

THE LONGAI VALLEY TEA COMPANY, LIMITED

REPORT AND ACCOUNTS

2004



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THE LONGAI VALLEY TEA COMPANY, LIMITED

Incorporated 1893

SHARE CAPITAL

Authorised		Issued
29,000	In 6% 'A' cumulative preference shares of £1	-
11,000	In 8% 'B' cumulative preference shares of £1	-
90,000	In ordinary shares of £1 each	88,000
<u>£130,000</u>		<u>£88,000</u>

Directors P.A. LEGGATT, M.B.E. (Chairman)
A.K. MATHUR, F.C.A.
M.C. PERKINS, F.C.A.
M.D. CONWAY, F.C.I.S.

Secretary M.D. CONWAY, F.C.I.S.

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

Registered Office LINTON PARK,
LINTON,
MAIDSTONE,
KENT ME17 4AB

Registered Number 39363c

THE LONGAI VALLEY TEA COMPANY, LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the one hundred and thirteenth annual general meeting of The Longai Valley Tea Company, Limited will be held at Linton Park, Linton, Maidstone, Kent, ME17 4AB on Friday, 20th June 2005 at 4.15 p.m. for the following purposes:-

1. To receive and adopt the directors' report and statement of accounts for the year ended 31st December 2004
2. To re-elect a director
3. To re-appoint the auditors and authorise the directors to fix their remuneration.

By Order of the Board

M.D. CONWAY

Secretary

Linton Park,
Linton,
Maidstone,
Kent, ME17 4AB

20th June 2005

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

THE LONGAI VALLEY TEA COMPANY, LIMITED

REPORT OF THE DIRECTORS

The directors submit to the members their report together with the accounts for the year ended 31st December 2004.

ACCOUNTS	2004	2003
Loss on ordinary activities before taxation	<u>£(37)</u>	<u>£(100)</u>
Taxation credit on ordinary activities	<u>£nil</u>	<u>£6</u>
Retained loss for the year	<u>£(37)</u>	<u>£(94)</u>

PRINCIPAL ACTIVITIES

The principal activity of the company is the holding of investments.

DIRECTORS

Board

The present board is shown on page one.

Mr. M.C. Perkins 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.

The interests of Mr. M.C. Perkins in shares of group companies are disclosed in the accounts of the holding company Camellia Plc.

AUDITORS

Moore Stephens have expressed their willingness to continue as auditors of the Company and a resolution proposing their re-appointment and empowering the directors to fix their remuneration will be put before the annual general meeting.

By Order of the Board

M.D. CONWAY

Secretary

20th June 2005



THE LONGAI VALLEY TEA COMPANY, LIMITED

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

	Notes	2004 £	2003 £
Loss on ordinary activities before taxation	2	(37)	(100)
Taxation credit on ordinary activities	3	<u>-</u>	<u>6</u>
Retained loss for the year		<u>£ (37)</u>	<u>£ (94)</u>

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

	2004 £	2003 £
Loss for the year	(37)	(94)
Currency translation differences on foreign currency net investments	<u>(120)</u>	<u>(330)</u>
Net movement in shareholders' funds	(157)	(424)
Opening shareholders' funds	<u>214,581</u>	<u>215,005</u>
Closing shareholders' funds	<u>£ 214,424</u>	<u>£ 214,581</u>

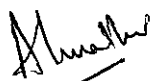
There are no recognised gains or losses other than those included in the above.

THE LONGAI VALLEY TEA COMPANY, LIMITED

BALANCE SHEET as at 31st December 2004

	Notes	2004	2003
		£	£
FIXED ASSETS			
Investments	4	825,300	825,300
CURRENT ASSETS			
Debtors	5	4,889	4,995
Cash at bank		<u>4,943</u>	<u>5,089</u>
		9,832	10,084
LESS CURRENT LIABILITIES			
Creditors: amounts falling due within one year	6	<u>620,708</u>	<u>620,803</u>
NET CURRENT (LIABILITIES)		<u>(610,876)</u>	<u>(610,719)</u>
NET ASSETS		<u>£ 214,424</u>	<u>£ 214,581</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	7	88,000	88,000
Share premium account		1,700	1,700
Profit and loss account	8	<u>124,724</u>	<u>124,881</u>
		<u>£ 214,424</u>	<u>£ 214,581</u>

