

Tata Global Beverages Group Limited

Company Number: 3835716

Annual report and financial statements

Year ended 31 March 2015

Tata Global Beverages Group Limited

Annual report and financial statements

Year ended 31 March 2015

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Tata Global Beverages Group Limited

Strategic report

Strategic report for the year end 31 March 2015

Principal activities

The principal activities of the Group are mainly the processing, marketing and distribution of tea, coffee and related products. The Group operates in the UK and has subsidiaries in the US, Canada, Australia, Russia, Poland and the Czech Republic as well as joint ventures in South Africa, Pakistan and Bangladesh.

The company acts as an intermediate holding company and expects to continue to act in this capacity in the future.

Review of the business

The Group achieved sales of £250.2m (2014: £257.3m) and operating profit of £7.6m (2014: £6.0m). The reported loss for the financial year was £(0.3)m (2014: profit of £0.2m).

The Group has reported a net cash position of £42.5m (2014: £43.6m).

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

The operating environment globally remains challenging with category decline in black tea, macro economic challenges, change in consumer behaviour and high competitive intensity. The Group continues to constantly strive to meet these challenges with a focus on investment behind brands, category expansion, innovation and cost rationalisation.

In particular, during the year the Group ran brand campaigns in the key markets of UK, Canada, France, Middle East and Australia and successfully launched new products.

During the year, the Group expanded its Coffee portfolio through the £9.4m purchase of Earth Rules Pty Ltd., Australia which is engaged in coffee business under the 'MAP' brand, with presence in Roast & Ground coffee and the fast growing coffee in Pods segment in Australia.

The Group provided for Goodwill impairment totalling £7.4m in its Eastern European operations reflecting macro-economic uncertainty and financial performance lagging behind management expectations.

Further the Group recognised a loss of £4.4m on account of disposals of trade investments held.

Tata Global Beverages Group Limited

Strategic report (continued)

The Group has interests in tea and coffee branded products and is seeking to expand these interests through investments in key brands and product innovation. The Group is also focused on growing its business with emphasis on sustainability. The general focus areas on sustainability are Climate Change, Water Management, Sustainable Sourcing, Waste Management and Community Development. The Group intends to use 100% sustainably sourced tea for Tetley brand by 2016. The Group also seeks to work closely with various TATA Companies in activities and programs for volunteering and affirmative action. The Group is also engaged in reducing the carbon intensity and measures its carbon footprint.

Principal risks and uncertainties

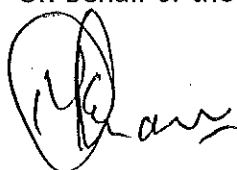
The Group takes a proactive approach to the management of the various risks that it faces. Of these risks the principal ones are raw tea pricing, currency movements and the current dependence on black tea. These are managed in the following ways:

Raw tea pricing – raw tea is the Group'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. Historically the Group has been successful in passing on significant increases in input prices to the market.

Currency movements – foreign exchange risk in relation to export revenues and import costs is managed by Group Treasury using forward exchange contracts and options. The directors' report gives further consideration to risks arising from currency movements.

Dependence on dry black tea products - Much of the Group's current sales are from dry black tea products in markets that are in slow decline. Management's strategy is to develop the business in growing product categories other than black tea and to expand into new geographies.

On behalf of the board



M Thakrar
Director

19 May 2015

Tata Global Beverages Group Limited

Directors' report

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

Future developments

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

Dividends

The company paid an interim dividend of £11.0m in the year (2014: £13.0m). The directors do not propose the payment of a final dividend.

Health, safety and the environment

The Group operates in compliance with all relevant environmental and health and safety legislation and has worldwide policies and ISO14001 accreditation for its UK based facilities.

As a responsible employer, the Group 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 Group 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.

Research and development expenditure

The Group is committed to growth through new product development and geographical expansion. A focused programme of research and product development is in place to meet that strategic need, building on successes, entering new and developing markets, and creating new, differentiated products that will enable the Group to penetrate new markets.

Charitable and political contributions

The Group believes in adding value to the communities that help make its business a success and is proud of its commitment in this area. It contributes time, skills and money through a range of partnerships with charities and non-government organisations. It chooses partners with a relevance to its business.

The Group made financial contributions of £39,000 (2014: £45,000) to a range of causes in the countries where it operates, the biggest recipient being The Point Foundation registered charity.

There were no political donations during the year (2014: £nil)

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Directors' report (continued)

Treasury policy and financial risk management

The Group'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 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 Group in relation to funding and hedging. The policy dictates that borrowings and investments are with board approved counterparties and are limited to specific instruments. It also dictates that the exposure to any one counterparty or type of instrument be within specified limits and that Group exposure to interest rate and exchange rate movements is managed according to set parameters.

The treasury function enters into derivative transactions, principally forward currency contracts and options. Interest rate swaps are also available as a tool for treasury to utilise. The purpose of these transactions is to manage the interest rate and currency risks arising from the Group's underlying business operations.

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

Liquidity risk

The Group ensures that there is adequate financing available to fund growth and has adequate capacity to comfortably meet its expected peak funding requirements. The Group considers that its cash reserves are sufficient for this purpose, but also has local third party borrowing arrangements in place. Should the overall structure change the Group is confident that debt can be raised from the market on attractive terms.

Interest rate risk

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

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Directors' report (continued)

Treasury policy and financial risk management (continued)

Foreign currency exchange rates risk

Foreign exchange risk is divided into transaction risk which arises from income and expenses denominated in foreign currencies and translation risk, which arises from equity investments and related profit or loss denominated in foreign currencies.

- a) Transaction risk - The Group's transaction risk consists mainly of a deficit in US dollars for purchasing tea and a surplus in Canadian dollars arising from its Canadian operations.

The Group hedges its transaction exposures with a combination of forward contracts and options. Group Treasury monitors exposures through cashflow forecasts up to three months forward.

The maximum period for which transaction exposures may be hedged under Group policy is 12 months, with specific board approval.

- b) Translation risk - The Group has an exposure on its US dollar denominated deposits which it has been managing through the use of forward contracts. The currency mix in which cash assets are held is subject to review and approval by the Board.

The currency impact on the Group's net investment in overseas subsidiaries, joint ventures and joint arrangements is calculated from the shareholders' equity and accumulated profit of foreign subsidiaries and associated companies in the consolidated balance sheet.

In accordance with the Treasury policy, this net currency position is reviewed periodically.

Credit risk

The Group's credit risks are spread both geographically as well as across customers. Whilst the majority of customers have good credit ratings, where this is not the case other measures are used to mitigate credit risks, for example risk monitoring services and credit insurance. The Group recognised no significant credit losses during the financial year.

Price risk

The Group is exposed to changes in the price of raw tea. Whilst the Group is not able to hedge this price exposure, it manages its exposure through blending which enables it to source teas from different geographies limiting its exposure to supply-driven price increases in any given region and long term contracts with suppliers.

Supplier payments

The Group 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 Group 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.

The trade creditor days for the Group were 38 days (2014: 39 days). This is an arithmetical calculation and does not necessarily reflect our practice, nor the experience of any individual creditor.

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Directors' report (continued)

Employee involvement

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

Fixed assets

The movements in tangible fixed assets are set out in note 9 to the financial statements.

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:

S A Hasan (resigned 26 November 2014)
F K Kavarana (resigned 31 May 2014)
L Krishna Kumar
A Misra
H Bhat
D Pandole (appointed 23 October 2014)
M Thakrar (appointed 7 April 2015)
N Holland (appointed 7 April 2015)

Details of directors' emoluments are given in note 5 of 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.

Going concern

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

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, the directors report that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware. The directors have taken all the 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 Group 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 regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and parent company 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 group and the company and of the profit or loss of the group 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 and the group 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 the group 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 the group 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors

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

On behalf of the board



M Thakrar
Director

19 May 2015

Tata Global Beverages Group Limited

Independent auditors' report to the members Of Tata Global Beverages Group Limited (continued)

Report on the financial statements

Our opinion

In our opinion, Tata Global Beverages Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2015 and of the group's loss and cash flows 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.

What we have audited

Tata Global Beverages Group Limited's financial statements comprise:

- the group and company balance sheets as at 31 March 2015;
- the group profit and loss account and statement of total recognised gains and losses for the year then ended;
- the group cash flow statement 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

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

We have no exceptions to report arising from this responsibility.

Directors' remuneration

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

Tata Global Beverages Group Limited

Independent auditors' report to the members Of Tata Global Beverages Group 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

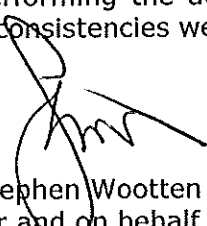
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

- whether the accounting policies are appropriate to the group's and 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 Wootten (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge
19 May 2015

Tata Global Beverages Group 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, with the exception of the change in foreign currencies policy, which have been applied consistently throughout the year are set out below.

