

Tata Global Beverages Capital Limited

Registered number 05931997

Annual Report and Financial Statements

Year ended 31 March 2018

Tata Global Beverages Capital Limited

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Tata Global Beverages Capital Limited

Strategic report

Strategic report for the year ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Review of the business

Tata Global Beverages Capital Limited (the "company") acts as an intermediate holding entity. The company continued to receive dividends from shares in group undertakings in the current year. Dividends received were £4,217,000 (2017: £1,843,000). Net interest expense of £2,780,000 (2017: £2,949,000) was incurred, which largely relates to a loan owed to Tata Global Beverages Investments Limited (note 15).

Whilst it is impossible to predict the exact impact of BREXIT on the UK economy, in the coming years, there will remain uncertainties, with increased volatility expected in financial markets, as the detailed political and legal issues are worked out. Depreciation of sterling and fall in gilt yields which was experienced can have financial impact on the company's investments.

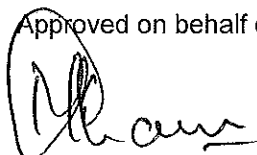
Results

The company made a profit for the financial year of £1,915,000 (2017: loss of £592,000). The net asset position of the company as at 31 March 2018 was £89,858,000, a decrease from £90,943,000 as at March 2017 driven by an after tax profit of £1,915,000 and a dividend pay-out of £2,400,000.

Principal risks and uncertainties

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

Approved on behalf of the Board



M Thakrar

Director

10 May 2018

Tata Global Beverages Capital Limited

Directors' Report

Directors' report for the year ended 31 March 2018

The Directors present their annual report and the audited financial statements for the year ended 31 March 2018.

Directors

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

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

Dividends

The company received dividend income of £4,217,000 (2017: £1,843,000) from its investments. During the year dividends were declared and paid of £2,400,000 (2017: 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 Global Beverages 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.

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

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

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

Tata Global Beverages Capital Limited

Directors' Report (continued)

Treasury policy and financial risk management (continued)

(i) Liquidity risk

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

(ii) Interest rate risk

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

(iii) Foreign currency exchange rates risk

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

Directors' indemnities

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

Events subsequent to the end of the financial year

As at the date of this report, no matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

Statement of directors' responsibilities

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

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

Tata Global Beverages Capital Limited

Directors' Report (continued)

Statement of directors' responsibilities (continued)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

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

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

Independent Auditors

Deloitte LLP have expressed their willingness to continue in office as auditor.

Approved on behalf of the Board



M Thakrar
Director
10 May 2018

Tata Global Beverages Capital Limited

Independent auditor's report to the members of Tata Global Beverages Capital Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit 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 of Tata Global Beverages Capital Limited (the 'company') which comprise:

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

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 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.

Tata Global Beverages Capital Limited

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Tata Global Beverages Capital Limited

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.

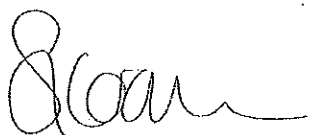
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

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.



Sukhbinder Kooner (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
11 May 2018

Tata Global Beverages Capital Limited

Income statement and statement of comprehensive income

For the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Administration expenses		-	(16)
Income from shares in group undertakings	7	4,217	1,843
Profit on ordinary activities before interest and tax		4,217	1,827
Net interest expense	8	(2,780)	(2,949)
Profit / (loss) on ordinary activities before tax		1,437	(1,122)
Tax credit on profit / (loss) on ordinary activities	9	478	530
Profit / (loss) for the financial year		1,915	(592)
Total comprehensive income / (loss) for the financial year		1,915	(592)

The notes on pages 13 to 23 are an integral part of these financial statements

The company has no other comprehensive income.

