

**Tata Global Beverages GB Limited**

**Registered number 03019950**

**Annual report and financial statements**

**Year ended 31 March 2015**

# **Tata Global Beverages GB Limited**

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# **Tata Global Beverages GB Limited**

## **Strategic report**

### **Strategic report for the year end 31 March 2015**

#### **Principal activities**

The principal activities of the company are the processing, marketing and distribution of tea products.

#### **Review of business**

The company operates within the UK from where it services the UK grocery and foodservice markets as well as export markets primarily in Canada, Australia, Western Europe and Middle East.

The directors consider that it has been a satisfactory and profitable year for the company. The following is an analysis of the company's key performance indicators. The company achieved sales of £146.6 million (2014: £161.2 million) which represents a decline of 9.1% year on year. Profit for the financial year of £12.1 million (2014: £11.0 million) was £1.1 million higher than the prior year. During the year the company incurred exceptional costs of £1.0 million (2014: £1.4 million) relating to consultancy and reorganisational costs. The net asset position of the company of £206.9m, increased from £195.8m last year with the retained profit in the year less dividend paid accounting for the increase.

The market performance of the company remains satisfactory given the challenging market conditions. The company has a UK market share in value terms of 16.4% (2014: 18.0%). In Canada, the company's largest export market, leadership was maintained with a value share of 31.1% (2014: 31.6%). Market performance in the company's other markets was satisfactory. The company continues to focus on improving brand health in the markets it operates.

The company remains a leading member of the Ethical Tea Partnership, an international non-commercial alliance of tea packers with a vision to create a thriving global tea sector that is socially just and environmentally sustainable. The company continues to pursue its commitment to purchase all tea for Tetley branded teabag and loose tea products from Rainforest Alliance ("RA") Certified TM farms. The company is also engaged in reducing the carbon intensity and measures its carbon footprint.

#### **Principal risks and uncertainties**

The company takes a proactive approach to the management of the various risks that it faces. Of these risks the principal ones are raw tea pricing, currency movements, and the current dependence on black tea. These are managed in the following ways:

**Raw tea pricing** - raw tea is the company's single largest cost. Climatic conditions in the different countries from which raw tea is sourced can lead to fluctuations in price. However, these raw teas are blended before packing which allows some flexibility to manage these fluctuations by substitution.

**Currency movements** - foreign exchange risk in relation to export revenues and import costs is managed by the parent company's Treasury function using spot, forward and option exchange contracts.

## **Tata Global Beverages GB Limited**

### **Strategic report (continued)**

Dependence on black tea - much of the company's current trading is in black tea, a market that is in slow decline in the UK. Management's strategy is to grow the business in product categories other than black tea, which are currently growing.

The company is a wholly owned subsidiary of Tata Global Beverages Group Limited. More detail on the performance of the Group as a whole can be found in the Directors' report of that company.

By Order of the Board

A handwritten signature in black ink, appearing to read 'M. Thakrar', is written over a circular stamp or seal.

M Thakrar  
Director  
10 July 2015

# **Tata Global Beverages GB Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2015.

### **Future developments**

The company's activities and future prospects have been reviewed and the company plans to continue trading within the tea market. The company is looking to maximise the value of its portfolio of brands and to increase its presence in the wider beverage market.

### **Dividends**

The company paid an interim dividend of £2,500,000 in the year (2014: £Nil). The directors do not recommend a final dividend for the year ended 31 March 2015 (2014: £4m).

### **Directors and their interests**

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  
N Holland  
M Thakrar

### **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.

### **Going Concern**

The directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they have adopted the going concern basis in preparing the financial statements.

### **Health, safety and the environment**

The company operates in full compliance with all relevant environmental legislation and has a worldwide environmental policy and ISO14001 accreditation for its UK based facilities.

As a responsible employer, the company is aware of its position and role in the community and is continually committed to improving its environmental performance.

### **Disabled persons**

It is the policy of the company to employ disabled persons, whenever possible, in jobs suited to their individual circumstances and to give them, together with employees who become disabled while employed, full and fair consideration at all times in career development, training and promotion.

