

Teapigs Limited
(Registered Number: 5426310)

Annual report and financial statements

Year ended 31 March 2010

Teapigs Limited

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Teapigs Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2010.

Principal Activities

The company's primary activity is to source, market and distribute premium tea products.

Results and dividends

The company made a profit for the financial year of £95,000 (2009: a loss of £151,000). The directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The directors of Tata Tea (GB) Limited manage the company's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Teapigs Limited's business.

Directors

The directors during the year were as follows:

N I Kilby
J R Nicholas
L A Allen
G F Hartley

Going Concern

Tetley GB Limited has indicated that it will continue to support the company financially for at least 12 months from the date of signing these financial statements. On this basis, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they have adopted the going concern basis in preparing the financial statements.

Share Capital

The authorised and called-up share capital of the company, together with details of the shares allotted during the period, are shown in note 11 of the financial statements.

Disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, the directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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Directors' report (continued)

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 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.

By Order of the Board



J R Nicholas
Director
28 May 2010

Teapigs Limited

Independent Auditor's Report to the members of Teapigs Limited

We have audited the financial statements of Teapigs Limited for the year ended 31 March 2010 which comprise the Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

Scope of the audit of the financial statements

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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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Independent Auditor's Report to the members of Teapigs Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Jonathan Hook (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

1 June 2010

Teapigs Limited

Accounting Policies

Basis of preparation

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

Tetley GB Limited has indicated that it will continue to support the company financially for at least 12 months from the date of signing these financial statements. On this basis, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they have adopted the going concern basis in preparing the financial statements.

Cash flow statement

Tata Tea (GB) Limited has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of FRS 1. Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

Fixed Assets

Fixed assets are held at historic cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Computer Equipment - 3 to 5 years

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.

Turnover

Turnover comprises sales of goods after deduction of discounts and sales taxes. Turnover is recognised when the risks and rewards of the underlying products and services have been substantially transferred to the customer.

Leased assets

Tangible fixed assets held under finance leases are capitalised and depreciated in accordance with the company's depreciation policy. 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)

Stocks

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

Foreign currencies

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

Supplier payments

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

Teapigs Limited

Profit and loss account Year ended 31 March 2010

	Note	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Turnover	1	1,551	822
Cost of sales		(690)	(492)
Gross profit		861	330
Selling and distribution expenses		(121)	(61)
Administrative expenses		(607)	(449)
Operating profit / (loss)	2	133	(180)
Net interest payable	3	(1)	(30)
Profit / (Loss) on ordinary activities before taxation		132	(210)
Taxation on profit / (loss) on ordinary activities	5	(37)	59
Profit / (Loss) for financial period	12	95	(151)

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

All recognised gains and losses relating to the period are included above.

All amounts shown above relate to continuing operations.

Teapigs Limited

Balance sheet As at 31 March 2010

	Note	31 March 2010 £'000s	31 March 2009 £'000s
Fixed assets	6	2	2
Current assets			
Stocks	7	511	289
Debtors (amounts falling due within one year)	8	211	166
Debtors (amounts falling due after more than one year)	9	87	59
Cash at bank and in hand		100	19
		909	533
Creditors: amounts falling due within one year	10	(437)	(156)
Net current assets		472	377
Total assets less current liabilities		474	379
Net assets		474	379
Share capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss reserve	12	(526)	(621)
Total shareholders' funds		474	379

The financial statements on pages 5 to 14 were approved by the Board on 28 May 2010 and signed on its behalf by:



J R Nicholas
Director

Teapigs Limited
Registered no 5426310

Teapigs Limited

Notes to the financial statements

1 Turnover

The principal operation of the company is the marketing and distribution of tea, which is regarded by the directors as a single class of business. The origin and destination of the company's turnover is the United Kingdom.

