

Tetley GB Limited
(Registered Number: 3019950)

Annual report and financial statements

Year ended 31 March 2010

Tetley GB Limited

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Tetley GB Limited

Directors' report

The directors present their report and the audited financial statements for the period ended 31 March 2010 which is a 365 day period (2009: 360 day period).

Principal activities

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

Results, business review, future developments and dividends

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

The company remains a leading member of the Ethical Tea Partnership, an international non-commercial alliance of tea packers whose vision is of a thriving tea sector that is socially just and environmentally sustainable. During the year the company announced its commitment to purchasing all of the tea for its Tetley branded teabag and loose tea products from Rainforest Alliance Certified TM farms by 2016.

The directors are pleased to report that it has been a successful and profitable period for the company. The company achieved sales of £181.9 million which represents an increase of 11.5 % year on year. Profit after tax of £23.7 million was £5.2 million behind the prior year.

The market performance of the company remains strong. The company has a UK market share in value terms of 25.1% (2009: 26.1%) which reflects the achievement of better quality sales at the expense of a marginal loss in volumes. In Canada, the company's largest export market, leadership was also retained with a share of 35.9% (2009: 37.0%).

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

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

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

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

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

The company is a wholly owned subsidiary of Tata Tea (GB) Limited. More detail on the performance of the Group as a whole can be found in the Directors' Report of that company.

Tetley GB Limited

Directors' report (continued)

Directors and their interests

The directors during the period were as follows:

P D Unsworth
J R Nicholas
L Krishna Kumar

Going Concern

The directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, having received the assurances referred to in note 15 in respect of the borrowings from Tata Tea (GB) Limited and Tetley Group Holdings Limited, they have adopted the going concern basis in preparing the financial statements.

Health, safety and the environment

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

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

Disabled persons

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

Research and development expenditure

The company 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.

Charitable and political contributions

Charitable donations during the period amounted to £2,000 (2009: £116,000). No political donations were made in the period (2009: £nil).

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.

Tetley GB Limited

Directors' report (continued)

Employee involvement

The company believes in effective communication to engage its employees worldwide. This is regularly delivered via its intranet site, a monthly Core Brief and World of Tetley, a quarterly in-house magazine, supported by ad hoc mailings and face to face communication events. Together, these ensure all employees are well informed about the company's performance and key business issues and developments.

Fixed assets

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

Loans to and from group undertakings

The company has agreed with certain group undertakings to offset debit and credit balances on loans to and from those group undertakings in the period. Details of loans to and from group undertakings are included within notes 12, 13 and 14.

Statement of 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.

Tetley GB Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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

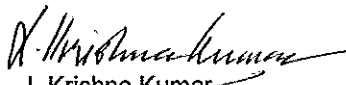
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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


L. Krishna Kumar
Director
28 May 2010

Tetley GB Limited

Independent auditors' report to the members of Tetley GB Limited

We have audited the financial statements of Tetley GB 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 4, 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.

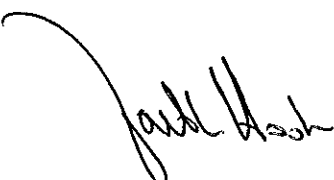
Tetley GB Limited

Independent auditors' report to the members of Tetley GB 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

21 July 2010

Tetley GB Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with 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 and, having received the assurances referred to in note 15 in respect of the borrowings from Tata Tea (GB) Limited and Tetley Group Holdings Limited, they have adopted the going concern basis in preparing the financial statements.

Consolidation

The company has taken advantage of the exemption provided by Section 228 of the Companies Act 2006 not to prepare group accounts as the results are included in the consolidated accounts of Tata Tea (GB) Limited.

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.

Turnover

Turnover comprises sales of goods after deduction of discounts and sales taxes. Statutory turnover is after the deduction of promotional costs required by FRS5 Application Note G. Turnover is recognised when the risks and rewards of the underlying products and services have been substantially transferred to the customer.

Research and development

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

Pension and other post retirement benefit arrangements

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

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 required by FRS 17 'Retirement benefits'.

Defined Contribution Schemes

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

Further details on the Group's pension schemes are given in note 20.

Tetley GB Limited

Accounting policies (continued)

Goodwill

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

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

Whilst the accounting treatment represents a departure from the specific requirements of the Companies Act 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act 2006 (Section 404(5)). If the company had continued to amortise goodwill over a period of 20 years the profit before tax would have been £4.1m lower for the period (2009: £4.1m).

Intangible Assets (Brands)

Intangible Assets held represents the purchase of 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.

