

**Tata Consumer Products Overseas Holdings Limited**  
**(Formerly Tata Global Beverages Overseas Holdings Limited)**

**Registered number 03017857**

**Annual Report and Financial Statements**

**Year ended 31 March 2020**

# Tata Consumer Products Overseas Holdings Limited

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# Tata Consumer Products Overseas Holdings Limited

## Strategic report

### Strategic report for the year ended 31 March 2020

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

### Principal activities

Tata Consumer Products Overseas Holdings Limited (the “company”) (Formerly Tata Global Beverages Overseas Holdings Limited) acts as an intermediate holding company for the immediate parent company Tata Consumer Products UK Group Limited (the “Group”) (Formerly Tata Global Beverages Group Ltd).

### Review of the business

During the year, the company recognised the receipt of dividend income totalling £3,864k (2019: £294k) in respect of its investments in Canada and Africa. Expenses were higher than the prior year due to a higher level of impairments in the current year. A net non-cash impairment loss was taken against its investments in subsidiaries totalling £18,333k (2019: £6,053k) relating to its businesses in US, Australia, Eastern Europe and Bangladesh. The non-cash impairment during the year has been recognised due to COVID related factors such as impact on specific out of home business segments mainly for the US and Australia business, higher discount rates due to market conditions and slower than expected performance in the other businesses. . Various initiatives have been taken to restructure the operations and strengthen the brand and product portfolio. The after tax loss for the year was therefore £14,815k in comparison with a loss of £6,818k in the prior year with the increase largely explained by higher non cash impairments in current year partly offset by higher dividend income.

Under the Covid environment, we have assessed our Receivables and based on our business outlook, and collection pattern the Company does not envisage any material risks arising from the pandemic.

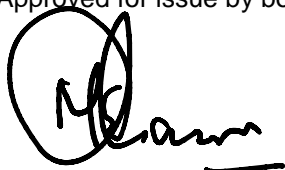
### Principal risks and uncertainties

The directors of Tata Consumer Products UK Group Limited manage the company’s risks at a group level, rather than at an individual business unit level. Please refer to the financial statements of Tata Consumer Products UK Group Limited for a discussion of the principal risks and uncertainties surrounding the business. The directors however note that there is a principal risk to the company relating to its ability to meet its obligations as they arise. This risk is mitigated by the financial support offered by Tata Consumer Products UK Group Limited as explained in the going concern section of the directors’ report.

### 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.

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



M Thakrar  
Director  
12 June 2020

# Tata Consumer Products Overseas Holdings Limited

## Directors' report

### Directors' report for the year ended 31 March 2020

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

### Future developments

The company is expected to continue to act in its capacity as an intermediate holding company in the future.

### Dividends

The directors do not recommend the payment of a dividend (2019: Nil).

### Directors

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

A Misra (resigned 31 March 2020)

J Jacob

L Krishna Kumar

M Thakrar

J Burdett (appointed 19 March 2020)

A Ahmad (appointed 19 March 2020)

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

### Going Concern

Tata Consumer Products UK Group Limited, the immediate parent 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. On this basis, having made enquiries to satisfy themselves of the ability of the parent to provide support, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue its operations as a going concern and have therefore adopted the going concern principle in preparing the financial statements.

### 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 purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### 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.

### Financial risk management and policies

This has been outlined in the Strategic report.

# Tata Consumer Products Overseas Holdings Limited

## Directors' report (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the 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, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the 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.

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

### Statement of disclosure of information to the auditor

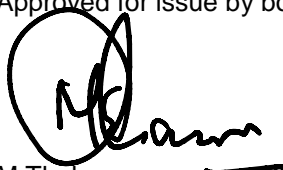
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware; and
- they have taken all the steps that they ought to have taken as a director 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.



