Operating profit	3	1,337,787	1,309,247
(Loss) / gains arising from changes in fair value of biological assets	9	(322,902)	368,217
Investment income	5	192,048	47,136
Finance income		43,595	8,081
Finance costs		<u>(21,192)</u>	<u>(27,682)</u>
Profit on ordinary activities before taxation		1,229,336	1,704,999
Taxation	7	<u>(456,945)</u>	<u>(607,326)</u>
Profit for the year		772,391	1,097,673
Other comprehensive income / (loss)			
Foreign exchange translation differences		63,730	(98,820)
Fair value adjustment		<u>3,506</u>	<u>20,699</u>
Total comprehensive income for the year		<u>839,627</u>	<u>1,019,552</u>

BALANCE SHEET
as at 31st December 2013

	Note	2013	2012
		£	£
NON-CURRENT ASSETS			
Property, plant and equipment	8	538,608	208,646
Biological assets	9	4,401,809	4,611,728
Investments	10	<u>1,972,870</u>	<u>1,953,554</u>
		6,913,287	6,773,928
CURRENT ASSETS			
Inventories	11	718,441	491,264
Trade and other receivables	12	213,476	448,076
Cash and cash equivalents		<u>291,284</u>	<u>520,794</u>
		1,223,201	1,460,134
CURRENT LIABILITIES			
Borrowings	13	3,419	5,356
Trade and other payables	14	449,900	592,041
Current income tax liabilities		<u>428,266</u>	<u>414,727</u>
		881,585	1,012,124
NET CURRENT ASSETS		<u>341,616</u>	<u>448,010</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,254,903	7,221,938
NON-CURRENT LIABILITIES			
Borrowings	13	6,206	9,253
Deferred tax liabilities	15	1,165,420	1,248,035
Preference shares	16	<u>50,000</u>	<u>50,000</u>
		1,221,626	1,307,288
NET ASSETS		<u>6,033,277</u>	<u>5,914,650</u>
EQUITY			
Called up share capital	16	400,000	400,000
Reserves		<u>5,633,277</u>	<u>5,514,650</u>
TOTAL EQUITY		<u>6,033,277</u>	<u>5,914,650</u>

The notes on pages nine to twenty one form part of the financial statements.

Approved on 11th August 2014 by the board of directors and signed on their behalf by:

A.K. MATHUR
Director



THE ALLYNUGGER TEA COMPANY, LIMITED**STATEMENT OF CHANGES IN EQUITY**
for the year ended 31st December 2013

	Share Capital £	Reserves £	Total Equity £
At 1 January 2012	400,000	4,735,098	5,135,098
Dividend	-	(240,000)	(240,000)
Comprehensive income for the year	-	1,019,552	1,019,552
	<hr/>	<hr/>	<hr/>
At 1 January 2013	400,000	5,514,650	5,914,650
Dividend	-	(721,000)	(721,000)
Comprehensive income for the year	-	839,627	839,627
	<hr/>	<hr/>	<hr/>
At 31 December 2013	<u>400,000</u>	<u>5,633,277</u>	<u>6,033,277</u>

The distribution of retained profits is subject to exchange control permission for remittances from Bangladesh. Withholding tax at the rate of 15% (2012: 15%) is charged when profits are remitted. Cumulative exchange losses amount to £691,465 (2012: £755,195 losses).

THE ALLYNUGGER TEA COMPANY, LIMITED

CASH FLOW STATEMENT
for the year ended 31st December 2013

	Note	2013 £	2012 £
CASH GENERATED FROM OPERATIONS			
Cash flows from operating activities	17	1,235,300	1,024,532
Interest paid		(10,664)	(27,965)
Interest received		51,909	231
Income taxes paid		(543,458)	(217,067)
Net cash flow from continuing operating activities		733,087	779,731
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment		(391,049)	(33,033)
Disposal of property plant & equipment		11,001	153
Purchases of biological assets		(63,736)	(61,255)
Dividends received from NTC shares		448	-
Dividends received from associates		13,211	15,128
Dividends received from group companies		178,389	32,008
Net cash flow from investing activities		(251,736)	(46,999)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan repayments		(5,348)	(5,455)
Dividends paid		(721,000)	(240,000)
Net cash flow from financing activities		(726,348)	(245,455)
Net (decrease)/ increase in cash and cash equivalents		(244,997)	487,277
Cash and cash equivalents at beginning of year		520,794	33,061
Exchange adjustment on cash		15,487	456
Cash and cash equivalents at end of year		291,284	520,794
Cash and cash equivalents included in the cash flow statement comprise the following:-			
Cash at bank and in hand		291,284	520,794
		291,284	520,794

