

**REGISTRAR OF
COMPANIES**

Singlo Holdings Limited

Report and Financial Statements

Year Ended

31 March 2001

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BDO

BDO Stoy Hayward
Chartered Accountants

SINGLO HOLDINGS LIMITED

Annual report and financial statements for the year ended 31 March 2001

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Directors

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Directors

N Bonneywell
R S Mamak

Secretary and registered office

N Bonneywell, 35 Portland Place, London, W1B 1QF.

Company number

667674

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1U 3LL.

SINGLO HOLDINGS LIMITED

Report of the directors for the year ended 31 March 2001

The directors present their report together with the audited financial statements for the year ended 31 March 2001.

The company is a wholly owned subsidiary of Surrendra Investments Limited, a company registered in England.

Principal activities

The principal activity of the company is that of acting as a holding company for its Indian subsidiary.

Business review

The profit and loss account is set out on page 4 and shows the profit for the year of £62,975 (2000 - £64,301).

The directors do not recommend the payment of a dividend.

The company has operated satisfactorily during the year.

Directors and directors' interests

The directors of the company who held office during the year were as follows:

N Bonneywell
R S Mamak

The interests of the directors in the share capital of Surrendra Investments Limited, the ultimate parent company, are disclosed in the directors' report of that company.

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 year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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.

SINGLO HOLDINGS LIMITED

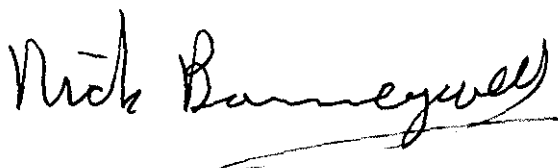
Report of the directors for the year ended 31 March 2001 (Continued)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

N Bonneywell

A handwritten signature in black ink, appearing to read "Nick Bonneywell", with a horizontal line drawn underneath it.

Secretary

Date

30/1/02

SINGLO HOLDINGS LIMITED

Report of the independent auditors

To the shareholders of Singlo Holdings Limited

We have audited the financial statements of Singlo Holdings Limited for the year ended 31 March 2001 on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing 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 audit 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.

SINGLO HOLDINGS LIMITED

Report of the independent auditors (*Continued*)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
London

30 January 2002

SINGLO HOLDINGS LIMITED

Profit and loss account for the year ended 31 March 2001

	Note	2001 £	2000 £
Administrative expenses		(2,493)	(1,472)
Income from shares in group undertakings		65,462	60,846
		<hr/>	<hr/>
		62,969	59,374
Other interest receivable and similar income		6	4,927
		<hr/>	<hr/>
Profit on ordinary activities before taxation	2	62,975	64,301
Taxation on profit on ordinary activities	4	-	691
		<hr/>	<hr/>
Retained profit for the financial year		62,975	63,610
Retained profit brought forward		224,267	160,657
		<hr/>	<hr/>
Retained profit carried forward		287,242	224,267
		<hr/>	<hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

Retained profit in the year represents the only movement in shareholders' funds.

The notes on pages 7 to 10 form part of these financial statements

SINGLO HOLDINGS LIMITED

Balance sheet at 31 March 2001

	Note	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Investments	5		4,980,000		4,980,000
Current assets					
Debtors					
- amounts falling due within one year	6	221,607		158,412	
- amounts falling due after one year	6	519,364		519,364	
Cash at bank		341		208	
		<u>741,312</u>		<u>677,984</u>	
Creditors: amounts falling due within one year	7	<u>2,251</u>		<u>1,898</u>	
Net current assets			<u>739,061</u>		<u>676,086</u>
Total assets less current liabilities			<u><u>5,719,061</u></u>		<u><u>5,656,086</u></u>
Capital and reserves					
Called up share capital	8		800,100		800,100
Revaluation reserve	9		4,631,719		4,631,719
Profit and loss account			287,242		224,267
Shareholders' funds - equity			<u><u>5,719,061</u></u>		<u><u>5,656,086</u></u>

The financial statements were approved by the Board on 30/1/02

N Bonneywell
Director

Nick Bonneywell

The notes on pages 7 to 10 form part of these financial statements

SINGLO HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention as modified by the revaluation of certain fixed asset investments.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date except where they are covered by forward currency contracts, when the forward rate is used. Gains or losses on translation are included in the profit and loss account.