# **Tata Global Beverages GB Limited**

## **Directors' report (continued)**

### **Supplier payments**

The company agrees payment terms with its suppliers when it places purchase orders for the supply of goods and services. Tea commodity purchases are subject to industry-wide purchase contracts. The company expects to meet these payment terms provided it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

### **Employee involvement**

The company believes in effective communication to engage its employees. This is regularly delivered via its intranet site, a quarterly financial performance webinar hosted by the Group CEO and an EMEA regional newsletter, supported by ad hoc mailings and face to face communication events. Together, these ensure all employees are well informed about the company's performance and key business issues and developments.

### **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.

# Tata Global Beverages GB Limited

## Directors' report (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 legislations in other jurisdictions.

### Independent Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they may be reappointed will be proposed at the annual general meeting.

On behalf of the board



M Thakrar

Director

10 July 2015

# **Tata Global Beverages GB Limited**

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

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

#### **Our opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

The financial statements, which are prepared by Tata Global Beverages GB Limited, comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# **Tata Global Beverages GB Limited**

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

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

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

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

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

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

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

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

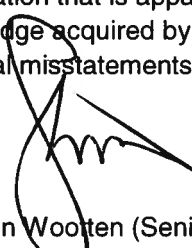
This includes an assessment of:

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

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

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

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stephen Wooten (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

10 July 2015

# **Tata Global Beverages GB Limited**

## **Accounting policies**

### **Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards in the United Kingdom. The directors consider that, for the overriding purpose to provide a true and fair view, goodwill should not be amortised where it is considered to have an indefinite useful life. The principal accounting policies which have been applied consistently throughout the year are set out below.

### **Consolidation**

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 Global Beverages Group Limited.

### **Cash flow statement**

The company is a wholly-owned subsidiary of Tata Global Beverages Group Limited and is included in the consolidated financial statements of Tata Global Beverages Group 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 1 (revised 1996).

### **Turnover**

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

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

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

Pensions and other post retirement benefit arrangements are accounted for in line with FRS 17.

#### **Defined Benefit Schemes**

A number of the company's employees are members of The Tetley GB Final Salary Pension Scheme. Whilst this is a defined benefit scheme, the company is unable to identify its share of the underlying assets and liabilities of the scheme and the company accounts for the scheme as a defined contribution scheme, as permitted by FRS 17 'Retirement benefits'.

#### **Defined Contribution Schemes**

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

Further details on the Group's pension schemes are given in note 21.

# **Tata Global Beverages GB Limited**

## **Accounting policies (continued)**

### **Goodwill**

Goodwill represents the excess of the fair values of the investments made in the tea business in 1995/6, over the fair values of the underlying net assets at the dates of acquisition and has been capitalised in accordance with FRS 10, 'Goodwill and Intangible assets'.

This goodwill was initially amortised over a period of 20 years from acquisition. In the period ended 2 March 2002 the company changed the accounting policy to one where the goodwill arising at a group level has an indefinite useful economic life and as such goodwill has not been amortised. The factors that influenced the directors' view of the durability of the goodwill are the businesses' proven ability to maintain strong market position, and operate profitably, over a long period of time, the strength of the brand, the continuing commitment to high levels of investment in brand building and innovation and the significant financial and technical barriers to new market entrants that have been built. The carrying value of the goodwill will continue to be subject to an annual impairment review based on the expected future cash flows of the businesses and adjusted to the recoverable amount if required.

As part of the impairment review, sensitivity analysis is performed on the base case assumptions used to assess the carrying value of the goodwill. In particular, the sensitivity of the discounted cash flows to the weighted average cost of capital and the achievement of the medium term plans has been reviewed and the assumptions made are considered appropriate.

Whilst the accounting treatment represents a departure from the specific requirements of the Companies Act 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act 2006 (Section 404(5)). If the company had continued to amortise goodwill over a period of 20 years the profit before tax would have been £4.1 million lower for the period (2014: £4.1 million).

### **Intangible Assets (Brands)**

Intangible Assets (Brands) held represents the purchase of Vitax and Flosana brands for £4.8 million in April 2007 and the purchase of Jemca brand for £5.0m in March 2014.

