

CESSNOCK HOLDINGS LIMITED

REGISTERED NO: 52263

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001

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CESSNOCK HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2001

PRINCIPAL ACTIVITY

The Company holds 99.5% (2000: 99.5%) of the share capital of Eastern Highlands Plantations Ltd which operates plantations in Zimbabwe, producing mainly coffee and tea.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £3,898. (2000 : Loss £15,263).

The directors do not recommend the payment of a dividend

DIRECTORS

The directors who served during the year were as follows:

G Moores
S S Hobhouse

The directors do not have any beneficial interest in the shares of the Company.

The interests of Mr Moores and Mr Hobhouse in the shares of the ultimate parent company, Plantation & General Investments Plc are shown in the directors' report of that company.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that period. It is also the directors' responsibility to maintain adequate accounting records, safeguard the assets of the Company and take reasonable steps in preventing and detecting fraud and other irregularities.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements on a going concern basis, and that applicable accounting standards have been followed.

CESSNOCK HOLDINGS LIMITED

REPORT OF THE DIRECTORS (CONT/D)

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Hacker Young as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



D G Saveker
Secretary

81 Carter Lane
London
EC4V 5EP

19 April 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
CESSNOCK HOLDINGS LIMITED

We have audited the financial statements on pages 4 to 7 for the year ended 31 December 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 1 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 Accounting 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.

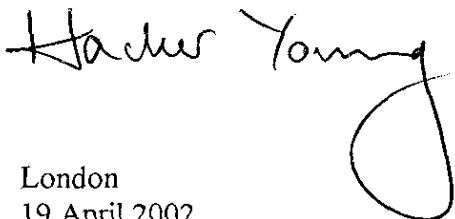
Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


London
19 April 2002

Hacker Young
Registered Auditor
Chartered Accountants

CESSNOCK HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001

	<u>Note</u>	<u>Continuing Operations</u>	
		<u>2001</u>	<u>2000</u>
		<u>£</u>	<u>£</u>
Profit before taxation	2	-	-
Taxation	3	(3,898)	(15,263)
		-----	-----
Loss on ordinary activities after taxation and retained loss for the financial year		(3,898)	(15,263)
		=====	=====

Notes on pages 6 to 7 form part of these financial statements.

Reconciliation of movement in shareholders' funds is set out in note 6.

There are no recognised gains or losses other than the result for the year as disclosed above.

There is no difference between the results as disclosed above and the results as given on an unmodified historical cost basis.

CESSNOCK HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2001

	<u>Note</u>	<u>2001</u> <u>£</u>	<u>2000</u> <u>£</u>
Fixed assets			
Investments	4	967,975	967,975
		-----	-----
Creditors: amounts falling due within one year	5	-	(35,193)
		-----	-----
Net current liabilities		-	(35,193)
		-----	-----
Total assets less current liabilities		967,975	932,782
		-----	-----
Creditors: amounts falling due after more than one year	5	(45,076)	(5,985)
		-----	-----
Net assets		922,899	926,797
		=====	=====
Capital and reserves			
Called up share capital			
Authorised, issued and fully paid ordinary shares of £1 each		932,652	932,652
Profit and loss account	6	(9,753)	(5,855)
		-----	-----
Shareholders' funds - equity	6	922,899	926,797
		=====	=====

The notes on pages 6 and 7 form part of these financial statements.

Approved by the board of directors on 19 April 2002 and signed on its behalf by:



G Moores
Director

CESSNOCK HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. These financial statements present information about Cessnock Holdings Limited as an individual undertaking not as a group.

(b) Investments

Investments are valued at cost.

(c) Cashflow statement

The Company has taken advantage of the exemption permitted by FRS 1 whereby a cashflow statement need not be prepared by a wholly owned subsidiary of a parent company which itself publishes a consolidated cashflow statement.

2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

No director received any emoluments during the year (2000:£Nil). The Company has no employees. The auditors' remuneration is met by the ultimate parent company.

3. TAXATION

	<u>2001</u>	<u>2000</u>
	£	£
UK corporation tax:		
Prior period adjustment	3,898	15,263
	-----	-----
	3,898	15,263
	=====	=====

4. INVESTMENTS

	<u>2001</u>	<u>2000</u>
	£	£
Shares in subsidiary undertaking at cost:		
At 1 January 2000 and 31 December 2001	967,975	967,975
	=====	=====

In the directors' opinion the value of the shares in the subsidiary undertaking is not less than the amount at which it is stated in the balance sheet.

The Company owns 99.5% (2000: 99.5%) of the issued ordinary share capital of Eastern Highlands Plantations Limited, incorporated in Zimbabwe, whose principal activities are the production and sale of coffee and tea.

In accordance with Section 228 of the Companies Act 1985 no group accounts have been prepared as Cessnock Holdings Limited is a wholly owned subsidiary undertaking of Plantation & General Investments Plc, a company registered in England and Wales.

CESSNOCK HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
5. <u>CREDITORS:</u>		
Amounts falling due within one year:		
Corporation tax	-	35,193
	=====	=====
Amounts falling due after more than one year:		
Amount owed to fellow subsidiary undertaking	45,076	5,985
	=====	=====

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Loss for the financial year	(3,898)	(15,263)
Opening shareholders' funds	926,797	942,060
	-----	-----
Closing shareholders' funds	922,899	926,797
	=====	=====

RESERVES

	<u>Profit and loss account</u>
	<u>£</u>
At 1 January 2001	(5,855)
Loss for the financial year	(3,898)

At 31 December 2001	(9,753)
	=====

7. ULTIMATE PARENT COMPANY

The ultimate parent company and the only group company for which consolidated accounts are prepared is Plantation & General Investments Plc, a company registered in England and Wales. Copies of this company's accounts can be obtained from the secretary, 81 Carter Lane, London, EC4V 5EP

8. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption conferred by FRS 8 whereby a 90% owned subsidiary need not disclose details of transactions with fellow group companies.