Consolidation

The Group financial statements include the results and balance sheets of its subsidiary undertakings together with the results and balance sheets of the Group's joint ventures, associate and joint arrangement. The results and balance sheets of the subsidiaries have been accounted for under the acquisition method of accounting from the date of acquisition.

Joint ventures and associates have been accounted for under the gross equity method in accordance with FRS9, 'Associates and Joint Ventures'. The Group also has certain contractual agreements with another participant to engage in joint activities in Southern Tea LLC in the United States. Southern Tea LLC meets the definition of a joint arrangement under FRS 9. The Group includes its share of assets, liabilities and cash flows in such joint arrangements, measured in accordance with the terms of the agreement governing the arrangement.

Uniform accounting policies have been applied across the group, any profits or losses on intra group transactions have been eliminated and investor's share of profits or losses on transactions with associates and joint ventures have been eliminated.

Goodwill

Goodwill represents a combination of the excess of the fair values of the investments made in The Tetley Group in March 2000, in Empirical Group LLC in September 2002, in Good Earth Corporation and Good Earth Teas Inc in October 2005, in Jemca a.s in May 2006, in Joekels Tea Packers (Proprietary) Limited in October 2006 and April 2010, in Suntyco Holding Limited in September 2009 and August 2012, the Premium Foods asset purchase in April 2009, the investment in Southern Tea LLC in January 2011 and in Earth Rules Pty in May 2014.

Initial goodwill arising from the acquisition of the Tetley Group of £246.6m was amortised by £12.0m during 2000/01. The directors concluded that this goodwill and the goodwill arising on the Empirical joint venture, in Good Earth Corporation and Good Earth Teas Inc, in Jemca a.s, in Joekels Tea Packers (Proprietary) Limited and in Suntyco Holding Limited has an indefinite useful economic life. As such goodwill has not been amortised.

Tata Global Beverages Group Limited

Accounting policies (continued)

Goodwill (continued)

The factors that influenced the directors' view of the durability of the goodwill are the businesses' proven ability to maintain strong market positions, operate profitably over a long period of time, the strength of the brands, 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 cashflows of the businesses and adjusted to the recoverable amount if required.

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)).

Goodwill on the Premium Foods assets purchase amounting to £1.0m (2014: £1.0m) and Goodwill arising out of the acquisition of Earth Rules Pty Limited are being written off over a 20 year period.

Intangible Assets

Intangible Assets held represents the purchase of the Vitax and Flosana brands for £4.8m in April 2007.

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.

Pension and other post retirement benefit arrangements

Pensions and other post retirement benefit arrangements are accounted for in line with FRS17.

Defined Benefit Schemes

Under FRS 17, the surplus/deficit in a defined benefit scheme is the excess/shortfall of the value of the assets in the scheme over/below the present value of the scheme liabilities. The surplus/deficit is recognised in the Balance Sheet.

The change in the defined benefit asset or liability can be analysed as current service cost, the interest cost, the expected return on assets, actuarial gains and losses, past service costs and settlements and curtailments. Each of the above is recognised in the profit and loss account with the exception of the actuarial gains and losses which are recognised in the Statement of total recognised gains and losses.

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Accounting policies (continued)

Pension and other post retirement benefit arrangements (continued)

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 23.

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.

Group 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.

Tangible fixed assets and depreciation

Fixed assets are recorded at costs less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. No depreciation is provided on freehold land. Freehold buildings are depreciated on a straight line basis over 50 years or their estimated remaining useful life, if less. Leasehold buildings 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 as follows:

- Plant and machinery, Fixtures and Fitting, Computer hardware and software
 - 3 to 25 years
- Commercial and motor vehicles
 - 4 to 6 years

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.

Leased Assets

Tangible fixed assets held under finance leases are capitalised and depreciated in accordance with the Group's depreciation policy or the term of the lease (if shorter). The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding. Operating lease charges are charged to the profit and loss account as incurred.

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Accounting policies (continued)

Research and development

Such expenditure is written off to the profit and loss account as incurred in accordance with SSAP 13.

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.

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 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 on un-remitted earnings is only provided to the extent that tax is ultimately expected to become payable and if dividends have been accrued as receivable, or there is a binding agreement to distribute past earnings in the future. Deferred tax balances are not discounted.

Foreign Currencies

The results of overseas subsidiary and associate undertakings are translated at the weighted average of month end exchange rates. The closing balance sheets of overseas subsidiary and associate undertakings and foreign currency assets and liabilities are translated at year end exchange rates. Exchange differences arising from the restatement of opening balance sheets and profits for the year of overseas undertakings to closing exchange rates are dealt with through reserves, net of differences on related currency borrowings. Exchange differences arising on trading transactions are taken to the profit and loss account at the transaction date.

Transactions in foreign currencies are translated at the date of the transaction. Monetary assets and liabilities are translated at year end rates and the differences are taken to the profit and loss account.

Change in accounting policy

During the year, the Group changed its accounting policy with respect to the revaluation of goodwill relating to foreign acquisitions. The Group now treats goodwill as an asset of the foreign income generating unit and revalues as part of the opening net investment at each balance sheet date. Prior to this change in policy, the Group held goodwill at historic sterling cost.

Tata Global Beverages Group Limited

Accounting policies (continued)

The Group believe that the new policy is preferable as it is aligned to the accounting requirements of New UK GAAP, IFRS and Indian GAAP – the reporting GAAP of the Group's ultimate parent company.

The impact on each line item of the primary financial statements since the Group's adoption is shown in the table below:

	As reported	Adjustments	Restated		Current Year Impact
<i>DR / (CR)</i>					
Group	2014 £m	2014 £m	2014 £m		2015 £m
Group Balance Sheet					
Intangible assets					
Goodwill	289.1	14.7	303.8		(7.2)
Brands	4.8	0.6	5.4		(0.6)
Investment in Joint Venture					
Goodwill arising on acquisition	2.4	(0.7)	1.7		(0.1)
Profit and Loss account	(320.8)	(14.6)	(335.4)		
Group statement of total recognised gains and losses					
Currency translation differences on	-	14.6	14.6		(7.9)
Goodwill arising from change in accounting policy					

Tata Global Beverages Group Limited

Accounting policies (continued)

Financial Instruments

Financial instruments are used for the management of foreign currency and interest rate exposures and are held off balance sheet. Group policy is for net interest receipts and payments under interest rate swap agreements to be recognised over the term of the hedging instrument as part of interest payable. Foreign currency forward contracts are entered into to hedge transactional and economic exposures. Foreign currency forward contracts are retranslated at the period end rate and gains and losses arising on the contracts are matched against foreign currency gains and losses arising on the underlying transaction. Foreign currency forward contracts hedging future transactions at the balance sheet date are not retranslated and are held off balance sheet. Foreign currency options are recorded at cost.

Group policy is for any costs that may be incurred in arranging debt facilities to be deducted from the amount raised and amortised over the life of the instrument in accordance with FRS 4. Any unamortised costs relating to financing arrangements repaid during the year would be written off to the profit and loss account.

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

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Fixed Asset Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Tata Global Beverages Group Limited

Group profit and loss account

For the year ended 31 March 2015

	Note	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
TURNOVER			
(Including group and share of joint ventures)		273.1	282.2
Less: share of joint venture turnover		(22.9)	(24.9)
Continuing operations:			
Existing		243.1	257.3
Acquisitions		7.1	-
GROUP TURNOVER	1	250.2	257.3
OPERATING PROFIT			
Continuing operations:			
Existing		9.0	6.0
Acquisitions		(1.4)	-
GROUP OPERATING PROFIT	1	7.6	6.0
Share of operating profit in joint ventures		1.8	1.8
Impairment of Goodwill	8	(7.4)	-
Loss on disposal of trade investment	10	(4.4)	(9.6)
Impairment of trade investment	10	-	(3.3)
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST		(2.4)	(5.1)
Interest receivable and similar income	3	6.9	7.4
Interest payable and similar charges			
Group	3a	(0.9)	(1.8)
Joint ventures	3a	(0.2)	(0.3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3.4	0.2
Tax on profit on ordinary activities			
Group	6	(6.4)	(1.6)
Joint ventures	6	(0.1)	(0.1)
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(3.1)	(1.5)
Minority interests		2.8	1.7
(LOSS) / PROFIT FOR THE FINANCIAL PERIOD	21	(0.3)	0.2

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

All amounts relate to continuing operations.