The intangible brand assets have not been amortised as the directors have concluded that the brands have an indefinite useful life.

The primary factors that influenced the directors' view of the durability of the brands are the strength of the brands acquired and their respective market positions.

### **Tangible Assets**

Fixed assets are recorded at historic cost less accumulated depreciation. No depreciation is charged on land. Freehold buildings are depreciated on a straight line basis over 50 years or their remaining life, if less. Leasehold improvements are depreciated on a straight line basis over the remaining term of the lease. Other fixed assets are depreciated on a straight line basis over their expected remaining useful lives at the following rates:

Plant and machinery, Fixtures, fittings and equipment	5 to 25 years
Commercial and motor vehicles	4 to 6 years

Depreciation is provided to write off the cost, or valuation, of the relevant assets. Depreciation is not charged on capital work in progress until the assets are brought into operational use in the business and transferred to the appropriate asset category. There are no material differences between the market value and net book value of land and buildings.

# **Tata Global Beverages GB Limited**

## **Accounting policies (continued)**

### **Leased assets**

Operating lease charges are charged to the profit and loss account as incurred.

### **Investments**

Fixed asset investments are shown at cost less provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

### **Stocks**

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

### **Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange 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 taken to the profit and loss account.

### **Deferred tax**

Deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet date. These are based on average tax rates that are expected to apply at the time of the reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet date. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax balances are not discounted.

### **Related party transactions**

As the company is a wholly owned subsidiary of Tata Global Beverages Group Limited advantage has been taken of the exemption afforded by FRS 8 not to disclose any related party transactions with members of the Group or associates and joint ventures of Tata Global Beverages Group Limited.

# Tata Global Beverages GB Limited

## Profit and loss account Year ended 31 March 2015

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Turnover	1	146,592	161,153
<b>Operating profit</b>	1	<b>11,652</b>	11,121
Interest receivable and similar income	3	4,393	4,108
Interest payable and similar charges	4	(1,591)	(1,576)
<b>Profit on ordinary activities before taxation</b>		<b>14,454</b>	13,653
Tax on profit on ordinary activities	7	(2,403)	(2,652)
<b>Profit for the financial year</b>	19	<b>12,051</b>	11,001

There is no difference between the results as disclosed in the profit and loss account and the results on a historical cost basis.

All amounts shown above relate to continuing operations.

The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been provided.

# Tata Global Beverages GB Limited

## Balance sheet As at 31 March 2015

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Fixed assets</b>			
Intangible assets	9	68,396	68,396
Tangible assets	10	13,351	13,976
Investments	11	1,000	1,000
		<b>82,747</b>	<b>83,372</b>
<b>Current assets</b>			
Stocks	12	22,543	27,979
Debtors - amounts falling due after more than one year	13	169,176	154,789
Debtors - amounts falling due within one year	14	27,713	30,705
Cash at bank and in hand		9	7
		<b>219,441</b>	<b>213,480</b>
<b>Creditors - amounts falling due within one year</b>	15	<b>(28,998)</b>	<b>(36,364)</b>
<b>Net current assets</b>		<b>190,443</b>	<b>177,116</b>
<b>Total assets less current liabilities</b>		<b>273,190</b>	<b>260,488</b>
<b>Creditors - amounts falling due after more than one year</b>	16	<b>(67,099)</b>	<b>(62,978)</b>
<b>Provisions for liabilities</b>	17	<b>(780)</b>	<b>(1,750)</b>
<b>Net assets</b>		<b>205,311</b>	<b>195,760</b>
<b>Capital and reserves</b>			
Called up share capital	19	-	-
Profit and loss account	20	205,311	195,760
<b>Total shareholders' funds</b>	21	<b>205,311</b>	<b>195,760</b>

The financial statements on pages 8 to 23 were approved by the Board 10 July 2015 and signed on its behalf by:



M Thakrar  
Director

Tata Global Beverages GB Limited  
Registered number 03019950

# Tata Global Beverages GB Limited

## Notes to the financial statements

### 1 Turnover and operating profit

The principal operations of the company are the processing, marketing and distribution of tea, which are regarded by the directors as a single class of business.