2 Operating profit / (loss)

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
The operating profit / (loss) is stated after charging:		
Wages and salaries	306	237
Social security costs	23	25
Other pension costs	22	22
Staff costs	351	284
Operating lease rentals - Other	24	14
Depreciation of fixed assets - owned assets	2	2

The auditors' remuneration for audit services in the current and prior periods was borne by a fellow subsidiary undertaking, The Tetley Group Limited.

3 Net interest payable

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Interest payable on group loans	(1)	(31)
Bank interest receivable	-	1
Net interest payable	(1)	(30)

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Notes to the financial statements (continued)

4 Directors and Employees

The average number of persons (including directors) employed by the company during the period was 4 (2009: 4).

The emoluments of the Directors were as follows:

	Year ended 31 March 2010 £000s	Year ended 31 March 2009 £000s
Wages and salaries	172	164
Social security costs	21	20
Other pension costs	21	20
Staff costs	214	204

5 Taxation

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28% (2009: 28%).

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit / (Loss) on ordinary activities before tax	132	(210)
Profit / (Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	37	(59)
Current tax charge / (credit) for the period	37	(59)

In 2009 the company surrendered its tax credit to another group company for consideration of £59,000. Accordingly no tax losses are available for carry forward.

Factors that may affect future tax charges for future periods

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year.

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Notes to the financial statements (continued)

6 Fixed assets

	Computer Equipment £'000s
Cost	
At 1 April 2009	7
Additions	2
At 31 March 2010	9
Depreciation	
At 1 April 2009	5
Charge for the year	2
At 31 March 2010	7
Net book amount	
At 31 March 2010	2
At 31 March 2009	2

7 Stock

	31 March 2010 £'000	31 March 2009 £'000
Finished goods	511	289

The amount shown for finished goods is not materially different from the replacement cost of those finished goods to the company.

8 Debtors (amounts falling due within one year)

	31 March 2010 £'000	31 March 2009 £'000
Amounts due within one year:		
Trade debtors	211	97
Amounts owed by group undertakings	-	69
	211	166

Teapigs Limited

Notes to the financial statements (continued)

9 Debtors (amounts falling due after more than one year)

	31 March 2010 £'000	31 March 2009 £'000
Amounts falling due after more than one year:		
Amounts owed by group undertakings	87	59

10 Creditors: amounts falling due within one year

	31 March 2010 £'000	31 March 2009 £'000
Trade creditors	192	32
Amounts owed to group undertakings	181	87
Accruals	64	37
	437	156

Amounts owed to group undertakings consist of a loan from The Tetley Group Limited. The loan is charged at variable rates and is unsecured. The principal is repayable on demand by the lender.

11 Called up share capital

		31 March 2010 £'000	31 March 2009 £'000
	Number		
Authorised			
Ordinary shares of £1 each	10,000,000 (2009: 10,000,000)	10,000	10,000
Allotted, called up and fully paid			
Ordinary shares of £1 each	1,000,000 (2009: 550,000)	1,000	1,000

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Notes to the financial statements (continued)

12 Reserves

	Profit and loss reserve £'000
At 1 April 2009	(621)
Profit for the financial period	95
At 31 March 2010	(526)

13 Reconciliation of movements in shareholders' funds

	31 March 2010 £'000	31 March 2009 £'000
Profit / (Loss) for the financial year	95	(151)
New share capital subscribed	-	450
Net movement in shareholders' funds	95	299
Opening shareholders' funds	379	80
Closing shareholders' funds	474	379

14 Leases

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

Commitment expires:	Land and buildings 2010 £'000	2009 £'000
Within one year	-	-
Between one and five years	20	20
After five years	-	-
	20	20

Teapigs Limited

Notes to the financial statements (continued)

15 Parent company

The immediate parent undertaking is Tetley GB Limited. The smallest parent company to include the company's results in their consolidated accounts is Tata Tea (GB) 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 Tea Limited, a company registered in India.

16 Related party transactions

As the company is a wholly owned subsidiary of Tata Tea (GB) 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 Tea (GB) Limited.