Approved on 20th June 2005 by the board of directors and signed on their behalf by:



A.K. MATHUR
Director

THE LONGAI VALLEY TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts are prepared on the historical cost basis of accounting and are in accordance with applicable accounting standards.

b) Rate of Exchange

All transactions, monetary assets and liabilities denominated in rupees have been translated into sterling at the closing rate of exchange at 31st December 2004 of Rs. 83.46 = £1 (2003 Rs. 81.68 = £1), and the average rate of exchange of Rs. 82.69 = £1 (2003 Rs. 81.68 = £1). Adjustments arising on the translation of foreign currency net investments are dealt with in the profit and loss account reserve. Realised exchange differences are dealt with in the profit and loss account.

2. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2004 £	2003 £
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The loss on ordinary activities before taxation is arrived at as follows:-

Auditor's remuneration	-	(37)
Calcutta expenditure	(37)	(43)
London expenditure	-	(20)
	<u>£ (37)</u>	<u>£ (100)</u>

3. TAXATION CREDIT

(a) UK Corporation Tax

Group relief	<u>£ -</u>	<u>£ 6</u>
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(b) Factors affecting tax charge for period

Tax losses recorded are surrendered to fellow subsidiaries at the standard rate of taxation of 30%. The current year's taxation (credit) is arrived at as follows:

	2004 £	2003 £
Loss on ordinary activities before tax	<u>£ (37)</u>	<u>£ (100)</u>
Tax at the standard rate of corporation tax	11	30
Expenses not deductible for tax purposes	<u>(11)</u>	<u>(24)</u>
	<u>£ -</u>	<u>£ 6</u>

THE LONGAI VALLEY TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

4. FIXED ASSET - INVESTMENTS	2004 £	2003 £
Investment in the parent company at cost and directors' valuation		
Unlisted Subordinated Loan Note	<u>£825,300</u>	<u>£825,300</u>
5. DEBTORS		
Amounts falling due within one year:		
Other debtors	<u>£ 4,889</u>	<u>£ 4,995</u>
6. CREDITORS		
Amounts falling due within one year:		
Amount due to parent company	616,254	616,254
Other creditors	812	828
Taxation India	<u>3,642</u>	<u>3,721</u>
	<u>£ 620,708</u>	<u>£ 620,803</u>
7. SHARE CAPITAL		
Authorised:		
6% 'A' cumulative preference shares of £1 each	29,000	29,000
8% 'B' cumulative preference shares of £1 each	11,000	11,000
Ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>
	<u>£ 130,000</u>	<u>£ 130,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>£ 88,000</u>	<u>£ 88,000</u>
8. PROFIT AND LOSS ACCOUNT RESERVE		
At 1st January	124,881	125,305
Loss on currency fluctuation	(120)	(330)
Loss for the year	<u>(37)</u>	<u>(94)</u>
At 31st December	<u>£ 124,724</u>	<u>£ 124,881</u>

THE LONGAI VALLEY TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

9. PARENT COMPANY

The ultimate parent company at 31st December 2004 was Camellia Plc which is registered in England and Wales. The consolidated financial statements of Camellia Plc can be obtained from the Company's registered office at Linton Park, Linton, Maidstone, Kent ME17 4AB.

10. CONTROL OF CAMELLIA PLC

Camellia Holding AG holds 1,421,000 ordinary shares of Camellia Plc (representing 54.76 per cent of the issued share capital). Camellia Holding AG is owned by Camellia Private Trust Company Ltd, a corporate trustee incorporated in Bermuda to hold on trust the investments of the Camellia Foundation. The Camellia Foundation is a Bermudian Trust, whose income is utilised for charitable, educational and humanitarian causes at the discretion of the Trustees.

THE LONGAI VALLEY TEA COMPANY, LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the financial year. The directors consider that in preparing the accounts, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. In addition the directors confirm that the going concern basis is appropriate and all applicable accounting standards have been followed.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985. The directors also have responsibility for safeguarding the assets of the company and for the prevention and detection of fraud and other irregularities.

THE LONGAI VALLEY TEA COMPANY, LIMITED

INDEPENDENT AUDITORS' REPORT

to the shareholders of The Longai Valley Tea Company, Limited

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

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practises Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Moore Stephens
MOORE STEPHENS

Chartered Accountants
and Registered Auditors

20th June 2005