

**Tata Global Beverages Services Limited**

**Registered number 03007544**

**Annual Report and Financial Statements**

**Year ended 31 March 2015**

# **Tata Global Beverages Services Limited**

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# Tata Global Beverages Services Limited

## Strategic report

### Strategic report for the year ended 31 March 2015

The directors present their strategic report for the year ended 31 March 2015.

#### Principal activities

The company acts as a management services company providing management services to other companies within the Tata Global Beverages Group and fellow subsidiaries of its ultimate parent company Tata Global Beverages Limited (India). The company expects to continue to act in this capacity in the future.

#### Results and dividends

Turnover for the year of £19.6m has declined by 14% from last year which reflects a reduction in management recharges to companies within Tata Global Beverages Group Limited as a direct consequence of a reduced cost base last year following corporate restructuring in the prior year.

The company made a loss for the financial year of £1.1m (2014: a profit of £1.7m) which is attributable to higher interest charges and a higher corporation tax charge in comparison with last year. The directors do not recommend the payment of a dividend (2014: nil).

The net asset position of the company is £344.8m, decreased from £345.9m last year with the retained loss in the year accounting for the decrease.

#### Principal risks and uncertainties

The Company has significant amounts lent to fellow subsidiary undertakings of Tata Global Beverages Group Limited, the ultimate repayment of which depends of the future profitability and cash generation of the trading entities within the Group. Accordingly the Company's risks are linked to the overall Group's activities and consequently the Directors do not believe that a discussion of the Company's development, performance or position would be appropriate on a standalone basis. The principal risks and uncertainties of the Group, which includes the Company, have been set out in the Strategic report of Tata Global Beverages Group Limited.

By behalf of the Board



Manesh Thakrar  
Director  
10 July 2015

# **Tata Global Beverages Services Limited**

## **Directors' report**

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

### **Future developments and dividends**

Please refer to strategic report.

### **Financial risk management**

The company takes a proactive approach to the management of the various risks that it faces. Of these risks the principal one is currency movements. Foreign exchange risk in relation to international transactions is managed by the company's Treasury function using spot, forward and option exchange contracts.

The company is a wholly owned subsidiary of Tata Global Beverages Group Limited. More detail on the financial risk management of the group as a whole can be found in the directors' report of that company.

### **Directors**

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

L Krishna Kumar  
A Misra  
M Thakrar

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **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 company to penetrate new markets.

### **Statement of disclosure of information to auditors**

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

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

# Tata Global Beverages Services Limited

## Directors' report (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

### Independent Auditors

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

On behalf of the Board



Manesh Thakrar  
Director

10 July 2015

# **Tata Global Beverages Services Limited**

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

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

#### **Our opinion**

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

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss 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**

The financial statements comprise:

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

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

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

### **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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

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 Services Limited**

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

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

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

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

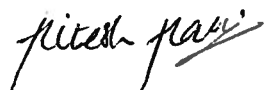
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report 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.



Hitesh Haria (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge  
10 July 2015

# Tata Global Beverages Services Limited

## Accounting policies

### Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The company has consistently applied its accounting policies.

The directors confirm that they have a reasonable expectation that the Company 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.

Certain comparative balances have been reclassified to conform to the presentation adopted in the current year.

### Pension and other post retirement benefit arrangements

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

#### Defined Benefit Schemes

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

#### Defined Contribution Schemes

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

Further details on the Group's pension schemes are given in note 17.

### Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the profit and loss account.

### Financial Instruments

Financial instruments are used for the management of foreign currency and interest rate exposures and are held off balance sheet. 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.

### Deferred tax

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



# **Tata Global Beverages Services Limited**

## **Accounting policies (continued)**

### **Cash flow statement**

The company is a wholly-owned subsidiary of Tata Global Beverages Group Limited and is included in the consolidated financial statements of Tata Global Beverages Group Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing the cash flow statement under the terms of FRS 1 (revised 1996).

### **Turnover**

Turnover represents income from the recharge of services to other subsidiaries and undertakings of the parent company Tata Global Beverages Group Limited and ultimate parent company Tata Global Beverages Limited. Turnover is recognised when the risks and rewards of the underlying services have been substantially transferred to the other subsidiaries.

