Tata Consumer Products Australia Pty Ltd

ACN 003 450 922

Financial statements
for the year ended 31 March 2021

Tata Consumer Products Australia Pty Ltd ACN 003 450 922
Annual report - 31 March 2021

Contents

Directors' report

Your Directors present their report on the company for the year ended 31 March 2021.

Directors

The following persons were Directors of Tata Consumer Products Australia Pty Ltd during the whole of the financial year and up to the date of this report. Directors were in office for the entire period unless otherwise stated.

L Krishna Kumar
Stephen Eyre
Manesh Thakrar

Principal activities

The principal activities of the company during the course of the financial year were the importation and sale of tea products.

There was no significant change in the nature of the activity of the company during the year.

Dividends

No dividends have been paid during the financial year. The Directors do not recommend that a dividend be paid in respect of the financial year (2020: $nil).

Review of operations

The profit from ordinary activities after income tax amounted to $314,338 (2020 loss: $253,602).

COVID-19 pandemic

The outbreak of COVID-19 in Australia and the subsequent measures imposed by the Australian and other governments as well as the travel and trade restrictions imposed by Australia and other countries in early 2020 have caused disruption to businesses and economic activity. The financial effects of COVID-19 have been reflected in the Company's financial statements at 31 March 2021.

The impact of COVID-19 on different industries and companies varies substantially. For Tata Consumer Products Australia Pty Ltd, the impact from the quarantine measures put in place has been minimal, with operations continuing substantially at a normal levels and the easing of restrictions further supports business as usual. Therefore, it is expected that no material impact will result from the COVID-19 crisis and the company is strongly placed to continue operations with little disruption to its earnings, cashflow and financial condition.

Given the inherent unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the relevant governments and corporate entities combined with customer behaviours, the actual financial impact of the COVID-19 outbreak, if any, on the Company's 2021 financial statements could be significantly different from the expectations disclosed above depending on how the situation evolves.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the company during the year.

Matters subsequent to the end of the financial year

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this financial statements because the Directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not affected by any significant environmental regulation in respect of its operations.

Insurance of officers

The Directors and officers of the company are indemnified under a global insurance policy taken out by Tata Global Beverages Services Ltd. Tata Consumer Products Australia Pty Ltd has been asked to contribute to the cost of global insurance.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

This Directors' Report is signed in accordance with a resolution of Directors made pursuant to s.298(2) of the *Corporations Act 2001*.

On behalf of the Directors

S. Eyre

Stephen Eyre
Director

Melbourne
11th May 2021

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11 May 2021

The Board of Directors
Tata Consumer Products Australia Pty Ltd
130 Chestnut St
Cremorne VIC 3121

Dear Board Members

Auditor's Independence Declaration to Tata Consumer Products Australia Pty Ltd

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tata Consumer Products Australia Pty Ltd.

As lead audit partner for the audit of the financial report of Tata Consumer Products Australia Pty Ltd for the year ended 31 March 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Shodai Enters

Shodai Enters
Partner
Chartered Accountants

Tata Consumer Products Australia Pty Ltd ACN 003 450 922
Annual report - 31 March 2021

Contents

These financial statements cover Tata Consumer Products Australia Pty Ltd as an individual entity. The financial statements are presented in the Australian currency.

Tata Consumer Products Australia Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Tata Consumer Products Australia Pty Ltd
130 Chestnut Street
Cremorne VIC 3121

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 1, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 11th May 2021. The Directors have the power to amend and reissue the financial statements.

