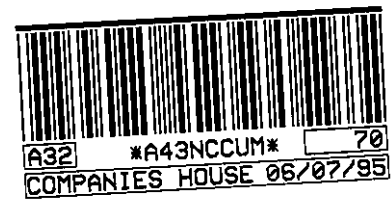


THE HARMUTTY TEA COMPANY LIMITED

REPORT AND ACCOUNTS

1994



THE HARMUTTY TEA COMPANY LIMITED

Incorporated 1926

SHARE CAPITAL

Authorised		Issued
£90,000	In shares of £1 each	£86,280

Directors P.A. LEGGATT, M.B.E.
 P.E. HILL, F.C.I.S.
 A.K. MATHUR, F.C.A.

Secretary P. E. HILL, F.C.I.S.

Auditors MOORE STEPHENS

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

Registered Number 215870

THE HARMUTTY TEA COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the sixty-ninth annual general meeting will be held at Wrotham Place, Wrotham, Sevenoaks, Kent, TN15 7AE on Friday, 21st April 1995 at 11.10 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 declare a dividend.
3. To re-elect a director.
4. To re-appoint the auditors and authorise the directors to fix their remuneration.

By Order of the Board

P.E. HILL

Secretary

21st April 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 HARMUTTY TEA COMPANY LIMITED

REPORT BY THE DIRECTORS

The directors present their report together with the accounts for the year ended 31st December 1994

ACCOUNTS	1994	1993
Profit on ordinary activities before taxation	£42,669	£55,492
Profit on ordinary activities after taxation	£42,023	£40,543
Proposed dividend	£42,000	£40,500
Retained profit for year	£23	£43

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity is that of an investment holding company.

The investment consists of shares in Stewart Holl (India) Ltd., a company incorporated in India and which operates tea estates in that country. The estates are operating profitably.

DIRECTORS

Board

The present board is shown on page one.

Mr. A.K. Mathur retires by rotation and, being eligible, offers himself for re-election.

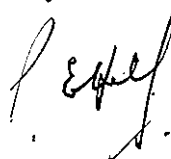
Shareholdings

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. 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



P.E. HILL

Secretary

21st April 1995

THE HARMUTTY TEA COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 1994

		1994	1993
	Notes	£	£
Investment income			
Unlisted - group		44,173	59,794
Administrative expenses		432	432
Exchange loss		1,072	3,870
Profit on ordinary activities before taxation	2	42,669	55,492
Taxation on profit on ordinary activities	4	646	14,949
Profit on ordinary activities after taxation		42,023	40,543
Proposed dividend		42,000	40,500
Retained profit for year	9	£23	£43

THE HARMUTTY TEA COMPANY LIMITED

BALANCE SHEET

as at 31st December 1994

	Notes	1994	1993
		£	£
FIXED ASSETS			
Investments	5	68,782	68,782
CURRENT ASSETS			
Debtors	6	152,435	151,192
LESS CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	7	<u>42,400</u>	<u>40,900</u>
NET CURRENT ASSETS		110,035	110,292
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£178,817</u>	<u>£179,074</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	8	86,280	86,280
Profit and loss account	9	92,537	92,794
		<u>£178,817</u>	<u>£179,074</u>

Approved on 21st April 1995 by the board of directors
and signed on their behalf by:



P.E. HILL
Director

THE HARMUTTY TEA COMPANY LIMITED

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

	1994 £	1993 £
Profit for the year	42,023	40,543
Dividend	42,000	40,500
	<u>23</u>	<u>43</u>
Currency translation differences on foreign currency net investments	(280)	(328)
	<u>—</u>	<u>—</u>
Total recognised loss since last annual report	<u>£257</u>	<u>£285</u>

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

	1994 £	1993 £
Profit for the year	42,023	40,543
Dividend	42,000	40,500
	<u>23</u>	<u>43</u>
Currency translation differences on foreign currency net investments	(280)	(328)
	<u>—</u>	<u>—</u>
Net movement in shareholders' funds	(257)	(285)
Opening shareholders' funds	179,074	179,359
	<u>—</u>	<u>—</u>
Closing shareholders' funds	<u>£178,817</u>	<u>£179,074</u>

THE HARMUTTY 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) Rates of Exchange

The Indian exchange rate has been taken at Rs.49.08 to the £1 (1993 Rs.46.41 to the £1). Long-term investments are translated at the rate applicable at the date of acquisition. Adjustments arising on translation of the net foreign currency investments are dealt with in the profit and loss account reserve. Realised exchange differences are dealt with in the profit and loss account.

2. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION

1994
£

1993
£

The profit on ordinary activities before
taxation is arrived at after charging:

Remuneration of the auditors

£400

£400

3. DIRECTORS

The number of directors whose emoluments
fell in the undernoted bracket was:

Nil to £5,000

three

three

The emoluments of the chairman were

nil

nil

Emoluments waived:-

Number of directors concerned

three

three

Amount

£1,153

£1,111

4. TAXATION

£

£

Provision on the profits for the year:

UK Corporation tax at 33% (1993 33%)

33,070

45,602

Less double taxation relief

(33,070)

(45,602)

-

-

Indian taxation:

Current year

6,625

14,949

Prior year's overprovision

(5,979)

-

£646

£14,949

THE HARMUTTY TEA COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

5. FIXED ASSET INVESTMENTS

The company owns 18.06% of the nominal value of the issued shares of Stewart Holl (India) Limited, incorporated in India.

	1994	1993
Shares at cost 1st January 1978	<u>£68,782</u>	<u>£68,782</u>

The principal country of operation is India.

6. DEBTORS

Amount owed by parent company	110,023	101,202
Amount owed by group company	<u>42,412</u>	<u>49,990</u>
	<u>£152,435</u>	<u>£151,192</u>

7. CREDITORS: Amounts falling due within one year

Dividend	42,000	40,500
Other creditors	<u>400</u>	<u>400</u>
	<u>£42,400</u>	<u>£40,900</u>

8. SHARE CAPITAL

Authorised:		
Shares of £1 each	<u>£90,000</u>	<u>£90,000</u>
Allotted, called up and fully paid		
Shares of £1 each	<u>£86,280</u>	<u>£86,280</u>

9. PROFIT AND LOSS ACCOUNT

	£
At beginning of year	92,794
Loss arising on translation of net foreign currency investments	(280)
Retained profit for the year	<u>23</u>
	<u>£92,537</u>

10. PARENT COMPANY

The parent company is Lawrie Group Plc and the ultimate parent company is Camellia Plc both of which are registered in England. Accounts are filed with the Registrar of Companies, Companies House, Crown Way, Cardiff CF4 3UZ.

THE HARMUTTY 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 Harmutty Tea Company Limited

We have audited the accounts on pages four to eight 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.

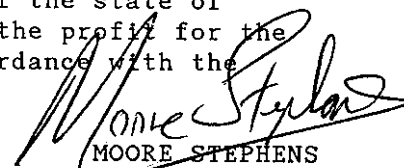
Basis of opinion

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

21st April 1995

and Registered Auditors