### **Related party transactions**

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

### **Research and development**

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

# Tata Global Beverages Services Limited

## Profit and loss account For the year ended 31 March 2015

	Note	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
<b>Turnover</b>	1	<b>19,559</b>	<b>22,761</b>
Administrative expenses		(17,660)	(20,074)
Administrative expenses - exceptional	3	-	(643)
Administrative expenses		(17,660)	(20,717)
<b>Operating profit</b>	2	<b>1,899</b>	<b>2,044</b>
Interest receivable and similar income	4	2,712	2,599
Interest payable and similar charges	5	(4,221)	(2,837)
<b>Profit on ordinary activities before taxation</b>		<b>390</b>	<b>1,806</b>
Tax on profit on ordinary activities	8	(1,503)	(140)
<b>(Loss) / profit for the financial year</b>	15	<b>(1,113)</b>	<b>1,666</b>

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

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

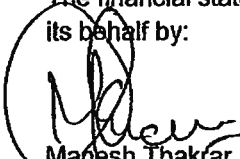
All amounts shown above relate to continuing operations.

# Tata Global Beverages Services Limited

## Balance sheet As at 31 March 2015

	Note	31 March 2015 £'000	31 March 2014 £'000
<b>Current assets</b>			
Debtors - amounts falling due after more than one year	9	511,758	492,386
Debtors - amounts falling due within one year	10	15,251	18,437
Cash at bank and in hand		-	924
		<b>527,009</b>	<b>511,747</b>
<b>Creditors - amounts falling due within one year</b>	11	<b>(5,837)</b>	<b>(5,864)</b>
<b>Net current assets</b>		<b>521,172</b>	<b>505,883</b>
<b>Total assets less current liabilities</b>		<b>521,172</b>	<b>505,883</b>
<b>Creditors - amounts falling due after more than one year</b>	12	<b>(174,819)</b>	<b>(157,717)</b>
<b>Provision for liabilities</b>	13	<b>(1,583)</b>	<b>(2,283)</b>
<b>Net assets</b>		<b>344,770</b>	<b>345,883</b>
<b>Capital and reserves</b>			
Called up share capital	14	160	160
Share premium account	15	17,040	17,040
Share redemption reserve	15	50	50
Profit and loss account	15	327,520	328,633
<b>Total shareholders' funds</b>	16	<b>344,770</b>	<b>345,883</b>

The financial statements on pages 6 to 18 were approved by the Board on 10 July 2015 and signed on its behalf by:

  
 Manesh Thakrar  
 Director

Tata Global Beverages Services Limited  
Registered number 03007544

# Tata Global Beverages Services Limited

## Notes to the financial statements

### 1 Turnover

The Company acts as a management services company and recognises recharges made to various entities within the Tata Global Beverages Limited group is recorded as turnover.

Turnover by region is as follows:

	2015	2014
	£'000	£'000
United Kingdom	17,702	19,271
North America	1,286	1,757
Europe	390	1,624
Rest of the world	181	109
	<b>19,559</b>	<b>22,761</b>

Certain income pertaining to recharge of costs amounting to £1,967,000 in the prior year was offset against costs included under administrative expenses. During the current year, this has been reclassified under turnover to better reflect the revenue earned from recharges and the comparatives for turnover and administrative expenses have been changed. Turnover as disclosed in the prior year financial statements amounted to £20,794,000 and administrative expenses amounted to £18,750,000.

### 2 Operating profit

	2015	2014
	£'000	£'000
The operating profit is stated after charging:		
Wages and salaries	4,192	3,681
Social security costs	296	345
Other pension costs (Note 17)	1,087	1,076
<b>Staff costs</b>	<b>5,575</b>	<b>5,102</b>
Operating lease rentals for land and buildings	923	923
Other operating lease rentals	35	59
Research and development costs	364	294
Provision against balance due from group undertaking	1,865	-
<b>Services provided by the company's auditor</b>		
Fees payable for the audit	354	331
Fees payable for other services - tax compliance and advisory services	275	278
Exceptional items (Note 3)	-	643

Auditors' remuneration for the company and its various fellow subsidiary undertakings in the United Kingdom is borne by this company and disclosed in these financial statements.

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 3 Exceptional items

	2015 £'000	2014 £'000
<b>Within operating profit:</b>		
Re-organisation costs	-	643

The re-organisation costs incurred in 2014 related primarily to redundancy costs.

### 4 Interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable from group undertakings	2,712	2,248
Other interest	-	351
<b>Total</b>	<b>2,712</b>	<b>2,599</b>

### 5 Interest payable and similar charges

	2015 £'000	2014 £'000
Bank interest payable	75	-
Interest payable to group undertakings	4,146	2,837
<b>Total</b>	<b>4,221</b>	<b>2,837</b>

### 6 Employees

The monthly average number of persons (full time equivalent) employed in the year in an administration function in the United Kingdom was 51 (2014: 50).