Tata Consumer Products Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2021

	Notes	**2021**	2020
		$	$
Sale of goods	3	**21,606,832**	24,138,534
Other revenue	3	**40,854**	45,823
		21,647,686	24,184,357
Cost of sales		**(14,045,777)**	(15,225,823)
Other expenses:			
Distribution		**(1,830,224)**	(2,112,872)
Selling		**(3,441,726)**	(5,519,763)
Administration		**(1,879,899)**	(1,726,089)
Other		**-**	-
Finance costs	4	**(934)**	(7,706)
Profit/(loss) before income tax		**449,126**	(407,896)
Income tax (expense)/benefit	5	**(134,788)**	154,294
Profit/(loss) for the year		**314,338**	(253,602)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income/(loss) for the year		**314,338**	(253,602)
Profit/(loss) is attributable to:			
Owners of Tata Consumer Products Australia Pty Ltd		**314,338**	(253,602)
Total comprehensive income/(loss) for the year is attributable to:			
Owners of Tata Consumer Products Australia Pty Ltd		**314,338**	(253,602)

The *above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

Tata Consumer Products Australia Pty Ltd
Statement of financial position
As at 31 March 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**1,541,105**	560
Receivables	7	**4,771,965**	7,205,138
Inventories	8	**2,951,722**	2,555,751
Other current assets	9	**95,602**	171,331
Total current assets		**9,360,394**	9,932,780
Non-current assets			
Property, plant and equipment	10	**92,507**	101,695
Deferred tax assets	5	**606,452**	741,240
Intangible assets	11	**257,607**	271,555
Right-of-use assets	19	**646,074**	109,492
Total non-current assets		**1,602,640**	1,223,982
Total assets		**10,963,034**	11,156,762
LIABILITIES			
Current liabilities			
Payables	12	**5,088,503**	5,774,768
Lease liabilities	20	**733,046**	129,528
Borrowings	13	**-**	491,146
Provisions	14	**715,218**	649,650
Total current liabilities		**6,536,767**	7,045,092
Non-current liabilities			
Provisions	15	**16,914**	16,655
Total non-current liabilities		**16,914**	16,655
Total liabilities		**6,553,681**	7,061,747
Net assets		**4,409,353**	4,095,015
EQUITY			
Contributed equity	16	**11,800,000**	11,800,000
Accumulated losses	17	**(7,390,647)**	(7,704,985)
Total equity		**4,409,353**	4,095,015

The *above statement of financial position should be read in conjunction with the accompanying notes.*

Tata Consumer Products Australia Pty Ltd
Statement of changes in equity
For the year ended 31 March 2021

	Contributed equity (Note 16) $	Accumulated losses (Note 17) $	Total equity $
Balance at 1 April 2019	11,800,000	(7,402,196)	4,397,804
Effect of change in accounting policy for AASB16	**-**	(49,187)	**(49,187)**
(Loss) for the year	-	(253,602)	(253,602)
Other comprehensive income	-	-	-
Total comprehensive (loss) for the year	**-**	**(253,602)**	**(253,602)**
Balance at 31 March 2020	**11,800,000**	**(7,704,985)**	**4,095,015**
Balance at 1 April 2020	11,800,000	(7,704,985)	4,095,015
Profit for the year	-	314,338	314,338
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**314,338**	**314,338**
Balance at 31 March 2021	**11,800,000**	**(7,390,647)**	**4,409,353**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**24,670,011**	22,123,088
Payments to suppliers and employees (inclusive of goods and services tax)		**(22,471,253)**	(23,489,338)
Interest received		**40,854**	45,823
Interest paid		**(254)**	(225)
Net cash provided by/(used in) operating activities		**2,239,358**	(1,320,652)
Cash flows from investing activities			
Payments for intangibles, plant and equipment		**(77,459)**	(59,680)
Net cash used in investing activities		**(77,459)**	(59,680)
Cash flows from financing activities			
Interest paid		**(680)**	(7,481)
Proceeds from borrowings		**-**	491,146
Repayment of borrowings		**(491,146)**	-
Repayment of lease liabilities		**(129,528)**	(248,128)
Net cash (used in)/provided by financing activities		**(621,354)**	235,537
Net increase/(decreased) in cash and cash equivalents		**1,540,545**	(1,144,795)
Cash and cash equivalents at the beginning of the financial year		**560**	1,145,355
Cash and cash equivalents at end of year	6	**1,541,105**	560

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1 Summary of significant accounting policies

(a) General information

Tata Consumer Products Australia Pty Ltd (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The company changed its name from Tata Global Beverages Australia Pty Ltd to Tata Consumer Products Australia Pty Ltd on 16 April 2020. Its registered office and principal place of business is:

Tata Consumer Products Australia Pty Ltd
130 Chestnut Street
Cremorne VIC 3121

A description of the nature of the entity's operations and its principal activities is included in the Directors' report on page 1.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards - Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Company is a for-profit, private sector entity which is not publicly accountable. Therefore, the financial statements for the Company are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB - RDRs).

