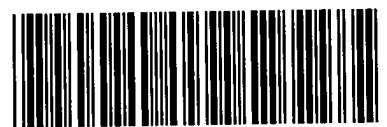


SETHIA LONDON LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

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

Company number: 884903

THURSDAY



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30/04/2015

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SETHIA LONDON LIMITED

(COMPANY NUMBER: 884903)

DIRECTORS REPORT

The directors submit their report with the financial statements of the company for the year ended 31 July 2014.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £298,600 (2013: loss of £2,733,074). No dividend was paid in the year (2013: £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 41.8% over the prior year, whilst operating losses incurred were £1.2m due, principally, to the continued decreased profitability of the commodities trading division as a result of the continued large and unexpected fall in the value of gold. The directors hope to recover some of these losses in the next trading year.

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, 1.4% stronger than in the prior year, whereas in net cash terms (including overdrafts), the company has 27% more net cash than at 31 July 2013. This is largely explained by the company's reduction in bank overdrafts by £2.5m. Details of amounts owed by and to its parent company and fellow group undertakings are shown in notes 10 and 11 on page 17.

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 (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 Swiss Francs and it is therefore exposed to the movement in the Euro to Pound and Swiss Franc to Pound exchange rates. 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 2014/2015 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 £930,506 (2013: £ 200,000) to the N. Sethia Foundation Trust, a registered charity that sponsors youth education, medical research and British Heritage.

The company made no political donations (2013: £nil).

SETHIA LONDON LIMITEDDIRECTORS REPORT (CONTINUED)DIRECTORS

The directors who served during the year were as follows:

N K Sethia
R Sethia
J P S Booth

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 adequate 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.


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.

SETHIA LONDON LIMITEDDIRECTORS REPORT (CONTINUED)AUDITORS

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

Approved and authorised for issue by the board on *28th Apr '1* 2015 and signed on its behalf by:


.....
N. K. SETHIA
Director

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 2014 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 Chapter 3 of Part 16 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2014 and of 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..

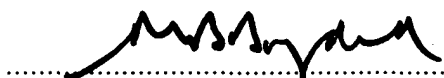
Opinion on other matter prescribed by the Companies Act 2006

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

30 April 2015

SETHIA LONDON LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
TURNOVER			
- continuing operations	(2)	20,630,368	35,436,245
Cost of sales		(18,619,976)	(39,046,275)
		<hr/>	<hr/>
Gross profit/(loss)	(2)	2,010,392	(3,610,030)
Selling and distribution costs	(189,392)	(201,463)	
Establishment and administrative expenses	(2,987,436)	(1,950,581)	
		<hr/>	<hr/>
		(3,176,828)	(2,152,044)
		<hr/>	<hr/>
OPERATING (LOSS)			
- continuing operations	(3)	(1,166,436)	(5,762,074)
Interest receivable	(4)	87,781	538,109
Interest payable and similar charges	(5)	(96,065)	(108,773)
Income from investments		2,377,651	1,656,064
Profit/(loss) on disposal of investments		87,802	(155,809)
Profit on disposal of fixed assets		22,490	-
Impairment of current asset investments	(9b)	(889,119)	-
Translation differences on exchange	(6)	(293,782)	777,195
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		130,322	(3,055,288)
Tax (payable)/recoverable on ordinary activities	(7)	168,278	322,214
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		£ 298,600	£ (2,733,074)
		=====	=====

Continuing operations

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

The notes on pages 9 to 19 form an integral part of these financial statements.

SETHIA LONDON LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSESFOR THE YEAR ENDED 31 JULY 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
Profit/(loss) for the year after taxation		298,600	(2,733,074)
Total recognised gains and losses relating to the year		<hr/> 298,600	<hr/> (2,733,074)
Total recognised gains and losses recognised since last report		<hr/> £ 298,600 =====	<hr/> £(2,733,074) =====

The notes on pages 9 to 19 form an integral part of these financial statements.