### 7 Directors

The emoluments of the Directors were as follows:

	2015 £'000	2014 £'000
Aggregate emoluments	36	169
<b>Highest paid director</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Aggregate emoluments	18	88

One director is an employee of Tata Global Beverages GB Limited but does not receive any remuneration for their services to the Company (2014: nil).

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 8 Tax on profit on ordinary activities

	2015 £'000	2014 £'000
<b>Current tax:</b>		
UK corporation tax on profit for the year	630	343
Adjustments in respect of prior years	506	(226)
Foreign tax	332	-
<b>Total current tax</b>	<b>1,468</b>	<b>117</b>
<b>Deferred tax:</b>		
Origination & reversal of timing differences	(182)	23
Adjustments in respect of prior years	217	-
<b>Total deferred tax</b>	<b>35</b>	<b>23</b>
<b>Tax charge on profit on ordinary activities</b>	<b>1,503</b>	<b>163</b>

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

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

	2015 £'000	2014 £'000
Profit on ordinary activities before taxation	390	1,806
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014: 23%)	82	415
Effects of:		
Permanent differences	438	(72)
Other timing differences	182	-
Adjustments in respect of prior years	506	(226)
Foreign tax suffered	260	-
<b>Total current tax</b>	<b>1,468</b>	<b>117</b>

#### Factors affecting the tax charge for future years

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

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

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

	2015 £'000	2014 £'000
<u>Amounts owed by group undertakings</u>	<u>513,623</u>	<u>492,386</u>

Amounts owed by group undertakings include loans to Tata Global Beverages Group Limited of £433.2 million (2014: £415.4m), Tata Global Beverages Holdings Limited of £9.5m (2014: £12.0m), Tata Global Beverages Overseas Holdings Limited of £56.2m (2014: £49.8m), Tata Global Beverages Overseas Limited of £6.6m (2014: £8.2m), Tata Global Beverages Polska Sp. z o.o. of £2.7m (2014: £2.4m) together with other balances of £4.7m (2014: £5.8m) with fellow group subsidiaries. The loans are charged at variable rates and are unsecured. The company has indicated to each borrower that it will not require repayment of these loans, in the normal course of events, until at least twelve months from the date that their financial statements were approved. The amounts owed have therefore been treated as repayable after more than one year from the balance sheet date.

During the year the £1,865,000 of loan totalling £8,476,000 to Tata Global Beverages Overseas Limited was impaired as it is not expected to be fully recoverable. Tata Global Beverages Overseas Limited made a loss for the financial year of £178,000 and had net liabilities of £1,865,000 at 31 March 2015.

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

	2015 £'000	2014 £'000
Amounts owed by group undertakings	12,311	13,530
Amounts owed by Tata Global Beverages companies	1,786	1,576
Other debtors	100	181
Prepayments and accrued income	893	2,206
Corporation tax debtor	-	748
Deferred taxation	161	196
<b>Total</b>	<b>15,251</b>	<b>18,437</b>

Amounts owed by group undertakings include a balance with Tata Global Beverages Canada Inc of £0.1m (2014: £3.3m) and a balance with Earth Rules Pty Limited of £0.2m (£nil), both of which are trading balances which are unsecured, repayable on demand and non-interest bearing. In addition amounts owed by group undertakings includes a loan to Good Earth Teas Inc of £12.0m (2014: £9.4m) which is unsecured, repayable on demand and interest is charged at a variable rate of 2% above LIBOR.

Amounts owed by Tata Global Beverages companies represents a balance with Eight O'clock Coffee Inc of £1.2m (2014: £1.1m) and a balance with Tata Global Beverages Limited (India) of £0.6m (2014: £0.5m), both of which are trading balances which are unsecured, repayable on demand and non-interest bearing.

Eight O'clock Coffee Inc and Tata Global Beverages Limited (India) are companies under common control of the company's ultimate parent company (see note 19).

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 10 Debtors - amounts falling due within one year (continued)

The deferred tax asset £161,000 (2014: £196,000) arises on timing differences on provisions and is expected to be recovered against future profits of the company. The asset is held at a corporation tax rate of 20% (2014: 21%).

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

	2015 £'000	2014 £'000
Bank loans and overdrafts	729	-
Trade creditors	908	2,478
Amounts owed to group undertakings	348	3
Amounts owed by Tata Global Beverages companies	1,686	1,287
Taxation and social security	96	95
Other creditors	479	148
Accruals and deferred income	1,591	1,853
<b>Total</b>	<b>5,837</b>	<b>5,864</b>

Amounts owed to group undertakings represents a trading balance with Tata Global Beverages Canada Inc are trading balances which is unsecured, repayable on demand and non-interest bearing.