(c) Changes in accounting policies, disclosures, standards and interpretations

The new and amended Australian Accounting Standards and Interpretations that apply for the first time in FY21 do not materially impact the financial statements of the Company.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 31 March 2021. The Directors are in the process of assessing the impact of the application of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (effective for annual reporting periods beginning on or after 1 July 2021) and its amendments to the extent that it will need to be applied in the financial statements of the Company.

(d) Basis of preparation

The financial statements have been prepared on the historical cost basis except for certain non-current assets and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Tata Consumer Products Australia Pty Ltd.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

1 Summary of significant accounting policies (continued)

(e) Foreign currency translation *(continued)*

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within cost of sales.

(f) Revenue recognition

Revenue is recognised for the major business activities as follows:

(i) Sale of goods

Revenue from sales of goods represents the revenue from distributing tea and other products to customers. The delivery of the goods is a distinct performance obligation which is satisfied when the inventory sold has been transferred to the customer. The transaction price is determined based on the sale price set for the item purchased, less rebates and/or discounts. The rebate/discount payable to the customer is estimated and recorded at the time the sale is made to the customer by the Company, based the expected value method. Once the goods are delivered to the customer, the Company have the right to invoice the customer. Therefore, the performance obligation is satisfied “at a point in time”.

(ii) Interest revenue

Interest revenue is recognised when it is earned.

(g) Income tax

Tata Consumer Products Australia Pty Ltd is the head company of a tax-consolidated group with Earth Rules Pty Ltd under Australian taxation law. The members of the tax-consolidated group are taxed as a single entity.

Tata Consumer Products Australia Pty Ltd is subject to income tax through its membership of the tax-consolidated group. The consolidated current and deferred tax amounts for the tax-consolidated group are allocated to the members of the tax-consolidated group using the 'separate taxpayer within group' approach, with deferred taxes being allocated by reference to the carrying amounts in the financial statements of each member entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred assets arising from unused tax losses and relevant tax credits arising from this allocation process are then accounted for as immediately assumed by the head entity as under Australian taxation law the head entity has the legal obligation (or right) to these amounts.

The ‘separate taxpayer within group’ approach provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity leaves the tax-consolidated group. The company's liability for tax payable by the tax-consolidated group is limited to the allocated amount under the ‘separate taxpayer within group’ approach.

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

1 Summary of significant accounting policies (continued)

(g) Income tax *(continued)*

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

(h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as lessee

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

When a contract includes lease and non-lease components, the company applies AASB 15 Revenue from Contracts from Customers to allocate the consideration under the contract to each component.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1 Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(k) Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The Company always recognised lifetime expected credit losses for trade receivables and amounts due from customers. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and as assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(l) Inventories

Finished goods

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of standard costing method.

(m) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Internally constructed assets are depreciated from the time an asset is completed and held ready for use. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

- Plant and equipment	5 years
- Computer equipment	3 - 4 years
- Furniture and fixtures	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

1 Summary of significant accounting policies (continued)

(n) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Gains and losses on the disposal of the business include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(ii) Computer software

Computer software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of computer software over its estimated useful life of 7 years.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(q) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(r) Employee benefits

(i) Wages and salaries, and annual leave

Liabilities for wages and salaries, and annual leave expected to be settled within 12 months of the end of each reporting period are recognised in other payables and current provisions respectively, in respect of employees' services up to the end of each reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of each reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of each reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

1 Summary of significant accounting policies (continued)

(s) Contributed equity

Ordinary shares are classified as equity (note 16).