SETHIA LONDON LIMITED

BALANCE SHEET

AT 31 JULY 2014

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
FIXED ASSETS			
Tangible assets	(8)	197,291	231,857
Investments	(9a)	6,831,965	8,302,808
		<u>7,029,256</u>	<u>8,534,665</u>
CURRENT ASSETS			
Debtors	(10)	5,806,348	3,127,635
Investments	(9b)	1,534,258	2,566,623
Cash at bank and in hand		7,333,053	8,280,968
		<u>14,673,659</u>	<u>13,975,226</u>
CREDITORS: amounts falling due within one year			
	(11)	(12,780,557)	(13,712,881)
NET CURRENT ASSETS		<u>1,893,102</u>	<u>262,345</u>
TOTAL NET ASSETS		<u>8,922,358</u>	<u>8,797,010</u>
TOTAL ASSETS LESS TOTAL LIABILITIES			
		<u>£ 8,922,358</u> =====	<u>£ 8,797,010</u> =====
CAPITAL AND RESERVES (all attributable to equity interests)			
Called up share capital	(12)	1,200,000	1,200,000
Profit and loss account	(13)	6,796,556	6,497,956
Exchange reserve	(14)	925,802	1,099,054
		<u>£ 8,922,358</u> =====	<u>£ 8,797,010</u> =====

Approved and authorised for issue by the board on ~~28~~ April 2015 and signed on its behalf by:

.....
N. K. SETHIA
Director

The notes on pages 9 to 19 form an integral part of these financial statements.

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JULY 20141. ACCOUNTING POLICIESa) 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) Turnover

Turnover is attributable to trading in commodities and goods, commodity futures, shares, currencies, exporting and commission receivable (stated net of VAT). The income from trading in the various items is recognised once realised; the income from commissions and management fees is recognised on a receivable basis.

c) 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

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 2014

1. ACCOUNTING POLICIES (continued)

f) Basic and other financial instruments

The company has not adopted FRS26 'Financial instruments: recognition and measurement' and therefore the disclosure requirements of FRS29 'Financial instruments: disclosures' are not applicable. The disclosure requirements of FRS13 'Derivatives and other financial instruments: disclosures' have been applied.

g) 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 in full.

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>2014</u>	<u>2013</u>
	£'000	£'000
Europe (excluding UK)	4,989	2,261
United Kingdom	15,641	33,175
	<u>£ 20,630</u>	<u>£ 35,436</u>
	=====	=====

Analysis of turnover and gross profit by business activity

	<u>Turnover</u>	<u>Turnover</u>	<u>Gross</u>	<u>Gross</u>
	£'000	£'000	(loss)/profit	(loss)/profit
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Futures trading	13,131	32,795	(4,370)	(5,179)
Commissions receivable	4,989	2,261	4,820	1,329
Management fees	2,480	380	1,530	240
Other income	30	-	30	-
	<u>£ 20,230</u>	<u>£ 35,436</u>	<u>£ 2,010</u>	<u>£ (3,610)</u>
	=====	=====	=====	=====

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 20143. OPERATING PROFIT

This is stated after charging:	<u>2014</u>	<u>2013</u>
	£	£
Directors' remuneration	178,462	157,000
Auditors' remuneration current year:		
Audit fees	29,400	29,235
Accounting fees	2,500	2,500
Taxation compliance	500	500
Depreciation	15,057	21,944
	=====	=====
	<u>2014</u>	<u>2013</u>
Employees (including directors):	No.	No.
Average number of people employed during the year:		
Sales	2	3
Administration	22	24
Management	6	5
	-----	-----
	30	32
	=====	=====
Cost in respect of these employees:		
Salaries	1,159,350	1,024,380
Social security costs	115,028	110,471
Other benefits	6,153	6,984
	-----	-----
	£ 1,280,531	£ 1,141,835
	=====	=====

Of these employees, 8 (2013: 8) were employed on the business of the company's sixty-five percent-owned subsidiary, Newby Teas (UK) Limited.

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

4. <u>INTEREST RECEIVABLE</u>	<u>2014</u>	<u>2013</u>
Bank deposit interest	87,781	533,331
Other interest receivable	-	4,778
	<u>£ 87,781</u>	<u>£ 538,109</u>
	=====	=====

5. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>	<u>2014</u>	<u>2013</u>
On bank loans and overdrafts	96,065	107,889
On other loans	-	884
	<u>£ 96,065</u>	<u>£ 108,773</u>
	=====	=====

Included in interest on other loans is £nil (2013: £884) in respect of finance charges on finance leases and hire-purchase agreements.