Tangible Fixed Assets and Depreciation

Fixed assets are recorded at costs less accumulated depreciation. No depreciation is charged on land. Freehold buildings are depreciated on a straight line basis over 50 years or their remaining life, if less. Leasehold 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 at the following rates:

Plant and machinery	5 to 12 years
Commercial and motor vehicles	4 to 6 years
Office furniture and fittings	5 to 10 years
Computer hardware	3 to 5 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.

Tetley GB Limited

Accounting policies (continued)

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.

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value and, in the opinion of the directors, their value is not less than the aggregate amount shown in the balance sheet.

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.

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.

Tetley GB Limited

Profit and loss account Year ended 31 March 2010

	Note	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
Turnover	1	181,916	163,225
Operating profit	1,2,3	30,740	30,849
Net interest receivable and similar income	4	3,813	6,926
Profit on ordinary activities before taxation		34,553	37,775
Tax on profit on ordinary activities	6	(10,824)	(8,829)
Retained profit for the financial period		23,729	28,946

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

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


All amounts shown above relate to continuing operations.

Tetley GB Limited

Balance sheet As at 31 March 2010

	Note	31 March 2010 £'000s	31 March 2009 £'000s
Fixed assets			
Intangible assets	8	63,355	63,355
Tangible assets	9	15,812	17,316
Investments	10	1,000	1,000
		80,167	81,671
Current assets			
Stocks	11	28,435	21,951
Debtors (amounts falling due with one year)	12	28,497	24,213
Debtors (amounts falling due after more than one year)	13	106,558	80,862
Cash at bank and in hand		6	6
		163,496	127,032
Creditors: amounts falling due within one year	14	(43,579)	(35,482)
Net current assets		119,917	91,550
Total assets less current liabilities		200,084	173,221
Creditors: amounts falling due after more than one year	15	(49,973)	(46,245)
Provisions for liabilities and charges	16	(2,660)	(3,254)
Net assets		147,451	123,722
Capital and reserves			
Called up share capital	17	-	-
Profit and loss reserve	18	147,451	123,722
Total shareholders' funds		147,451	123,722

The financial statements on pages 7 to 21 were approved by the Board on 28 May 2010 and signed on its behalf by:


L. Krishna Kumar
Director

Tetley GB Limited
Registered Number: 3019950

Tetley GB Limited

Notes to the financial statements

1 Turnover and profit information

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

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

Year ended 31 March 2010:

	Turnover by origin £'000s	Turnover by destination £'000s
<i>Continuing Operations</i>		
United Kingdom	178,816	144,779
Rest of the World	3,100	37,137
Total	181,916	181,916

Period ended 31 March 2009:

	Turnover by origin £'000s	Turnover by destination £'000s
<i>Continuing Operations</i>		
United Kingdom	161,844	129,701
Rest of the World	1,381	33,524
Total	163,225	163,225

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

	2010 £'000s	2009 £'000s
Turnover	181,916	163,225
Cost of sales	(114,517)	(96,144)
Gross profit	67,399	67,081
Selling and distribution costs	(18,909)	(17,239)
Administrative expenses	(17,419)	(16,521)
Group operating profit before exceptionals	31,071	33,321
Exceptional items	(331)	(2,472)
Operating profit	30,740	30,849

Tetley GB Limited

Notes to the financial statements (continued)

2 Operating profit

	2010	2009
	£'000	£'000
The operating profit is stated after charging:		
Wages and salaries	18,615	18,113
Social security costs	1,577	1,450
Other pension costs	4,670	2,877
Staff costs:	24,862	22,440
Auditors' remuneration	-	-
Auditors' fees for non audit services	14	10
Depreciation and amortisation of fixed assets	4,988	4,311
Operating lease rentals		
- Land and Buildings	796	1,648
- Other	251	300
Research and development costs	558	412
Exceptional items (see note 3)	331	2,472

The auditors' remuneration for audit services in the current year is borne by a fellow subsidiary undertaking, The Tetley Group Limited. The cost of operating lease rentals in respect of land and buildings was shared with The Tetley Group Limited in the current year.

3 Exceptional items

	2010	2009
	£'000	£'000
Re-organisation costs	331	616
Impairment of investment	-	1,856
	331	2,472

During the period £331,000 (2009: £616,000) of reorganisation costs were charged to operating profit. The restructuring costs incurred during the period related primarily to redundancy costs and a provision for litigation costs relating to a contract manufacturer.