The origin and destination of the company's turnover is as follows:

Year ended 31 March 2015:

	Turnover by origin £'000	Turnover by destination £'000
<b>Continuing Operations</b>		
United Kingdom	130,111	112,261
Rest of the World	16,481	34,331
<b>Total</b>	<b>146,592</b>	<b>146,592</b>

Year ended 31 March 2014:

	Turnover by origin £'000	Turnover by destination £'000
<b>Continuing Operations</b>		
United Kingdom	148,868	119,077
Rest of the World	12,285	42,076
<b>Total</b>	<b>161,153</b>	<b>161,153</b>

Further analysis of the company's profit and loss account is provided as follows:

	2015 £'000	2014 £'000
Turnover	146,592	161,153
Cost of sales	(102,476)	(107,088)
Cost of sales - exceptional (note 3)	(672)	(460)
<b>Total cost of sales</b>	<b>(103,148)</b>	<b>(107,548)</b>
Gross profit	43,444	53,605
Selling and distribution costs	(22,463)	(18,959)
Administrative expenses	(9,036)	(22,570)
Administrative expenses - exceptional (note 3)	(293)	(955)
<b>Total administration expenses</b>	<b>(9,329)</b>	<b>(23,525)</b>
<b>Operating profit</b>	<b>11,652</b>	<b>11,121</b>

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 1 Turnover and operating profit (continued)

	£'000	£'000
The operating profit is stated after charging:		
Wages and salaries	15,580	15,990
Social security costs	1,757	1,761
Other pension costs	3,540	3,516
Staff costs:	20,877	21,267
Depreciation of fixed assets	2,465	3,145
Operating lease charges		
- Other	490	489
- Plant and machinery	221	229

The auditors' remuneration for audit services in the current year is borne by a fellow subsidiary undertaking, Tata Global Beverages Services Limited. The audit fee of £354,300 (2014: £331,000) was paid in aggregate for the audit of the UK based subsidiaries of Tata Global Beverages Group Limited and no split is separately available for the audit of the company.

### 2 Exceptional items

	2015 £'000	2014 £'000
Cost of sales - exceptional	672	460
Administrative expenses - exceptional	293	955
<b>Total</b>	<b>965</b>	<b>1,415</b>

The restructuring costs incurred during the year related primarily to costs associated with group wide re-organisation initiatives including redundancy costs arising from the re-organisation of the UK manufacturing function (£672,000) and UK sales and marketing team function (£293,000).

### 3 Interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable from group undertakings	4,393	4,108
<b>Total</b>	<b>4,393</b>	<b>4,108</b>

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 4 Interest payable and similar charges

	2015	2014
	£'000	£'000
Interest payable to group undertakings	1,591	1,576
<b>Total</b>	<b>1,591</b>	<b>1,576</b>

### 5 Directors and employees

The average number of persons (full time equivalent) employed, principally in the United Kingdom, during the year was:

	2015 Monthly average number	2014 Monthly average number
Manufacturing	274	295
Selling & distribution	64	67
Administration	47	41
<b>Total</b>	<b>385</b>	<b>403</b>

### 6 Directors' emoluments

The emoluments of the Directors were as follows:

	2015 £'000	2014 £'000
Aggregate emoluments	440	492
Company contribution to defined contribution pension schemes	48	46
	<b>488</b>	<b>538</b>

Number of directors who are members of:

	2015 Monthly average number	2014 Monthly average number
The closed defined benefit scheme	1	1
The defined contribution pension schemes	2	2

One director is an employee of Tata Global Services Limited who is remunerated for his service to the Group as a whole.