Tata Global Beverages Capital Limited

Statement of financial position

As at 31 March 2018

	Note	31 March 2018 £'000	31 March 2017 £'000
Fixed assets			
Investments	11	161,871	161,871
		161,871	161,871
Current assets			
Cash at bank and in hand	12	5	2
Debtors	13	458	617
		463	619
Creditors - amounts falling due within one year	14	-	(21)
Net current assets		463	598
Total assets less current liabilities		162,334	162,469
Non-current liabilities			
Creditors - amounts falling due after more than one year	15	(72,470)	(72,111)
Provisions for other liabilities	16	(6)	(15)
Net assets		89,858	90,343
Equity			
Called-up share capital	17	89,607	89,607
Retained earnings		251	736
Total equity		89,858	90,343

The notes on pages 13 to 23 are an integral part of these financial statements

The financial statements on pages 10 to 23 were approved by the Board on 8 May 2018 and signed on its behalf by:



M Thakrar
Director
10 May 2018

Tata Global Beverages Capital Limited
Registered number 05931997

Tata Global Beverages Capital Limited

Statement of Changes in Equity

For the year ended 31 March 2018

	Note	Share capital £'000	Retained earnings £'000	Total equity £'000
Balance as at 1 April 2016		89,607	1,328	90,935
Loss for the financial year		-	(592)	(592)
Total comprehensive income for the financial year		-	(592)	(592)
Dividends paid	10	-	-	-
Balance as at 31 March 2017		89,607	736	90,343
Balance as at 1 April 2017		89,607	736	90,343
Profit for the financial year		-	1,915	1,915
Total comprehensive income for the financial year		-	1,915	1,915
Dividends paid	10	-	(2,400)	(2,400)
Balance as at 31 March 2018		89,607	251	89,858

The notes on pages 13 to 23 are an integral part of these financial statements

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

1. General information

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

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

3. Summary of significant accounting policies

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

(a) Basis of preparation

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

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

(b) Going concern

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

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

3. Summary of significant accounting policies (continued)

(c) Exemptions for qualifying entities under FRS 102

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

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

(d) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 March 2018 reporting periods. The assessment of the impact of these new standards and interpretations is set out below.

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

There are no new FRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2017 that would be expected to have a material impact on the company.

ii. New Standards and interpretations not yet adopted

A number of new standards and amendments, standards and interpretations are effective for annual period beginning after 1 April 2018, and have not been applied in preparing these financial statements. The company is currently assessing the impact of the standards for any amendments on its results and financial position.

(e) Cash flow statement

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

(f) Functional and presentation currency financial statements

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

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

3. Summary of significant accounting policies (continued)

(g) Investments

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

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

(h) Debtors

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

(i) Creditors

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

(j) Interest payable

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

(k) Interest receivable

Interest receivable is recognised using the effective interest method.

(l) 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.

(m) Dividend income

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

(n) 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.

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

3. Summary of significant accounting policies (continued)

(o) Taxation (continued)

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 Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

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.

(i) Impairment of investments

The company conducts impairment reviews of its investments whenever circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount. The recoverable amount is based on the 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.

(ii) Impairment of debtors

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

5. Directors and employees

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

The directors do not receive any remuneration for their services to the Company (2017: nil).

Other than the directors, the company has no employees (2017: nil).

6. Auditor's remuneration

The auditor receives remuneration for audit services to the company as part of its overall fee of £310,000 for audit services to Tata Global Beverages Group Limited and the company and no separate allocation for the company is available. The remuneration is borne by Tata Global Beverages Services Limited.

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

7. Income from shares in group undertakings

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Dividends income from associate undertaking	2,906	-
Dividends income from investment undertaking	1,311	1,843
Total	4,217	1,843

During the year, the Company has received a dividend of £2,906,000 (2017: £nil) from Tata Global Beverages Group Limited and has received a dividend of £1,311,000 (2017: £1,843,000) from Consolidated Coffee Inc.

8. Net interest expense

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Interest receivable and other similar income:		
Bank interest receivable	2	2
	2	2
Interest payable and other similar charges:		
Interest expense on amounts due to group undertakings	(2,776)	(3,000)
Net foreign exchange (loss) / gain on financing activities	(6)	49
	(2,782)	(2,951)
Net finance expense	(2,780)	(2,949)

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

9. Tax credit on profit / (loss)

The tax credit assessed on the profit on ordinary activities for the year is higher (2017: higher) to that of the standard rate of corporation tax in the UK of 19% (2017: 20%).

