

Tetley Overseas Holdings Limited
(Registered Number: 3017857)

Annual report and financial statements

Year ended 31 March 2010

Tetley Overseas Holdings Limited

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Tetley Overseas 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).

Results and dividends

The company made a profit for the financial period of £11,000 (2009: profit of £2,456,000). 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 Overseas 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

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 9 of these financial statements from Tata Tea (GB) Limited, The Tetley Group Limited and Tetley Overseas Limited, they have adopted the going concern basis in preparing the financial statements.

Tetley Overseas Holdings Limited

Directors' report (continued)

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.

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

By Order of the Board



L Krishna Kumar

Director

28 May 2010

Tetley Overseas Holdings Limited

Independent Auditor's Report to the members of Tetley Overseas Holdings Limited

We have audited the financial statements of Tetley Overseas 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 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 Overseas Holdings Limited

Independent auditors' report to the members of Tetley Overseas 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 Overseas 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.

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 9 of these financial statements from Tata Tea (GB) Limited, The Tetley Group Limited and Tetley Overseas 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 a group cash flow statement, drawn up in accordance with the provisions of FRS 1, in its consolidated financial statements. 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.

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.

Foreign currencies

The company accounts for exchange differences arising on its foreign currency investments in subsidiary undertakings within reserves, net of differences, where applicable, on related currency borrowings.

Tetley Overseas Holdings Limited

Profit and loss account Year ended 31 March 2010

	Note	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
Turnover		-	-
Operating profit	1	-	-
Income from investments	1	89	2,601
Interest payable and similar charges	2	(108)	(202)
(Loss) / profit on ordinary activities before taxation		(19)	2,399
Tax credit on ordinary activities	4	30	57
Profit for the financial period		11	2,456

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.

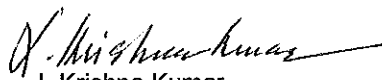
All amounts shown above relate to continuing businesses.

Tetley Overseas Holdings Limited

Balance sheet As at 31 March 2010

	Note	31 March 2010 £'000s	31 March 2009 £'000s
Fixed assets			
Investments	5	42,584	40,524
		42,584	40,524
Current assets			
Debtors (amounts falling due within one year)	6	180	1,382
Debtors (amounts falling due after more than one year)	7	19,777	20,784
		19,957	22,166
Creditors: amounts falling due within one year	8	(46)	(1,248)
Net current assets		19,911	20,918
Total assets less current liabilities		62,495	61,442
Creditors: amounts falling due after more than one year	9	(58,121)	(57,079)
Net assets		4,374	4,363
Capital and reserves			
Called up share capital	10	-	-
Share premium account	11	4,750	4,750
Profit and loss reserve	11	(376)	(387)
Total shareholders' funds	12	4,374	4,363

The financial statement on pages 5 to 13 were approved by the Board of directors on 28 May 2010 and signed on its behalf by:


L Krishna Kumar
Director

Tetley Overseas Holdings Limited
Registered no 3017857

Tetley Overseas Holdings Limited

Notes to the financial statements

1 Profit and loss account

Certain administrative expenses, including the auditors' remuneration, are paid by a fellow subsidiary undertaking, The Tetley Group Limited. The investment income in 2010 relates to dividends received from a Group undertaking which is not subject to UK corporation tax (2009: investment income which is subject to UK corporation tax but on which the company is able to claim double tax relief).

2 Interest payable and similar charges

	Year Ended 31 March 2010 £'000	Period Ended 31 March 2009 £'000
Interest payable on group loans	(108)	(202)

3 Directors and employees

The directors did not receive any emoluments during 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:

	Year Ended 31 March 2010 Number	Period Ended 31 March 2009 Number
Defined contribution pension schemes	3	3
Defined benefit pension scheme	-	-
Total	3	3

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

Tetley Overseas Holdings Limited

Notes to the financial statements (continued)

4 Taxation

The tax credit of £30,000 (2009: £57,000) is a credit for payments received or to be received from fellow group undertakings for the surrender of tax losses as group relief.

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

	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
Current Tax:		
Profit / (loss) on ordinary activities before tax	(19)	2,399
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	(5)	672
Double tax relief on investment income	-	(729)
Income not taxable	(25)	-
Current tax credit for the period	(30)	(57)

The company has surrendered the benefit of tax losses to another group company for a consideration of £30,000 (2009: £57,000). Accordingly, no tax losses are available for carry-forward.

Factors affecting the tax charge for future periods

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.

5 Investments

	Shares in Group undertakings £'000
Cost	
At 1 April 2009	43,674
Increase in investment in subsidiary	1,838
Increase in investment in joint venture	222
At 31 March 2010	45,734
Impairment	
At 1 April 2009 and 31 March 2010	3,150
Net book value	
At 31 March 2010	42,584
At 1 April 2009	40,524

Tetley Overseas Holdings Limited

Notes to the financial statements (continued)

5 Investments (continued)

The increase in investments in subsidiaries relates to further investment in Tetley Polska Sp. z o.o. (£1,838,000).

The increase in investments in joint ventures relates to further investment in Tetley Clover (Private) Limited (£222,000).

The Company's subsidiary and joint venture undertakings are as follows:

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

6 Debtors: amounts falling due within one year

	31 March 2010 £'000	31 March 2009 £'000
Amounts owed by group undertakings	-	1,166
Other debtors, prepayments and accrued income	180	216
	<u>180</u>	<u>1,382</u>

Tetley Overseas Holdings Limited

Notes to the financial statements (continued)

7 Debtors: amounts falling due after more than one year

	31 March 2010 £'000	31 March 2009 £'000
<u>Amounts owed by group undertakings</u>	<u>19,777</u>	<u>20,784</u>

Amounts owed to group undertakings represent balances from fellow subsidiaries of the Tata Tea (GB) Limited group. These loans are charged at variable rates of interest and are repayable on demand by the company.

8 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Accruals	46	82
<u>Amounts owed to group undertakings</u>	<u>-</u>	<u>1,166</u>
	<u>46</u>	<u>1,248</u>

9 Creditors: amounts falling due after more than one year

	2010 £'000	2009 £'000
<u>Amounts owed to group undertakings</u>	<u>58,121</u>	<u>57,079</u>

Amounts owed to group undertakings include a loan from Tata Tea (GB) Limited group of £16,352,000 and from The Tetley Group Limited of £37,521,000 together with other balances. The loans are interest free and unsecured. The loan agreements provide for the principal to be repaid on demand by the lenders. Both lenders have indicated to the company that they will not require repayment of the loans 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.

Tetley Overseas Holdings Limited

Notes to the financial statements (continued)

10 Called up share capital

		31 March 2010 £'000	31 March 2009 £'000
Authorised			
Ordinary shares of £1 each	100 (2009: 100)	-	-
Allotted, called up and fully paid			
Ordinary shares of £1 each	4 (2009: 4)	-	-

11 Reserves

	Share Premium £'000	Profit and loss reserve £'000
At 1 April 2009	4,750	(387)
Profit for the financial period	-	11
At 31 March 2010	4,750	(376)

12 Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Profit / (loss) for the financial period	11	2,456
Net movement in shareholders' funds	11	2,456
Opening shareholders' funds	4,363	1,907
Closing shareholders' funds	4,374	4,363

Tetley Overseas Holdings Limited

Notes to the financial statements (continued)

13 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 security 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.

14 Parent company

The immediate parent undertaking is Tetley Group Holdings 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.

15 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.

16 Post balance sheet events

On 29th April 2010 the company paid £1.6m to increase its stake in Joekels Tea Packers (Proprietary) Limited to 51.7%.