M Thakrar  
Director  
12 June 2019

# Tata Consumer Products Overseas Holdings Limited

## Independent auditor's report to the members of Tata Consumer Products Overseas Holdings Limited

### Report on the audit of the financial statements

#### Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 March 2019 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 101 "Reduced Disclosure Framework"; 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 101 "Reduced Disclosure Framework" (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 twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### 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.

# **Tata Consumer Products Overseas Holdings Limited**

## **Independent auditor's report to the members of Tata Consumer Products Overseas Holdings Limited (continued)**

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.

### **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.

# Tata Consumer Products Overseas Holdings Limited

## Independent auditor's report to the members of Tata Consumer Products Overseas Holdings Limited (continued)

### 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 2019



# Tata Consumer Products Overseas Holdings Limited

## Statement of comprehensive income

For the year ended 31 March 2020

		Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Administrative expenses		(73)	(113)
Income from shares in group undertakings	6	3,864	294
<b>Operating profit before impairments, investment sales and foreign exchange gains / (losses)</b>		<b>3,791</b>	<b>181</b>
Profit on sale of investment		621	-
Impairment of investments	10	(18,333)	(6,053)
Foreign exchange gains / (losses)		(53)	240
<b>Operating loss</b>		<b>(13,974)</b>	<b>(5,632)</b>
Finance income	7	472	458
Finance costs	8	(1,927)	(1,854)
<b>Loss before tax</b>		<b>(15,429)</b>	<b>(7,028)</b>
Income tax credit	9	614	210
<b>Loss for the financial year</b>		<b>(14,815)</b>	<b>(6,818)</b>
<b>Total comprehensive loss for the financial year</b>		<b>(14,815)</b>	<b>(6,818)</b>

*The notes on pages 12 to 23 are an integral part of these financial statements.*

All results relate to continuing operations.

# Tata Consumer Products Overseas Holdings Limited

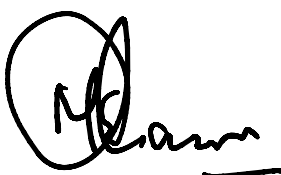
## Statement of financial position

As at 31 March 2020

	Note	31 March 2020 £'000	31 March 2019 £'000
<b>Fixed assets</b>			
Investments	10	13,136	31,759
Deferred tax assets (net)	9	266	-
		<b>13,402</b>	31,759
<b>Current assets</b>			
Receivables	11	58,383	10,453
		<b>58,383</b>	10,453
<b>Creditors - amounts falling due within one year</b>	12	<b>(10,584)</b>	(25,894)
<b>Net current assets / (liabilities)</b>		<b>47,799</b>	(15,441)
<b>Total assets less current liabilities</b>		<b>61,201</b>	16,318
Creditors - amounts falling due after more than one year	13	(67,435)	(67,737)
<b>Net liabilities</b>		<b>(6,234)</b>	(51,419)
<b>Equity</b>			
Called up share capital	14	-	-
Share premium account	15	64,750	4,750
Accumulated losses		(70,984)	(56,169)
<b>Total equity</b>		<b>(6,234)</b>	(51,419)

The notes on pages 12 to 23 are an integral part of these financial statements.

The financial statements on pages 9 to 23 were approved by the Board of directors on 12 June 2020 and signed on its behalf by:



M Thakrar  
Director  
12 June 2020

Tata Consumer Products Overseas Holdings Limited  
Registered number 03017857

# Tata Consumer Products Overseas Holdings Limited

## Statement of changes in equity

For the year ended 31 March 2020

	Called up share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 April 2018	-	4,750	(49,351)	(44,601)
Loss for the financial year	-	-	(6,818)	(6,818)
<b>Total comprehensive loss for the financial year</b>	-	-	<b>(6,818)</b>	<b>(6,818)</b>
Balance as at 31 March 2019	-	4,750	(56,169)	(51,419)
<b>Balance as at 1 April 2019</b>	-	<b>4,750</b>	<b>(56,169)</b>	<b>(51,419)</b>
<b>Loss for the financial year</b>	-	-	<b>(14,815)</b>	<b>(14,815)</b>
<b>Total comprehensive loss for the financial year</b>	-	-	<b>(14,815)</b>	<b>(14,815)</b>
<b>Additions</b>	-	<b>60,000</b>	-	<b>60,000</b>
<b>Balance as at 31 March 2020</b>	-	<b>64,750</b>	<b>(70,984)</b>	<b>(6,234)</b>

