

SETHIA LONDON LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

BOYDELL & CO
Chartered Accountants
89 Chiswick High Road
London
W4 2EF

Company number 884903

THURSDAY



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COMPANIES HOUSE

SETHIA LONDON LIMITED(COMPANY NUMBER 884903)DIRECTORS REPORT AND FINANCIAL STATEMENTS

The directors submit their report with the financial statements of the company for the year ended 31 July 2009

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £468,230 (2008 £766,446) No dividend was paid in the year (2008 £nil)

PRINCIPAL ACTIVITIES

The company is a wholly owned subsidiary of N Sethia Group Limited

The principal activities of the company are acting as commission agents, trading in commodities and goods, commodity futures, shares, currencies and exporting There have been no significant changes in the company's principal activities in the year under review The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year

BUSINESS REVIEW

As shown in the company's profit and loss account on page 6, the company's turnover decreased by 7% over the prior year, whilst operating profit increased by 199%, profit after tax was 38.9% lower due to the considerably lower gains arising on foreign exchange

The balance sheet on page 8 of the financial statements shows that the company's financial position at the year-end is, in net assets, 32.5% stronger than in the prior year, whereas in net cash terms, the company is broadly in a similar position Details of amounts owed by and to its parent company and fellow group undertakings are shown in notes 10 and 11 on page 16

There are no significant events since the balance sheet date to report

Given the nature and size of the company's business, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of the company is discussed in the group directors' report and financial statements which do not form part of this report

SETHIA LONDON LIMITEDDIRECTORS REPORT AND FINANCIAL STATEMENTS(CONTINUED)BUSINESS REVIEW (continued)Principal risks and uncertainties

Competitive pressure is a continuing risk for the company and this is managed by providing a value added service to its customers and by maintaining strong relationships with customers

The company sales in Europe are made in Euros and it is therefore exposed to the movement in the Euro to Pound exchange rate. In addition, the company deals in a range of currencies with a view to making a profit. This risk is managed by the directors monitoring exchange rate movements on a daily basis

The company has, in addition, bank overdrafts and is therefore subject to interest rate exposure. This risk is managed by the directors monitoring interest rate fluctuations on a regular basis

Group risks are discussed in the group directors' report and financial statements which do not form part of this report.

Environment

The company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include recycling and reducing energy consumption

EMPLOYEES

Details of the number of employees and related costs can be found in note 3 to the financial statements on page 11

FUTURE DEVELOPMENTS

The directors consider that 2009/2010 will continue to be another year of gradually improving trading conditions. Their aim is to continue to implement the management policies which have been introduced in recent years and which have assisted in successfully overcoming the difficulties and uncertainties experienced in prior years

DONATIONS

The company made charitable donations totalling £200,000 (2008 £ 200,000) to the N Sethia Foundation Trust, a registered charity that sponsors, amongst other causes, the Prince's Trust. The company made no political donations (2008 £nil)

SETHIA LONDON LIMITEDDIRECTORS REPORT AND FINANCIAL STATEMENTS(CONTINUED)DIRECTORS AND THEIR INTERESTS

The directors who served during the year, together with and their interests in the ordinary share capital of the holding company were as follows

	2009	2008
N K Sethia – beneficial holding	121,297	121,297
N K Sethia – non-beneficial holding	981,403	981,403
R Sethia	-	-
A K Pyne (resigned 13 June 2009)	-	-
J P S Booth	-	-

N K Sethia owned both his beneficial and non-beneficial holding jointly with his wife C D Sethia

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then to apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

SETHIA LONDON LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

(CONTINUED)

DIRECTORS RESPONSIBILITIES (CONTINUED)

The directors, or such persons that are directors at the time when the report is approved, attest that

- a) so far as the directors are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- b) each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS

The auditors, Boydell & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

By order of the board

Amitas Jain

A JAIN
Secretary

26th May 2010

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

SETHIA LONDON LIMITED

We have audited the financial statements of Sethia London Limited for the year ended 31 July 2009 which comprise Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit

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.

