

**Tetley Group Holdings Limited**  
(Registered Number: 3265181)

**Annual report and financial statements**

**Year ended 31 March 2010**

# Tetley Group Holdings Limited

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# **Tetley Group Holdings 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 and future developments**

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

### **Results and dividends**

The company made a loss for the financial period of £6,414,000 (2009: loss of £2,593,000). 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 Tetley Group Holdings Limited's business.

### **Directors and their interests**

The directors during the period were as follows:

P D Unsworth  
D W D Barlow  
R Forrest  
L Krishna Kumar (appointed 28 May 2009)

### **Going Concern**

Tetley Overseas Holdings Limited and The Tetley Group Limited have indicated that they 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.

### **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 Group Holdings Limited

## 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



L. Krishna Kumar  
Director  
28 May 2010

# **Tetley Group Holdings Limited**

## **Independent auditors' report to the members of Tetley Group Holdings Limited**

We have audited the financial statements of Tetley Group Holdings 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 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.

### **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.

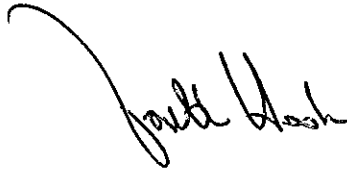
## Tetley Group Holdings Limited

### Independent auditors' report to the members of Tetley Group Holdings 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 Group Holdings Limited**

## **Accounting policies**

### **Basis of accounting**

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 Overseas Holdings Limited and The Tetley Group Limited have indicated that they 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.

### **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.

### **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.

## Tetley Group Holdings Limited

### Profit and loss account for the year ended 31 March 2010

	Note	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
<u>Administration expenses</u>	1	<u>(8,849)</u>	<u>(2,848)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(8,849)</b>	<b>(2,848)</b>
<u>Taxation on loss on ordinary activities</u>	3	<u>2,435</u>	<u>255</u>
<b>Loss for the financial period</b>	10	<b>(6,414)</b>	<b>(2,593)</b>

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.




# Tetley Group Holdings Limited

## Balance sheet As at 31 March 2010

	Note	31 March 2010 £'000s	31 March 2009 £'000s
<b>Fixed assets</b>			
Investments	5	<u>178,294</u>	<u>178,294</u>
		<b>178,294</b>	<b>178,294</b>
<b>Current assets</b>			
Debtors (amounts falling due after more than one year)	6	<u>11,221</u>	<u>9,150</u>
		<b>11,221</b>	<b>9,150</b>
<b>Total assets less current liabilities</b>		<b>189,515</b>	<b>187,444</b>
<b>Creditors: amounts falling due after more than one year</b>	7	<u>(29,984)</u>	<u>(21,499)</u>
<b>Net assets</b>		<b>159,531</b>	<b>165,945</b>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share premium account	9	<u>174,294</u>	<u>174,294</u>
Profit and loss reserve	9	<u>(14,763)</u>	<u>(8,349)</u>
<b>Total shareholders' funds</b>	10	<b>159,531</b>	<b>165,945</b>

The financial statements on pages 5 to 12 were approved by the Board of Directors on 28 May 2010 and signed on its behalf by:

  
L Krishna Kumar  
Director

Tetley Group Holdings Limited  
Registered no 3265181

# Tetley Group Holdings Limited

## Notes to the financial statements

### 1 Administration expenses

Administration expenses relate to the recharge of expenses from The Tetley Group Limited, a subsidiary company. The auditors' remuneration is paid by The Tetley Group Limited.

### 2 Directors and employees

The directors did not receive any emoluments in the period in respect of their services as directors of 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
Defined contribution pension schemes	3	3
Defined benefit pension scheme	-	-
<b>Total</b>	<b>3</b>	<b>3</b>

Other than the directors, the company has no employees (2009: nil).

# Tetley Group Holdings Limited

## Notes to the financial statements (continued)

### 3 Taxation

The tax credit of £2,435,000 (2009: £255,000) is a credit for group relief.