Tata Global Beverages Group Limited

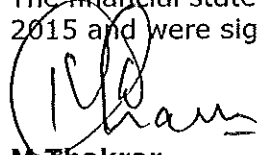
Group balance sheet

As at 31 March 2015

	Note	31 March 2015 £m	Restated 31 March 2014 £m
FIXED ASSETS			
Intangible assets	8	301.4	309.2
Tangible assets	9	18.1	19.0
Trade investments	10	2.6	8.2
Interests in joint ventures	11		
Goodwill arising on acquisition		1.6	1.7
Share of joint venture gross assets		7.3	6.7
		8.9	8.4
Share of joint venture gross liabilities		(6.0)	(5.7)
		2.9	2.7
		325.0	339.1
CURRENT ASSETS			
Stocks	12	47.0	52.7
Debtors - amounts falling due within one year	13	107.7	116.1
Debtors - amounts falling due after more than one year	14	99.5	94.8
Cash at bank and in hand	15	50.0	61.1
		304.2	324.7
CREDITORS - amounts falling due within one year	16	(64.2)	(64.0)
NET CURRENT ASSETS		240.0	260.7
TOTAL ASSETS LESS CURRENT LIABILITIES		565.0	599.8
CREDITORS - amounts falling due after more than one year	17	(2.1)	(10.8)
		(2.1)	(10.8)
PROVISIONS FOR LIABILITIES			
Reorganisation costs	19(i)	(0.9)	(2.0)
Other provisions	19(ii)	(1.8)	(2.4)
		(2.7)	(4.4)
NET ASSETS EXCLUDING PENSIONS LIABILITY		560.2	584.6
PENSION LIABILITY	23	(14.6)	(10.0)
NET ASSETS INCLUDING PENSIONS LIABILITY		545.6	574.6
CAPITAL AND RESERVES			
Called up share capital	20	235.1	235.1
Profit and loss account	21	309.1	335.4
TOTAL SHAREHOLDERS' FUNDS		544.2	570.5
Minority interests		1.4	4.1
CAPITAL EMPLOYED		545.6	574.6

The Balance sheet as at 31 March 2014 has been restated due to the change in accounting policy as detailed in the foreign currency accounting policies.

The financial statements on pages 10 - 52 were approved by the board of directors on 15 May 2015 and were signed on its behalf by:



M Thakrar
Director

Tata Global Beverages Group Limited
Registered number 3835716

Tata Global Beverages Group Limited

Group cash flow statement

For the year ended 31 March 2015

	Note	Year ended 31 March 2015 £m	Year ended 31 March 2014 £m
RECONCILIATION OF OPERATING PROFIT TO NET CASHFLOW FROM OPERATING ACTIVITIES			
Operating profit		7.6	6.0
Depreciation		3.8	4.4
Amortisation of Goodwill		0.4	0.1
Decrease in working capital	24A	4.3	0.7
Net movement in reorganisation provisions	19	(1.1)	(0.9)
Net movement on other provisions		-	(0.2)
Defined benefit scheme cash contribution		-	(4.5)
Cash flow from operating activities		15.0	5.6
Capital expenditure	24D	(2.9)	(4.2)
Acquisitions and disposals	24E	(10.2)	(3.9)
Net cash outflow for capital expenditure and investments		(13.1)	(8.1)
Dividends received from Joint Ventures	11	1.9	2.1
Returns on investments and servicing of finance	24B	5.8	5.8
Taxation	24C	(1.2)	(3.0)
Equity dividend paid	7	(11.0)	(13.0)
Financing	24F	(8.6)	(6.1)
Net cash outflow from financing		(13.1)	(14.2)
Decrease in net cash		(11.2)	(16.7)

RECONCILIATION OF CASHFLOW TO MOVEMENT IN NET CASH

Decrease in cash	18	(11.2)	(16.7)
Decrease in borrowings	18	8.6	6.1
Change in net cash from cash flows	18	(2.6)	(10.6)
Borrowings net of short term deposits acquired in the year		(0.4)	-
Non-cash movements		1.9	1.2
Movement in net cash		(1.1)	(9.4)
Opening net cash	18	43.6	53.0
Closing net cash	18	42.5	43.6

Tata Global Beverages Group Limited

Company balance sheet

As at 31 March 2015

	Note	31 March 2015 £m	31 March 2014 £m
FIXED ASSETS			
Investments	11	774.0	774.0
CURRENT ASSETS			
Debtors - amounts falling due within one year	13	2.4	0.6
Debtors - amounts falling due after more than one year	14	65.9	65.6
		68.3	66.2
CREDITORS - amounts falling due within one year	16	(0.1)	(0.1)
NET CURRENT ASSETS		68.2	66.1
TOTAL ASSETS LESS CURRENT LIABILITIES		842.2	840.1
CREDITORS - amounts falling due after more than one year	17	(606.4)	(598.6)
NET ASSETS		235.8	241.5
CAPITAL AND RESERVES			
Called up share capital	20	235.1	235.1
Profit and loss account	21	0.7	6.4
TOTAL SHAREHOLDERS' FUNDS		235.8	241.5

The financial statements on pages 10 - 52 were approved by the board of directors on 15 May 2015 and were signed on its behalf by:



M Thakrar
Director

Tata Global Beverages Group Limited

Group statement of total recognised gains and losses

For the year ended 31 March 2015

	Group Year ended 31 March 2015	Restated Group Year ended 31 March 2014
	£m	£m
(Loss) / Profit for the financial year:		
Group	(1.8)	(1.2)
Joint ventures	1.5	1.4
Actuarial (loss) / gain on retirement schemes and post retirement benefits	(5.8)	1.3
Deferred tax relating to pension liability	1.0	(0.3)
Foreign exchange translation impact on long-term intercompany funding balances	(0.9)	(0.7)
Currency translation differences on Goodwill arising from change in accounting policy	(7.8)	14.6
Currency translation differences on foreign currency net assets and liabilities	(1.5)	2.6
Total recognised (losses) / gains for the year	(15.3)	17.7
Group	(16.7)	17.2
Joint ventures	1.4	0.5
Total recognised (losses) / gains for the year	(15.3)	17.7

The year ended 31 March 2014 has been restated due to the change in accounting policy as detailed in the foreign currency accounting policies.

Tata Global Beverages Group Limited

Notes to the financial statements

For the year ended 31 March 2015

1 Group turnover, net assets and operating profit information

The principal operations of the Group mainly are the processing, marketing and distribution of tea and related products and are regarded by the directors as a single class of business.

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

Year ended 31 March 2015:

	Turnover by origin £m	Turnover by destination £m
<i>Continuing Operations</i>		
United Kingdom	149.1	122.7
North America	18.2	48.1
Europe	47.8	54.7
Rest of the World	35.1	24.7
Total Group turnover	250.2	250.2

Year ended 31 March 2014:

	Turnover by origin £m	Turnover by destination £m
<i>Continuing Operations</i>		
United Kingdom	152.4	129.6
North America	18.0	43.7
Europe	58.2	66.3
Rest of the World	28.7	17.7
Total Group turnover	257.3	257.3

The directors consider the segmental analysis for operating net assets by location and profit on ordinary activities before tax is commercially sensitive information. The disclosure has been excluded from the financial statements on this basis.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

1 Group turnover, net assets and operating profit information (continued)

Group turnover and operating profit

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

	Continuing	Acquisitions	2015	2014
	£m	£m	£m	£m
Group turnover before promotional costs	297.5	7.3	304.8	315.7
Deduction of promotional costs	(54.4)	(0.2)	(54.6)	(58.4)
Group turnover	243.1	7.1	250.2	257.3
Cost of sales	(158.1)	(4.2)	(162.3)	(172.5)
Exceptional cost of sales	(0.7)	-	(0.7)	(0.5)
Total cost of sales	(158.8)	(4.2)	(163.0)	(173.0)
Gross profit	84.3	2.9	87.2	84.3
Selling and distribution costs	(41.4)	(1.6)	(43.0)	(42.7)
Administrative expenses	(33.6)	(2.7)	(36.3)	(30.1)
Exceptional reorganisation costs	(0.3)	-	(0.3)	(5.5)
Total administrative expenses	(33.9)	(2.7)	(36.6)	(35.6)
Group operating profit	9.0	(1.4)	7.6	6.0

All turnover is derived from continuing activities.

The operating profit is stated after charging:

	2015	Restated 2014
	£m	£m
Depreciation	3.8	4.4
Goodwill Amortisation	0.4	0.1
Operating lease rentals for land and buildings	2.9	2.6
Other operating lease rentals, including plant and machinery	0.7	0.8
Research and development costs	0.4	0.3

Other operating lease rentals for land and buildings for the year ended 31 March 2014 have been restated from £2.1m to £2.6 due to the omission of a £0.5m building rental cost from the note. The adjustment has £Nil profit impact.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

1 Group turnover, net assets and operating profit information (continued)

During the year the group (including its overseas subsidiaries) obtained the following services from the company's auditor and its associates:

	2015 £m	2014 £m
Fees payable to company auditor for the audit of parent company and consolidated financial statements	0.3	0.3
Fees payable to the company's auditor and its associates for other services:		
The audit of company's subsidiaries pursuant to legislation	0.5	0.5
Tax compliance and advisory services	0.3	0.3
	1.1	1.1

Profit and loss account

The Company's audit fee was £nil (2014: £nil); fees for non-audit services were £nil (2014: £nil). The Group's fees for non-audit services principally relate to advice on taxation and acquisitions. The Company's fees for audit services in the year were borne by Tata Global Beverages Services Limited.