Amounts owed to Tata Global Beverages companies represents a balance with Eight O'clock Coffee Inc of £0.3m (2014: £0.3m) and a balance with Tata Global Beverages Limited (India) of £1.4m (2014: £1.0m), both of which are trading balances which are unsecured, repayable on demand and non-interest bearing.

Eight O'clock Coffee Inc and Tata Global Beverages Limited (India) are companies under common control of the company's ultimate parent company (see note 19).

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

	2015 £'000	2014 £'000
Amounts owed to group undertakings	174,819	157,717

The amount owed to group undertakings includes a loan from Tata Global Beverages GB Limited totalling £168.3m (2014: £152.7m), a loan from Teapigs Limited totalling £0.3m (2014: £0.9m) and a loan from Tetley USA Inc totalling £5.9m and a loan of £0.3m from Stansand (Africa) Limited. Interest is charged at variable rates of 1% above LIBOR and 2% above LIBOR and all loans are unsecured. The loan agreements provides for the principal to be repaid on demand by the lender. The various fellow subsidiaries have indicated to the company that they will not require the loans to be repaid within the next 12 months



# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 13 Provisions for liabilities

	Post retirement benefits £'000	Re- organisation provision £'000	Total £'000
At 1 April 2014	698	1,585	2,283
Utilised during the year	(6)	(694)	(700)
<b>At 31 March 2015</b>	<b>692</b>	<b>891</b>	<b>1,583</b>

The post retirement benefits are healthcare and early retirement pension benefits payable to certain former employees.

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 in the prior years. The remaining provision is to cover property related costs for a vacant property. The provision is expected to be utilised in the year to 31 March 2017.

### 14 Called up share capital

	2015 £'000	2014 £'000
<b>Allotted, called up and fully paid</b>		
16,000,000 (2014: 16,000,000) Ordinary shares of 1p each	160	160

### 15 Reserves

	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 April 2014	17,040	50	328,633
Loss for the financial year	-	-	(1,113)
<b>At 31 March 2015</b>	<b>17,040</b>	<b>50</b>	<b>327,520</b>

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 16 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
(Loss) / profit for the financial year	(1,113)	1,666
Opening shareholders' funds	345,883	344,217
<b>Closing shareholders' funds</b>	<b>344,770</b>	<b>345,883</b>

### 17 Pensions

The company's employees are members of two company pension schemes.

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

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

The total cost of contributions to the group scheme amount to £Nil (2014: £4.5 million) and are based on pension costs across the group as a whole. However owing to an advance deficit contribution made at the end of the previous year, which was recorded as a prepayment by the company, £0.9 million (2014: £0.9 million) was charged to the company.

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

The group expects to contribute £3.5 million over the following year, of which the company will be charged £0.9 million.

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

The defined contribution scheme is administered by independent pension advisers and invested by external managers for new employees joining the Group after July 1995 who were not eligible to participate in the Tetley defined benefit scheme and existing employees who chose to join following the closure of the defined benefit scheme in April 1997 or after the defined benefit scheme's closure to future accrual in 2005. The pension cost in the year of the company's defined contribution scheme was £212,000 (2014: £201,000). At the end of the year, contributions of £37,000 (2014: £32,000), representing the unpaid contributions for April 2015, were outstanding.

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 18 Leases

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

Commitment expires:	Land and buildings		Other	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Within one year	-	-	1	20
Between one and five years	1,122	923	35	39
After five years	-	392	-	-
	<b>1,122</b>	<b>1,315</b>	<b>36</b>	<b>59</b>

The commitment expiring between 1 and 5 years includes an annual commitment of £199,000 in respect of a property that is currently vacant. The company has created a provision to cover the commitment for the period it is expected to be vacant (refer Note 13).

### 19 Parent company

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

# Tata Global Beverages Services Limited

## Notes to the financial statements (continued)

### 20 Related parties

The company entered into the following transactions with fellow subsidiaries of the ultimate parent undertaking.

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
<b><u>Management services rendered</u></b>		
Tata Global Beverages (India) Limited	1,763	1,660
Eight O'clock Coffee Inc	1,116	1,085
<b><u>Management services received</u></b>		
Tata Global Beverages (India) Limited	4,389	3,628
Eight O'clock Coffee Inc	381	298
<b><u>Amounts outstanding</u></b>		
<b><u>Debtors</u></b>		
Tata Global Beverages (India) Limited	572	445
Eight O'clock Coffee Holdings Inc	1,214	1,131
<b><u>Creditors</u></b>		
Tata Global Beverages (India) Limited	(1,370)	(984)
Eight O'clock Coffee Holdings Inc	(316)	(303)