

**Tata Consumer Products Capital Limited**  
**(formerly Tata Global Beverages Capital Limited)**

**Registered number 05931997**

**Annual Report and Financial Statements**

**Year ended 31 March 2020**

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

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# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Strategic report**

The directors present their strategic report for the year ended 31 March 2020.

### **Review of the business**

Tata Consumer Products 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 £1,320k (2019: £4,195k). Net interest expense of £3,157k (2019: £3,107k) was incurred, which largely relates to a loan owed to Tata Consumer Products UK Group Limited (note 15). As a result of lower dividend receipts the company’s profitability decreased from the prior year.

The underlying investments of the company are subject to two significant environmental factors – Covid-19 and Brexit and a discussion of the potential impact on those entities are given below.

In the initial days post Covid-19 lockdown, in both the companies in which the company has interests in, there were instances of panic buying mainly in the retail segment with reduced sales in the out of home segments in certain markets. For the Trade receivables in those companies, based on the business outlook, collection pattern and insurance covers in place, the companies do not envisage any material risks arising from the pandemic. In the short term these companies expect an increase in in home consumption, increased online and general trade outlet sales with reduction in order of take-outs / deliveries. Due to the uncertainties around Covid-19, the customers are expected to have a stronger focus on quality and hygiene, be more price and value conscious whilst proactively look at health and wellness options in their purchases including traditional and preventive measures. The management of those companies are actively monitoring and reviewing the situation and are taking necessary actions to ensure that risks on the company is minimised due to the pandemic.

The various trade and other agreements which the UK enters into will determine the impact of Brexit on the UK economy in the coming years. Until such time, there is an expectation of volatility in the financial markets as detailed political and legal issues are being worked out. A prolonged depreciation of sterling and fall in gilt yields has been witnessed as an aftermath of the decision to exit the European Union, further exacerbated by the recent pandemic. Further, changes in the trade relationships between Europe and UK, which are yet to be finalised, could give rise to supply and cost issues along with export sales disruption. The aforesaid could have an impact in the trading performance mainly in the UK, which is one of the largest markets of Tata Consumer Products UK Group Limited, in which shares are held by the Company.

### **Results**

The company made a loss for the financial year of £1,331k (2019: Profit of £1,592k). The net asset position of the company as at 31 March 2020 was £88,369k, a decrease from £89,700k as at 31 March 2019 driven by an after tax loss of £1,331k.

### **Key performance indicators**

Due to the straightforward nature of the operations of the company, the directors consider that profitability is the key performance indicator of the company which has been discussed above.

**Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

**Strategic report (continued)**

**Principal risks and uncertainties**

The principal risk to the company is the carrying value of its investments in Tata Consumer Products UK Group Limited and Consolidated Coffee, Inc. (USA) which can also impact the company's financial statements. This is kept under review on an ongoing basis by the directors.

Approved for issue by board of directors and signed on behalf of the board.

A handwritten signature in black ink, appearing to read 'M Thakrar', with a horizontal line underneath the name.

M Thakrar  
Director  
12 June 2020

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Directors' Report**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2020.

### **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 (resigned 31 March 2020)  
M Thakrar  
J Jacob  
S A Shah  
S D'Souza (appointed 14 April 2020)

The company secretary, who is not a director is M Bailey.

### **Going concern**

The directors have considered the business activities and the company's principal risks and uncertainties as set out in the Strategic Report for adoption of going concern basis for preparing the financial statements. Additionally, Tata Consumer Products UK Group Limited, an associate of the company, has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. Based on the company's statement of financial position, the forecasts and projections and having made enquiries to satisfy themselves of the ability of Tata Consumer Products Group Limited to provide support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In particular the company has considered when looking at forecasts the potential impacts of Covid-19 on the performance of its underlying investments. The company therefore continues to adopt the going concern basis in preparing its financial statements.

### **Dividends**

The company received dividend income of £1,320k (2019: £4,195k) from its investments. During the year no dividends were declared and paid (2019: £1,750k). Further no dividends have been proposed (2019: £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 Tata Consumer Products UK Group Limited ("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.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

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

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

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.

#### **(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.

Covid-19 pandemic- Based on recent trends observed, profitability, cash generation, cash surpluses held by the Group and borrowing lines available, the Company does not envisage any material liquidity risks. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

#### **(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.

Covid-19 pandemic- Based on the recent trends observed, type of instruments and strength of the counterparties, the Company does not envisage any material risks. Wherever the underlying assets/instruments are subject to market risks, the same have been marked to market as at the Balance Sheet date. Future outlook will depend on how the pandemic develops and the resultant impact on businesses.

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

Foreign exchange risk is transaction risk which arises from dividend income received which is denominated in US dollars. The Company has an effective hedging policy to manage such risks.