2 Exceptional items

The following exceptional items have been charged during the year:

	2015 £m	2014 £m
Within operating profit:		
Group restructuring programme	1.0	6.0

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 (£0.7m) and UK sales and marketing team function (£0.3m).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

3 Interest receivable and similar income

	2015 £m	2014 £m
Interest receivable on bank deposits	0.5	0.7
Interest receivable from Tata Global Beverage companies	4.1	4.3
Interest receivable from other Tata Corporations	2.0	2.0
Other interest	0.2	0.4
Exchange gains on US dollar loans and cash deposits	0.1	-
Total	6.9	7.4

3a Interest payable and similar charges

	2015 £m	2014 £m
Senior debt facilities	(0.9)	(1.2)
Other finance expenses	-	(0.2)
Exchange losses on US dollar loans and cash deposits	-	(0.4)
Group	(0.9)	(1.8)
Share of Joint Ventures Interest	(0.2)	(0.3)
Total	(1.1)	(2.1)

4 Employees

The average monthly number of persons (including executive directors) employed by the Group during the year was:

	2015 Number	2014 Number
(i) By activity:		
Manufacturing	606	668
Sales and distribution	251	246
Administration	206	192
	1,063	1,106
(ii) By geographical segment:		
United Kingdom	448	466
USA	133	121
Rest of the World	482	519
	1,063	1,106

There were no employees in the Company (2014: Nil).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

4 Employees (continued)

Employee costs (including directors' remuneration) charged to the Group profit and loss account were as follows:

	2015 £m	2014 £m
Wages and salaries	32.1	32.1
Social security costs	2.6	2.7
Other pension costs	1.5	1.4
Total	36.2	36.2

5 Directors' emoluments

The emoluments of the Directors were as follows:

	2015 £000s	2014 £000s
Salaries	32	-
Bonuses	-	208
Benefits in kind	4	3
Aggregate directors' emoluments	36	211
Total	36	211

Emoluments of the highest paid director were £18,258 (2014: £87,620). The accrued pension was nil (2014: nil).

Two Directors are partly remunerated directly for their services to the Group. The remainder of their remuneration and that of all other Directors is paid by the ultimate parent company group for their services to the wider group, with no specific re-allocation made to the Group.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

6 Tax on profit on ordinary activities

Analysis of charge in the year:

	2015 £m	2014 £m
<u>Current tax:</u>		
UK corporation tax on profits in the year	4.5	1.8
Adjustments in respect of previous years	(1.2)	(0.1)
	3.3	1.7
Foreign tax	0.7	0.4
Share of tax in joint ventures	0.1	0.1
Total current tax	4.1	2.2
<u>Deferred tax:</u>		
Fixed asset timing differences	(0.1)	(0.6)
Other timing differences	0.8	(0.1)
Adjustments in respect of previous years	1.7	0.2
Total deferred tax	2.4	(0.5)
Tax on profit on ordinary activities	6.5	1.7

Fixed asset timing differences primarily relate to the UK business. The deferred tax asset associated with losses has been recognised to the extent that these losses are expected to be utilised in future. For disclosures relating to deferred tax assets not recognised see note 19 (ii) .

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

6 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed for the year is higher than (2014: higher than) the standard 21% rate of corporation tax in the UK prevailing during the year (2014:23%). The differences are explained below.

	2015 £m	2014 £m
Profit on ordinary activities before tax	3.4	0.2
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (FY14: 23%)	0.7	0.0
Effects of:		
Permanent differences	1.6	0.2
Temporary timing differences	0.8	(0.2)
Differences in tax rates on overseas earnings	0.1	(0.3)
Tax losses upon which deferred tax is not provided	1.8	2.4
Non taxable income		-
Withholding tax not relieviable	0.3	-
Adjustments in respect of prior years	(1.2)	(0.1)
Sundry		0.2
Current tax charge for the year	4.1	2.2

Factors affecting the tax charge for future periods

Deferred tax assets are recognised to the extent that they are considered recoverable. Further unprovided tax assets (for instance in respect of accumulated tax losses in the group's US subsidiaries) may be recognised in future to the extent that the business considers these to have become recoverable. (See note 19 Provisions).

The main rate of corporation tax decreased from 23% to 21% from 1 April 2015 and reduces to 20% with effect 1 April 2015. Legislation to reduce the main rate of corporation tax from 21% to 20% from 1 April 2015 was included in the Finance Act 2014.

7 Dividends

	2015 £m	2014 £m
Equity - Ordinary		
Interim paid 2015: 4.68p (2014: 5.53p) per £1 share	11.0	13.0

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

8 Intangible assets

	Goodwill £m	Brands £m	Total £m
Cost			
Restated as at 1 April 2014	316.3	5.4	321.7
Acquisitions	7.8	-	7.8
Impairment	(7.4)	-	(7.4)
Currency adjustments	(7.2)	(0.6)	(7.8)
At 31 March 2015	309.5	4.8	314.3
Accumulated amortisation			
At 1 April 2014	12.5	-	12.5
Charge for the year	0.4	-	0.4
At 31 March 2015	12.9	-	12.9
Net book amount:			
At 31 March 2015	296.6	4.8	301.4
Restated as at 31 March 2014	303.8	5.4	309.2

Both the Goodwill and Brands as at 31 March 2014 have been restated due to the change in accounting policy with the impact detailed in the foreign currency accounting policy note.

Goodwill

Goodwill relates to the investments made in The Tetley Group in March 2000, in Empirical Group LLC in September 2002, in Good Earth Corporation and Good Earth Teas Inc in October 2005 in Jemca a.s. in May 2006, the Premium Foods assets purchase in April 2009, the investment in Southern Tea LLC in January 2011 and the purchase of Suntyco Holding Limited in September 2009 and August 2012 and the purchase of Earth Rules Pty in May 2014.

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 review and the assumptions made are considered appropriate.

To focus on the strategy of exploiting the beverage potential across geographies, the Group 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.

With the exception of goodwill amounting to £1.0m arising on the Premium Foods distribution business and goodwill amounting to £7.2m arising on acquisition of Earth Rules Pty, both of which are being amortised over 20 years it has been determined that goodwill has an indefinite life and as such goodwill is not amortised.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

8 Intangible assets (continued)

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)).

The impairment charge in the year consists of a £4.7m relating to our Russian business and £2.7m relating to our Czech business. The charge arose in the Russia business following challenging macro-economic conditions resulting in a deterioration in the discount rate used for value-in-use calculations. The charge in the Czech business is explained by performance indications as currently available.

The pre-tax discount rate used for the Russia value-in-use calculation was 20.4% (2014: 13.0%) and the pre-tax discount rate used for the Czech value-in-use calculation was 6.25% (2014:7.37%).

The period over which management has projected the cashflows is 5 years and the growth rate used to extrapolate the cashflows into perpetuity is 2% for all regions except Russia where 4% has been used.

Brands

Brands consists of the purchase of the 'Vitax' and 'Flosana' tea brands for £4.8m in April 2007. The brands are principally sold in Poland.

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.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

9 Tangible assets

Group	Land and buildings	Plant, machinery, fixtures, fittings, computer hardware & software	Commercial & motor vehicles	Capital work in progress	Total
	£m	£m	£m	£m	£m
Cost					
At 1 April 2014	6.9	65.4	0.2	0.6	73.1
Additions	-	0.5	-	2.4	2.9
Acquisitions (note 25)	-	1.0	-	-	1.0
Transfers	-	2.2	-	(2.2)	-
Disposals	-	(0.8)	0.1	-	(0.7)
Currency adjustments	(0.2)	(1.5)	(0.1)	-	(1.8)
At 31 March 2015	6.7	66.8	0.2	0.8	74.5
Accumulated depreciation					
At 1 April 2014	2.1	51.8	0.2	-	54.1
Charge for the year	0.1	3.6	0.1	-	3.8
Disposals	-	(0.6)	(0.1)	-	(0.7)
Currency adjustments	(0.2)	(0.6)	-	-	(0.8)
At 31 March 2015	2.0	54.2	0.2	-	56.4
Net book amount:					
At 31 March 2015	4.7	12.6	-	0.8	18.1
At 31 March 2014	4.8	13.6	-	0.6	19.0

The net book value of £4.7m (2014: £4.8m) for land and buildings all relates to freehold property.