THE ALLYNUGGER 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 passes 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 ALLYNUGGER 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 ALLYNUGGER 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 finance is 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

THE ALLYNUGGER TEA COMPANY, LIMITED
Notes to the accounts
for the year ended 31 December 2013

(1) Accounting policies (continued)

Changes in accounting policy and disclosures

(i) New and amended standards adopted by the company

The company has adopted the following new and amended IFRSs as of 1 January 2013:

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 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.

(ii) 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 2014 or later periods, but the company has not adopted them early. None of these standards are expected to have a material impact on the financial statements of the company:

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.
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.

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2013	2012
2. REVENUE	£	£
Bangladesh		
Tea Sales	3,153,755	2,837,630
Rubber Sales	197,093	295,566
	<u>3,350,848</u>	<u>3,133,196</u>
3. OPERATING PROFIT	2013	2012
	£	£
Is stated after charging:		
Depreciation of tangible assets	41,013	25,122
Remuneration of the auditors	978	923
Land rent	37,227	29,259
Employee costs	1,061,138	816,364
	<u>1,061,138</u>	<u>816,364</u>
4. NET OPERATING EXPENSES	2013	2012
	£	£
Administrative expenses	216,395	202,101
Other income	(5,071)	-
	<u>211,324</u>	<u>202,101</u>
5. INVESTMENT INCOME	2013	2012
	£	£
Income from listed investments	13,659	15,128
Income from unlisted investments	178,389	32,008
	<u>192,048</u>	<u>47,136</u>
6. EMPLOYEES AND DIRECTORS	2013	2012
	£	£
Staff costs:-		
Wages and salaries	990,817	759,194
Other pension costs	70,321	57,170
	<u>1,061,138</u>	<u>816,364</u>
	2013	2012
	Number	Number
The monthly average number of persons employed by the company was:	<u>3,526</u>	<u>3,607</u>

The directors received no emoluments during the year from the company (2012: £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 ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

7. TAXATION	2013	2012
(a) Current tax	£	£
UK Corporation tax:		
UK Corporation tax at 23.25% (2012: 24.5%)	342,327	20,276
Double tax relief	(342,327)	(20,276)
	<u>-</u>	<u>-</u>
Foreign tax:		
Corporation tax	554,132	446,274
Adjustment in respect of previous years	<u>-</u>	<u>-</u>
Total current tax	554,132	446,274
Deferred tax:		
Temporary timing differences	<u>(97,187)</u>	<u>161,052</u>
Tax on profit on ordinary activities	<u>456,945</u>	<u>607,326</u>

(b) Factors affecting tax charge for year

The differences between tax calculated at the standard rate of taxation in the UK of 23.25% (2012: 24.5%) and that charged in the accounts are explained below:

Profit on ordinary activities before tax	<u>1,229,336</u>	<u>1,704,999</u>
Profit on ordinary activities at 23.25% (2012: 24.5%)	285,821	417,725
Effects of:		
Income not subject to taxation	-	(7,056)
Expenditure not deductible for tax purposes	29,552	(16,744)
Higher tax rates on overseas earnings	<u>141,572</u>	<u>213,401</u>
	<u>456,945</u>	<u>607,326</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. There are no UK losses carried forward.

