

**Tata Global Beverages Capital Limited**

**Registered number 05931997**

**Annual Report and Financial Statements**

**Year ended 31 March 2017**

# Tata Global Beverages Capital Limited

## Contents

	Page (s)
Strategic report	3
Directors' report	4-6
Independent auditors' report to the members of Tata Global Beverages Capital Limited	7-9
Income statement and statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13-22

# Tata Global Beverages Capital Limited

## Strategic report

### Strategic report for the year ended 31 March 2017

The directors present their strategic report for the year ended 31 March 2017.

### Review of the business

Tata Global Beverages Capital Limited (the "company") acts as an intermediate holding entity. The company continued to receive dividends from shares in group undertakings in the current year. Dividends received were £1,843,000 (2016: £3,783,000). Net interest expense of £2,949,000 (2016: £2,939,000) was incurred, which largely relates to a loan owed to Tata Global Beverages Investments Limited (note 15).

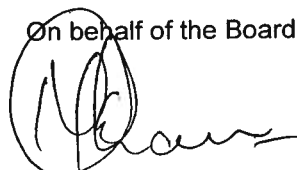
### Results

The company made a loss for the financial year of £592,000 (2016: profit of £1,414,000). During the year, the company increased its equity shareholding in Tata Global Beverages Group Limited from 47.90% to 48.35% at a cost of £2,221,000. The net asset position of the company as at 31 March 2017 was £90,343,000, a decrease from £90,935,000 as at March 2016 driven by an after tax loss of £592,000.

### Principal risks and uncertainties

The principal risk to the company is the carrying value of its investments in Tata Global Beverages Group Limited and Consolidated Coffee, Inc. (USA). This is kept under review on an ongoing basis by the directors.

On behalf of the Board



M Thakrar

Director

28<sup>th</sup> May 2017

# Tata Global Beverages Capital Limited

## Directors' Report

### Directors' report for the year ended 31 March 2017

The Directors present their annual report and the audited financial statements for the year ended 31 March 2017.

#### Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

L Krishna Kumar  
A K Misra  
M Thakrar  
J Jacob  
SA Shah  
M Bailey – Company Secretary

#### Dividends

The company received dividend income of £1,843,000 (2016: £3,783,000) from its investments. During the year no dividends were declared and paid (2016: interim dividend paid of £1,200,000). The directors do not recommend the payment of a final dividend (2016: £nil).

#### Future developments

In the next financial year the company does not anticipate any changes to its ownership in investments or to its financing structure.

#### Treasury policy and financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, interest rates, credit risks and liquidity. The board of the immediate parent company ("the Group") approves Treasury policy that provides a framework to manage these risks on financial performance. The application of the policy, together with the management of day-to-day treasury operations, is managed by the Group Treasury function. Treasury activities are reported to the board on a regular basis and are subject to periodic independent review and audit, both internal and external.

Treasury policy is in place designed to manage the main financial risks faced by the company in relation to hedging. The policy dictates that the exposure to any one counterparty or type of instrument be within specified limits and that company exposure to exchange rate movements is managed according to set parameters.

The treasury function enters into derivative transactions, principally forward currency contracts and options. The purpose of these transactions is to manage the currency risks arising from the company's underlying business operations.

In the context of the company's business operations, no transactions are undertaken which are speculative in nature.

# **Tata Global Beverages Capital Limited**

## **Directors' Report (continued)**

### **Treasury policy and financial risk management (continued)**

#### **(i) Liquidity risk**

The company ensures that there is adequate financing available through intercompany funding arrangements with group companies to fund growth and has adequate capacity to comfortably meet its funding requirements. The company considers that the Group cash reserves are sufficient for this purpose. Should the overall structure change the company is confident that debt can be raised by the Group from the market on attractive terms.

#### **(ii) Interest rate risk**

The company seeks to manage any exposure to changes in interest rates arising from internal borrowings that it may take out. No change to the existing hedging structure is permitted without approval of the Group Board. Group Treasury is responsible for monitoring long-term interest exposures of the company and for recommending appropriate action to the Board.

#### **(iii) Foreign currency exchange rates risk**

Foreign exchange risk is transaction risk which arises from dividend income received which are denominated in foreign currency.