Investment in subsidiary undertakings

Investments in overseas subsidiaries are stated at directors' valuation.

Overseas dividends

Dividends from overseas are recognised in the year in which the dividend is received.

Cash flow statement

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2 Profit on ordinary activities before taxation is stated after charging:

	2001 £	2000 £
Auditors' remuneration	1,400	1,232
	<u> </u>	<u> </u>

3 Directors' remuneration and employees

No director received any remuneration during the year (2000 - £Nil).

There were no employees during the year (2000 - Nil).

SINGLO HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

4 Taxation

	2001 £	2000 £
UK corporation tax at 30%	-	691

No provision has been made for taxation which would become payable on the revaluation surplus if the investment in the Indian subsidiary was disposed of at its present book value. The maximum liability that would arise under current legislation is estimated at £1,530,000 (2000 - £1,530,000).

5 Fixed asset investments

Shares in subsidiary undertaking: Valuation At 1 April 2000 and 31 March 2001	£ 4,980,000
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The total amount of investment determined according to the historical accounting rules are as follows:

Historical cost at 31 March 2000 and 31 March 2001	£ 348,281
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The following company was a directly owned subsidiary at the balance sheet date:

	Proportion of equity held	Class of share	Country of incorporation
Empire & Singlo Tea Limited	32.6%	Ordinary shares of Irs 10	India

The company owned 440,000 ordinary shares of Irs 10 each in Singlo (India) Tea Company Limited. During the year that company merged with Empire Plantations (India) Limited to form Empire & Singlo Tea Limited. Allotments of shares in this company to Singlo Holdings Limited is outstanding but the company expects to hold 351,840 ordinary share of Irs 10 each in the new company.

The investment in the overseas subsidiary, Singlo (India) Tea Company Limited, is stated at directors' valuation made in 1992 and reflected current market values. The directors are of the opinion that there has been no permanent diminution in value since that date.

Consolidated financial statements are not submitted as the company is a wholly owned subsidiary of Surrendra Investments Limited.

SINGLO HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 *(Continued)*

6 Debtors

	2001 £	2000 £
Due within one year		
Amounts owed by subsidiary undertakings	13,945	13,261
Amounts owed by fellow subsidiary company	207,662	145,151
	<u>221,607</u>	<u>158,412</u>
Due after one year		
Amounts owed by parent company	<u>519,364</u>	<u>519,364</u>

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Corporation tax	851	691
Accruals and deferred income	1,400	1,207
	<u>2,251</u>	<u>1,898</u>

SINGLO HOLDINGS LIMITED

Notes forming part of the financial statements for the year ended 31 March 2001 (Continued)

8 Called up share capital

	Authorised			
	2001 Number	2000 Number	2001 £	2000 £
Deferred ordinary shares of £1 each	800,000	800,000	800,000	800,000
Ordinary shares of £1 each	33,516	33,516	33,516	33,516
	<u>833,516</u>	<u>833,516</u>	<u>833,516</u>	<u>833,516</u>
	Allotted, called up and fully paid			
	2001 Number	2000 Number	2001 £	2000 £
Deferred ordinary shares of £1 each	800,000	800,000	800,000	800,000
Ordinary shares of £1 each	100	100	100	100
	<u>800,100</u>	<u>800,100</u>	<u>800,100</u>	<u>800,100</u>

9 Revaluation reserve

Balance at 1 April 2000 and 31 March 2001 4,631,719 £

10 Related party transactions

The company has taken advantage of the exemption conferred by FRS8 "Related Party Transactions" not to disclose transactions with group companies, on the basis that its parent company prepares consolidated financial statements which are publicly available in the United Kingdom.

11 Parent company and ultimate controlling party

The parent company and ultimate controlling party is Surrendra Investments Limited, a company registered in England.