

CONTENTS

SC 3267

	Page
Company Information	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Report of the Auditors	5
Profit and Loss Account and Reconciliation of Movements in Shareholders' Funds	6
Balance Sheet	7
Accounting Policies and Notes on the Accounts	8-10



COMPANY INFORMATION

DIRECTORS

R.J.K. Muir (Chairman)
R.G. Capper, F.C.A.
D.W. Forsyth, C.A.

SECRETARIES

James Finlay P.L.C.

REGISTERED OFFICE

Finlay House
10/14 West Nile Street
Glasgow, G1 2PP

AUDITORS

Ernst & Young

BANKERS

ANZ Grindlays Bank plc

Registered in Scotland No. 3267

DIRECTORS' REPORT

The Directors submit their Report and Accounts for the year ended 31 December 1994.

RESULTS

The profit and loss account for the year shows a loss on ordinary activities after taxation of £2,391 which has been transferred to reserves.

REVIEW OF THE BUSINESS

The Company is an investment holding company, currently awaiting the finalisation of its affairs in India and the remittance of any balance of net current assets.

The Directors do not envisage any change in the nature of the Company's business in the foreseeable future.

DIRECTORS

The Directors at any time during the year ended 31 December 1994, were as shown on page 2.

DIRECTORS' INTERESTS

No Director at the end of the year had any beneficial interest in the capital of the Company at any time during the year.

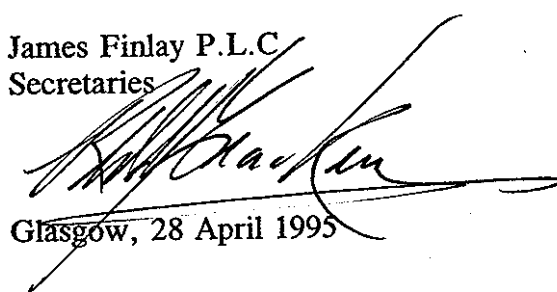
The Directors at the end of the year were directors of the Company's ultimate parent company, James Finlay P.L.C.

AUDITORS

A resolution to re-appoint Ernst & Young, as Auditors of the Company will be put to the members at the Annual General Meeting.

By Order of the Board,

James Finlay P.L.C.
Secretaries



Glasgow, 28 April 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the Directors to prepare accounts 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 accounts, the Directors are required to:

select suitable accounting policies and then 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 accounts;

prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts comply with the above requirements.

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 accounts 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF The Amalgamated Tea Estates Company Limited

We have audited the accounts on pages 6 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of Directors and auditors

As described on page 4 the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

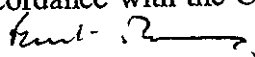
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Chartered Accountants
Registered Auditor

Glasgow, 28 April 1995

PROFIT AND LOSS ACCOUNT
for year ended 31 December 1994

		1994	1993
	Note	£	£
Operating Expenses	1	2,440	2,560
		<u>(2,440)</u>	<u>(2,560)</u>
Exchange (Loss)/Gain		<u>(240)</u>	<u>40</u>
(Loss) on Ordinary Activities before Taxation		(2,680)	(2,520)
Taxation	4	289	20,441
(Loss)/profit on Ordinary Activities after Taxation transferred to Reserves		<u>(2,391)</u>	<u>17,921</u>

There are no differences between results based on historic costs and those recorded above and there are no recognised gains or losses other than the results for the year.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994	1993
	£	£
(Loss)/profit attributable to shareholders	(2,391)	17,921
Balance of shareholders' funds at 1 January	1,345,685	1,327,764
	<u>1,343,294</u>	<u>1,345,685</u>
Balance of shareholders' funds at 31 December		