*The notes on pages 12 to 23 are an integral part of these financial statements.*

# Tata Consumer Products Overseas Holdings Limited

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

### 1. General Information

Tata Consumer Products Overseas Holdings Limited (“the company”) acts as an intermediate holding entity with investments in subsidiaries within the Tata Consumer Products UK Group Limited (“the Group”). The company is a wholly owned subsidiary of Tata Consumer Products UK Group Limited which in turn is a subsidiary of the ultimate parent company Tata Consumer Products Limited incorporated in India.

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

### 2. Summary of significant accounting policies

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

#### (a) Basis of preparation

The financial statements of Tata Consumer Products Overseas Holdings Limited have been prepared in accordance with Financial Reporting Standard 101, ‘Reduced Disclosure Framework’ (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 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 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, ‘Financial Instruments: Disclosures’
- Paragraphs 91 to 99 of IFRS 13, ‘Fair value measurement’ (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- The following paragraphs of IAS 1, ‘Presentation of financial statements’:
  - 10(d), (statement of cash flows),
  - 16 (statement of compliance with all IFRS),
  - 111 (cash flow statement information),
  - 134-136 (capital management disclosures),
- IAS 7, ‘Statement of cash flows’,
- Paragraph 17 of IAS 24, ‘Related party disclosures’ (key management compensation),
- The requirements in IAS 24, ‘Related party disclosures’ to disclose related party transactions entered into between two or more members of a group, and
- The requirements of paragraphs 30 and 31 of IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’

# Tata Consumer Products Overseas Holdings Limited

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

### 2. 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, the parent 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) New accounting standards 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.

#### (d) Consolidated financial statements

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group financial statements as the results are included in the consolidated financial statements of Tata Consumer Products UK Group Limited. These financial statements are the company's separate financial statements.

#### (e) Functional and presentation currency

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

#### (f) 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 profit and loss. The company has elected to use the deemed cost alternative available under FRS 101 where the aggregate deemed cost of the investments are deemed to be the cost as recorded under UK GAAP. Refer to note 10 for the net carrying amount of the investments and associated impairment.

# Tata Consumer Products Overseas Holdings Limited

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

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

#### **(g) Receivables**

Receivables are loans due from group companies. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### **(h) Creditors**

Creditors are obligations to pay for loans received and are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **(i) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Transaction costs generally include fees, commission, payment to advisors, levies by regulatory etc. incurred to avail the borrowing. For certain types of credit facilities the lender may charge a fee for an unused credit line for undisbursed loan. A 'commitment fee' is generally specified as a fixed percentage of the undisbursed loan amount. Such costs form a part of finance charges.

#### **(j) 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.

#### **(k) Related party transactions**

As the company is a wholly owned subsidiary of Tata Consumer Products UK Group Limited advantage has been taken of the exemption afforded by IAS 24 not to disclose any related party transactions with whole owned members of the Group.

#### **(l) Dividend income**

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

#### **(m) 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.

# Tata Consumer Products Overseas Holdings Limited

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

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

#### (m) Taxation (continued)

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 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 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.

#### (n) Finance income and costs

Interest income and costs are recognised using the effective interest method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

#### (o) Foreign currency translation

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

# Tata Consumer Products Overseas Holdings Limited

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

### 3. 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.

#### **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.

#### *(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, which requires the company to estimate the value in use which is based on future cash flows and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. During the year an impairment of £18,333k (2019: £6,053k) was taken based on assessment of carrying value of investments.