Opinion on financial statement

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2009 and of the its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

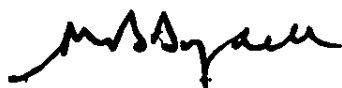
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- 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 parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Malcolm Barry Boydell (Senior Statutory Auditor)
For and on behalf of
Boydell & Co
Chartered Accountants and Statutory Auditors
89 Chiswick High Road
London W4 2EF

27 May 2010

SETHIA LONDON LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
TURNOVER			
– continuing operations	(2)	37,262,873	40,075,879
Cost of sales		(35,271,322)	(38,275,797)
		<hr/>	<hr/>
Gross profit	(2)	1,991,551	1,800,082
Selling and distribution costs	(403,766)	(434,129)	
Establishment and administrative expenses	(1,195,630)	(1,234,803)	
		<hr/>	<hr/>
		(1,599,396)	(1,668,932)
		<hr/>	<hr/>
OPERATING PROFIT			
- continuing operations	(3)	392,155	131,150
Interest receivable	(4)	425,160	245,315
Interest payable and similar charges	(5)	(195,404)	(276,325)
Translation differences on exchange – profit/(loss)	(6)	67,468	1,038,714
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		689,379	1,138,854
Tax on profit on ordinary activities	(7)	(221,149)	(372,408)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		£ 468,230	£ 766,446
		=====	=====

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial periods

The notes on pages 9 to 18 form an integral part of these financial statements

SETHIA LONDON LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSESFOR THE YEAR ENDED 31 JULY 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
Profit for the year after taxation		468,230	766,446
Capital exchange differences		885,815	113,322
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		1,354,045	879,768
		<hr/>	<hr/>
Total recognised gains and losses recognised since last report		£ 1,354,045	£ 879,768
		=====	=====

The notes on pages 9 to 18 form an integral part of these financial statements


SETHIA LONDON LIMITED

BALANCE SHEET

AT 31 JULY 2009

	<u>Notes</u>	<u>2009</u>	<u>2008</u>
FIXED ASSETS			
Tangible assets	(8)	321,270	371,771
Investments	(9)	3,316,917	2,639,525
		<u>3,638,187</u>	<u>3,011,296</u>
CURRENT ASSETS			
Debtors	(10)	2,699,046	1,187,096
Cash at bank and in hand		9,475,123	11,605,273
		<u>12,174,169</u>	<u>12,792,369</u>
CREDITORS amounts falling due within one year	(11)	(10,227,593)	(11,534,086)
NET CURRENT ASSETS		<u>1,946,576</u>	<u>1,258,283</u>
TOTAL NET ASSETS		<u>5,584,763</u>	<u>4,269,579</u>
CREDITORS amounts falling due after more than one year	(12)	(61,656)	(100,517)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 5,523,107</u> =====	<u>£ 4,169,062</u> =====
CAPITAL AND RESERVES (all attributable to equity interests)			
Called up share capital	(14)	1,200,000	1,200,000
Profit and loss account	(15)	3,341,905	2,873,675
Exchange reserve	(15)	981,202	95,387
		<u>£ 5,523,107</u> =====	<u>£ 4,169,062</u> =====

Approved by the board on 26th May 2010 and signed on its behalf by


N K SETHIA
Director

The notes on pages 9 to 18 form an integral part of these financial statements

SETHIA LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention. Under Financial Reporting Standard 1 paragraph 8(c) the company is exempt from the requirement to publish a cash flow statement, as it is a wholly owned subsidiary of an UK undertaking.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, at the following rates

Freehold building	- 2% pa straight line basis
Leasehold land and buildings	- over the term of the lease
Furniture and equipment	- 25% pa reducing instalment basis
Motor vehicles	- 25% pa reducing instalment basis

c) Stocks

Stocks are stated at the lower of cost and net realisable value

d) Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date except for certain non-monetary assets, which are translated at the historic sterling equivalent. Transactions in foreign currencies are recorded at the average rate for the year.