6. <u>TRANSLATION DIFFERENCES ON EXCHANGE</u>	<u>2014</u>	<u>2013</u>
Translation differences on exchange:		
Retranslation of opening trading balances	(173,252)	89,233
Translation differences during the year	(120,530)	687,962
	<u> </u>	<u> </u>
Amounts (debited)/ credited to profit and loss account	£(293,782)	£ 777,195
	=====	=====

7. <u>TAXATION ON ORDINARY ACTIVITIES</u>	<u>2014</u>	<u>2013</u>
---	-------------	-------------

(a) Tax on profit/(loss) on ordinary activities

UK corporation tax (recoverable):		
2014: 23% and 21% (2013: 26% and 24%)	(168,278)	(322,214)
	<u> </u>	<u> </u>
Total current tax (note 7(b))	£ (168,278)	£ (322,214)
	=====	=====

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 20147. TAX ON ORDINARY ACTIVITIES (continued)(b) Factors affecting the current tax position

The factors are reconciled below:

	<u>2014</u>	<u>2013</u>
Profit/(loss) on ordinary activities before taxation	£ 298,600 =====	£ (3,055,288) =====
Profit/(loss) on ordinary activities multiplied by tax rate(s)	66,687	(-)
Expenses not deductible for tax purposes	1,945	2,291
Depreciation	3,363	5,201
Capital allowances	(11,095)	(2,819)
(Profit)/loss on disposal of investments	(19,609)	36,927
UK and overseas dividends received	(531,009)	(392,487)
Other	321,440	28,673
Total current tax (note 7(a))	£ (168,278) =====	£ (322,214) =====

(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. After carrying forward losses to 2014, the company has tax losses of £1,695,663 (2013: £1,243,606) that are available for offset against future taxable profits or available for group relief.

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 2014

8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings	Furniture and Equipment	Motor Vehicles	Total
	£	£	£	£
Cost:				
At 1 August 2013	207,355	395,166	217,248	819,769
Disposals	-	-	(103,798)	(103,798)
At 31 July 2014	207,355	395,166	113,450	715,971
Depreciation:				
At 1 August 2013	32,967	375,425	179,520	587,912
Charge for year	2,788	4,935	7,333	15,056
Disposals	-	-	(84,288)	(84,288)
At 31 July 2014	35,755	380,360	102,565	518,680
Net Book Value:				
At 31 July 2014	£ 171,600	£ 14,806	£ 10,885	£ 197,291
At 31 July 2013	£ 174,388	£ 19,741	£ 37,728	£ 231,857

Depreciation has not been charged on freehold land, which is stated at an estimated cost of £67,940 (2013: £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 2014 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 2014 were motor vehicles totalling £nil (2013: £nil) in respect of assets held under finance leases and hire purchase contracts.

9a. FIXED ASSET INVESTMENTS

At cost less provision for diminution in value:

At 1 August 2013	8,302,808
Additions	1,222,677
Disposals	(2,693,520)
	<hr/>
31 July 2014	£ 6,831,965
	=====

During the year, the company transferred, at cost, antique tea pots with a value of £2.6m (2013: £nil) to a related party N. Sethia Foundation and, the company invested a further £0.98m (2013: £2.6m) in antiques for its tea museum. Additionally, the company invested a further £150k in Organox Limited.

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

9a. FIXED ASSET INVESTMENTS (continued)

<u>Summary:</u>	<u>2014</u>	<u>2013</u>
Unlisted investments	6,831,965	8,302,808
Listed investments	-	-
Total investments	<u>£ 6,831,965</u> =====	<u>£ 8,302,808</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	600,000	60%	Tea merchants
Newby Teas Overseas PVT Ltd.	India	3,563,924	100% (*)	Tea packing
Newby Teas Nordic A.S.	Norway	4,790	99%	Tea merchants
Newby Teas Suisse S.A.	Switzerland	300	100%	Tea merchants
Newby S.E. Asia Pte. Ltd.	Singapore	900,000	75%	Tea merchants
Newby Teas A.B.	Sweden	2,000	100%	Tea merchants
Progress Nordic A.S.	Norway	500	50%	Property investors
Intracs Ltd.	UK	7,000	70%	Consultancy

(*) 70.3% held by a wholly-owned 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.