<b>Highest paid director</b>	2015 £'000	2014 £'000
Aggregate emoluments	290	306
Company contribution to defined contribution pension schemes	27	25
	<b>317</b>	<b>331</b>

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 7 Tax on profit on ordinary activities

	2015 £'000	2014 £'000
<b>Current tax:</b>		
UK corporation tax on profits in the year	3,516	3,161
Adjustments in respect of prior years	(546)	66
<b>Total current tax</b>	<b>2,970</b>	<b>3,227</b>
<b>Deferred tax:</b>		
Timing differences in respect of fixed assets	68	(53)
Other timing differences	(536)	190
Adjustments in respect of prior years	(99)	(712)
<b>Total deferred tax</b>	<b>(567)</b>	<b>(575)</b>
<b>Tax on profit on ordinary activities</b>	<b>2,403</b>	<b>2,652</b>

#### Factors affecting the tax charge for the year

The current tax charge for the year is lower (2014: higher) than at the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	14,454	13,653
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	3,035	3,140
Effects of:		
Depreciation in excess of capital allowances	(68)	53
Permanent differences	13	158
Other timing differences	536	(190)
Adjustments in respect of prior years	(546)	66
<b>Current tax charge for the year</b>	<b>2,970</b>	<b>3,227</b>

Changes to the UK Corporation Tax Rules were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. Deferred tax balances at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 8 Dividends

	2015 £'000	2014 £'000
<b>Equity - Ordinary</b>		
Interim paid 2015: £2,500,000 (2014: £Nil) per £1 share	2,500	-

Dividends paid during the year were £2,500,000 (2014: £Nil).

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 9 Intangible assets

	Brands £'000	Goodwill £'000s	Total £'000s
<b>Cost</b>			
At 1 April 2014 and 31 March 2015	9,856	81,269	91,125
<b>Accumulated Amortisation</b>			
At 1 April 2014 and at 31 March 2015	-	22,729	22,729
<b>Net book amount</b>			
At 31 March 2015	9,856	58,540	68,396
At 31 March 2014	9,856	58,540	68,396

#### Brands

Brands consists of 'Vitax' and 'Flosana' tea brands, both principally sold in Poland totalling £4.8m and 'Jemca' tea brand principally sold in Czech republic.

The directors have assessed the durability of the brands and concluded that they should be ascribed an indefinite useful life. The primary factors in this decision are the strength of the brands acquired and their respective market positions.

#### Goodwill

Goodwill relates to the investments made in The Tetley Group in March 2000.

The carrying value of the goodwill has been, and will continue to be, subject to an annual impairment review based on the expected future cashflows of the income generating units and adjusted to the higher of NRV or value in use if required.

As part of the impairment review, sensitivity analysis is performed on the base case assumptions used to assess the carrying value of the goodwill. In particular, the sensitivity of the discounted cash flows to the weighted average cost of capital and the achievement of the medium term plans has been reviewed and the assumptions made are considered appropriate.

To focus on the strategy of exploiting the beverage potential across geographies, the company is managed based on regional responsibilities. Regions or countries within these regions having independent cash flows are designated as Income Generating Units for the purposes of impairment testing.

Goodwill has been ascribed an indefinite life and as such goodwill is not amortised. Whilst this accounting treatment represents a departure from the specific requirements of the Companies Act 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act 2006 (Section 404(5)).

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 10 Tangible assets

	Freehold land and buildings £'000	Plant, machinery, fixtures, fittings and equipment £'000	Commercial and motor vehicles £'000	Capital work in progress £'000	Total £'000
<b>Cost</b>					
At 1 April 2014	9,118	62,319	43	575	72,055
Reclassification	12	1,613	-	(1,625)	-
Additions	-	-	-	1,859	1,859
Disposals	-	(480)	-	-	(480)
<b>At 31 March 2015</b>	<b>9,130</b>	<b>63,452</b>	<b>43</b>	<b>809</b>	<b>73,434</b>
<b>Accumulated Depreciation</b>					
At 1 April 2014	5,315	52,721	43	-	58,079
Charge for the year	82	2,383	-	-	2,465
Disposals	-	(461)	-	-	(461)
<b>At 31 March 2015</b>	<b>5,397</b>	<b>54,643</b>	<b>43</b>	<b>-</b>	<b>60,083</b>
<b>Net book amount</b>					
<b>At 31 March 2015</b>	<b>3,733</b>	<b>8,809</b>	<b>-</b>	<b>809</b>	<b>13,351</b>
At 31 March 2014	3,803	9,598	-	575	13,976

The capital work in progress represents Plant and Machinery, fixtures, fittings and equipment which have been purchased and will be brought into use in the next financial year.

