

THE HARMUTTY TEA COMPANY LIMITED

REPORT AND ACCOUNTS

2004



THE HARMUTTY TEA COMPANY LIMITED

Incorporated 1926

SHARE CAPITAL

Authorised
£90,000

In shares of £1 each

Issued
£86,280

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

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 215870

THE HARMUTTY TEA COMPANY LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the seventy-ninth annual general meeting of The Harmutty Tea Company Limited will be held at Linton Park, Linton, Maidstone, Kent, ME17 4AB on Tuesday, 21st June 2005 at 10.40 a.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 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

M.D. CONWAY

Secretary

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

21st 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 HARMUTTY 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
Profit on ordinary activities before taxation	<u>£10,487</u>	<u>£ -</u>
Profit on ordinary activities after taxation	<u>£10,487</u>	<u>£ -</u>
Proposed dividend	<u>£(10,000)</u>	<u>£ -</u>
Profit for the year	<u>£487</u>	<u>£ -</u>

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company 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.

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

21st June 2005

THE HARMUTTY TEA COMPANY LIMITED

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

	Notes	2004 £	2003 £
Investment income from unlisted group company		<u>10,487</u>	<u>-</u>
Profit on ordinary activities before taxation		10,487	-
Taxation credit on profit on ordinary activities	2	<u>-</u>	<u>-</u>
Profit on ordinary activities after taxation		10,487	-
Dividend		<u>(10,000)</u>	<u>-</u>
Retained profit for the year	6	<u>£ 487</u>	<u>£ -</u>

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

	2004 £	2003 £
Profit for the year	10,487	-
Dividends	<u>(10,000)</u>	<u>-</u>
Retained profit for the year	487	-
Currency translation differences on foreign currency net investments	<u>(208)</u>	<u>2,160</u>
Net movement in shareholders' funds	279	2,160
Opening shareholders' funds	<u>184,110</u>	<u>181,950</u>
Closing shareholders' funds	<u>£ 184,389</u>	<u>£ 184,110</u>

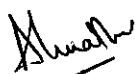
There are no recognised gains or losses other than those included in the above.

THE HARMUTTY TEA COMPANY LIMITED

BALANCE SHEET as at 31st December 2004

	Notes	2004	2003
		£	£
FIXED ASSETS			
Investments	3	68,782	68,782
CURRENT ASSETS			
Debtors: Amounts due from group companies		115,607	116,221
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	4	-	893
NET CURRENT ASSETS		<u>115,607</u>	<u>115,328</u>
NET ASSETS		<u>£ 184,389</u>	<u>£ 184,110</u>
EQUITY CAPITAL AND RESERVES			
Called up share capital	5	86,280	86,280
Profit and loss account	6	<u>98,109</u>	<u>97,830</u>
		<u>£ 184,389</u>	<u>£ 184,110</u>

Approved on 21st June 2005 by the board of directors and signed on their behalf by:



A.K. MATHUR
Director

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) Rate of Exchange

The closing exchange rate has been taken at Rs. 83.46 = £1 (2003 Rs. 81.68 = £1), whilst the average rate of exchange used is Rs. 82.69 = £1 (2003 Rs. 81.68 = £1). Long-term investments are translated at the rate applicable at the date of acquisition. Adjustments arising on translation of foreign currency investments are dealt with in the profit and loss account reserve. Realised exchange gains or losses are dealt with in the profit and loss account.

2. TAXATION CREDIT

(a) Analysis of credit in period

U.K. Corporation taxation

£ -

£ -

(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
	£	£
Profit on ordinary activities before tax	<u>£ 10,487</u>	<u>£ -</u>
Tax at the standard rate of corporation tax	3,146	-
Income not subject to taxation	<u>(3,146)</u>	<u>-</u>
	<u>£ -</u>	<u>£ -</u>

THE HARMUTTY TEA COMPANY, LIMITED

NOTES TO THE ACCOUNTS (continued)

3. FIXED ASSET INVESTMENTS

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

	2004	2003
Shares at cost at 1st January 1978	<u>£ 68,782</u>	<u>£68,782</u>

The principal country of operation is India.

4. CREDITORS

Amounts falling due within one year:

Other creditors	<u>£ -</u>	<u>£ 893</u>
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5. SHARE CAPITAL

	2004	2003
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>
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6. PROFIT AND LOSS ACCOUNT

	2004	2003
At 1st January	97,830	95,670
Exchange gain/ (loss) arising on translation of foreign currency investments	(208)	2,160
Retained profit for the year	<u>487</u>	<u>-</u>
At 31st December	<u>£ 98,109</u>	<u>£97,830</u>

7. 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.

8. 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 HARMUTTY 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 HARMUTTY TEA COMPANY LIMITED

Independent Auditors' Report to the shareholders of The Harmutty Tea Company Limited

We have audited the financial statements of The Harmutty Tea Company Limited for the year ended 31st December 2004 set out on pages four to seven. 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 profit 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

21st June 2005