

Tetley Overseas Limited
(Registered Number: 3167011)

Annual report and financial statements

Year ended 31 March 2010

Tetley Overseas Limited

Contents

	Page
Directors' report	1
Independent auditors' report to the members of Tetley Overseas Limited	3
Accounting policies	5
Profit and loss account	7
Statement of total recognised gains and losses	8
Balance sheet	9
Notes to the financial statements	10-14

Tetley Overseas 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 activity of the company is the distribution of tea in Russia and the CIS regions. The company is supplied with its product by other member companies of Tata Tea Limited group.

During the year the company re-established a Moscow branch for the purposes of further developing business in the Russian and CIS regions and to provide administrative and management services to the Group's joint venture in Russia. The costs of administration and management of the joint venture are cross-charged to a shareholder of the joint venture.

Results and dividends

The company made a loss for the financial period of £226,000 (2009: loss of £322,000). The directors do not recommend the payment of a dividend (2009: £nil).

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 Limited's business.

Directors and their interests

The directors during the period were as follows:

P D Unsworth
G S Nield
R S Forrest
S Das (resigned 15 April 2009)

Going Concern

The Tetley Group Limited has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of 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 its operations as a going concern and have therefore adopted the going concern principle 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 Overseas 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.

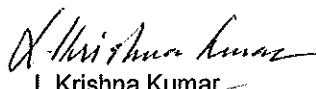
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).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

Independent auditors' report to the members of Tetley Overseas Limited

We have audited the financial statements of Tetley Overseas Limited for the year ended 31 March 2010 which comprise the Accounting Policies, the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses 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 Overseas Limited

Independent auditors' report to the members of Tetley Overseas 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 Limited

Accounting policies

Basis of accounting

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

The Tetley Group Limited has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of 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 its operations as a going concern and have therefore adopted the going concern principle in preparing the financial statements.

Cash flow statement

Tata Tea (GB) Limited has presented a group cash flow statement in its consolidated financial statements, 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 deducting trade discounts and value added tax. Turnover is recognised when the risks and rewards of the underlying products and services have been substantially transferred to the customer.

Stock

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

The profits of overseas operations are translated at the weighted average of month end exchange rates. The closing balance sheets of overseas operations and foreign currency assets and liabilities are translated at period end exchange rates. Exchange differences arising from the restatement of opening balance sheets and profits for the period of overseas operations to closing exchange rates are dealt with through reserves, net of differences on related currency borrowings. Exchange differences arising on trading transactions are taken to the profit and loss account at the transaction date.

Tetley Overseas Limited

Accounting policies (Continued)

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.

Fixed assets

The movements in tangible fixed assets are set out in note 6 to the financial statements.

Tetley Overseas 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	828	207
Cost of sales		(88)	(187)
Gross profit		740	20
Selling and distribution costs		(914)	(121)
Administration expenses		(4)	(54)
Operating loss	2	(178)	(155)
Interest payable and other similar charges	4	(136)	(274)
Loss on ordinary activities before taxation		(314)	(429)
Tax on loss on ordinary activities	5	88	107
Loss for the financial period	12	(226)	(322)

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

All amounts shown above relate to continuing businesses.

Tetley Overseas Limited

Statement of total recognised gains and losses Year ended 31 March 2010


	Year ended 31 March 2010 £'000	Period ended 31 March 2009 £'000
<u>Loss for the financial period</u>	<u>(226)</u>	<u>(322)</u>
Exchange adjustments	20	(101)
<u>Total recognised losses for the financial period</u>	<u>(206)</u>	<u>(423)</u>

Tetley Overseas Limited

Balance sheet As at 31 March 2010

	Note	31 March 2010 £'000s	31 March 2009 £'000s
Fixed assets			
Tangible assets	6	72	-
Current assets			
Debtors (amounts falling due within one year)	7	818	22
Debtors (amounts falling due after more than one year)	8	5,557	5,469
Cash at bank and in hand		53	52
		<u>6,428</u>	<u>5,543</u>
Creditors: amounts falling due within one year	9	<u>(341)</u>	<u>(199)</u>
Net current assets		<u>6,087</u>	<u>5,344</u>
Creditors: amounts falling due after more than one year	10	<u>(5,242)</u>	<u>(4,221)</u>
Net assets		<u>917</u>	<u>1,123</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium account	12	4,250	4,250
Profit and loss account	12	(3,333)	(3,127)
Total shareholders' funds	13	<u>917</u>	<u>1,123</u>

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


L Krishna Kumar
Director

Tetley Overseas Limited
Registered no 3167011

Tetley Overseas Limited

Notes to the financial statements

1 Turnover

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

The company has also included within turnover the recharge of administration costs in respect of the Group's joint venture in Russia to Campestres Holdings Limited.