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Current tax:		
UK corporation tax on profit / (loss) for the year	(528)	(590)
Adjustments in respect of prior years	-	(29)
	(528)	(619)
Overseas corporation tax on profit / (loss) for the year	59	92
Total current tax charge for the year	(469)	(527)
Deferred tax:		
Origination and reversal of timing differences	(9)	(3)
Tax on profit / (loss) on ordinary activities	(478)	(530)

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

9. Tax credit on profit / (loss)

The differences are explained below:

	2018 £'000	2017 £'000
Profit / (loss) on ordinary activities before tax	1,437	(1,122)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	273	(224)
Adjusting for the effects of:		
Income not subject to tax	(801)	(369)
Adjustments to tax charge in respect of prior years	-	(29)
Expenses not deductible for tax purposes	(9)	3
Overseas withholding tax suffered on dividends	59	89
Tax credit for the financial year	(478)	(530)

Factors that may affect future tax:

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2018 and to 17% from 1 April 2020. 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 £6,000 (2017: £15,000) have been recognised as at 31 March 2018 (Refer Note 16).

10. Dividends paid

	Year ended 31 March 2018 £'000	Year ended 31 March 2017 £'000
Equity - Ordinary		
Interim paid: Nil (2017: nil) per £1 share	2,400	-

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

11. Investments

Cost and net book value	Shares in Investment undertaking £'000	Shares in associate undertaking £'000	Total £'000
At 1 April 2017	14,086	147,785	161,871
At 31 March 2018	14,086	147,785	161,871

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 Global Beverages Limited, a company registered in India (see note 19 Parent Company). Shares in the associate undertaking represent a holding of 48.35% of the ordinary share capital of (2017: 48.35%) Tata Global Beverages Group Limited (see note 13). 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 Global Beverages 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 2018 £'000	31 March 2017 £'000
Cash at bank and in hand	5	2
Total	5	2

13. Debtors

	31 March 2018 £'000	31 March 2017 £'000
Amounts owed by group undertakings	455	617
Total	455	617

Amounts owed to group undertakings of £455,000 (2017: £617,000) fall due within one year. Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

14. Creditors - amounts due within one year

	31 March 2018 £'000	31 March 2017 £'000
Amounts owed to group undertakings	-	21
Total	-	21

Amounts owed to group undertakings of £Nil (2017: £21,000) fall due within one year. Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

15. Creditors - amounts due after more than one year

	31 March 2018 £'000	31 March 2017 £'000
Amounts owed to group undertakings	72,464	72,111
Total	72,482	72,111

The amounts owed to group undertakings represent a loan from Tata Global Beverages Investments Limited to fund the acquisition of shares in Consolidated Coffee Inc. and in Tata Global Beverages Group Limited. The loan is unsecured and interest is charged at a margin of 3.5% over LIBOR (2017: 3.5% over LIBOR). The loan is due to mature on 29th June 2018 and the company has the discretion of rolling over the interest owed to group undertakings every three months. We understand that it is the intention of the group undertaking to roll over the amount due for a period of at least twelve months from the balance sheet date. Accordingly, the loan is disclosed as long-term in these financial statements.

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

16. Provision for other liabilities

Deferred tax:

Deferred tax consists of the following liabilities:

	Unremitted earnings £'000	Total £'000
At 1 April 2016	18	18
Income statement (credit)	(3)	(3)
At 31 March 2017	15	15
Income statement (credit)	(9)	(9)
At 31 March 2018	6	6

	Year Ended 31 March 2018 £'000	Year Ended 31 March 2017 £'000
Deferred tax liabilities		
Deferred tax liability - to be paid after 12 months	-	-
Deferred tax liability - to be paid within 12 months	6	15
	6	15
Deferred tax liabilities	6	15

17. Called-up share capital

	Number of shares (thousands)	2018 £'000	2017 £'000
Authorised			
Ordinary shares of £1 each	500,000	500,000	500,000
Allotted, called up and fully paid			
Ordinary shares of £1 each	89,607	89,607	89,607

18. Events after the end of the reporting period

As at the date of this report, no matter or circumstance has arisen since 31 March 2018 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

Tata Global Beverages Capital Limited

Notes to the financial statements for the year ended 31 March 2018

19. Parent company

The immediate and ultimate parent undertaking and controlling party is Tata Global Beverages Limited, a company incorporated in India. Tata Global Beverages Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2018. The consolidated financial statements of Tata Global Beverages Limited are available from the company website www.tataglobalbeverages.com or from its registered office at 1 Bishop Lefroy Road, Kolkata, India.