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

8. PROPERTY, PLANT AND EQUIPMENT

	Buildings £	Plant and Machinery £	Vehicles £	Fixtures, Fittings Tools and Equipment £	Assets in Course of Construction £	Total £
Cost						
At 1st January 2012	415,941	390,796	92,701	262,692	156	1,162,286
Currency retranslation	(7,984)	(7,532)	(1,773)	(5,060)	(3)	(22,352)
Additions	18,359	3,424	7,603	3,647	-	33,033
Disposals	-	-	-	-	(153)	(153)
At 31st December 2012	426,316	386,688	98,531	261,279	-	1,172,814
Currency retranslation	(1,713)	(4,039)	(864)	445	(266)	(6,437)
Additions	112,212	200,667	36,105	36,278	5,787	391,049
Disposals	-	(44,862)	-	-	-	(44,862)
At 31st December 2013	536,815	538,454	133,772	298,002	5,521	1,512,564
Accumulated depreciation						
At 1st January 2012	334,416	359,296	78,929	184,822	-	957,463
Currency retranslation	(6,432)	(6,921)	(1,515)	(3,549)	-	(18,417)
Provision for the year	8,922	5,092	3,685	7,423	-	25,122
Disposals	-	-	-	-	-	-
At 31st December 2012	336,906	357,467	81,099	188,696	-	964,168
Currency retranslation	2,240	4,275	262	930	-	7,707
Provision for the year	10,597	8,881	8,568	12,967	-	41,013
Disposals	-	(38,932)	-	-	-	(38,932)
At 31st December 2013	349,743	331,691	89,929	202,593	-	973,956
Net book value						
At 31st December 2013	187,072	206,763	43,843	95,409	5,521	538,608
Net book value						
At 31st December 2012	89,410	29,221	17,432	72,583	-	208,646

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

9. BIOLOGICAL ASSETS

	Tea	Other horticulture	Total
Fair value	£	£	£
At 1 January 2012	2,762,059	1,501,496	4,263,555
Exchange differences	(52,260)	(29,039)	(81,299)
Increases due to purchases	57,323	3,932	61,255
Gains / (losses) arising from changes in fair value less estimated point-of-sale costs	402,202	(33,985)	368,217
At 1 January 2013	3,169,324	1,442,404	4,611,728
Exchange differences	28,606	20,641	49,247
Increases due to purchases	58,336	5,400	63,736
Losses arising from changes in fair value less estimated point-of-sale costs	(122,602)	(200,300)	(322,902)
At 31 December 2013	3,133,664	1,268,145	4,401,809

Other horticulture comprises rubber production.

Biological assets are carried at fair value obtained by professional valuations at the year end. Given that there is no open market for green leaf, this is recognised in inventory at the lower of cost or net realisable value.

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

	2013 Hectares	2012 Hectares
Tea	1,511	1,521
Rubber	353	353
Output of agricultural produce during the year was:	2013 Metric tonnes	2012 Metric tonnes
Tea	1,949	1,888
Rubber	106	126
Fair value of agricultural output after deducting estimated point-of-sale costs	2013 £	2012 £
	2,535,616	2,708,500

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2013	2012
	£	£
10. INVESTMENTS		
Cost at 1st January	1,953,554	1,970,883
Gain / (loss) on currency fluctuation	15,810	(38,028)
Fair value adjustment	3,506	20,699
At 31st December	<u>1,972,870</u>	<u>1,953,554</u>
Investments at cost include:		
Listed on Dhaka Stock Exchange	<u>153,487</u>	<u>148,777</u>
Market value	<u>869,242</u>	<u>832,655</u>
Investments consist of:		
Subsidiaries of group	1,819,383	1,804,777
Associates of group	83,793	83,120
Available for sale investment	<u>69,694</u>	<u>65,657</u>
	<u>1,972,870</u>	<u>1,953,554</u>
	2013	2012
11. INVENTORIES	£	£
Stock of tea	453,940	279,998
Stock of rubber	50,704	32,217
Estate stores	<u>213,797</u>	<u>179,049</u>
	<u>718,441</u>	<u>491,264</u>

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

	2013	2012
	£	£
12. TRADE AND OTHER RECEIVABLES		
Due within one year		
Trade debtors	173,935	219,148
Other debtors	8,935	185,165
Amounts owed by group companies	296	5,868
Prepayments and accrued income	14,767	16,199
Interest receivable	-	7,868
Due in more than one year		
Other debtors	<u>15,543</u>	<u>13,828</u>
	<u>213,476</u>	<u>448,076</u>

No provision for bad debts was made at 31 December 2013 (2012: £nil). No trade debtors were past their due date at 31 December 2013 (2012: £nil).