#### *(ii) Impairment of receivables*

The company makes an estimate of the recoverable value of its trade and other receivables given. When assessing impairment of receivables, management considers the credit-worthiness of the borrower - the existing and future trading cashflows, the economic environment in which the business operates and historical repayment experience.

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.

### 4. Auditor's remuneration

The auditor's remuneration is paid by Tata Consumer Products GB Limited (Formerly Tata Global Beverages GB Limited), a subsidiary of the Tata Consumer Products UK Group Limited. The audit fee of £240k (Year ended 31 March 2019: £257k) was paid in aggregate for the audit of the financial statements of the UK based subsidiaries of Tata Consumer Products UK Group Limited to Deloitte LLP and no split is separately available for the audit of the company.

### 5. Directors and employees

The directors did not receive any emoluments in the year in respect of their services as directors of the company (2019: £nil). Four of the directors are employees of Tata Consumer Products GB Limited, one director is an employee of Tata Consumer Products Limited (India) which is the ultimate parent company. The other remaining director who resigned during the year was employed by Tata Consumer Products GB Limited. All the directors are remunerated for their services to the Group as a whole. The company had no employees during the year (2019: nil).

### 6. Income from shares in group undertakings

During the year, the company received dividend income of £3,864k (2019: £294k) from its shares in group undertakings.



# Tata Consumer Products Overseas Holdings Limited

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

### 7. Finance income

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Interest income on intercompany loans	472	458
<b>Total</b>	<b>472</b>	<b>458</b>

### 8. Finance costs

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Interest expense on intercompany loans	1,628	1,569
Bank interest expense	299	285
<b>Total</b>	<b>1,927</b>	<b>1,854</b>

### 9. Income tax credit

The tax charge assessed on the loss on ordinary activities for the year is lower (2019: lower) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Current tax:</b>		
UK corporation tax credit on loss for the financial year	(294)	(479)
Adjustment in respect of prior years	(224)	297
	<b>(518)</b>	<b>(182)</b>
Foreign tax suffered for the financial year	170	(28)
Total current tax credit for the financial year	<b>(348)</b>	<b>(210)</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	-	238
Adjustment in respect of previous years	(266)	(238)
Total deferred tax credit for the year	<b>(266)</b>	<b>-</b>
<b>Total Tax credit</b>	<b>(614)</b>	<b>(210)</b>

# Tata Consumer Products Overseas Holdings Limited

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

### 9. Income tax credit (continued)

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Current tax:</b>		
Loss before tax	(15,429)	(7,028)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	(2,932)	(1,335)
Amounts not allowable for tax	3,488	1,150
Non taxable income	(734)	(56)
Adjustment in respect of prior years	(266)	59
Overseas withholding tax suffered on dividends	(170)	(28)
<b>Total Tax credit</b>	<b>(614)</b>	<b>(210)</b>

The company has surrendered the benefit of tax losses to another group company for consideration of £0.5 million (2019: £0.5 million). Accordingly, no tax losses are available for carry-forward.

#### Deferred tax

Deferred tax consists of the following:

	Losses £'000	Total £'000
<b>At 1 April 2018</b>	-	-
Credited to the income statement	-	-
<b>At 31 March 2019</b>	-	-
Credited to the income statement	266	266
<b>At 31 March 2020</b>	<b>266</b>	<b>266</b>

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
<b>Deferred tax assets</b>	<b>266</b>	
<b>Deferred tax liabilities</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets/(liabilities) - net</b>	<b>266</b>	<b>-</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.

# Tata Consumer Products Overseas Holdings Limited

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

### 10. Investments

	Investment in subsidiaries	Investment in joint ventures	Total
	£'000	£'000	£'000
At 1 April 2019	29,184	2,575	31,759
Additions	-	343	343
Disposals	(633)	-	(633)
Impairments	(17,990)	(343)	(18,333)
<b>At 31 March 2020</b>	<b>10,561</b>	<b>2,575</b>	<b>13,136</b>

	Investment in subsidiaries	Investment in joint ventures	Total
	£'000	£'000	£'000
At 1 April 2018	35,237	2,575	37,812
Impairments	(6,053)	-	(6,053)
<b>At 31 March 2019</b>	<b>29,184</b>	<b>2,575</b>	<b>31,759</b>

During the year there has been an additional investment in joint venture - Tetley ACI (Bangladesh) Limited and disposal of subsidiary - Tata Global Beverages Czech Republic a.s.