### 11 Investments

Cost	Shares in Group undertakings £'000
At 1 April 2014 and 31 March 2015	1,000

The company's shares in group undertakings are represented by 100% equity holdings in three dormant companies (Lyons Tetley Limited, Stansand Limited and Stansand (Brokers) Limited), a 100% equity holding in Teapigs Limited and a 100% equity holding in Drassington Limited, all of which were incorporated in the UK.

The directors believe that the carrying value of the investments does not require any impairment.

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 12 Stocks

	2015 £'000	2014 £'000
Raw materials	13,372	20,308
Work in progress	579	635
Finished goods	8,592	7,036
<b>Total</b>	<b>22,543</b>	<b>27,979</b>

There is no significant difference between the amount shown above and replacement cost.

### 13 Debtors - amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts owed by group undertakings	169,176	154,789
<b>Total</b>	<b>169,176</b>	<b>154,789</b>

Amounts owed by group undertakings includes a balance held with Tata Global Beverages Services Limited totalling £168.3m (2014: £152.m). Interest is charged at variable rates of 1% above LIBOR and the loan is unsecured. The loan agreement provides for the principal to be repaid on demand by the borrower. The company has indicated to Tata Global Beverages Services Limited that it will not require the loan to be repaid within the next 12 months from the date of approval of these financial statements.

The remaining amounts owed by group undertakings reflect balances held with Teapigs Limited of £0.8m (2014: £1.1m) and Tata Global Beverages Beverages Polska Sp. Z o.o of £0.1m (2014: £0.1m). No interest is charged on these balances which are repayable on demand. The company has indicated to these three companies that it will not require the loan to be repaid within the next 12 months from the date of approval of these financial statements.

During the year a loan totalling £0.2m owed by Drassington Limited was forgiven. This was provided for in the prior year so there was no current year impact to the profit and loss account.

### 14 Debtors - amounts falling due within one year

	2015 £'000	2014 £'000
Trade debtors	20,116	22,023
Amounts owed by group undertakings	6,754	4,120
Corporation tax	-	1,250
Other debtors	354	189
Prepayments and accrued income	489	3,123
<b>Total</b>	<b>27,713</b>	<b>30,705</b>

Amounts owed by group undertakings are trading balances which are unsecured, repayable on demand and non-interest bearing.

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

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

	2015 £'000	2014 £'000
Trade creditors	7,800	7,288
Amounts owed to group undertakings	4,552	11,663
Corporation tax	53	-
Other creditors	142	145
Accruals and deferred income	16,451	17,268
<b>Total</b>	<b>28,998</b>	<b>36,364</b>

Amounts owed to group undertakings include a loan from Tata Global Beverages Capital Limited of £0.4 million (2014: £0.4m), a loan from Tata Global Beverages Czech Republic a.s. of £0.1m (2014: £4.6m), a trading balance with Tata Global Beverages Limited (India) of £2.0m (2014: £2.9m), a loan from Tata Global Beverages Canada Inc of £1.9m (2014: £3.6m) together with other loan balances with fellow group subsidiaries of £0.2m (2014: £0.1m). The loans are charged at variable rates and are unsecured. The loan agreements provide for the principal to be repaid on demand by the lender.

### 16 Creditors - amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	67,099	62,978
<b>Total</b>	<b>67,099</b>	<b>62,978</b>

Amounts owed to group undertakings include a loan from Tata Global Beverages Group Limited of £49.9 million (2014: £48.1 million) and Tata Global Beverages Holdings Limited of £11.2 million (2014: £11.2 million) together with other loan balances with fellow group subsidiaries. The loans are charged at variable rates and are unsecured. The loan agreements provide for the principal to be repaid on demand by the lender. Each lender has indicated to the company that it will not require repayment of the balance of its loan, in the normal course of events, until at least twelve months from the date that these financial statements were approved. The borrowings have, therefore, been treated as repayable after more than one year from the balance sheet date.