Tetley GB Limited

Notes to the financial statements (continued)

4 Net interest receivable and similar income

	2010 £'000	2009 £'000
Interest payable to group undertakings	(2,098)	(5,083)
Other interest payable	(332)	(202)
	(2,430)	(5,285)
Interest receivable from group undertakings	6,243	12,211
Net interest receivable	3,813	6,926

5 Directors and employees

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

	2010 Number	2009 Number
Manufacturing	402	464
Selling & distribution	96	95
Administration	36	65
	534	624

The directors of the company are directors of the Group's parent undertaking and are remunerated for their services to the Group as a whole. The emoluments of the directors and the details of the highest paid director are included within the Tata Tea (GB) Limited accounts. The directors do not receive any remuneration for their services to the company (2009: nil).

Directors' pension arrangements at 31 March 2010 are as follows:

Number of directors who are members of:

	2010 Number	2009 Number
Active members of Defined contribution pension schemes	2	2
Members of Defined benefit pension scheme who have benefits accruing	1	1

Tetley GB Limited

Notes to the financial statements (continued)

6 Taxation

	2010 £'000	2009 £'000
Current Tax:		
UK corporation tax on profits in the period	10,316	11,779
Adjustments in respect of prior periods	624	(2,411)
Total current tax	10,940	9,368
Deferred Tax	(116)	(539)
	10,824	8,829

Factors affecting the tax charge for the period

The current tax charge for the period is higher than at the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2010 £'000	2009 £'000
Profit on ordinary activities before tax	34,553	37,775
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	9,675	10,577
Effects of:		
Capital allowances for period less than depreciation	597	598
Permanent differences	56	59
Other timing differences	(12)	23
Capital losses not relieviable	-	522
Tax credit in respect of prior years	-	(1,742)
Provision / (release) in respect of prior years	624	(669)
Current tax charge for the period	10,940	9,368

The capital losses not relieviable in 2009 related to the write-down of the company's investment in Drassington Limited.

Tetley GB Limited

Notes to the financial statements (continued)

7 Dividends

No dividend was paid during the period (2009: nil).

8 Intangible assets

	Brands £'000	Goodwill £'000s	Total £'000s
Cost			
At 1 April 2009 and at 31 March 2010	4,815	81,269	86,084
Amortisation			
At 1 April 2009 and at 31 March 2010	-	22,729	22,729
Net book amount			
At 31 March 2010	4,815	58,540	63,355
At 31 March 2009	4,815	58,540	63,355

9 Tangible assets

	Freehold land and buildings £'000	Plant, machinery, fixtures, fittings and equipment £'000	Commercial and motor vehicles £'000	Capital work in progress £'000	Total £'000
Cost					
At 1 April 2009	7,346	51,486	193	2,676	61,701
Additions	282	3,499	-	-	3,781
Disposals	(6)	(1,541)	(27)	(290)	(1,864)
At 31 March 2010	7,622	53,444	166	2,386	63,618
Depreciation					
At 1 April 2009	3,467	40,755	163	-	44,385
Charge for the period	490	4,485	13	-	4,988
Disposals	(1)	(1,539)	(27)	-	(1,567)
At 31 March 2010	3,956	43,701	149	-	47,806
Net book amount					
At 31 March 2010	3,666	9,743	17	2,386	15,812
At 31 March 2009	3,879	10,731	30	2,676	17,316

Tetley GB Limited

Notes to the financial statements (continued)

10 Investments

Cost	Shares in Group undertakings £'000
<u>At 1 April 2009 and 31 March 2010</u>	
	<u>1,000</u>

The company's shares in group undertakings at the start of the period are represented by 100% equity holdings in three dormant companies (Lyons Tetley Limited, Stansand Limited and Stansand (Brokers) Limited), a 100% equity holding in Teapigs Limited and a 94.9% equity holding in Drassington Limited, all of which were incorporated in the UK.

11 Stocks

	2010 £'000	2009 £'000
Raw materials	22,234	16,604
Work in progress	102	45
Finished goods	6,099	5,302
	<u>28,435</u>	<u>21,951</u>

The difference between the amount shown above and replacement cost is not material.

12 Debtors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade debtors	20,614	16,685
Amounts owed by group undertakings	6,113	4,790
Other debtors, prepayments and accrued income	1,509	2,322
Deferred taxation	261	416
	<u>28,497</u>	<u>24,213</u>

Tetley GB Limited

Notes to the financial statements (continued)

13 Debtors: amounts falling due after more than one year

	2010 £'000	2009 £'000
<u>Amounts owed by group undertakings</u>	<u>106,558</u>	<u>80,862</u>

Amounts owed by group undertaking represents a balance held with The Tetley Group Limited. The loan is charged at 2% above LIBOR and is unsecured. The loan agreement provides for the principal to be repaid on demand by the borrower. The company has indicated to The Tetley Group Limited that it will not require the loan to be repaid within the next 12 months.