The company received cash consideration net of expenses of £1,254k for the disposal of Tata Global Beverages Czech Republic a.s. and with a carrying value of £633k at the time of disposal recorded a profit on sale of £621k in the income statement.

As part of the annual impairment review the directors assess the future cash flows of the underlying investments. In the current year this has resulted in a total impairment charge of £18,333k related to company's investment in businesses in US, Australia, Eastern Europe and Bangladesh. The prior year total impairment charge was £6,053k, which was related to the company's investments in businesses in Eastern Europe and Australia.

The investments in US, Australia and Poland are the most sensitive to a change in assumptions. For US, if the current assumption on pre tax discount rate was to increase by +0.5% or if the projections would reduce by 4%, then the impairment would increase by £1.6m. For Australia, if the current assumption on pre tax discount rate was to increase by +0.5% or if the future relevant projections were to reduce by 3% then the impairment would increase by £0.2m. For Poland, if the current assumption on pre tax discount rate was to increase by +0.5% or future relevant projections were to reduce by 9% then the impairment would increase by £0.2m.

Please refer to the Tata Consumer Products UK Group Limited consolidated financial statements and the Intangible assets impairment note which provides further detail on the impairment process and assumptions followed for the cash generating units to which each investment belongs and where related intangible assets have been impaired in the year to 31 March 2020. For Poland, the Pre tax discount rate used is 8.5% and a growth rate of 3.5%.

The Company's subsidiary and joint venture undertakings held have share capital consisting solely of ordinary shares which are directly held by the company unless stated are as follows:

# Tata Consumer Products Overseas Holdings Limited

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

### 10. Investments (continued)

	Address of registered office	Sector	Proportion of equity and voting rights held
Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.)	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Holding company	100%
Tetley USA Inc. (indirect holding)	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Tea	100%
Empirical Group LLC (indirect holding)	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Tea	56%
Southern Tea LLC (indirect holding)	1267 Cobb Industrial Drive Marietta, GA, USA	Tea	50%
Good Earth Corporation Inc. (indirect holding)	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Holding company	100%
Good Earth Teas Inc. (indirect holding)	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Tea	100%
Tata Waters LLC	155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA	Water	100%
Tata Global Beverages Overseas Limited	325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ, UK	Tea	100%
Tata Consumer Products Canada Inc (Formerly Tata Global Beverages Canada Inc)	10 Carlson Street, Etobicoke, Ontario, Canada M9W6L2	Tea	100%
Tata Consumer Products Australia Pty Limited (Formerly Tata Global Beverages Australia Pty Limited)	620 Church Street, Richmond, Victoria, Australia 3121	Tea	100%
Earth Rules Pty Limited	620 Church Street, Richmond, Victoria, Australia 3121	Coffee	100%
Stansand (Africa) Limited	3rd Floor Tea House, Nyerere Abenue P. O. Box 90683-80100 Mombasa, Kenya	Tea	100%

# Tata Consumer Products Overseas Holdings Limited

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

### 10. Investments (continued)

	Address of registered office	Sector	Proportion of equity and voting rights held
Stansand (Central Africa) Limited	Along Masauko Chipembere Highway-Maselema Area-Limbe, P. O. Box 546, Blantyre, Malawi	Tea	100%
Tata Global Beverages Polska Sp. Z o.o	UL Zolny 33, 02-815 Warszawa, Poland	Tea	100%
Tetley Clover (Private) Limited	Lakson Square Building No 2 Sarwar Shaheed Road, Karachi, Pakistan	Tea	50%
Tetley ACI (Bangladesh) Limited	245 Tejgaon Industrial Area, Dhaka - 1208, Bangladesh	Tea	50%
Tata Global Beverages Czech Republic a.s (Ceased w.e.f 13th January 2020).	Znojemska 687 675 31 Jemnice, Czech Republic	Tea	100%
Joekels Tea Packers (Proprietary) Limited	12 Caversham Road, Pinetown, 3610 Kwazulu Natal, South Africa	Tea	51.7%