Assets held under finance leases, capitalised and included in tangible fixed assets amounted to £0.4m (2014: £Nil). The depreciation charge on assets held under finance leases was £0.2m (2014: £Nil).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

10 Trade investments

Group	Total
Cost	
At 1 April 2014	8.2
Disposal of trade investment	(5.6)
At 31 March 2015	2.6

The investments consist of unlisted equity shares which are stated at historic cost.

The director's believe that the future profit streams would support the carrying value of the investments.

The Group's investment in a company based in Singapore totalling £5.6m has been sold for consideration of £1.2m, and as a result a loss on disposal of £4.4m has been recognised.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

11 Investments

Interests in joint ventures

The movements in investments in joint ventures during the year are as follows:

GROUP	Interest in Tetley ACI (Bangladesh) Limited	Interest in Empirical Group LLC	Interest in Tetley Clover (Private) Limited	Interest in Joekels Tea Packers (Proprietary) Limited	Total
	£m	£m	£m	£m	£m
Restated as at 1 April 2014					
- Net Assets	(0.4)	1.0	(0.1)	0.5	1.0
- Goodwill	-	-	-	1.7	1.7
	(0.4)	1.0	(0.1)	2.2	2.7
Additions					
- Net Assets	0.3	-	0.5	-	0.8
Share of profit / (loss) retained by JV	(0.2)	1.9	(0.5)	0.2	1.4
Dividend received	-	(1.9)	-	-	(1.9)
Foreign exchange					
- Net Assets	-	0.1	(0.1)	-	0.0
- Goodwill	-	-	-	(0.1)	(0.1)
At 31 March 2015					
- Net Assets	(0.3)	1.1	(0.2)	0.7	1.3
- Goodwill	-	-	-	1.6	1.6
	(0.3)	1.1	(0.2)	2.3	2.9

The Goodwill has been restated as at 31 March 2014 due to the change in accounting policy with the impact detailed in the foreign currency accounting policy note.

Tetley ACI (Bangladesh) Limited:

The joint venture was set up in conjunction with a third party, ACI Limited, in November 2002. Trading began in February 2003. The purpose of the joint venture is to manufacture, market and distribute tea in Bangladesh. The Group has a 50% economic and voting interest in the Company and the right to appoint half the Directors of Tetley ACI (Bangladesh) Limited.

As at 31 March 2015 £nil sales had been made to the Group (31 March 2014: £nil). The Group had a balance due to Tetley ACI (Bangladesh) Limited at 31 March 2015 of £nil (31 March 2014: £nil). Deficit in shareholders funds in sterling terms were £(628,000) (2014: £(701,000)). The reported loss for the year was £485,000 (2014: £596,000) and the group's 50% share was £242,500 (2014: £298,000).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

11 Investments (continued)

Empirical Group LLC:

The joint venture was set up in conjunction with a third party, Harris Freeman LLP, in September 2002. The purpose of the Joint venture is to market and distribute food service and food contract tea in the United States. The Group has a 56% economic and voting interest in the Company but only has the right to appoint half the Directors of Empirical Group LLC. The joint venture agreement stipulates that control of the entity is shared equally by the Group and Harris Freeman LLP.

As at 31 March 2015 there were £Nil sales to the Group (2014: £Nil) and £6.8m purchases from the Group (2014: £6.4m), a balance owed from the Group of £Nil (2014: £Nil) and a balance owed to the Group of £0.1m (2014: £0.2m). Share capital and reserves in sterling terms were £1.9m (2014: £1.7m). The reported profit for the year was £3.1m (2014: £3.5m), before dividends paid of £3.3m (2014: £3.7m). The Group's 56% share of the profit for the year was £1.9m (2014: £1.9m), before dividends paid of £1.9m (2014: £2.1m).

Tetley Clover (Private) Limited:

The joint venture was set up in conjunction with a third party, Clover Limited, in April 2003. Trading began in December 2003. The purpose of the joint venture is to manufacture, market and distribute tea in Pakistan. The Group has a 50% economic and voting interest in the Company and the right to appoint half the Directors of Tetley Clover (Private) Limited.

As at 31 March 2015 £nil sales to the Group and £1.8m purchases had been made from the Group (2014 sales: £nil and purchases: £1.7m). The Group had a balance due from Tetley Clover (Private) Limited at 31 March 2015 of £0.6m (2014: £0.3m). Deficit in shareholders funds in sterling terms were £(384,000) (2014: £262,000). The reported loss for the year was £1,013,000 (2014: Loss of £768,000). The Group's 50% share of the loss for the year was £507,000 (2014: Loss of £384,000).

Joekels Tea Packers (Proprietary) Limited

The joint venture was set up in conjunction with two individuals namely, Jonathan Mortimore Kelsey and Johannes Jakobus Swart, in October 2006. Trading began in October 2006. The purpose of the joint venture is to manufacture, market and distribute tea in South Africa. In 2006 the Group had a 33.3% economic and voting interest in the Company and Goodwill arising on this acquisition amounted to £0.9m. In April 2010 the group purchased a further 18.4% interest to take our total interest to 51.7% for £1.7m and goodwill arising on this transaction was £1.1m. the opening Goodwill balance as at 31 March 2014 was restated to £1.7m reflecting the change change in foreign currency accounting policies. The Group has the right to appoint a third of the directors of Joekels Tea Packers (Proprietary) Limited. It also plays an active role in setting the operating and financial policies of the company and the shareholders' agreement specifies a list of significant items that may not be determined without the unanimous consent of the Board.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

11 Fixed Asset investments (continued)

Joekels Tea Packers (Proprietary) Limited (continued)

As at 31 March 2015 £nil sales and £nil purchases had been made from the Group (2014 sales: £nil and purchases: £nil). The Group had a balance due from Joekels Tea Packers (Proprietary) Limited at 31 March 2015 of £Nil (2014: 28,000) and a balance owed from the Group of £271,000 (2014: £27,000). Share capital and reserves in sterling terms were £1,426,000 (2014: £1,015,000). The reported profit for the year was £446,000 (2014: £302,000) before dividends paid of £25,000 (2014: £25,000). The Group's share of the profit for the year was £223,000 (2014: £156,000), before dividends paid of £13,000 (2014: £13,000).

Company investments

The movements in investments held by the company during the year are as follows:

COMPANY

	£m
Cost	
At 1 April 2014 and 31 March 2015	774.0

There were no additions made during the year.

All subsidiary and associated undertakings within the Group are detailed in note 30. All undertakings are included within the consolidated financial statements.

12 Stocks

	2015 £m	2014 £m
Group		
Raw materials and consumables	26.1	32.3
Work in progress	0.7	0.7
Finished goods	20.2	19.7
	47.0	52.7

The difference between the amount shown above for total stocks is not materially different from their replacement cost to the Group.

The company held no stock at 31 March 2015 (31 March 2014: Nil).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

13 Debtors - amounts falling due within one year

	Group 2015 £m	Company 2015 £m	Group 2014 £m	Company 2014 £m
Amounts due within one year:				
Trade debtors	39.8	-	46.5	-
Amounts owed by Tata Global Beverages companies	5.9	-	10.2	-
Loans to other Tata corporations	55.0	-	46.6	-
Other debtors	2.7	-	3.3	-
Other taxation and social security	1.5	-	1.4	-
Corporation tax	-	2.4	0.9	0.6
Deferred tax	1.3	-	4.7	-
Prepayments and accrued income	1.5	-	2.5	-
	107.7	2.4	116.1	0.6

Amounts owed by Tata Global Beverages companies includes a loan to Consolidated Coffee Inc of £5.9m (2014: £10.1m) with interest charged at a margin over LIBOR of 2.5% (2014: margin over LIBOR of 3.5%).

Consolidated Coffee Inc (USA) is a company under common control of the Group's ultimate parent company (see note 30).

14 Debtors - amounts falling due after more than one year

	Group 2015 £m	Company 2015 £m	Group 2014 £m	Company 2014 £m
Amounts due after more than one year:				
Amounts owed by group undertakings	-	65.9	-	65.6
Loans to Tata Global Beverage companies	91.1	-	89.7	-
Loans to other Tata corporations	8.4	-	5.1	-
Convertible loan notes	-	-	-	-
	99.5	65.9	94.8	65.6

Loans to Tata Global Beverage companies represent a loan to Tata Tea Extractions Inc (USA) of £Nil (2014: £0.6m), a loan to Eight O'clock Coffee Inc (USA) of £20.3m (2014: £18.0m) charged at a margin over LIBOR of 5.0% (2014: margin over LIBOR of 5.0%) and a loan to Tata Global Beverages Capital Limited of £70.8m (2014: £71.1m) charged at a margin over LIBOR of 3.5% (2014: margin over LIBOR of 3.5%).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

14 Debtors - amounts falling due after more than one year (continued)

Eight O'clock Coffee Inc, Tata Global Beverages Capital Limited and Tata Tea Extractions Inc (USA) are companies under common control of the Group's ultimate parent company (see note 30).