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill

The company tests impairment on goodwill whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually in accordance with the accounting policy stated in note 1(i). The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions.

3 Revenue

	2021 $	2020 $
From continuing operations		
Sales revenue		
Sale of goods	**21,606,832**	24,138,534
Other revenue		
Interest from third parties	**40,854**	45,823
	21,647,686	24,184,357

4 Expenses

	2021 $	2020 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation and amortisation	**261,489**	283,311
Finance costs		
Interest on bank overdrafts	**254**	225
Interest on lease liabilities	**680**	7,481
Total finance costs	**934**	7,706
Employee benefits expense		
Termination benefits	**84,975**	135,514
Other employee benefits	**2,341,970**	2,747,868
Total employee benefits expense	**2,426,945**	2,883,382
Loss on disposal of plant and equipment	**35,570**	-

5 Income tax

5.1 Income tax recognised in profit or loss

	2021	2020
	$	$
Current tax		
In respect of the current year	**243,356**	(213,805)
In respect of prior year	**(7,217)**	-
	236,139	(213,805)
Deferred tax		
In respect of the current year	**(101,351)**	61,029
In respect of prior year	**-**	(1,518)
	(101,351)	59,511
Total income tax (benefit)/expense recognised in the current year	**134,788**	(154,294)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2021	2020
	$	$
Profit/(loss) before tax from continuing operations	**449,126**	(407,896)
Income tax expense/(benefit) calculated at 30% (2020: 30%)	**134,738**	(122,369)
Effect of expenses that are not deductible in determining taxable profit	**791**	2,984
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	**6,476**	(33,391)
	142,005	(152,776)
Adjustments recognised in the current year in relation to the current tax of prior years	**(7,217)**	(1,518)
Income tax expense/(benefit) recognised in profit or loss	**134,788**	(154,294)

5.2 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement for financial position:

	2021	2020
	$	$
Deferred tax assets	**606,452**	741,240
	606,452	741,240

2020	Opening balance	Recognised in profit or loss	Closing balance
	$	$	$
Provisions	327,629	(61,029)	266,600
Tax losses	259,317	215,323	474,640
	586,946	154,294	741,240
2021			
Provisions	266,600	101,351	367,951
Tax losses	474,640	(236,139)	238,501
	741,240	(134,788)	606,452

5.3 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

The Company became the head company of a multiple entry consolidated (MEC) group on 29 November 2019. Upon forming the MEC group, part of the unused tax losses as at 29 November 2019 of the subsidiary member was transferred to the MEC group.

	2021
	$
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the followings:	
- tax losses (revenue in nature)	**6,493,057**
- deductible temporary differences from provisions	**7,468**
	6,500,525

6 Current assets – Cash and cash equivalents

	2021	2020
	$	$
Cash at bank and in hand	**1,541,105**	560

7 Current assets - Trade and other receivables

	2021	2020
	$	$
Trade receivables	**4,663,093**	7,034,044
	4,663,093	7,034,044
Receivables from related parties		
- Earth Rules Pty Ltd	**28,522**	93,405
Other receivables	**80,350**	77,689
	4,771,965	7,205,138

8 Current assets - Inventories

	2021	2020
	$	$
Finished goods - at cost	**3,389,223**	2,659,265
Provision for excess and obsolete stock	**(437,501)**	(103,514)
	2,951,722	2,555,751

9 Other current assets

	2021	2020
	$	$
Prepayments	**95,602**	171,331
	95,602	171,331

10 Non-current assets – Property, plant and equipment

	2021	2020
	$	$
Carrying amounts of:		
Plant and equipment	**10,512**	12,457
Computer equipment	**8,719**	43,559
Furniture and fixtures	**73,276**	45,679
	92,507	101,695

	Plant and equipment	Computer equipment	Furniture and fixtures	Total
	$	$	$	$
Cost				
Balance at 31 March 2020	16,375	143,990	116,258	276,623
Additions	1,425	-	76,034	77,459
Disposals	-	-	(81,950)	(81,950)
Balance at 31 March 2021	17,800	143,990	110,342	272,132