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 20149b. CURRENT ASSET INVESTMENTS

At cost less provision for diminution in value:

At 1 August 2013	2,566,623
Additions	-
Disposals	(-)
Impairment provision	(879,119)
Exchange movement	(153,246)
31 July 2014	<u>£ 1,534,258</u> =====

<u>Summary:</u>	<u>2014</u>	<u>2013</u>
Unlisted investments	-	-
Listed investments (see below)	1,534,258	2,566,623
Total investments	<u>£ 1,534,258</u> =====	<u>£ 2,566,623</u> =====

Listed investments

At 1 August 2013	2,566,623
Additions	-
Disposals	(-)
Impairment provision	(879,119)
Exchange movement	(153,246)
At 31 July 2014	<u>£ 1,534,258</u> =====

The market value of these investments at 31 July 2014 was £1,580,861 and the taxation liability on the potential gain if sold would be £nil (2013: £1,834,202 and £nil).

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

10. <u>DEBTORS</u>	<u>2014</u>	<u>2013</u>
Trade debtors	407,629	920,102
Amounts owed by group undertakings	4,475,268	1,649,584
Other debtors	391,677	1,282
Prepayments	58,940	58,280
Other taxation – corporation tax	390,976	390,976
Other taxation – value added tax	81,858	107,411
	<u>£ 5,806,348</u>	<u>£ 3,127,635</u>
	=====	=====

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u>	<u>2013</u>
Bank loans and overdrafts	52,137	2,547,667
Trade creditors	57,234	5,604
Amounts owed to group undertakings	9,268,502	8,875,533
Corporation tax	-	-
Other taxes and social security costs	35,328	39,445
Other creditors	3,319,625	1,395,444
Accruals	47,731	849,188
	<u>£ 12,780,557</u>	<u>£ 13,712,881</u>
	=====	=====

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

12. SHARE CAPITAL

	Allotted, called up and fully paid		Allotted, called up and fully paid	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	No.	No.	£	£
Ordinary shares of £1 each	1,200,000	1,200,000	1,200,000	1,200,000
	=====	=====	=====	=====

SETHIA LONDON LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2014

13. RESERVES

	Exchange reserve	Profit and loss account
At 1 August 2013	1,099,054	6,497,956
Profit for the period after taxation	-	130,322
Dividends	-	-
Capital exchange differences	(173,252)	-
At 31 July 2014	<u>£ 925,802</u> =====	<u>£ 6,628,278</u> =====

14. RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS' FUND

	<u>2014</u>	<u>2013</u>
Attributable to equity interests:		
Opening shareholders' funds	8,797,010	11,440,851
Profit/ (loss) for the financial year	130,322	(2,733,074)
Dividends	-	-
Capital exchange differences	(173,252)	89,233
Closing shareholders' funds	<u>£ 8,754,080</u> =====	<u>£ 8,797,010</u> =====

15. RELATED PARTY TRANSACTIONS

Loans from related parties	Balance at 1 August 2013 £	Balance at 31 July 2014 £	Payments to (Receipts) from related party £	related party £
N K & C D Sethia 1999 Family Settlement Trust	216,657	17,020	199,637	(-)
N Sethia Foundation	2,821	(180,066)	182,887	(-)

N K Sethia as Trustee of the following settlements for the benefit of:

R R Sethia Settlement	50,749	1,052,543	-	(1,001,794)
P R Sethia Settlement	62,792	476,900	-	(414,108)
R Sethia Settlement	58,820	47,419	11,401	(-)
Mr N K Sethia	455,852	1,063,591	-	(607,739)
Mr P Sethia	53,370	53,370	-	(-)

Unpaid interest due but unpaid amounted to £nil (2013: £nil). N K Sethia is a trustee of N Sethia Foundation, a registered charity. The company is exempt from disclosing transactions and balances with group undertakings as it is a wholly-owned subsidiary.

SETHIA LONDON LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 201416. CAPITAL AND OTHER FINANCIAL COMMITMENTS

As at 31 July 2014 the company had no annual commitments under non-cancellable operating leases and no amounts contracted for but not provided in the financial statements (2013: nil and nil). The company has given a guarantee to a United Kingdom bank of £750,000 (2013: £750,000) covering the liabilities of Newby Teas (UK) Limited, a subsidiary undertaking.

17. IMMEDIATE AND ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

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

The company's ultimate controlling party is N K Sethia and the Sethia Family Trusts.