The Company's subsidiary and joint venture undertakings held have share capital consisting solely of ordinary shares which are directly held by the company unless stated; the country of incorporation or registration is also their principal place of business

None of the investments are quoted.

### 11. Receivables

	31 March 2020 £'000	31 March 2019 £'000
Amounts owed by group undertakings	58,157	10,453
Prepayments and accrued income	225	-
<b>Total</b>	<b>58,382</b>	<b>10,453</b>

Amounts owed by group undertakings include loans to Tata Consumer Products UK Group Limited amounting to £46.7m (2019: £Nil), and a loan to Tata Global Beverages Polska Sp. Z o.o totalling £Nil (2019: £47k) which are all interest free, unsecured and due within one year.

Amounts owed by group undertakings also include a loan to Tata Consumer Products US Holdings Inc. (Formerly Tata Global Beverages US Holdings Inc.) totalling £11.5m (2019: £10.4m). Interest on these balances is charged at margins of 2% over LIBOR and the loans are repayable on demand by the company.

# Tata Consumer Products Overseas Holdings Limited

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

### 12. Creditors - amounts falling due within one year

	31 March 2020 £'000	31 March 2019 £'000
Bank loans and overdraft	6,136	7,994
Accruals and deferred income	-	300
Amounts owed to group undertakings	4,448	17,600
<b>Total</b>	<b>10,584</b>	<b>25,894</b>

Amounts owed to group undertakings include a loan from Tata Global Beverages Overseas Limited for £4.3m (2019: £4.3m), a loan from Tata Global Beverages Polska Sp. Z o.o for £0.2m (2019: £Nil) and a loan from Tata Consumer Products UK Group Limited of £Nil (2019: £13.4m). These loans are interest free and unsecured and the loan agreements provide for the principal to be repaid on demand by the lenders.

### 13. Creditors - amounts falling due after more than one year

	31 March 2020 £'000	31 March 2019 £'000
Amounts owed to group undertakings	67,435	67,737
<b>Total</b>	<b>67,435</b>	<b>67,737</b>

Loans totalling £67.4 million from Tata Consumer Products GB Limited (2019: £67.8 million) are charged at a margin over LIBOR of 2%. The loan agreements provide for the principal to be repaid on demand by the lenders.

Tata Consumer Products GB Limited has provided a letter to the company confirming that they will not require repayment of the loan until at least twelve months from the date that these financial statements were approved. The borrowings have therefore been treated as payable after more than one year from the balance sheet date.

### 14. Called up share capital

		31 March 2020 £	31 March 2019 £
<b>Authorised:</b>	Number		
Ordinary shares of £1 each			
At 1 April 2019 and 31 March 2020	100		
<b>Allotted, called up and fully paid:</b>			
Issued during the year	1	1	-
Ordinary shares of £1 each	5 (2019: 4)	5	4

# Tata Consumer Products Overseas Holdings Limited

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

### 15. Share premium account

	<b>Share Premium £'000</b>
At 1 April 2019 to 31 March 2020	4,750
Additions	60,000
<b>Total</b>	<b>64,750</b>

### 16. Related Party Transactions

During the year the company received dividend from Joint Venture undertaking Joekels Tea Packers (Proprietary) Limited £168k (2019: £138k). There were no other related party transactions to report.

### 17. Parent company

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

### 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 2020 that has significantly affected, or may significantly affect the company, its results or the state of affairs.