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2013 £	2012 £
13. BORROWINGS		
Current:		
Bank overdraft (secured against hypothecation of crop)	-	-
Term loans secured	3,419	5,356
	<u>3,419</u>	<u>5,356</u>
Non-current:		
Bank loans (secured against property, plant and equipment and biological assets)	6,206	9,253
	<u>9,625</u>	<u>14,609</u>
Bank loans include the following amounts repayable over more than five years by instalments		
Aggregate amount of loans	6,206	9,253
Amount due beyond five years	1,609	1,995
The repayments of bank loans and overdrafts fall due as follows:		
Within 12 months or on demand	3,419	5,356
Between 1 - 2 years	3,083	3,096
Between 2 - 5 years	1,514	4,162
After 5 years	1,609	1,995
	<u>9,625</u>	<u>14,609</u>
Interest rates vary from 9% per annum to 13% per annum.		
14. TRADE AND OTHER PAYABLES	2013 £	2012 £
Amounts falling due within one year		
Trade and other creditors	379,136	308,215
Amounts owed to group companies	59,803	282,917
Interest payable	10,961	909
	<u>449,900</u>	<u>592,041</u>
15. DEFERRED TAX LIABILITIES	2013 £	2012 £
At 1 January	1,248,035	1,108,000
Exchange differences	14,572	(21,017)
Charged in statement of comprehensive income	(97,187)	161,052
At 31 December	<u>1,165,420</u>	<u>1,248,035</u>

The deferred tax liability at the start and end of the year relates to timing differences on the fair value of biological assets

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

	2013 £	2012 £
16. CALLED UP SHARE CAPITAL		
Authorised, allotted, and fully paid		
50,000 (2012: 50,000) 6% cumulative preference shares of £1 each	50,000	50,000
400,000 (2012: 400,000) ordinary shares of £1 each	400,000	400,000
	<u>450,000</u>	<u>450,000</u>
	2013 £	2012 £
17. RECONCILIATION OF PROFIT FROM OPERATIONS TO CASH FLOW		
Profit from operations	1,337,787	1,309,247
Depreciation	41,013	25,122
Profit on disposal of property, plant and equipment	(5,071)	-
Increase in inventories	(233,966)	(34,651)
Decrease / (increase) in debtors	235,511	(276,526)
Increase / (decrease) in creditors	71,726	(26,336)
Change in intra-group balances	(230,385)	20,310
Exchange adjustments	18,685	7,366
Cash flow from operating activities	<u>1,235,300</u>	<u>1,024,532</u>
	2013 £	2012 £
18. CAPITAL COMMITMENTS		
Contracted for	<u>146,442</u>	<u>188,007</u>

THE ALLYNUGGER 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	
	2013	2012
Financial assets	£	£
Cash and cash equivalents	291,284	520,794
Trade and other receivables	198,709	431,877
Investments	1,972,870	1,953,554
	<u>2,462,863</u>	<u>2,906,225</u>
	2013	2012
Financial liabilities	£	£
Trade and other payables	449,900	592,041
Borrowings	9,625	14,609
	<u>459,525</u>	<u>606,650</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 ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

20. PARENT COMPANY

The ultimate parent company at 31st December 2013 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

The net transactions with group companies during the year of £ 4,276,852 (2012: £125,732) in respect of inter group sales and recharges which are included within revenue and cost of sales.

Company Name	Sales to	Recharges	Net
Lungla Sylhet	(2,582,953)	-	(2,582,953)
The Mazdehee Tea Co	(323,425)	-	(323,425)
Amo Tea Co Ltd	(1,335,982)	-	(1,335,982)
Duncan Brothers Ltd	(43,703)	-	(43,703)
Surmah Valley Tea Co	-	9,211	9,211
	(4,286,063)	9,211	(4,276,852)

22. CONTROL OF CAMELLIA PLC

Camellia Holding AG holds 1,427,000 ordinary shares of Camellia Plc (representing 51.67% 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.