15 Cash at bank and in hand

	2015 £m	2014 £m
Bank deposits	50.0	61.1
	50.0	61.1

The cash held in bank deposits includes £0.1m (2014: £0.2m) of restricted cash which is held on as a security deposit for Building operating lease in Australia.

16 Creditors - amounts falling due within one year

	Group 2015 £m	Company 2015 £m	Group 2014 £m	Company 2014 £m
Bank loans and overdrafts	0.3	-	0.1	-
Other borrowings	6.7	-	7.6	-
Trade creditors	17.1	0.1	18.3	0.1
Amounts owed to Tata Global Beverages Companies	8.8	-	7.5	-
Corporation tax	1.4	-	-	-
Other taxation and social security	0.5	-	0.1	-
Other creditors	5.9	-	1.3	-
Accruals and deferred income	23.5	-	29.1	-
	64.2	0.1	64.0	0.1

Amounts owed to Tata Global Beverage companies are trading balances which are unsecured, repayable on demand and non-interest bearing.

The bank overdraft of £0.3m is secured by a charge over Southern Tea LLC Tangible Fixed Assets.

Details of security given in respect of other borrowings are provided in note 17.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

17 Creditors – amounts falling due after more than one year

Borrowings

	Group 2015 £m	Company 2015 £m	Group 2014 £m	Company 2014 £m
Amounts falling due after more than one year:				
Finance lease obligations	0.3	-	-	-
Other borrowings	0.2	-	9.8	-
Amounts owed to Tata Global Beverages companies	1.6	-	1.0	-
Amounts owed to group undertakings	-	606.4	-	598.6
	2.1	606.4	10.8	598.6

Other borrowings totalling £5.1m are secured by a corporate guarantee given by Tata Global Beverages Investments Limited and the remaining £1.8m is secured by a charge over Southern Tea LLC stocks.

The analysis of Group borrowings by expected repayment dates are as follows:

	2015 £m	2014 £m
Between one and two years	0.1	1.2
Between two and five years	0.1	5.7
Over five years	-	2.9
Total borrowings greater than one year	0.2	9.8
Repayable within one year (note 16)	7.0	7.7
Group borrowings	7.2	17.5

The minimum lease payments under finance leases fall due as follows:

	2015 £m	2014 £m
Between one and two years	0.3	-
Between two and five years	-	-
Over five years	-	-
Total borrowings greater than one year	0.3	-
Repayable within one year (note 16)	-	-
Less future finance charges	-	-
Group finance leases	0.3	-

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

17 Creditors – amounts falling due after more than one year (continued)

Derivative financial instruments

Forward foreign exchange contracts

The group had the following forward foreign exchange contracts outstanding at year end:

	2015	2014
	Amount to buy/(sell)	Amount to buy/(sell)
	(millions of currency)	(millions of currency)
USD	(123.1)	(65.6)
AUD	(6.1)	(10.4)
EUR	(1.1)	(0.7)
CZK	(156.0)	(150.0)
CAD	(12.0)	(9.4)
PLN	(12.8)	(10.4)

All currencies are bought/sold against GBP.

The USD forward foreign exchange contracts reflect USD 26.3m (2014: USD 73.4m) purchased in respect of tea buying commitments and intercompany loan offset by USD 149.4m (USD 139.0m) of forward sales in respect of its US dollar denominated cash and receivables.

18 Analysis of net cash

	1 April 2014 £m	Cashflow £m	Acquisitions £m	Non-cash movements £m	31 March 2015 £m
Cash at bank and in hand	5.1	(3.5)	0.1	-	1.7
Other liquid resources	56.0	(7.7)	-	-	48.3
	61.1	(11.2)	0.1	-	50.0
Bank overdrafts	(0.1)	(0.2)	-	-	(0.3)
Borrowings:					
Due within one year	(7.6)	(1.0)	-	1.9	(6.7)
Due after more than one year	(9.8)	9.6	-	-	(0.2)
Finance leases:					
Due after more than one year	-	0.2	(0.5)	-	(0.3)
	(17.5)	8.6	(0.5)	1.9	(7.5)
Net cash	43.6	(2.6)	(0.4)	1.9	42.5

Non-cash movements relate to a foreign exchange gain on the retranslation of opening foreign currency balances.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

19 Provisions for liabilities

(i) Re-organisation costs

Group	Total £m
At 1 April 2014	2.0
Utilised in period	(1.1)
At 31 March 2015	0.9

The re-organisation costs provision relates primarily to office closure costs incurred as a result of the restructuring of some of the corporate functions following its relocation to India from UK during the prior year. The provision is expected to be utilised in the year to 31 March 2016.

(ii) Other provisions

Group	Deferred Tax £m	Post retirement benefits £m	Total £m
At 1 April 2014	1.1	1.3	2.4
Transfer to/from profit and loss account	(0.5)	-	(0.5)
Currency adjustments	(0.1)	-	(0.1)
At 31 March 2015	0.5	1.3	1.8

Net deferred tax

The timing of the utilisation of the deferred tax provisions is uncertain. The major components of the deferred tax balance are as follows:

	2015 £m	2014 £m
Fixed asset timing differences	0.5	(0.1)
Other timing differences	(1.3)	(3.5)
	(0.8)	(3.6)

The net deferred tax asset will be recovered against future taxable profits in the relevant jurisdictions.

Movement in deferred tax

	Asset £m	Liability £m	Net £m
At 1 April 2014	4.7	(1.1)	3.6
Transfer to/from profit and loss account	(2.9)	0.5	(2.4)
Currency adjustments	(0.5)	0.1	(0.4)
At 31 March 2015	1.3	(0.5)	0.8

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

19 Provisions for liabilities (continued)

(ii) Other provisions (continued)

Deferred tax assets not recognised within the financial statements were as follows:

	2015 £m	2014 £m
Overseas tax losses	(27.3)	(20.2)
	(27.3)	(20.2)

Overseas tax losses relate mainly to unprovided deferred tax on accumulated tax losses in US, Eastern European and Russian subsidiaries. The unprovided deferred tax includes £9.0m (2014: £8.4m) held by the Company itself relating to US capital and operating losses arising from the holding of US investments. The asset would be recovered if taxable profits arose in territories where the asset resides.

20 Called up share capital

Group and Company	Number Millions	Share capital £m
Allotted and fully paid: Ordinary shares of £1 each		
At 1 April 2014 and 31 March 2015	235.1	235.1

21 Profit and loss account

	GROUP £m	COMPANY £m
Restated as At 1 April 2014	335.4	6.4
(Loss) / Profit for the financial year	(0.3)	5.3
Dividends paid	(11.0)	(11.0)
	(11.3)	(5.7)
Actuarial gain on pension scheme	(5.8)	-
Movement on deferred tax relating to pension liability	1.0	-
Foreign exchange translation impact on long-term intercompany funding balances	(0.9)	-
Currency translation differences on Goodwill arising from change in accounting policy	(7.8)	-
Currency translation differences on foreign currency net assets/liabilities	(1.5)	-
At 31 March 2015	309.1	0.7

The opening position at 31 March 2014 has been restated due to the change in accounting policy as detailed in the foreign currency accounting policy note.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

21 Profit and loss account (continued)

Tata Global Beverages Group Limited has not presented its own profit and loss account as permitted by Section 408(4) of the Companies Act 2006. The result for the year is disclosed in the Reconciliation of movements in shareholders' funds.

22 Reconciliation of movements in shareholders' funds

	Group Year ended 31 March 2015	Company Year ended 31 March 2015	Restated Group Year ended 31 March 2014	Company Year ended 31 March 2014
	£m	£m	£m	£m
(Loss) / Profit for the financial year	(0.3)	5.3	0.2	6.1
Dividends paid	(11.0)	(11.0)	(13.0)	(13.0)
Actuarial (loss) / gain on retirement schemes and post retirement benefits	(5.8)	-	1.3	-
Deferred tax relating to pension liability	1.0	-	(0.3)	-
Foreign exchange translation impact on long-term intercompany funding balances	(0.9)	-	(0.7)	-
Currency translation differences on Goodwill arising from change in accounting policy	(7.8)	-	14.6	-
Currency translation differences on foreign currency net assets and liabilities	(1.5)	-	2.6	-
Movement in shareholders' funds in the year	(26.3)	(5.7)	4.7	(6.9)
Opening shareholders' funds	570.5	241.5	565.8	248.4
Closing shareholders' funds	544.2	235.8	570.5	241.5

The opening shareholders' funds at 31 March 2014 has been restated due to the change in accounting policy as detailed in the foreign currency accounting policy note.

