

37431

THE ALLYNUGGER TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

1995



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COMPANIES HOUSE 11/07/95

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

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 fifth annual general meeting of The Allynugger Tea Company, Limited will be held at Wrotham Place, Wrotham, Sevenoaks, Kent, TN15 7AE on Wednesday, 15th May 1996 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 1995
2. To re-elect a director
3. To re-appoint the auditors and authorise the directors to fix their remuneration.

By Order of the Board

K. MAYES

Secretary

15th May 1996

A member entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend and, on a poll, vote instead of him and such proxy need not be a member of the company.

THE ALLYNUGGER TEA COMPANY, LIMITED

REPORT OF THE DIRECTORS

The directors submit to the members their report together with the accounts for the year ended 31st December 1995.

ACCOUNTS	1995	1994
Profit on ordinary activities before taxation	<u>£16,957</u>	<u>£78,132</u>
Profit on ordinary activities after taxation	<u>£5,770</u>	<u>£46,281</u>
Preference dividend	<u>£2,100</u>	<u>£2,100</u>
Ordinary dividend - proposed	<u>-</u>	<u>£20,000</u>
Retained profit for year	<u>£3,670</u>	<u>£24,181</u>

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 sale prices the profit on ordinary activities was lower than that for the previous year due to lower crop manufactured.

At this stage it is not possible to forecast the results for 1996.

DIRECTORS

Board

The present board is shown on page one.

Mr. P.A. Leggatt 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

15th May 1996

THE ALLYNUGGER TEA COMPANY, LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1995

	Notes	1995 £	1994 £
Turnover - continuing operations	2	1,479,362	1,448,080
Cost of sales		1,351,926	1,449,277
Gross profit (loss)		127,436	(1,197)
Net operating (income) expenses	4	113,688	(75,965)
Operating profit - continuing operations		13,748	74,768
Investment income	5	210	123
Bank interest receivable		2,999	3,241
Profit on ordinary activities before taxation	3	16,957	78,132
Taxation on ordinary activities	7	11,187	31,851
Profit on ordinary activities after taxation		5,770	46,281
Preference dividend	14	2,100	2,100
Ordinary dividend - proposed	14	-	20,000
Retained profit for year	16	£3,670	£24,181

THE ALLYNUGGER TEA COMPANY, LIMITED

BALANCE SHEET

as at 31st December 1995

	Notes	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		3,372,627		3,388,420
Investments	9		1,390		1,396
			<u>3,374,017</u>		<u>3,389,816</u>
CURRENT ASSETS					
Stocks	10	419,959		377,569	
Debtors	11	587,901		789,191	
Cash at bank and in hand		99,877		152,839	
		<u>1,107,737</u>		<u>1,319,599</u>	
LESS CURRENT LIABILITIES					
Creditors: Amounts falling due within one year	12	731,079		1,268,122	
		<u></u>		<u></u>	
NET CURRENT ASSETS			<u>376,658</u>		<u>51,477</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,750,675</u>		<u>3,441,293</u>
CREDITORS: Amounts falling due after more than one year	13		<u>701,791</u>		<u>381,359</u>
NET ASSETS			<u><u>£3,048,884</u></u>		<u><u>£3,059,934</u></u>
EQUITY CAPITAL AND RESERVES					
Called up share capital	15		400,000		400,000
Revaluation reserve	16		2,303,723		2,316,540
Profit and Loss account	16		295,161		293,394
			<u>2,998,884</u>		<u>3,009,934</u>
NON-EQUITY CAPITAL					
Called up share capital	15		<u>50,000</u>		<u>50,000</u>
			<u><u>£3,048,884</u></u>		<u><u>£3,059,934</u></u>

Approved on 15th May 1996 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 1995

	1995 £	1994 £
Profit on ordinary activities after taxation	5,770	46,281
Currency translation differences on foreign currency net investments	(14,720)	(248,544)
Total recognised (losses) and gains since last annual report	<u>£(8,950)</u>	<u>£(202,263)</u>

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS for the year ended 31st December 1995