BALANCE SHEET
at 31 December 1994

		1994	1993
	Note	£	£
CURRENT ASSETS			
Debtors	5	1,341,500	1,341,913
Cash at Bank		2,535	4,503
		<u>1,344,035</u>	<u>1,346,416</u>
CREDITORS: Amounts falling due within one year			
	6	741	731
NET CURRENT ASSETS		<u>1,343,294</u>	<u>1,345,685</u>
CAPITAL AND RESERVES			
Called up Share Capital	7	1,376,700	1,376,700
Other Reserves		1,884,125	1,884,125
Profit and Loss Account	8	(1,917,531)	(1,915,140)
SHAREHOLDERS' FUNDS - EQUITY		<u>1,343,294</u>	<u>1,345,685</u>

Signed on behalf of the Board

R.J.K. Muir

Director

ACCOUNTING POLICIES AND NOTES ON THE ACCOUNTS

ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Exchange

Current assets and current liabilities in India and transactions of a revenue nature have been translated into sterling at the year end rate of Rs 48.97 (1993 - Rs 46.35) to £1.

Exchange differences are charged or credited in the profit and loss account before taxation.

NOTES ON THE ACCOUNTS

1.	OPERATING EXPENSES	1994 £	1993 £
	Administrative Expenses	350	196
	Audit Fee - Current year	525	510
	- Prior year adjustment	-	17
	Other amounts paid to Auditors	-	225
	Pensions	1,565	1,612
		<u>2,440</u>	<u>2,560</u>

Pensioners are paid from cash resources in India. The pensions are unfunded.

2. EMPLOYEES

The average weekly number of employees was Nil (1993 - Nil).

3. DIRECTORS

No Director received any remuneration from the Company during the year (1993 - Nil).

There were no disclosable contracts with Directors existing during the year.

4.	TAXATION	1994 £	1993 £
	Taxation based on loss for the year:		
	United Kingdom Corporation Tax at 33% - Group Relief	289	313
	Adjustment relating to earlier years:		
	United Kingdom Corporation Tax	-	20,128
		<u>289</u>	<u>20,441</u>

NOTES ON THE ACCOUNTS (continued)

5. DEBTORS	1994	1993
	£	£
Amounts falling due within one year		
Amount owed by James Finlay P.L.C.	1,340,802	1,341,285
Overseas Taxation Recoverable	191	202
Group Relief Receivable	289	313
Other Debtors	218	113
	<u>1,341,500</u>	<u>1,341,913</u>
	<u><u>1,341,500</u></u>	<u><u>1,341,913</u></u>
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1994	1993
	£	£
Other Creditors	216	221
Accruals	525	510
	<u>741</u>	<u>731</u>
	<u><u>741</u></u>	<u><u>731</u></u>
7. SHARE CAPITAL	1994	1993
	£	£
Authorised		
1,376,700 Ordinary Stock Units of £1	1,376,700	1,376,700
12,330 Ordinary Shares of £10 each	123,300	123,300
	<u>1,500,000</u>	<u>1,500,000</u>
	<u><u>1,500,000</u></u>	<u><u>1,500,000</u></u>
Called up Share Capital		
Allotted, Issued and Fully Paid		
1,376,700 Ordinary Stock Units of £1	1,376,700	1,376,700
	<u>1,376,700</u>	<u>1,376,700</u>
	<u><u>1,376,700</u></u>	<u><u>1,376,700</u></u>
8. PROFIT AND LOSS ACCOUNT	1994	1993
	£	£
At 1 January	(1,915,140)	(1,933,061)
(Loss)/profit for year	(2,391)	17,921
	<u>(1,917,531)</u>	<u>17,921</u>
	<u><u>(1,917,531)</u></u>	<u><u>17,921</u></u>

NOTES ON THE ACCOUNTS (continued)

9. PARENT COMPANY

The Company is a wholly owned subsidiary of Auchenwillan Holdings Limited which is registered in England. The Company's ultimate parent company is James Finlay P.L.C. which is registered in Scotland.

The accounts of the Company are consolidated within the Group Accounts of James Finlay P.L.C. and copies of these Group Accounts are available from The Secretary, James Finlay P.L.C., Finlay House, 10-14 West Nile Street, Glasgow G1 2PP.

10. DATE OF APPROVAL

These accounts were approved by the Board on 28 April 1995.