14 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Trade creditors	30,415	10,960
Amounts owed to group undertakings	954	1,369
Finance lease obligations	-	0
Corporation tax	2,606	3,818
Other taxation and social security	541	456
Other creditors and accruals	9,063	18,879
<u></u>	<u>43,579</u>	<u>35,482</u>

15 Creditors: amounts falling due after one year

	2010 £'000	2009 £'000
<u>Amounts owed to group undertakings</u>	<u>49,973</u>	<u>46,245</u>

Amounts owed to group undertakings include a loan from Tata Tea (GB) Limited of £37,169,000 and Tetley Group Holdings Limited of £11,221,000 together with other balances with fellow group subsidiaries. The loans are charged at variable rates and are unsecured. The loan agreements provide for the principal to be repaid on demand by the lender. Each lender has indicated to the company that it will not require repayment of the balance of its loan, in the normal course of events, until at least twelve months from the date that these financial statements were approved. The borrowings have, therefore, been treated as repayable after more than one year from the balance sheet date.

Tetley GB Limited

Notes to the financial statements (continued)

16 Provisions for liabilities and charges

	Reorganisation costs £'000	Deferred tax £'000	Other provisions £'000	Total £'000
At 1 April 2009	500	2,604	150	3,254
Established in period	331	-	-	331
Utilised in period	(809)	(116)	-	(925)
At 31 March 2010	22	2,488	150	2,660

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

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

	2010 £'000	2009 £'000
Accelerated capital allowances	1,570	1,698
Other timing differences	918	906
	2,488	2,604

There is no unprovided deferred tax in respect of the company (2009: £nil).

17 Share capital

	Number	2010 £'000	2009 £'000
Authorised			
Ordinary shares of £1 each	100 (2009: 100)	-	-
Allotted, called up and fully paid			
Ordinary shares of £1 each	1 (2009: 1)	-	-

18 Reserves

	Profit and loss reserve £'000
At 1 April 2009	123,722
Profit for the period	23,729
At 31 March 2010	147,451

Tetley GB Limited

Notes to the financial statements (continued)

19 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit for the period	23,729	28,946
<u>Opening shareholders' funds</u>	<u>123,722</u>	<u>94,776</u>
<u>Closing shareholders' funds</u>	<u>147,451</u>	<u>123,722</u>

20 Pensions

The company's employees are members of the two Tetley GB Limited pension schemes.

The company participates in the Tetley GB Final Salary Pension Scheme, which is of the funded defined benefit type providing benefits to certain employees within the Tata Tea (GB) Limited 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.

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

The total cost of contributions to the Group scheme amount to £4.9m (2009: £2.7m), and are based on pension costs across the Group as a whole. Of this, £3.675m (2009: £2.0m) was charged to the company. An actuarial valuation of the Tetley GB Final Salary Pension scheme was undertaken on 31 March 2010 and a deficit of £12.4m was identified (after deducting the associated deferred tax).

The group expects to contribute £3.0m over the following year, of which the company will be charged £2.25m.

Full disclosures relating to this scheme are included within the financial statements of Tata Tea (GB) Limited.

The defined contribution scheme is administered by independent pension advisers and invested by external managers for employees joining the Group after July 1995. Such employees were not eligible to participate in the Tetley defined benefit scheme. The pension cost in the period of the company's defined contribution scheme was £853,000 (2009: £852,000).

21 Contingent liabilities

There were contingent liabilities at 1 April 2009 and 31 March 2010 in respect of operating leases undertaken in the normal course of business. See note 22 for details of commitments.

The company is a wholly owned subsidiary of Tata Tea (GB) Limited ("TTGB"). The main financing for the group of companies owned by TTGB is provided by a series of credit facilities to TTGB and nominated subsidiaries. Under the terms of these arrangements, outstanding liabilities are supported by guarantees and various securities provided by the principal subsidiaries of TTGB, including the company. The company has provided a series of undertakings and covenants to the lenders in connection with the Group's performance consistent with usual practice in such financing arrangements. At 31 March 2010, total amounts outstanding under this arrangement were £110.0 million (2009: £148.2 million).

The directors are of the opinion that these arrangements will not have a material impact on the results and financial position of the company.

Tetley GB Limited

Notes to the financial statements (continued)

22 Leases

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

Commitment expires:	Land and buildings		Other	
	2010 £'000	2009 £'000	2010 £'000	2009 £'000
Within one year	-	37	-	-
Between one and five years	321	277	251	300
After five years	475	1,334	-	-
	796	1,648	251	300

23 Capital commitments

Capital expenditure authorised by the Board and contracted for at 31 March 2010 amounted to £0.6 million (2009: £0.4 million).

24 Parent company

The immediate parent company is Tetley Group Holdings Limited. The smallest parent company to include the company's results in its 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.

25 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.

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