The differences arising on the translation to sterling (using the closing rate of exchange) of overseas net assets at the beginning of the year, after taking into account related foreign currency borrowings, are taken to reserves. Other differences in currency transactions are taken to profit and loss account.

e) Assets acquired by hire purchase or lease

Such assets are capitalised in accordance with Statement of Standard Accounting Practice 21 and are depreciated over their useful lives. Finance charges are calculated on the straight line basis and are charged to profit and loss account.

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

1 ACCOUNTING POLICIES (continued)

f) Deferred taxation

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for financial statements purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

2 TURNOVER

The turnover and pre-tax profit is attributable to trading in commodities and goods, commodity futures, shares, currencies, exporting and commission receivable (stated net of VAT). The turnover is attributable to continuing operations.

An analysis of turnover by geographical market is given below

	<u>2009</u> £'000	<u>2008</u> £'000
Europe (excluding UK)	2,784	2,165
United Kingdom	34,479	37,911
	<u>£ 37,263</u>	<u>£ 40,076</u>
	=====	=====

Analysis of turnover and gross profit by business activity

	<u>Turnover</u> £'000 <u>2009</u>	<u>Turnover</u> £'000 <u>2008</u>	<u>Gross profit</u> £'000 <u>2009</u>	<u>Gross profit</u> £'000 <u>2008</u>
Futures trading	34,013	37,549	388	279
Commissions receivable	2,784	2,165	1,418	1,369
Management fees	450	250	170	40
Other income	16	112	16	112
	<u>£ 37,263</u>	<u>£ 40,076</u>	<u>£ 1,992</u>	<u>£ 1,800</u>
	=====	=====	=====	=====

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

3 OPERATING PROFIT

This is stated after charging	<u>2009</u> £	<u>2008</u> £
Directors' remuneration	163,052	199,000
Auditors' remuneration	21,805	21,805
Depreciation	48,101	54,395
Operating lease rentals – plant and machinery	635	2,082
	=====	=====

The emoluments of the highest-paid director, excluding pension contributions, were £113,333 (2008 £150,000)

The emoluments of the other directors fell within the following ranges -

£ 45,001 - £ 50,000	<u>2009</u> 1	<u>2008</u> 1
Employees (including directors)	<u>2009</u> No	<u>2008</u> No
Average number of people employed during the year		
Sales	1	1
Administration	11	11
Management	4	4
	----- 16	----- 16
	=====	=====
Cost in respect of these employees		
Salaries	482,038	475,330
Social security costs	51,072	50,385
Other benefits	6,075	2,359
	----- £ 539,185	----- £ 528,074
	=====	=====

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 2009

4 <u>INTEREST RECEIVABLE</u>	<u>2009</u>	<u>2008</u>
Bank deposit interest	195,332	220,713
Other interest receivable	229,828	24,602
	<u>£ 425,160</u>	<u>£ 245,315</u>
	=====	=====

5 <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>2009</u>	<u>2008</u>
On bank loans and overdrafts	73,012	240,821
On other loans	122,392	35,504
	<u>£ 195,404</u>	<u>£ 276,325</u>
	=====	=====

Included in interest on other loans is £6,881 (2008 £7,897) in respect of finance charges on finance leases and hire-purchase agreements

6 <u>TRANSLATION DIFFERENCES ON EXCHANGE</u>	<u>2009</u>	<u>2008</u>
Translation differences on exchange		
Retranslation of opening trading balances	798,866	194,399
Translation differences during the year	(731,398)	844,315
	<u>£ 67,468</u>	<u>£ 1,038,714</u>
	=====	=====

7 <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>	<u>2009</u>	<u>2008</u>
(a) Tax on profit on ordinary activities		
UK Corporation tax, 30% (2008 30%)	221,149	333,689
Adjustment in respect of prior years	-	38,719
	<u>£ 221,149</u>	<u>£ 372,408</u>
	=====	=====

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 20097 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2008 30%) The differences are reconciled below