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also has Directors' and Officers' liability insurance in respect of itself and its Directors which is purchased and maintained throughout the financial year by a subsidiary of Tata Global Beverages Group Limited. No recharge is made to the company.

### **Events subsequent to the end of the financial year**

As at the date of this report, no matter or circumstance has arisen since 31 March 2017 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report and the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

# Tata Global Beverages Capital Limited

## Directors' Report (continued)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

### Statement of disclosure of information to auditors

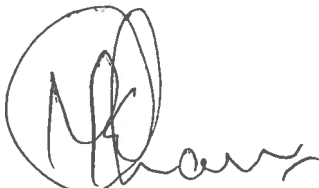
For each of the persons who were directors at the time this report was prepared, the following applies:

- So far as the directors are aware, there is no relevant information of which the Company's auditors are unaware; and
- The directors have taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will cease to hold office resulting from mandatory rotation requirement of the ultimate parent company, Tata Global Beverages Limited. Following a formal tender process the directors have agreed to appoint Deloitte LLP after PricewaterhouseCoopers resign as auditors and the resolution concerning their appointment will be proposed at the Annual General Meeting.

On behalf of the Board



M Thakrar  
Director

20<sup>th</sup> May 2017

# Tata Global Beverages Capital Limited

## *Independent auditors' report to the members of Tata Global Beverages Capital Limited*

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Tata Global Beverages Capital Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

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#### **What we have audited**

The financial statements, included within the Annual Report, comprise:

- the statement of financial position as at 31 March 2017;
- the income statement and statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

# Tata Global Beverages Capital Limited

## *Independent auditors' report to the members of Tata Global Beverages Capital Limited (continued)*

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### **Other matters on which we are required to report by exception**

#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities set out in page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.



## Tata Global Beverages Capital Limited

*Independent auditors' report to the members of Tata Global Beverages Capital Limited (continued)*

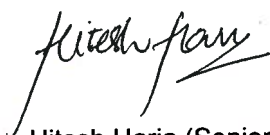
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### What an audit of financial statements involves (continued)

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Hitesh Haria (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
26 May 2017

# Tata Global Beverages Capital Limited

## Income statement and statement of comprehensive income

For the year ended 31 March 2017

	Note	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Administration expenses		(16)	-
Dividend income	7	1,843	3,783
<b>Profit on ordinary activities before interest and tax</b>		<b>1,827</b>	<b>3,783</b>
Net interest expense	8	(2,949)	(2,939)
<b>(Loss) / profit on ordinary activities before tax</b>		<b>(1,122)</b>	<b>844</b>
Tax on (loss) / profit on ordinary activities	9	530	570
<b>(Loss) / profit for the financial year</b>		<b>(592)</b>	<b>1,414</b>
<b>Total comprehensive (loss) / income for the financial year</b>		<b>(592)</b>	<b>1,414</b>

*The notes on pages 13 to 22 are an integral part of these financial statements*

The company has no other comprehensive income.

# Tata Global Beverages Capital Limited

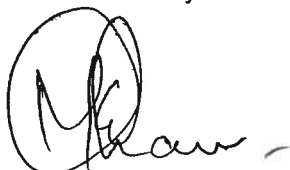
## Statement of financial position

As at 31 March 2017

	Note	31 March 2017 £'000	31 March 2016 £'000
<b>Fixed assets</b>			
Investments	11	161,871	159,650
		<b>161,871</b>	159,650
<b>Current assets</b>			
Cash at bank and in hand	12	2	3
Debtors	13	617	6,743
		<b>619</b>	6,746
<b>Creditors - amounts falling due within one year</b>	14	<b>(21)</b>	(8)
<b>Net current assets</b>		<b>598</b>	6,738
<b>Total assets less current liabilities</b>		<b>162,469</b>	166,388
<b>Non-current liabilities</b>			
Creditors - amounts falling due after more than one year	15	(72,111)	(75,435)
Provisions for other liabilities	16	(15)	(18)
<b>Net assets</b>		<b>90,343</b>	90,935
<b>Equity</b>			
Called-up share capital	17	89,607	89,607
Retained earnings		736	1,328
<b>Total equity</b>		<b>90,343</b>	90,935

The notes on pages 13 to 22 are an integral part of these financial statements

The financial statements on pages 10 to 22 were approved by the Board on 26<sup>th</sup> May 2017 and signed on its behalf by:



M Thakrar  
Director

26<sup>th</sup> May 2017

Tata Global Beverages Capital Limited  
Registered number 05931997

# Tata Global Beverages Capital Limited

## Statement of Changes in Equity

For the year ended 31 March 2017

	Note	Called-up Share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2015		89,607	1,114	90,721
Profit for the financial year		-	1,414	1,414
Total comprehensive income for the financial year		-	1,414	1,414
Dividends paid	10	-	(1,200)	(1,200)
Balance as at 31 March 2016		89,607	1,328	90,935
<b>Balance as at 1 April 2016</b>		<b>89,607</b>	<b>1,328</b>	<b>90,935</b>
<b>Loss for the financial year</b>		-	<b>(592)</b>	<b>(592)</b>
<b>Total comprehensive loss for the financial year</b>		-	<b>(592)</b>	<b>(592)</b>
<b>Balance as at 31 March 2017</b>		<b>89,607</b>	<b>736</b>	<b>90,343</b>

*The notes on pages 13 to 22 are an integral part of these financial statements*

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 1. General information

Tata Global Beverages Capital Limited ("the company") acts as an intermediate holding entity with investments in Tata Global Beverages Group Limited and Consolidated Coffee, Inc. (USA).

The company is incorporated and domiciled in the United Kingdom. The address of its registered office is 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ.

### 2. Statement of compliance

The individual financial statements of Tata Global Beverages Capital Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

### 3. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are either set out below or included in the accompanying notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by accordance with the Companies Act 2006, as applicable to companies using FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### (b) Going concern

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities and the company's principal risks and uncertainties as set out in the Strategic Report. Based on the company's statement of financial position and the forecasts and projections, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### (c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following available exemption for qualifying entities under FRS 102 para 1.12:

- (i) a reconciliation of the number of shares outstanding at the beginning and end of the period. [FRS 102 para 4.12(a)(iv)];
- (ii) the requirement to prepare a statement of cash flows. [Section 7 of FRS 102 and para 3.17(d)];

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 3. Summary of significant accounting policies (continued)

#### (d) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2017 reporting periods. The assessment of the impact of these new standards and interpretations is set out below.

##### i. New standards, amendments and interpretations adopted by the company

There are no new FRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2016 that would be expected to have a material impact on the company.

##### ii. New Standards and interpretations not yet adopted

A number of new standards and amendments, standards and interpretations are effective for annual period beginning after 1 April 2017, and have not been applied in preparing these financial statements. The company is currently assessing the impact of the standards for any amendments on its results and financial position.

#### (e) Cash flow statement

The company is a wholly-owned subsidiary of Tata Global Beverages Limited and is included in the consolidated financial statements of Tata Global Beverages Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing the cash flow statement under the terms of FRS 102.

#### (f) Function and presentation currency financial statements

The company's functional and presentation currency is the pound sterling.

#### (g) Investments

Investments are shown at cost less provision for accumulated impairment losses. At each reporting date investments are reviewed to determine whether there is any indication of impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected investment is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

If an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the investment in prior years. A reversal of an impairment loss is recognised immediately in the income statement. The company has elected to use the deemed cost alternative available under FRS 102 where the aggregate deemed cost of the investments are deemed to be the cost as recorded under UK GAAP.

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 3. Summary of significant accounting policies (continued)

#### (h) Debtors

Debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### (i) Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### (j) Interest payable

Interest payable is accounted for on an accruals basis and is not capitalised.

#### (k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (l) Dividend income

Dividend income is recognised when the right to receive payment is established.

#### (m) Related party transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

#### (n) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 3. Summary of significant accounting policies (continued)

#### (n) Taxation (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the company the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### (a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.



# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 4. Critical accounting judgements and estimation uncertainty (continued)

#### (a) Critical accounting estimates and assumptions (continued)

##### (i) Impairment of investments

The company conducts impairment reviews of its investments whenever circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount. The recoverable amount is based on the net assets of the Company in which the investments are made. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. See note 11 for the net carrying amount of the investment in subsidiaries and associated impairment provision.