Covid-19 pandemic- The pandemic can cause continuing volatility in the currency market and this risk would be mitigated through effective hedging policies. Future outlook will depend on how the pandemic develops and the resultant impact on the businesses.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

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

### **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 Consumer Products 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 2020 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 Annual 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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; 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

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

### **Statement of disclosure of information to auditor**

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 auditor is 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 auditor are aware of that information.

### **Independent Auditor**

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved for issue by board of directors and signed on behalf of the board.

A handwritten signature in black ink, appearing to read 'M Thakrar', with a horizontal line underneath the name.

M Thakrar  
Director  
12 June 2020

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Independent Auditor's Report to the members of Tata Consumer Products Capital Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Tata Consumer Products Capital Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Independent Auditors' Report to the members to Tata Consumer Products Capital Limited (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Independent Auditors' Report to the members to Tata Consumer Products Capital Limited (continued)**

### **Report on other legal and regulatory requirements**

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

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 the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Sukhbinder Kooner (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
12 June 2020

**Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

**Statement of comprehensive income**

**For the year ended 31 March 2020**

	Note	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Administration expenses		-	-
Income from shares in group undertakings	7	<b>1,320</b>	4,195
<b>Profit on ordinary activities before interest and tax</b>		<b>1,320</b>	4,195
Interest expense	8	<b>(3,157)</b>	(3,107)
<b>(Loss) / Profit on ordinary activities before tax</b>		<b>(1,837)</b>	1,088
Tax credit on (loss) / profit on ordinary activities	9	<b>506</b>	504
<b>(Loss) / Profit for the financial year</b>		<b>(1,331)</b>	1,592
<b>Total comprehensive (expense) / income for the financial year</b>		<b>(1,331)</b>	1,592

*The notes on pages 15 to 25 are an integral part of these financial statements*

The company has no other comprehensive income. All results relate to continuing operations.

**Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

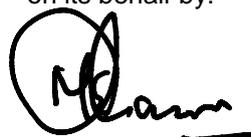
**Statement of financial position**

**As at 31 March 2020**

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Fixed assets</b>			
Investments	11	161,871	161,871
		<b>161,871</b>	<b>161,871</b>
<b>Current assets</b>			
Cash at bank and in hand	12	2	4
Debtors	13	1,191	1,119
		<b>1,193</b>	<b>1,123</b>
<b>Creditors - amounts falling due within one year</b>	14	<b>(65)</b>	<b>(583)</b>
<b>Net current assets</b>		<b>1,128</b>	<b>540</b>
<b>Total assets less current liabilities</b>		<b>162,999</b>	<b>162,411</b>
<b>Non-current liabilities</b>			
Creditors - amounts falling due after more than one year	15	(74,630)	(72,711)
<b>Net assets</b>		<b>88,369</b>	<b>89,700</b>
<b>Equity</b>			
Called-up share capital	16	89,607	89,607
Retained earnings		(1,238)	93
<b>Total equity</b>		<b>88,369</b>	<b>89,700</b>

*The notes on pages 15 to 25 are an integral part of these financial statements*

The financial statements on pages 12 to 25 were approved by the Board on 9 June 2020 and signed on its behalf by:



M Thakrar  
Director  
12 June 2020

Tata Consumer Products Capital Limited  
Registered number 05931997

**Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

**Statement of Changes in Equity**

**For the year ended 31 March 2020**

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2018		89,607	251	89,858
Profit for the financial year		-	1,592	1,592
Dividends paid	10	-	(1,750)	(1,750)
<b>Balance as at 31 March 2019</b>		<b>89,607</b>	<b>93</b>	<b>89,700</b>
<b>Balance as at 1 April 2019</b>		<b>89,607</b>	<b>93</b>	<b>89,700</b>
<b>Loss for the financial year</b>		<b>-</b>	<b>(1,331)</b>	<b>(1,331)</b>
<b>Dividends paid</b>	<b>10</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2020</b>		<b>89,607</b>	<b>(1,238)</b>	<b>88,369</b>

*The notes on pages 15 to 25 are an integral part of these financial statements*

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

### **1. General information**

Tata Consumer Products Capital Limited (“the company”) acts as an intermediate holding entity with investments in Tata Consumer Products UK Group Limited and Consolidated Coffee, Inc. (USA).

During the year the company changed its name from Tata Global Beverages Capital Limited to Tata Consumer Products Capital Limited.

The company is private limited company limited by shares and is incorporated and domiciled in the United Kingdom. The company is registered in England and Wales and its registered office address is 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ.