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

	2010 £'000	2009 £'000
<b>Current Tax:</b>		
Loss on ordinary activities before tax	(8,849)	(2,848)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	(2,478)	(797)
Effects of:		
Permanent differences	43	542
<hr/>		
Current tax credit for the period	<b>(2,435)</b>	<b>(255)</b>

The company has surrendered the benefit of tax losses to another group company for a consideration of £2,435,000 (2009: £255,000). Accordingly, no tax losses are available for carry-forward.

#### Factors that may affect future tax charges

The company expects fellow UK subsidiary undertakings to remain sufficiently profitable such that the company will continue to receive payment for tax losses surrendered to these undertakings.

# Tetley Group Holdings Limited

## Notes to the financial statements (continued)

### 5 Investments

Cost	Shares in Group undertakings £'000
<u>At 31 March 2010 and 1 April 2010</u>	<u>178,294</u>

The principal subsidiary undertakings and joint ventures are as follows:

	Country of incorporation	Proportion of equity and voting rights held
Tetley GB Limited	UK	100%
The Tetley Group Limited	UK	100%
Tetley Overseas Holdings Limited	UK	100%
Tetley Overseas Limited (indirect holding)	UK	100%
Tetley US Holdings Inc (indirect holding)	USA	100%
Good Earth Corporation Inc. (indirect holding)	USA	100%
Good Earth Teas Inc (formerly Fmali Herb inc, indirect holding)	USA	100%
Tetley USA Inc (indirect holding)	USA	100%
Empirical Group LLC (indirect holding)	USA	56%
Southern Tea LLC (indirect holding)	USA	50%
Tetley Canada Inc (indirect holding)	Canada	100%
Tetley Australia Pty Ltd (indirect holding)	Australia	100%
Stansand (Africa) Limited (indirect holding)	Kenya	100%
Stansand (Central Africa) Limited (indirect holding)	Malawi	100%
Tetley Polska Sp. z o.o (indirect holding)	Poland	100%
Tetley ACI (Bangladesh) Limited (indirect holding)	Bangladesh	50%
Tetley Clover (Private) Limited (indirect holding)	Pakistan	50%
Drassington Limited (indirect holding)	UK	95%
Teapigs Limited (indirect holding)	UK	100%
Jemca a.s. (indirect holding)	Czech Republic	100%
Joekels Tea packers (Proprietary) Ltd (indirect holding)	South Africa	33.3%

All undertakings principally operate within the tea sector in their country of incorporation.

# Tetley Group Holdings Limited

## Notes to the financial statements (continued)

### 6 Debtors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed by group undertakings	11,221	9,150

### 7 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings	29,984	21,499

Amounts owed to group undertakings include £26,984,000 owed to The Tetley Group Limited and £3,000,000 owed to Tetley Overseas Holdings Limited. Both loans are repayable on demand of the lenders and are subject to nil interest rates. Both lenders have indicated to the company that they will not require repayment of the loan, in the normal course of the events, until at least twelve months from the date that these financial statements were approved. The borrowings have, therefore, been treated as payable after more than one year from the balance sheet date.

### 8 Share capital

	Number	2010 £'000	2009 £'000
<b>Authorised</b>			
Ordinary shares of £1 each	202 (2009: 202)	-	-
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	202 (2009: 202)	-	-

### 9 Reserves

	Share Premium £'000	Profit and loss reserve £'000
At 1 April 2009	174,294	(8,349)
Loss for the financial period	-	(6,414)
At 31 March 2010	174,294	(14,763)

# Tetley Group Holdings Limited

## Notes to the financial statements (continued)

### 10 Reconciliation of movements in shareholders' funds

	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
At 1 April 2009	165,945	168,538
Loss for the financial period	(6,414)	(2,593)
<b>At 31 March 2010</b>	<b>159,531</b>	<b>165,945</b>

### 11 Contingent liabilities

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.

### 12 Parent company

The immediate parent undertaking and the smallest 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.

### 13 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.