23 Pensions

Total pension costs charged to the Group profit in the year were £1.3m (2014: charge of £1.6m). Of this, a charge of £1.5m (2014: £1.4m) was in respect of defined contribution schemes including £0.3m (2014: £0.2m) in respect of overseas pension schemes and an income of £0.2m (2014: charge of £0.2m) representing the difference between expected return over pensions scheme assets and the interest on pensions scheme liabilities on the defined benefit scheme.

Additionally in the USA there is a provision for post-retirement liabilities amounting to £0.5m (2014: £0.6m) held within other provisions (note 19 (ii)).

UK

The Group sponsors a defined benefit pension plan, the Tetley GB Final Salary Scheme (the "Scheme"), in the UK with benefits based on final salary.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

23 Pensions (continued)

The Group closed the Scheme to future accrual with effect from 6 April 2005. At this point, all active Scheme members moved to a deferred status under the Scheme. All such Scheme members were eligible to join the UK defined contribution plan.

The latest triennial valuation of the Scheme for funding purposes was carried out at 6 April 2011 and revealed a deficit of £25.3m. With effect from April 2012, the Company has agreed to pay contributions of £3.5m per annum for seven years to remove this deficit (£1.25m and £0.5m contributions in the eighth and ninth years respectively). The 2014 funding valuation is expected to be completed during 2015.

The Company paid an advance deficit contribution of £3.5m just before the previous year end. As a result, over the year to 31 March 2015, the Company paid contributions to the Scheme of £Nil (2014: £4.5m). The Company expects to contribute £3.5m over the following accounting period.

We set out below disclosures on this Scheme in accordance with Financial Reporting Standard 17, "Retirement Benefits".

The disclosures below are drawn from an actuarial valuation for accounting purposes only as at 31 March 2015, performed by an independent, professionally qualified actuary.

The major financial assumptions used by the actuary for the period:

	31 March 2015 %	31 March 2014 %	31 March 2012 %
Discount rate	3.40	4.50	4.45
Inflation assumptions			
- RPI	3.00	3.35	3.35
- CPI	2.10	2.45	2.45
Rate of increase in pensions in payment	3.40	3.60	3.60
Rate of increase in pensions in deferment	3.00	3.35	3.00

Mortality Tables:

	Executives		Staff	
	2015 Years	2014 Years	2015 Years	2014 Years
Longevity at age 65 for current pensioners				
Males	23	23	22	22
Females	26	25	25	25
Longevity at age 65 for future pensioners				
Males	25	25	24	24
Females	27	27	26	26

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

23 Pensions (continued)

The assets in the scheme and the expected rates of return were:

	Expected return on assets 31 March 2015	Value at 31 March 2015 £m	Expected return on assets 31 March 2014	Value at 31 March 2014 £m	Expected return on assets 31 March 2013	Value at 31 March 2013 £m
Equities	N/A	45.2	7.45%	42.4	7.05%	39.9
Bonds	N/A	64.0	4.30%	49.6	4.05%	47.2
Property	N/A	9.4	6.75%	8.2	6.35%	7.6
Cash	N/A	0.7	0.5%	4.5	1.5%	3.0
Total market value of assets		119.3		104.7		97.7
Present value of scheme liabilities		(137.5)		(117.3)		(115.9)
Deficit in the scheme		(18.2)		(12.6)		(18.2)
Related deferred tax asset		3.6		2.6		4.2
Net pension liability		(14.6)		(10.0)		(14.0)

New UK accounting standards (FRS101 and FRS102) are coming into effect for accounting periods starting from 1 January 2015. Under these standards, the expected return on assets is replaced with the net interest cost, which will be the discount rate applied to the net balance sheet asset or liability at the beginning of the accounting period (similar to IFRS). An assumption is therefore not required for FRS17 disclosure purposes at 31 March 2015.

Reconciliation of the present value of scheme liabilities:	2015 £m	2014 £m
Opening value	117.3	115.9
Interest cost	5.2	5.1
Actuarial losses	18.6	0.3
Benefits paid	(3.6)	(4.0)
Closing value	137.5	117.3

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

23 Pensions (continued)

Reconciliation of the fair value of the assets:	2015 £m	2014 £m
Opening value	104.7	97.7
Expected return	5.4	4.9
Actuarial gains / (losses)	12.8	1.6
Contributions by the employer	-	4.5
Benefits paid	(3.6)	(4.0)
Closing value	119.3	104.7

Scheme assets do not include any of Tata Global Beverages Group Limited's own financial instruments or any property occupied by Tata Global Beverages Group Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed asset investments are based on gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

The actual return on scheme assets in the year was £18.2m (2014: £6.5m).

Expense recognised in profit or loss for year end	31 March 2015 £m	31 March 2014 £m
Expected return on pension scheme assets	5.4	4.9
Interest on pension scheme liabilities	(5.2)	(5.1)
Net return	0.2	(0.2)

Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL) for the year:	31 March 2015 £m	31 March 2014 £m
Actual return less expected return on pension scheme assets	12.8	1.6
Experience gains and losses arising on the scheme liabilities	(0.7)	0.8
Changes in demographic and financial assumptions underlying the present value of the scheme liabilities	(17.9)	(1.1)
Actuarial (loss) / gain recognised in the statement of recognised gains and losses	(5.8)	1.3

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

23 Pensions (continued)

Movement in deficit during the year:	31 March 2015 £m	31 March 2014 £m
Deficit in the scheme at beginning of the year	(12.6)	(18.2)
<i>Movement in year</i>		
Employer contributions	-	4.5
Other finance income	0.2	(0.2)
Actuarial (loss) / gain recognised in statement of recognised gains and losses	(5.8)	1.3
Deficit in scheme at end of year	(18.2)	(12.6)

History of experience gains and losses for the year:	31 March 2015 £m	31 March 2014 £m	31 March 2013 £m	31 March 2012 £m	31 March 2011 £m
<i>Difference between the expected and actual return on scheme assets:</i>					
Amount	12.8	1.6	6.2	(1.2)	(0.3)
Percentage of scheme assets at year end	10.7%	1.5%	6.3%	(1.4%)	(0.4%)
<i>Experience gains and losses of scheme liabilities:</i>					
Amount	(0.7)	0.8	0.8	(1.8)	0.3
Percentage of the present value of scheme liabilities at year end	0.5%	(0.7%)	(0.7%)	1.8%	0.3%
<i>Changes in demographic and financial assumptions underlying the present value of the scheme liabilities</i>					
Amount	(17.9)	(1.1)	(12.1)	(9.8)	4.8
Percentage of the present value of scheme liabilities at year end	13.0%	0.9%	10.4%	9.5%	(5.3%)
<i>Total amount recognised in statement of total recognised gains and losses</i>					
Amount	(5.8)	1.3	(5.1)	(12.8)	4.8
Percentage of the present value of scheme liabilities at year end	(4.2%)	1.1%	(4.4%)	(12.5%)	5.4%

The cumulative amount of actuarial losses recognised since 1 January 2002 in the statement of recognised gains and losses is £(55.2)m (2014: £(49.4m)).

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

23 Pensions (continued)

The Group has also established a defined contribution scheme, administered by independent pension advisers and invested by external managers for UK employees joining the Group after July 1995. The contributions made during the year were £1.2m (2014: £1.1m). At the end of the year, contributions of £0.2m (2014: £0.2m), representing the unpaid contributions for April 2014, were outstanding.

USA

The US 401(k) employee savings investment plan, a defined contribution scheme, is the main US scheme. There is only a discretionary contribution.

There are other post-retirement liabilities that arise principally in the USA. In particular, unfunded life assurance benefits are offered for some retirees in the USA. A full actuarial valuation was carried out as at 31 March 2015 by a qualified independent actuary. This showed liabilities of £0.5m (2014: £0.6m) calculated using a discount rate of 3.02% (2014: 3.46%). No current employees will be entitled to this benefit on retirement.

Other overseas

The Group also participates in various other defined contribution schemes for employees outside the UK and USA. The contributions made during the year total £0.3m (2014: £0.2m) and at the year end there were £nil outstanding contributions (2014: £nil).

