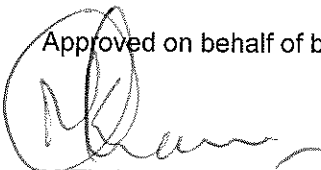


**Teapigs US LLC**

**Management accounts**

**Year ended 31 March 2017**

Approved on behalf of board



M Thakrar

4 July 2017

# Teapigs US LLC

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# Teapigs US LLC

## Accounting policies

### Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Tata Global Beverages Group Accounting policies.

### Function and presentation currency financial statements

The company's functional and presentation currency is US dollars.

### Property, plant and equipment

Property, plant and equipment are held at historic cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Fixtures and Fittings - 2 to 5 years

### Intangible asset - computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which range between 3 to 5 years.

### Revenue

Revenue is recognised in the profit and loss account when goods or services are supplied or made available to external customers against orders received, title and risk of loss is passed to the customer, reliable estimates can be made of relevant deductions and all relevant obligations have been fulfilled, such that the earnings process is regarded as being complete.

# **Teapigs US LLC**

## **Accounting policies**

Revenue represents net invoice value after the deduction of discounts and allowances given and accruals for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using customer and other third-party analyses, market research data and internally generated information. Value added tax and other sales taxes are excluded from revenue.

### **Inventory**

Inventory is valued at the lower of cost and net realisable value. Cost comprises that expenditure which has been incurred in the normal course of business in bringing the product to its present location and condition, including attributable overheads.

### **Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange ruling at the day of the transaction. Any exchange differences are dealt with in the profit and loss account. Period end foreign currency assets and liabilities are translated at period end exchange rates.

### **Pension and other post retirement benefit arrangements**

Pension costs relating to defined contribution schemes represent contributions payable to the scheme for the accounting period. They are recognised in the profit and loss account as they arise.

## Teapigs US LLC

### Income statement and statement of comprehensive income Year ended 31 March 2017

	Note	Year ended 31 March 2017 \$'000	Year ended 31 March 2016 \$'000
Revenue	1	1,472	1,157
Cost of sales		(883)	(630)
<b>Gross profit</b>		<b>589</b>	<b>527</b>
Distribution costs		(253)	(165)
Administrative expenses		(454)	(402)
<b>Operating profit</b>	2	<b>(118)</b>	<b>(40)</b>
Interest Income		1	-
<b>Profit on ordinary activities before taxation</b>		<b>(117)</b>	<b>(40)</b>
Income tax expense		(4)	-
<b>Profit for the financial year</b>		<b>(121)</b>	<b>(40)</b>

The company has no other comprehensive income.

## Teapigs US LLC

### Statement of financial position As at 31 March 2017

	Note	31 March 2017 \$'000	31 March 2016 \$'000
<b>Non-current assets</b>			
Property, plant and equipment	3	10	11
Intangible assets	4	1	4
		<u>11</u>	<u>15</u>
<b>Current assets</b>			
Inventory	5	597	464
Trade and other receivables	6	236	224
Cash		-	87
		<u>833</u>	<u>775</u>
<b>Current Liabilities</b>			
Bank Overdraft		(326)	-
Creditors - amounts falling due within one year	7	(932)	(1,083)
		<u>(1,258)</u>	<u>(1,083)</u>
<b>Net assets</b>		<u>(414)</u>	<u>(293)</u>
<b>Equity</b>			
Called up share capital		-	-
Retained earnings		(414)	(293)
		<u>(414)</u>	<u>(293)</u>
<b>Total Equity</b>		<u>(414)</u>	<u>(293)</u>

## Teapigs US LLC

### Statement of changes in equity As at 31 March 2017

	Share capital \$'000	Retained earnings \$'000	Total equity \$'000
Balance as at 1 April 2015	-	(253)	(253)
Profit for the financial year	-	(40)	(40)
Other comprehensive income for the financial year	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>(40)</b>	<b>(40)</b>
Dividends paid	-	-	-
<b>Balance as at 31 March 2016</b>	<b>-</b>	<b>(293)</b>	<b>(293)</b>
<b>Balance as at 1 April 2016</b>	<b>-</b>	<b>(293)</b>	<b>(293)</b>
Profit for the financial year	-	(121)	(121)
Other comprehensive income for the financial year	-	-	-
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>(121)</b>	<b>(121)</b>
Dividends paid	-	-	-
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>(414)</b>	<b>(414)</b>

# Teapigs US LLC

## Notes to the financial statements

### 1 Revenue

The principal activity of the company is the marketing and distribution of tea in the USA, which is regarded by the directors as a single class of business.

### 2 Operating profit

	Year ended 31 March 2017 \$'000	Year ended 31 March 2016 \$'000
<b>The operating profit is stated after charging:</b>		
Wages and salaries	364	235
Social security costs	19	12
Other pension costs	10	7
<b>Staff costs</b>	<b>393</b>	<b>254</b>
Operating lease rentals	32	22
Depreciation	5	1
Amortisation	3	4

### 3 Property, plant and equipment

	Fixtures and fittings \$'000
<b>Cost</b>	
At 1 April 2016	12
Additions	4
<b>At 31 March 2017</b>	<b>16</b>
<b>Depreciation</b>	
At 1 April 2016	1
Charge for the year	5
<b>At 31 March 2017</b>	<b>6</b>
<b>Net book amount</b>	
<b>At 31 March 2017</b>	<b>10</b>
At 31 March 2016	11



# Teapigs US LLC

## Notes to the financial statements (continued)

### 4 Intangible assets – computer software

	Computer equipment \$'000
<b>Cost</b>	
At 1 April 2016	10
Additions	-
<b>At 31 March 2017</b>	<b>10</b>
<b>Amortisation</b>	
At 1 April 2016	6
Charge for the year	3
<b>At 31 March 2017</b>	<b>9</b>
<b>Net book amount</b>	
<b>At 31 March 2017</b>	<b>1</b>
At 31 March 2016	4

### 5 Inventory

	31 March 2017 \$'000	31 March 2016 \$'000
Finished goods	597	464

### 6 Trade and other receivables

	31 March 2017 \$'000	31 March 2016 \$'000
<b>Amounts due within one year:</b>		
Trade receivables considered	211	199
Trade receivables considered doubtful	2	-
	<b>213</b>	<b>199</b>
Less: Allowance for doubtful debtors	(2)	-
<b>Net Trade Receivables</b>	<b>211</b>	<b>199</b>
Other debtors	22	24
Other taxation	3	1
<b>Other Receivables</b>	<b>25</b>	<b>25</b>
<b>Total Trade and Other Receivables</b>	<b>236</b>	<b>224</b>

## Teapigs US LLC

### Notes to the financial statements (continued)

#### 7 Creditors - amounts falling due within one year

	31 March 2017 \$'000	31 March 2016 \$'000
Trade creditors	82	121
Amounts owed to group undertakings	817	941
Accruals and deferred income	33	21
<b>Total</b>	<b>932</b>	<b>1,083</b>

Amounts owed to group undertakings consist of a loan from Teapigs Limited. The loan is non-interest bearing and is unsecured. The principal is repayable on demand by the lender.

#### 8 Parent company

The immediate parent undertaking is Teapigs Limited. The smallest parent to include the company's results in its consolidated financial statements is Tata Global Beverages Group Limited, a company incorporated in the United Kingdom. Copies of that company's financial statements may be obtained from 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ. The largest company to consolidate the company's results and the company's ultimate parent undertaking is Tata Global Beverages Limited, a company registered in India. The consolidated financial statements of Tata Global Beverages Limited are available from 1 Bishop Lefroy Road, Kolkata, India.