### **2. Statement of compliance**

The individual financial statements of Tata Consumer Products 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 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.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

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

#### **(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 for adoption of going concern basis for preparing the financial statements. Additionally, Tata Consumer Products UK Group Limited, an associate of the company, has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. Based on the company's statement of financial position, the forecasts and projections and having made enquiries to satisfy themselves of the ability of Tata Consumer Products Group Limited to provide support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. In particular the company has considered when looking at forecasts the potential impacts of Covid-19 on the performance of its underlying investments. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **(c) Changes in accounting policy and disclosure**

##### **a) New standards, amendments and interpretations adopted by the company**

Effective April 1, 2019, the company has adopted IFRS 16 – Leases. There was no impact on the financial statements as the company does not have any lease arrangements and as such there is no further disclosure.

There are no other new FRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2019 and have had a material impact on the company.

##### **b) New standards, amendments and interpretations not yet adopted by the company**

The company is currently assessing the remaining list of standards and amendments in its results and financial position as listed below:

- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendments to IAS 1 and IAS 8 (Oct 2019), 'Definition of Material'
- Amendments to IFRS 10 and IAS 28 (Sept 2014), 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

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

#### **(d) 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)];
- (iii) the financial instruments disclosures required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the consolidated financial statements;
- (iv) from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related party disclosures'.

#### **(e) Cash flow statement**

The company is a wholly-owned subsidiary of Tata Consumer Products Limited and is included in the consolidated financial statements of Tata Consumer Products Limited, which are publicly available. Please refer to note 18 for further details. Consequently the company has taken advantage of the exemption from preparing the cash flow statement under the terms of FRS 102.

#### **(f) Functional and presentation currency**

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

#### **(g) Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are re-translated at the rate of exchange rate ruling at the balance sheet date. All exchange differences are recognised in the income statement.

#### **(h) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

##### *(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

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

#### **(h) Financial instruments (continued)**

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### **(ii) Investments**

Investments in subsidiaries and associates are measured at cost less impairment.

#### **(i) Interest payable**

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

#### **(j) Interest receivable**

Interest receivable is recognised using the effective interest method.

#### **(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.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

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

#### **(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.

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.

# **Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)**

## **Notes to the financial statements for the year ended 31 March 2020**

### **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.

##### *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 higher of value in use and fair value less costs to sell 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.

There are no judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **5. Directors and employees**

Four of the directors of the company are directors of the associate undertaking, Tata Consumer Products UK Group Limited and are remunerated for their services to the Tata Consumer Products group as a whole. The emoluments of four of the directors are included within the Tata Consumer Products UK Group Limited financial statements. The remaining two directors are employees 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 (2019: £nil).

Other than the directors, the company has no employees (2019: £nil).

### **6. Auditor's remuneration**

The auditor receives remuneration for audit of the financial statements of the company as part of its overall fee of £240,000 (2019: £257,000) for audit services to Tata Consumer Products UK Group Limited and the company and no separate allocation for the company is available. The remuneration is borne by Tata Consumer Products GB Limited.

# Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)

## Notes to the financial statements for the year ended 31 March 2020

### 7. Income from shares in group undertakings

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Dividends income from associate undertaking	-	2,906
Dividends income from investment undertaking	1,320	1,289
<b>Total</b>	<b>1,320</b>	<b>4,195</b>

During the year, the Company has received no dividend (2019: £2,906,000) from Tata Consumer Products UK Group Limited and has received a dividend of £1,320,000 (2019: £1,289,000) from Consolidated Coffee Inc.

### 8. Interest expense

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Interest payable and other similar charges:</b>		
Interest expense on amounts due to group undertakings	(3,157)	(3,107)
	<b>(3,157)</b>	<b>(3,107)</b>

Interest is payable on a loan from Tata Consumer Products UK Group Limited (see note 15).

### 9. Taxation

The tax credit assessed on the profit on ordinary activities for the year is higher (2019: higher) to that of the standard rate of corporation tax in the UK of 19% (2019: 19%).

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Current tax:</b>		
UK corporation tax on (loss) / profit for the year	(600)	-
Adjustments in respect of prior years	(590)	528
	<b>(1,190)</b>	<b>528</b>
Overseas corporation tax on (loss) / profit for the year	66	64
Total current tax (credit) / charge for the year	<b>(1,124)</b>	<b>592</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	28	(568)
Adjustments in respect of prior years	590	(528)
<b>Tax credit on (loss) / profit on ordinary activities</b>	<b>(506)</b>	<b>(504)</b>

# Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)

## Notes to the financial statements for the year ended 31 March 2020

### 9. Taxation (continued)

The differences are explained below:

	2020 £'000	2019 £'000
(Loss) / Profit on ordinary activities before tax	<b>(1,837)</b>	1,088
(Loss) / Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	<b>(349)</b>	207
Adjusting for the effects of:		
Income not subject to tax	<b>(251)</b>	(797)
Overseas withholding tax suffered on dividends	<b>94</b>	86
<b>Tax credit for the financial year</b>	<b>(506)</b>	(504)

#### Deferred tax

Deferred tax consists of the following (liabilities) / assets:

	Year Ended 31 March 2020 £'000	Year Ended 31 March 2019 £'000
<b>Deferred tax assets (note 9)</b>		
Deferred tax asset - to be recovered within 12 months	<b>529</b>	1,119
<b>Deferred tax liabilities (note 15)</b>		
Deferred tax liability - to be paid within 12 months	<b>(57)</b>	(29)

	Deferred tax asset - Tax Losses £'000	Deferred tax liability - Unremitted earnings £'000
<b>At 1 April 2018</b>	-	(6)
Income statement (credit) / charge	1,119	(23)
<b>At 31 March 2019</b>	<b>1,119</b>	<b>(29)</b>
Income statement charge	<b>(590)</b>	<b>(28)</b>
<b>At 31 March 2020</b>	<b>529</b>	<b>(57)</b>

#### Factors that may affect future tax:

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2020 (on 17 March 2020). These include reversing the reduction in the main rate of corporate tax to 17% and so from 1 April 2020 the main rate is maintained at 19%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

There are temporary differences arising in respect of unremitted overseas retained earnings from the associate undertaking for which deferred tax liabilities amounting to £57,000 (2019: £29,000) have been recognised as at 31 March 2020.

# Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)

## Notes to the financial statements for the year ended 31 March 2020

### 10. Dividends paid

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Equity - Ordinary</b>		
Interim paid: Nil (2019: £1.95p) per £1 share	-	1,750

### 11. Investments

Cost and net book value	Shares in Investment undertaking £'000	Shares in associate undertaking £'000	Total £'000
At 1 April 2019 & 31 March 2020	<b>14,086</b>	<b>147,785</b>	<b>161,871</b>

Shares held in the investment undertaking represent a 16.70% holding of the ordinary share capital of Consolidated Coffee Inc., an indirectly held subsidiary of its immediate parent company, Tata Consumer Products Limited, a company registered in India (see note 18 Parent Company). Shares in the associate undertaking represent a holding of 48.35% of the ordinary share capital of (2019: 48.35%). The associate undertaking's loss for the year is £6.9m and its total equity (including non-controlling interest) is £523.6m as at 31 March 2020. The directors believe that the carrying value of the investments is supported by their value in use and that no provision against their value is required.

Tata Consumer Products UK Group Limited is incorporated in United Kingdom and the address of its registered office is 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ.

Consolidated Coffee Inc. is incorporated in United States and the address of its registered office is 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA.

### 12. Cash at bank and in hand

	31 March 2020 £'000	31 March 2019 £'000
Cash at bank and in hand	2	4
<b>Total</b>	<b>2</b>	<b>4</b>

# Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)

## Notes to the financial statements for the year ended 31 March 2020

### 13. Debtors

	<b>31 March 2020 £'000</b>	31 March 2019 £'000
Deferred tax asset (note 9)	529	1,119
Amounts owed by group undertakings	662	-
<b>Total</b>	<b>1,191</b>	<b>1,119</b>

Amounts owed to group undertakings of £662,000 (2019: £nil) represents a balance with Tata Consumer Products GB Limited which is unsecured, interest free and are repayable on demand.

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

	<b>31 March 2020 £'000</b>	31 March 2019 £'000
Amounts owed to group undertakings	8	554
Deferred tax liabilities (note 9)	57	29
<b>Total</b>	<b>65</b>	<b>583</b>

Amounts owed to group undertakings represents balances with Tata Consumer Products UK Group Limited £8,000 (2019: £nil) fall due within one year and amounts owed to Tata Consumer Products GB Limited totalling £nil (2019: £nil). Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

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

	<b>31 March 2020 £'000</b>	31 March 2019 £'000
Amounts owed to group undertakings	74,630	72,711
<b>Total</b>	<b>74,630</b>	<b>72,711</b>

The amounts owed to group undertakings represent a loan from Tata Consumer Products UK Group Limited £74.6m (2019: 72.7m). The loan is unsecured and interest is charged at a margin of 3.5% over LIBOR (2019: 3.5% over LIBOR). The loan is due to mature on 30th June 2020 and the company has the discretion of rolling over the interest owed to group undertakings every three months. We have received written confirmation from the group undertaking that they will not recall the amount due for a period of at least 12 months from the balance sheet date. Accordingly, the loan is disclosed as long-term in these financial statements.

# Tata Consumer Products Capital Limited (formerly Tata Global Beverages Capital Limited)

## Notes to the financial statements for the year ended 31 March 2020

### 16. Called-up share capital and reserves

	Number of shares (thousands)	2020 £'000	2019 £'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

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

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

As at the date of this report, no matter or circumstance has arisen since 31 March 2020 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

### 18. Parent company

The immediate and ultimate parent undertaking and controlling party is Tata Consumer Products Limited, a company incorporated in India. Tata Consumer Products Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2020. The consolidated financial statements of Tata Consumer Products 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.