24 Cashflow analysis

A Movement in working capital

	2015 £m	2014 £m
Decrease / (Increase) in stock	5.9	(1.7)
(Increase) / Decrease in debtors	0.4	15.6
Decrease in creditors	(2.0)	(13.2)
	4.3	0.7

B Returns on investments and servicing of finance

	2015 £m	2014 £m
Interest received	6.9	7.4
Interest paid	(1.1)	(1.6)
	5.8	5.8

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

24 Cashflow analysis (continued)

C Taxation

	2015 £m	2014 £m
Tax paid	(1.2)	(3.0)

D Capital expenditure and financial investment

	2015 £m	2014 £m
Purchase of tangible fixed assets	(2.9)	(4.2)

E Acquisitions and disposals

	2015 £m	2014 £m
Cash injections into existing Joint Ventures	(0.8)	(0.2)
Purchase of subsidiary undertakings	(9.4)	-
Purchase of convertible loan notes / associate	-	(3.7)
Net cash outflow arising from acquisitions	(10.2)	(3.9)

F Financing

	2015 £m	2014 £m
Drawdown of Other borrowings	(8.4)	(6.1)
Finance lease payments	(0.2)	-
Net cash outflow from financing	(8.6)	(6.1)

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

25 Acquisitions

Acquisition of Earth Rules Pty Limited

On 17th May 2014, the Group acquired a 100% equity holding in Earth Rules Pty Limited, Australia, for total consideration of £9.4m. Earth Rules Pty Limited is engaged in the coffee business under the 'MAP' brand, with presence in Roast & Ground coffee and coffee in Pods (single serve portions) segment in Australia.

The fair value of the assets and liabilities acquired is shown below:

	Book Value	Adjustments	Fair value
	£m	£m	£m
Tangible fixed assets	1.0		1.0
Stocks	1.7	(0.4)	1.3
Debtors	0.8		0.8
Creditors	(1.0)		(1.0)
Provisions	(0.1)		(0.1)
Borrowings (Finance Lease)	(0.5)		(0.5)
Cash	0.1		0.1
Net Assets acquired	2.0	(0.4)	1.6
Goodwill			7.8
Consideration			9.4
Consideration satisfied by:			
Cash			9.3
Acquisition costs			0.1
			9.4

The £0.4m adjustment to stocks represents the write-down to estimated realisable value.

For the pre-acquisition 10 month financial period to 30 April 2014 the audited financial statements show:

	£m
Turnover	6.4
Operating profit	(1.3)
Loss before taxation	(1.5)
Taxation	-
Loss attributable to shareholders	(1.5)

There is no difference between profit after tax and the recognised gains and losses for the period.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

26 Contingent liabilities

Group

There were contingent liabilities at 31 March 2015 in respect of forward exchange contracts, operating leases, outstanding letters of credit, guarantees and financing arrangements of joint ventures. All of these arrangements have been undertaken in the normal course of trade and are centrally monitored by Group Treasury. Because the value of many of these liabilities is dependent on future market price movements, the directors believe that it is not practicably possible to provide an estimate of the Group's potential liability under such arrangements.

Company

At 31 March 2015 the Company had given certain guarantees in respect of the financing arrangements and trading activities of subsidiary undertakings, all in the ordinary course of their business. The directors believe that it is not practicable to provide an estimate of the potential liability under these guarantees, but the potential liability is not anticipated to be material to the results of the Company.

27 Operating leases

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

	Land and buildings 2015 £m	Other 2015 £m	Restated Land and buildings 2014 £m	Other 2014 £m
Commitment expires:				
Within one year	0.4	0.1	-	0.3
Between one and five years	1.3	0.2	1.5	0.3
After five years	1.0	0.4	1.0	0.4
Total	2.7	0.7	2.5	1.0

The Land and Buildings annual commitments amounts for 2014 expiring between one and five years has been restated to £1.5m from £1.0m due to a £0.5m omission. The adjustment has £Nil profit impact.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

28 Related party transactions

Transactions with joint ventures were disclosed in note 11 and loans with fellow subsidiaries were disclosed in notes 13 & 14.

In addition, the Group had the following transactions with fellow subsidiaries and its ultimate parent company Tata Global Beverages Limited.

Group	Year ended	Year ended
	31 March 2015 £m	31 March 2014 £m
Sale of raw materials and finished product		
Tata Global Beverages Limited	1.1	1.4
Purchase of raw materials and finished product		
Tata Global Beverages Limited	(12.3)	(12.2)
Tata Coffee Limited	(2.1)	(1.1)
Services received		
Eight O'clock Coffee Inc	0.7	0.8
Tata Global Beverages Limited	1.3	1.7
Services rendered		
Eight O'clock Coffee Inc	(4.2)	(3.5)
Tata Global Beverages Limited	(4.4)	(3.6)
Interest received		
Eight O'clock Coffee Inc	1.2	1.4
Tata Global Beverages Capital Limited	2.9	2.8
Amounts outstanding (excluding intercompany loans)		
Debtors		
Eight O'clock Coffee Inc	1.2	1.1
Tata Global Beverages Limited	0.9	0.5
Creditors		
Eight O'clock Coffee Inc	(0.4)	(0.6)
Tata Global Beverages Capital Limited	(0.4)	(0.4)
Tata Global Beverages Limited	(4.6)	(4.4)
Tata Coffee Limited	(1.3)	(0.5)

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March, 2015

29 Capital commitments

Capital expenditure authorised by the Board and contracted for at 31 March 2015 was £0.1m (2014: £0.4m). This amount is not provided for within the Group's financial statements.

30 Ultimate parent company

The company's shares are owned by Tata Global Beverages Limited, a company incorporated in India (30.1%) (2014: 30.1%); Tata Tea Extractions Inc, a company incorporated in the USA (10.6%) (2014: 10.6%), Tata Limited, a company incorporated in the UK (0.7%) (2014: 0.7%), Tata Enterprises (Overseas) AG, a company incorporated in Switzerland (10.6%) (2014: 10.6%) and Tata Global Beverages Capital Limited, a company incorporated in the UK (48.0%) (2014: 48.0%). Tata Global Beverages Limited, either directly or through its wholly owned subsidiaries, Tata Tea Extractions Inc and Tata Global Beverages Capital Limited, owns 88.7% (2014: 88.7%) of the Company. The Company's ultimate holding company and controlling party is Tata Global Beverages Limited, a company incorporated in India. The consolidated financial statements of the ultimate holding company are available from the company's website tataglobalbeverages.com or from its registered office at 1 Bishop Lefroy Road, Kolkata, 700 020.

Tata Global Beverages Group Limited

Notes to the financial statements (continued)

For the year ended 31 March 2015

31 Principal subsidiary undertakings and associates

Name of undertaking	Country of incorporation	Proportion of equity and voting rights held	Directly or indirectly held shareholding	Accounting year-end date
Tata Global Beverages Services Limited	UK	100%	Indirect	31 March
Tata Global Beverages GB Limited	UK	100%	Indirect	31 March
Tata Global Beverages Holdings Limited	UK	100%	Direct	31 March
Tetley USA Inc	USA	100%	Indirect	31 March
Tata Global Beverages Canada Inc	Canada	100%	Indirect	31 March
Tata Global Beverages Australia Pty Ltd	Australia	100%	Indirect	31 March
Earth Rules Pty Ltd	Australia	100%	Indirect	31 March
Tata Global Beverages Overseas Limited	UK	100%	Indirect	31 March
Stansand (Africa) Limited	Kenya	100%	Indirect	31 March
Stansand (Central Africa) Limited	Malawi	100%	Indirect	31 March
Tata Global Beverages Polska Sp. z o.o.	Poland	100%	Indirect	31 March
Empirical Group LLC	USA	56%	Indirect	31 March
Southern Tea LLC	USA	50%	Indirect	31 December
Tetley ACI (Bangladesh) Limited	Bangladesh	50%	Indirect	31 December
Tetley Clover (Private) Limited	Pakistan	50%	Indirect	30 June
Drassington Limited	UK	100%	Indirect	31 March
Good Earth Corporation	USA	100%	Indirect	31 March
Good Earth Teas Inc	USA	100%	Indirect	31 March
Teapigs Ltd	UK	100%	Indirect	31 March
Tata Global Beverages Investments Limited	UK	100%	Direct	30 September
Tata Global Beverages Czech Republic a.s.	Czech Republic	100%	Indirect	31 March
Joekels Tea Packers (Proprietary) Limited	South Africa	51.7%	Indirect	31 March
Campestres Holdings Limited	Cyprus	100%	Indirect	31 March
Kahutara Holdings Limited	Cyprus	65%	Indirect	31 March
Suntyco Holding Limited	Cyprus	100%	Indirect	31 March
RBC Hold Co LLC	USA	32.8%	Indirect	31 December

Southern Tea LLC meets the definition of a joint arrangement and has been accounted for in accordance with FRS9, 'Associates and Joint Ventures'. Southern Tea LLC financial statements are consolidated for the period from 1 April 2014 to 31 March 2015.

Empirical Group LLC, Tetley ACI (Bangladesh) Limited, Tetley Clover (Private) Limited, Joekels Tea Packers (Proprietary) Limited and Suntyco Holding Limited meet the definition of a joint venture and have been accounted for in accordance with FRS9. Tetley ACI (Bangladesh) Limited and Tetley Clover (Private) Limited financial statements are consolidated from 1 April 2014 to 31 March 2015.

All undertakings operate within their country of incorporation, in the tea sector and related sectors and are included within the consolidated financial statements.