

**COMPANY NUMBER: 2463642**

**LLOYDS TEA COMPANY LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 1997**

**CHARLES LOVELL & CO**  
Chartered Accountants  
Redditch



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**LLOYDS TEA COMPANY LIMITED****DIRECTORS' REPORT**

Directors: I D Olley  
L V Wheaton (appointed 11 July 1997)  
D A Dennis (resigned 11 July 1997)

Secretary: I D Olley

Registered Office: 64 Burlington Arcade, London W1V 9AF

The directors present their report and the accounts for the year ended 31 December 1997.

**PRINCIPAL ACTIVITY**

The principal activity of the company is that of tea blenders.

**DIRECTORS**

The directors of the company during the year ended 31 December 1997 were those listed above.

**DIRECTORS' INTERESTS**

According to the register maintained as required under the Companies Act 1985, the directors' interests in the share capital of the company were as follows:

	31 December 1997 Ordinary	31 December 1996 Ordinary
I D Olley	-	-
L V Wheaton	-	-

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**DIRECTORS' REPORT - (continued)****STATEMENT OF 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 of the company for that period. In preparing those financial statements, the directors are required to:

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 16 September 1998 and signed on their behalf.



I D Olley  
Secretary

**ACCOUNTANT'S REPORT ON THE UNAUDITED ACCOUNTS  
TO THE DIRECTORS OF LLOYDS TEA COMPANY LIMITED**

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As described on the balance sheet you are responsible for the compilation of the accounts for the year ended 31 December 1997, set out on pages 4 to 7, and you consider that the company is exempt from an audit and a report under Section 249(A)(2) of the Companies Act 1985.

In accordance with your instructions we have compiled the unaudited accounts from the accounting records and from the information and explanations supplied to us.



**CHARLES LOVELL & CO**

Chartered Accountants  
Redditch

16 September 1998

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**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 1997**

	Note	1997 £	1996 £
<b>TURNOVER</b>	2	3,003	11,383
Cost of Sales		485	424
<b>GROSS PROFIT</b>		<u>2,518</u>	<u>10,959</u>
Distribution costs		4,376	2,690
Administrative expenses		812	10,000
		<u>5,188</u>	<u>12,690</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(2,670)	(1,731)
Taxation on loss on ordinary activities	3	-	-
<b>RETAINED LOSS FOR THE YEAR</b>		<u>(2,670)</u>	<u>(1,731)</u>
<b>STATEMENT OF ACCUMULATED LOSSES</b>			
Balance as at 31 December 1996		(1,731)	-
Retained loss for the year		(2,670)	(1,731)
Balance as at 31 December 1997		<u>£(4,401)</u>	<u>£(1,731)</u>

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**BALANCE SHEET - 31 DECEMBER 1997**

	Note	1997 £	1996 £
<b>CURRENT ASSETS</b>			
Debtors	4	8,320	11,455
		<u>8,320</u>	<u>11,455</u>
<b>CREDITORS - amounts falling due within one year</b>			
Trade and other creditors	5	11,721	12,186
Taxation		-	-
		<u>11,721</u>	<u>12,186</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(3,401)	(731)
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>£(3,401)</u>	<u>£(731)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	1,000	1,000
Profit and loss account		(4,401)	(1,731)
		<u>£(3,401)</u>	<u>£(731)</u>

The financial statements have been prepared in accordance with the Special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities.

As detailed in the directors' report, the directors acknowledge that they are responsible for:

- (i) maintaining accounting records for the company in compliance with section 221 of this Act,
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company at the end of the financial period and of the company's profit/loss for that period in accordance with the requirements of section 226 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

The directors are satisfied that during the year ended 31 December 1997 the company was entitled to exemption from an audit under subsection (1) of section 249A and that no member has requested an audit pursuant to subsection (2) of section 249B.

Approved by the board on 16 September 1998 and signed on its behalf



I D Olley  
Director

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**NOTES ON THE FINANCIAL STATEMENTS - 31 DECEMBER 1997****1. ACCOUNTING POLICIES**

The accounts are prepared under the historical cost convention adopting the following principal accounting policies.

**(a) Turnover**

Turnover comprises the invoice value of goods and services supplied by the company exclusive of VAT.

**(b) Finance leases**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations net of future charges are included in creditors.

**Operating leases**

Rentals payable under operating leases are charges on a straight-line basis over the term of the lease.

**(c) Stock and work in progress**

Stocks and work in progress are valued at the lower of cost, on first in, first out basis, and net realisable value after making due allowance for any obsolete or slow moving items. In the case of finished goods and work in progress, cost includes a relevant proportion of overheads according to the stage of completion.

**(d) Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**2. ANALYSIS OF TURNOVER AND LOSSES BETWEEN ACTIVITIES AND MARKETS**

The turnover and loss before taxation is attributable to the one principal activity of the company. All turnover in 1997 and 1996 took place outside the United Kingdom.

**3. TAXATION**

The charge based on the losses for the year comprises:

	1997	1996
	£	£
UK Corporation tax		
Current at 21% (1996 - 21%)	—	—



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**NOTES ON THE FINANCIAL STATEMENTS - 31 DECEMBER 1997**

4.	<b>DEBTORS</b>	1997	1996
		£	£
	Due within one year:		
	Trade debtors	3,003	11,455
	Other debtors - holding company	5,317	-
		<u>8,320</u>	<u>11,455</u>

5.	<b>TRADE AND OTHER CREDITORS</b>	1997	1996
		£	£
	Bank loan and overdraft	12	-
	Trade creditors	-	1,762
	Other creditors - Lloyds Tobacco Limited	10,909	10,000
	Accruals and deferred income	800	424
		<u>11,721</u>	<u>12,186</u>

6.	<b>CALLED UP SHARE CAPITAL</b>				
		Authorised		Allotted and fully paid	
		1997	1996	1997	1996
		£	£	£	£
	Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>1,000</u>	<u>1,000</u>

7. **CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 1997 (1996 £Nil).

8. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party of the company is United Naghi, a Saudi Arabian trading entity.