	<u>2009</u>	<u>2008</u>
Profit on ordinary activities before taxation	£ 689,379	£ 1,138,854
	=====	=====
Profit on ordinary activities multiplied by tax rate	206,814	341,656
Expenses not deductible for tax purposes	2,151	2,404
Depreciation	14,430	16,319
Tax underprovided in previous years	-	38,719
Capital allowances	(3,723)	(4,755)
Loss on disposal of investments	5,987	17,739
UK dividends received	(4,818)	(32,090)
Other	308	(7,584)
	-----	-----
Total current tax (note 7(a))	£ 221,149	£ 372,408
	=====	=====

(c) Factors that may affect future tax charges

The company expects to be able to claim capital allowances that are less than depreciation in future years The company has no tax losses (2008 £nil) that are available for offset against future taxable profits

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries, as the company has no liability to additional taxation should such amounts be remitted due to the availability of double taxation relief

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

8 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost				
At 1 August 2008	207,355	369,347	295,740	872,442
Additions	-	-	-	-
Disposals	-	-	(18,500)	(18,500)
At 31 July 2009	207,355	369,347	277,240	853,942
Depreciation				
At 1 August 2008	19,025	347,359	134,287	500,671
Charge for year	2,788	5,497	39,816	48,101
On disposals	-	-	(16,100)	(16,100)
At 31 July 2009	21,813	352,856	158,003	532,672
Net Book Value				
At 31 July 2009	£ 185,542	£ 16,491	£ 119,237	£ 321,270
At 31 July 2008	£ 188,330	£ 21,988	£ 161,453	£ 371,771

Depreciation has not been charged on freehold land, which is stated at an estimated cost of £67,940 (2008 £67,940). The company owns two freehold properties in Russia and it has been impracticable to have these properties revalued. The directors are satisfied that their aggregate value at 31 July 2009 was not less than their net book value shown in the financial statements.

Included in the total net book value of tangible fixed assets held at 31 July 2009 were motor vehicles totalling £119,237 (2008: £161,453) in respect of assets held under finance leases and hire purchase contracts.

9 INVESTMENTS

At cost less provision for diminution in value

At 1 August 2008	2,639,525
Addition	677,392

31 July 2009	£ 3,316,917
	=====

On 26 August 2008, the company acquired 33,333 \$0.01 Series B Convertible Preferred Stock in American Well Corporation, a company registered in Delaware, United States of America for a consideration of \$1,000,000.

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 20099 INVESTMENTS (continued)

<u>Summary</u>	<u>2009</u>	<u>2008</u>
Unlisted investments	3,207,101	2,603,929
Listed investments (see below)	109,816	35,596
Total investments	<u>£ 3,316,917</u> =====	<u>£ 2,639,525</u> =====

The company holds more than 10% of the equity of the following companies

<u>Name of company</u>	<u>Country of incorporation</u>	<u>Holding (shares)</u>	<u>Propn held</u>	<u>Nature of business</u>
Pashupati Securities Mauritius Ltd	Mauritius	11,030,002	100%	Investment company
Newby Teas (UK) Ltd	UK	1,000,000	100%	Tea merchants
Newby Teas Overseas PVT Ltd	India	6,250,000	100%(*)	Tea packing
Intracs Ltd	UK	7,000	70%	Consultancy

(*) 49% held by a subsidiary undertaking

The company is exempted from the requirement to prepare group accounts because it is itself a subsidiary of N Sethia Group Limited, a company incorporated in England and Wales, which prepares and files consolidated accounts

Listed investments

At 1 August 2008	35,596
Additions	74,220
At 31 July 2009	<u>£ 109,816</u> =====

The market value of these investments at 31 July 2009 was £107,235 (2008 £38,959) and the taxation liability on the potential gain if sold would be £nil (2008 £1,009)

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

10 <u>DEBTORS</u>	<u>2009</u>	<u>2008</u>
Amounts owed by group undertakings	597,195	654,502
Other debtors	2,046,353	238,833
Prepayments, commission payable in advance and accrued income	25,499	264,127
Taxation – Value added tax	29,999	29,634
	<u>£ 2,699,046</u>	<u>£ 1,187,096</u>
	=====	=====