2 Operating loss

	2010 £'000	2009 £'000
The operating loss is stated after charging:		
Wages and salaries	659	104
Social security costs	11	9
Other pension costs	8	7
Staff costs	678	120

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

3 Directors and employees

The average number of persons employed during the period was 6 (2009: 1) as the company re-established a branch presence in Moscow during the year. The directors did not receive any emoluments in the period in respect of their services as directors of the company (2009: £nil). The directors are employees of the Group and are remunerated for their services to the Group as a whole.

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	-	-
Total	3	3

Tetley Overseas Limited

Notes to the financial statements (continued)

4 Interest payable and other similar charges

	2010 £'000	2009 £'000
Interest payable to group undertakings	136	274

5 Taxation

The tax credit of £88,000 (2009: £107,000) 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 year is the same as the standard rate of corporation tax in the UK of 28% (2009: 28%). The differences are explained below:

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	(314)	(429)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	(88)	(120)
Permanent differences	-	13
Current tax credit for the period	(88)	(107)

The company has surrendered the benefit of tax losses to another group company for a consideration of £88,000 (2009: £107,000). 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.

Tetley Overseas Limited

Notes to the financial statements (continued)

6 Tangible Assets

	Freehold land and buildings £'000	Capital work in progress £'000	Total £'000
Cost			
At 1 April 2009	-	-	-
Additions	18	59	77
At 31 March 2010	18	59	77
Depreciation			
At 1 April 2009	-	-	-
Charge for the period	5	-	5
At 31 March 2010	5	-	5
Net book amount			
At 31 March 2010	13	59	72
At 31 March 2009	-	-	-

7 Debtors (amounts falling due within one year)

	2010 £'000	2009 £'000
Trade debtors	-	21
Amounts owed by group undertakings	731	-
Other debtors, prepayments and accrued income	87	1
	818	22

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

	2010 £'000	2009 £'000
Amounts owed by group undertakings	5,557	5,469

Tetley Overseas Limited

Notes to the financial statements (continued)

9 Creditors (amounts falling due within one year)

	2010 £'000	2009 £'000
Trade creditors	211	58
Amounts owed to group undertakings	-	44
Other creditors and accruals	130	97
	<u>341</u>	<u>199</u>

10 Creditors (amounts falling due after more than one year)

	2010 £'000	2009 £'000
Amounts owed to group undertakings	<u>5,242</u>	<u>4,221</u>

11 Share capital

	2010 £'000	2009 £'000
Authorised		
Ordinary shares of £1 each 100 (2009: 100)	<u>-</u>	<u>-</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each 5 (2009: 5)	<u>-</u>	<u>-</u>

12 Reserves

	Share premium £'000	Profit and loss reserve £'000
At 1 April 2009	<u>4,250</u>	<u>(3,127)</u>
Loss for the financial period	-	(226)
Exchange adjustments	-	20
At 31 March 2010	<u>4,250</u>	<u>(3,333)</u>

Tetley Overseas Limited

Notes to the financial statements (continued)

13 Reconciliation of movement in shareholders' funds

	2010	2009
	£'000	£'000
Loss for the financial period	(226)	(322)
Exchange adjustments	20	(101)
<u>Net movement in shareholders' funds</u>	<u>(206)</u>	<u>(423)</u>
<u>Opening shareholders' funds</u>	<u>1,123</u>	<u>1,546</u>
<u>Closing shareholders' funds</u>	<u>917</u>	<u>1,123</u>

14 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 is 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 £110.0m (2009: £148.2m).

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 Overseas 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.