	1995 £	1994 £
Profit on ordinary activities after taxation	5,770	46,281
Dividend	(2,100)	(22,100)
Retained profit for the year	3,670	24,181
Currency translation differences on foreign currency net investments	(14,720)	(248,544)
Net (reduction) to shareholders' funds	(11,050)	(224,363)
Opening shareholders' funds	3,059,934	3,284,297
Closing shareholders' funds	<u>£3,048,884</u>	<u>£3,059,934</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 62.57 = £1 (1994 Takas 62.27 = £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 the cost over their 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

	1995 £	1994 £
Turnover		
Tea Sales		
Bangladesh	1,157,297	1,347,252
U.K.	301,220	79,159
Rubber Sales		
Bangladesh	20,845	21,669
	<u>£1,479,362</u>	<u>£1,448,080</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Is stated after charging:

Depreciation of tangible assets	£57,335	£67,325
Remuneration of the auditors	£2,340	£2,266
Interest	£126,716	£125,694
Land rent	£12,898	£12,960

4. NET OPERATING (INCOME) EXPENSES

Administrative expenses	134,035	119,747
Profit on sale of fixed assets	-	(4,753)
Sundry receipts	(25,793)	(190,959)
Exchange (gain) on remittances	(4,232)	-
	<u>104,010</u>	<u>(75,965)</u>
Exchange gain provided in reserves	9,678	-
	<u>£113,688</u>	<u>£(75,965)</u>

5. INVESTMENT INCOME

Income from listed investments	107	-
Income from unlisted investments	103	123
	<u>£210</u>	<u>£123</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

	1995	1994
6. DIRECTORS AND EMPLOYEES		
The number of directors whose emoluments fell in the undernoted bracket was:		
Nil to £5,000	three	three
The number of directors who have waived fees was	three	three
The emoluments of the chairman were	Nil	Nil
The aggregate amount of fees waived was	£750	£750
Staff costs:	£	£
Wages and salaries	532,777	535,840
Pension costs	23,389	22,356
	<u>£556,166</u>	<u>£558,196</u>
The average number of persons employed by the company was	<u>3,559</u>	<u>3,569</u>
7. TAXATION		
	£	£
On profits for the year - estimated		
U.K. Corporation tax at 33%	10,103	34,883
Bangladesh taxation	11,187	35,330
	<u>21,290</u>	<u>70,213</u>
Less double taxation relief	10,103	34,883
	<u>11,187</u>	<u>35,330</u>
Taxation adjustments in respect of previous years - Bangladesh	-	(3,479)
	<u>£11,187</u>	<u>£31,851</u>

Deferred taxation

There is no potential deferred taxation liability (1994 - Nil).

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

8. TANGIBLE FIXED ASSETS

	Planted Tea and Rubber	Buildings	Plant and Machinery	Vehicles	Fixtures Fittings Tools and Equipment	Assets in Course of Construction	Total
Balance at beginning of year	2,700,143	374,503	313,966	101,925	296,979	338,245	4,125,761
Currency retranslation	(12,946)	(1,796)	(1,505)	(489)	(1,424)	(1,622)	(19,782)
Assets brought into use	21,317	-	-	-	-	(21,317)	-
Additions	-	1,629	784	-	10,859	44,517	57,789
Cost of assets sold and written off	-	-	-	-	-	-	-
At end of year	<u>2,708,514</u>	<u>374,336</u>	<u>313,245</u>	<u>101,436</u>	<u>306,414</u>	<u>359,823</u>	<u>4,163,768</u>
Depreciation at beginning of year	4,060	226,470	227,276	94,035	185,500	-	737,341
Currency retranslation	(19)	(1,086)	(1,090)	(451)	(889)	-	(3,535)
Provision for the year	2,412	21,774	13,388	1,570	18,191	-	57,335
Adjustment in respect of assets sold and written off	-	-	-	-	-	-	-
At end of year	<u>6,453</u>	<u>247,158</u>	<u>239,574</u>	<u>95,154</u>	<u>202,802</u>	<u>-</u>	<u>791,141</u>
Net book value at 31st December 1995	<u>£2,702,061</u>	<u>£127,178</u>	<u>£73,671</u>	<u>£6,282</u>	<u>£103,612</u>	<u>£359,823</u>	<u>£3,372,627</u>
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>