##### (ii) Impairment of debtors

The company makes an estimate of the recoverable value of debtors. When assessing impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of receivables and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

### 5. Directors and employees

Three of the directors of the company are directors of the associate undertaking, Tata Global Beverages Group Limited and are remunerated for their services to the Tata Global Beverages group as a whole. The emoluments of these directors are included within the Tata Global Beverages Group Limited financial statements. Two of the directors of the company are directors of Tata Global Beverages GB Limited and are remunerated for their services to the Tata Global Beverages group as a whole. The remaining director is an employee of the ultimate parent undertaking and is remunerated by this company for his services to the wider group.

The directors do not receive any remuneration for their services to the Company (2016: nil).

Other than the directors, the company has no employees (2016: nil).

### 6. Auditors' remuneration

The auditors' remuneration for audit services in the current year of £10,000 (2016: £10,000) is borne by a subsidiary of Tata Global Beverages Group Limited and no recharge is made to the company.

### 7. Income from shares in group undertakings

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
Dividends income from associate undertaking	-	2,879
Dividends income from investment undertaking	1,843	904
<b>Total</b>	<b>1,843</b>	<b>3,783</b>

Tata Global Beverages Group Limited has not declared any dividend during the current financial year (2016: £2,879,000). During the year, the Company has received a dividend of £1,843,000 (2016: £904,000) from Consolidated Coffee Inc.

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 8. Net interest expense

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
<b>Interest receivable and other similar income:</b>		
Bank interest receivable	2	-
	<u>2</u>	<u>-</u>
<b>Interest payable and other similar charges:</b>		
Interest expense on amounts due to group undertakings	(3,000)	(2,904)
Net foreign exchange gains / (losses) on financing activities	49	(35)
	<u>(2,951)</u>	<u>(2,939)</u>
	<u>(2,949)</u>	<u>(2,939)</u>
<b>Net finance expense</b>	<b>(2,949)</b>	<b>(2,939)</b>

Interest is payable on a loan from Tata Global Beverages Investments Limited (see note 15).

### 9. Income tax credit

The tax credit assessed on the profit on ordinary activities for the year is higher (2016: higher) to that of the standard rate of corporation tax in the UK of 20% (2016: 20%).

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
<b>Current tax:</b>		
UK corporation tax on (loss) / profit for the year	(590)	(588)
Adjustments in respect of prior years	(29)	-
	<u>(619)</u>	<u>(588)</u>
Overseas corporation tax on (loss) / profit for the year	92	43
Total current tax charge for the year	<u>(527)</u>	<u>(545)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(3)	(25)
<b>Tax on (loss) / profit on ordinary activities</b>	<b>(530)</b>	<b>(570)</b>

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 9. Income tax credit (Continued)

The differences are explained below:

	2017 £'000	2016 £'000
(Loss) / profit on ordinary activities before tax	(1,122)	844
(Loss) / profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2016: 20%)	(224)	169
Adjusting for the effects of:		
Income not subject to tax	(369)	(764)
Adjustments to tax charge in respect of prior years	(29)	-
Expenses not deductible for tax purposes	3	-
Overseas withholding tax suffered on dividends	89	25
<b>Tax credit for the financial year</b>	<b>(530)</b>	<b>(570)</b>

#### Factors that may affect future tax:

On 20 October 2015, the UK government substantively enacted Finance (No 2) Act 2015 which included reductions in the main corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The Finance Act 2016, substantively enacted on 06 September 2016 further reduced the main corporation tax rate to 17% from 1 April 2020.

There are temporary differences arising in respect of unremitted overseas retained earnings from the associate undertaking for which deferred tax liabilities amounting to £15,000 (2016: £18,000) have been recognised as at 31 March 2017 (Refer Note 16).

### 10. Dividends paid

	Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
<b>Equity - Ordinary</b>		
Interim paid: Nil (2016: 1.34p) per £1 share	-	1,200

### 11. Investments

Cost and net book value	Shares in Investment undertaking £'000	Shares in associate undertaking £'000	Total £'000
At 1 April 2016	14,086	145,564	159,650
Additions (note 13)	-	2,221	2,221
<b>At 31 March 2017</b>	<b>14,086</b>	<b>147,785</b>	<b>161,871</b>

Shares held in the investment undertaking represent a 16.70% holding in Consolidated Coffee Inc., an indirectly held subsidiary of its immediate parent company, Tata Global Beverages Limited, a company registered in India (see note 19 Parent Company). Shares in the associate undertaking represent a holding of 48.35% (2016: 47.90%) in Tata Global Beverages Group Limited (see note 13). The directors believe that the carrying value of the investments is supported by their underlying

## Tata Global Beverages Capital Limited

### Notes to the financial statements for the year ended 31 March 2017

assets and that no provision against their value is required.