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2009</u>	<u>2008</u>
Bank loans and overdrafts	684,768	2,828,261
Obligations under finance leases and hire purchase contracts (note 14)	45,742	45,742
Trade creditors	26,016	53,551
Amounts owed to group undertakings	7,363,417	6,838,038
Corporation tax	184,521	323,089
Other taxes and social security costs	22,384	20,109
Other creditors	825,667	691,457
Accruals	1,075,078	733,839
	<u>£ 10,227,593</u>	<u>£ 11,534,086</u>
	=====	=====

The bank loans and overdrafts are secured by a charge on group land and buildings

12 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts repayable by instalments

	<u>2009</u>	<u>2008</u>
Obligations under finance leases and hire purchase contracts (note 13)		
Payable between 2 and 5 years	61,656	100,517
	<u>£ 61,656</u>	<u>£ 100,517</u>
	=====	=====

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2009

13 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	<u>2009</u>	<u>2008</u>
Amounts payable		
Within one year	45,742	45,742
In two to five years	69,812	109,994
	<u>115,554</u>	<u>155,736</u>
Less finance charges allocated to future periods	(8,156)	(9,477)
	<u>£ 107,398</u>	<u>£ 146,259</u>
	=====	=====
Finance leases and hire purchase contracts are analysed as follows		
Current obligations (note 11)	45,742	45,742
Non-current obligations (note 12)	61,656	100,517
	<u>£ 107,398</u>	<u>£ 146,259</u>
	=====	=====

14 SHARE CAPITAL

	Authorised		Authorised	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	No	No	£	£
Ordinary shares of £1 each	2,000,000	2,000,000	2,000,000	2,000,000
	=====	=====	=====	=====
	Allotted, called up and fully paid		Allotted, called up and fully paid	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	No	No	£	£
Ordinary shares of £1 each	1,200,000	1,200,000	1,200,000	1,200,000
	=====	=====	=====	=====

15 RESERVES

	Exchange reserve	Profit and loss account
At 1 August 2008	95,387	2,873,675
Profit for the period after taxation	-	468,230
Dividends	-	-
Capital exchange differences	885,815	-
At 31 July 2009	<u>£ 981,202</u>	<u>£ 3,341,905</u>
	=====	=====

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 200916 RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUND

	<u>2009</u>	<u>2008</u>
Attributable to equity interests		
Opening shareholders' funds	4,169,062	3,289,294
Profit for the financial year	468,230	766,446
Dividends	-	-
Capital exchange differences	885,815	113,322
Closing shareholders' funds	<u>£ 5,523,107</u>	<u>£ 4,169,062</u>
	=====	=====

17 RELATED PARTY TRANSACTIONS

Loans from related parties	Balance at 1 August 2008	Balance at 31 July 2009	Maximum outstanding balance
	£	£	£
N K & C D Sethia 1999 Family Settlement Trust	17,020	17,020	17,020
N K & C D Sethia as Trustees of the following settlements for the benefit of:			
R R Sethia Settlement	8,247	43,836	43,836
P R Sethia Settlement	122,938	129,740	129,740
R Sethia Settlement	10,180	-	10,180

Unpaid interest due but unpaid amounted to £nil (2008 £nil) Included in other creditors is a sum of £17,270 (2008 £90,774 in other debtors) due to the N Sethia Foundation N K Sethia is a trustee of this registered charity

18 OTHER FINANCIAL COMMITMENTS

On 31 July 2009 the company had annual commitments under non-cancellable operating leases as set out below

	<u>2009</u>	<u>2008</u>
Operating leases which expire		
Within one year	900	-
In two to five years	-	1,410
	<u>£ 900</u>	<u>£ 1,410</u>
	=====	=====

19 CONTINGENT LIABILITY

The company has given a guarantee to a United Kingdom bank of £700,000 (2008 £700,000) covering the liabilities of Newby Teas (UK) Limited, a subsidiary undertaking

20 IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is N Sethia Group Limited, a company incorporated in England and Wales