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	47,580	505,089	388,801	156,919	344,807	359,823	1,803,019
Exchange adjustments on retranslations	351,961	(236,365)	(78,310)	(55,483)	(45,849)	-	(64,046)
Total valuation or cost	2,708,514	374,336	313,245	101,436	306,414	359,823	4,163,768
Aggregate depreciation	6,453	247,158	239,574	95,154	202,802	-	791,141
Net book value at end of year	<u>£2,702,061</u>	<u>£127,178</u>	<u>£73,671</u>	<u>£6,282</u>	<u>£103,612</u>	<u>£359,823</u>	<u>£3,372,627</u>
Net book value at beginning 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>

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)

	1995 £	1994 £
9. INVESTMENTS		
Cost at 1st January 1995	1,396	423
(Loss) on currency fluctuation	(6)	(31)
Additions during the year	-	1,004
	<u>£1,390</u>	<u>£1,396</u>
Investments at cost include:		
Listed on Dhaka Stock Exchange	<u>£1,000</u>	<u>£1,004</u>
Market value	<u>£5,748</u>	<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	249,727	219,125
Stock of rubber	9,035	11,093
Estate stores	161,197	147,351
	<u>£419,959</u>	<u>£377,569</u>

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

11. DEBTORS

Due within one year		
Trade Debtors	82,330	215,910
Other debtors	467,000	464,592
Amounts owed by group companies	250	68,695
Prepayments and accrued income	13,040	22,286
Interest receivable	9,084	6,430
Taxation recoverable	4,973	-
Due in more than one year		
Other debtors	<u>11,224</u>	<u>11,278</u>
	<u>£587,901</u>	<u>£789,191</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

	1995 £	1994 £
12. CREDITORS		
Amounts falling due within one year		
Term loans secured (see note 13)	36,552	33,624
Other creditors	100,099	132,961
Amounts owed to group companies	96,934	29,818
Amount owed to parent company	23,658	110,077
Dividend payable	-	20,000
Taxation	-	35,548
Interest payable	39,213	78,323
Bank loans and overdraft (secured against hypothecation of crop)	434,623	827,771
	<u>£731,079</u>	<u>£1,268,122</u>
13. CREDITORS		
Amounts falling due after more than one year		
Bank loans (secured against certain fixed assets)	<u>£701,791</u>	<u>£381,359</u>
Bank loans include the following amounts repayable over more than five years by instalments		
Aggregate amount of loans	£738,343	£414,983
Amount due beyond five years	£475,696	£230,625
The repayments of bank loans and overdrafts fall due as follows:		
Within 12 months or on demand (included in Creditors: due within one year)	471,175	861,395
Between 1 - 2 years	46,860	31,366
Between 2 - 5 years	179,235	119,368
After 5 years	475,696	230,625
	<u>£1,172,966</u>	<u>£1,242,754</u>
14. DIVIDENDS		
Preference dividend 4.2%	<u>£2,100</u>	<u>£2,100</u>
Ordinary dividend - proposed	<u>-</u>	<u>£20,000</u>

THE ALLYNUGGER TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

15. SHARE CAPITAL	1995 £	1994 £
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	400,000	400,000
	<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	400,000	400,000
	<u>£450,000</u>	<u>£450,000</u>
16. RESERVES	Revaluation	Profit and Loss
At 1st January 1995	2,316,540	293,394
Foreign currency translation gains (losses):-		
On net current assets	-	(95)
On fixed assets	(12,817)	(5,343)
On depreciation	-	3,535
Retained Profit for year	-	3,670
At 31st December 1995	<u>£2,303,723</u>	<u>£295,161</u>
The distribution of retained profits is subject to exchange control permission for remittances from Bangladesh.		
17. CAPITAL COMMITMENTS	1995	1994
Contracted for	£31,964	£39,104
Authorised but not contracted for	£20,297	£14,967
18. LEASING COMMITMENTS		
Annual commitment in respect of operating leases expiring after more than five years:		
Land rent	<u>£12,898</u>	<u>£12,960</u>
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.

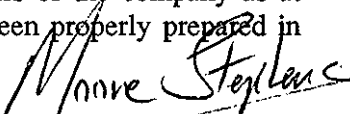
Basis of opinion

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 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


MOORE STEPHENS

15th May 1996

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Chartered Accountants
and Registered Auditors