#### 12. Cash at bank and in hand

	31 March 2017 £'000	31 March 2016 £'000
Cash at bank and in hand	2	3
<b>Total</b>	<b>2</b>	<b>3</b>

#### 13. Debtors

	31 March 2017 £'000	31 March 2016 £'000
Other receivable	-	4,171
Amounts owed by group undertakings	617	2,572
<b>Total</b>	<b>617</b>	<b>6,743</b>

Amounts owed to group undertakings of £617,000 (£2,572,000) fall due within one year. Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

During the previous year the company paid an amount (deposit) of £4,171,000 in respect to a consideration payable for the purchase of 2,024,990 shares in TGB Group Limited from Tata Enterprises (Overseas) Limited (TEOL). This was recognised as "other receivable" as at 31 March 2016. On 13 June 2016, a sale and purchase agreement was entered between the company and TEOL for the purchase of 1,062,495 shares of the latter for £2,220,884 (see note 11). The transaction increased the company's investment in TGB Group Limited from 47.90% to 48.35%. The difference between the deposit and the actual consideration has been refunded to the company. Trade receivables are stated after provisions for impairment of £nil (2015: £nil).

#### 14. Creditors: amounts due within one year

	31 March 2017 £'000	31 March 2016 £'000
Amounts owed to group undertakings	21	8
<b>Total</b>	<b>21</b>	<b>8</b>

Amounts owed to group undertakings of £21,000 (2016: £8,000) fall due within one year. Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 15. Creditors: amounts due after more than one year

	31 March 2017 £'000	31 March 2016 £'000
Amounts owed to group undertakings	72,111	75,435
<b>Total</b>	<b>72,111</b>	<b>75,435</b>

The amounts owed to group undertakings represent a loan from Tata Global Beverages Investments Limited to fund the acquisition of shares in Consolidated Coffee Inc. and in Tata Global Beverages Group Limited. The loan is unsecured and interest is charged at a margin of 3.5% over LIBOR (2016: 3.5% over LIBOR). The loan is due to mature on 30th June 2017. We understand that it is the intention of the group undertaking, Tata Global Beverages Investments Limited, to roll over the amount due for a period of at least twelve months from the balance sheet date. Accordingly, the loan is disclosed as long-term in these financial statements.

### 16. Provision for other liabilities

#### Deferred tax:

Deferred tax consists of the following liabilities:

	Year Ended 31 March 2017 £'000	Year Ended 31 March 2016 £'000
	Unremitted earnings £'000	Total £'000
<b>At 1 April 2015</b>	43	43
Income statement (credit)	(25)	(25)
<b>At 31 March 2016</b>	18	18
Income statement (credit)	(3)	(3)
<b>At 31 March 2017</b>	<b>15</b>	<b>15</b>
<b>Deferred tax liabilities</b>		
Deferred tax liability - to be paid after 12 months	-	-
Deferred tax liability - to be paid within 12 months	15	18
<b>Deferred tax liabilities</b>	<b>15</b>	<b>18</b>

# Tata Global Beverages Capital Limited

## Notes to the financial statements for the year ended 31 March 2017

### 17. Called-up share capital

	Number of shares (thousands)	2017 £'000	2016 £'000
<b>Authorised</b>			
Ordinary shares of £1 each	500,000	500,000	500,000
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	89,607	89,607	89,607

### 18. Events after the end of the reporting period

As at the date of this report, no matter or circumstance has arisen since 31 March 2017 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

### 19. Parent company

The immediate and ultimate parent undertaking and controlling party is Tata Global Beverages Limited, a company incorporated in India. Tata Global Beverages Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2017. The consolidated financial statements of Tata Global Beverages Limited are available from the company website [www.tataglobalbeverages.com](http://www.tataglobalbeverages.com) or from its registered office at 1 Bishop Lefroy Road, Kolkata, India.