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 17 Provisions for liabilities

	Reorganisation costs £'000	Deferred tax £'000	Total £'000
At 1 April 2014	403	1,347	1,750
Utilised in year	(403)	(567)	(970)
<b>At 31 March 2015</b>	<b>-</b>	<b>780</b>	<b>780</b>

The reorganisation provision relates to the restructure of the UK operations. Utilisation of provisions during the year related mainly to employee severance payments.

The major components of the deferred tax balance are as follows:

	2015 £'000	2014 £'000
Accelerated capital allowances	736	733
Other timing differences	44	614
<b>Total</b>	<b>780</b>	<b>1,347</b>

There is no unprovided deferred tax in respect of the company (2014: £nil).

### 18 Called up share capital

	Number	2015 £	2014 £
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	1 (2014: 1)	1	1

### 19 Profit and loss account

	Profit and loss account £'000
At 1 April 2014	195,760
Profit for the financial year	12,051
Dividend	(2,500)
<b>At 31 March 2015</b>	<b>205,311</b>

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 20 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit for the financial year	12,051	11,001
Dividends	(2,500)	-
<b>Opening shareholders' funds</b>	<b>195,760</b>	<b>184,759</b>
<b>Closing shareholders' funds</b>	<b>205,311</b>	<b>195,760</b>

### 21 Pensions

The company's employees are members of the two Tata Global Beverages GB Limited pension schemes.

The company participates in the Tetley GB Final Salary Pension Scheme, which is of the funded defined benefit type providing benefits to certain employees within the UK subsidiaries of the Tata Global Beverages group. The assets of the scheme are held separately from the group's assets. The Scheme closed to new entrants in April 1997 and was closed to future accrual with effect from 6 April 2005. All existing Scheme members are eligible to join the UK defined contribution plan.

The contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme.

The total cost of contributions to the group scheme amount to £Nil (2014: £4.5 million) and are based on pension costs across the group as a whole. However owing to an advance deficit contribution made at the end of the previous year, which was recorded as a prepayment by the company, £2.63 million (2014: £2.63 million) was charged to the company.

An actuarial valuation of the Tetley GB Final Salary Pension scheme was undertaken on 31 March 2015 and a deficit of £14.6 million (2014: £10.0 million) was identified after deducting the associated deferred tax of £3.6 million (2014: £2.6 million).

The group expects to contribute £3.5 million over the following year, of which the company will be charged £2.63 million.

Full disclosures relating to this scheme are included within the financial statements of Tata Global Beverages Group Limited.

The defined contribution scheme is administered by independent pension advisers and invested by external managers for new employees joining the Group after July 1995 who were not eligible to participate in the Tetley defined benefit scheme and existing employees who chose to join following the closure of the defined benefit scheme in April 1997 or after the defined benefit scheme's closure to future accrual in 2005. The pension cost in the year of the company's defined contribution scheme was £915,000 (2014: £891,000). At the end of the year, contributions of £134,000 (2014: £144,000), representing the unpaid contributions for April 2015, were outstanding.

# Tata Global Beverages GB Limited

## Notes to the financial statements (continued)

### 22 Leases

The company had annual commitments under non-cancellable operating leases, as follows:

Commitment expires:	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Within one year	-	-	19	68
Between one and five years	-	20	173	161
After five years	490	469	-	-
	490	489	192	229

### 23 Capital commitments

Capital expenditure authorised by the Board and contracted for at 31 March 2015 amounted to £0.1 million (2014: £0.4 million).

### 24 Contingent liabilities

The company has provided a letter of financial support to Tata Global Beverages Polska Sp. Z.o.o., a fellow subsidiary undertaking owned by Tata Global Beverages Group Limited. The letter of financial support indicates that the company will provide such financial support as may be required to Tata Global Beverages Polska Sp. Z.o.o to meet its obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements of that company. Tata Global Beverages Polska Sp. Z o.o. made a loss for the financial year of £1,608,000 and had net liabilities of £1,916,000 at 31 March 2015.

### 25 Parent company

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