	Plant and equipment	Computer equipment	Furniture and fixtures	Total
	$	$	$	$
Accumulated depreciation				
Balance at 31 March 2020	(3,918)	(100,431)	(70,579)	(174,928)
Eliminated on disposals of assets	-	-	46,380	46,380
Depreciation expense	(3,370)	(34,840)	(12,867)	(51,077)
Balance at 31 March 2021	(7,288)	(135,271)	(37,066)	(179,625)

11 Non-current assets - Intangible assets

	2021	2020
	$	$
Carrying amounts of:		
Goodwill	**205,609**	205,609
Software	**51,998**	65,946
	257,607	271,555

	Goodwill	Software	Total
	$	$	$
Cost or valuation			
Balance at 31 March 2020	500,000	566,148	1,066,148
Additions	-	-	-
Disposals	-	-	-
Balance at 31 March 2021	500,000	566,148	1,066,148

	Goodwill	Software	Total
	$	$	$
Accumulated amortisation and impairment			
Balance at 31 March 2020	(294,391)	(500,202)	(794,593)
Amortisation expense	-	(13,948)	(13,948)
Balance at 31 March 2021	(294,391)	(514,150)	(808,541)

12 Current liabilities - Trade and other payables

	2021	2020
	$	$
Trade payables	**132,184**	476,482
Accrued expenses and other payables	**2,269,448**	3,124,989
Amounts due to related parties		
- Tata Consumer Products GB Ltd	**2,686,871**	2,124,311
- Tata Consultancy Services Ltd	**-**	48,986
	5,088,503	5,774,768

13 Current liabilities - Borrowings

	2021	2020
	$	$
Unsecured		
Bank Overdraft	**-**	491,146

14 Current liabilities - Provisions

	2021	2020
	$	$
Employee benefits (a)	**715,218**	649,650

(a) Amounts not expected to be settled within 12 months

The current provision for employee benefits includes accrued annual leave, vesting sick leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	2021	2020
	$	$
Current leave obligations expected to be settled after 12 months	**36,996**	11,872

15 Non-current liabilities - Provisions

	2021	2020
	$	$
Employee benefits	**16,914**	16,655

16 Contributed equity

(a) Share capital

	2021 Shares	2020 Shares	**2021 $**	2020 $
Ordinary shares				
Fully paid	**11,800,000**	11,800,000	**11,800,000**	11,800,000

(b) Movements in ordinary share capital

Date	Details	Number of shares	$
1 April 2019	Opening balance	11,800,000	11,800,000
31 March 2020	Closing balance	11,800,000	11,800,000
1 April 2020	Opening balance	11,800,000	11,800,000
31 March 2021	Closing balance	11,800,000	11,800,000

(c) Ordinary shares

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(d) Capital risk management

The company's objective when managing capital is to safeguard its ability to continue as a going concern.

17 Accumulated losses

Movements in accumulated losses were as follows:

	2021 $	2020 $
Balance 1 April	**(7,704,985)**	(7,402,196)
Effect of change in accounting policy	**-**	(49,187)
Net profit/(loss) for the year	**314,338**	(253,602)
Balance 31 March	**(7,390,647)**	(7,704,985)

18 Dividends

(a) Ordinary shares

No dividends have been paid during the financial year. The Director does not recommend that a dividend be paid in respect of the financial year (2020: $nil).

(b) Franked dividends

The franked portions of the final dividends recommended after 31 March 2021 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 31 March 2021.

	2021	2020
	$	$
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2020 - 30%)	**985,614**	985,614

The above amounts represent the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

19 Leases (Company as a lessee)

19.1 Right-of-use assets

	2021	2020
	$	$
Carrying amounts of:		
Buildings	**646,074**	101,247
Motor vehicles	**-**	8,245
	646,074	109,492

	Buildings	Motor vehicles	Total
	$	$	$
Cost			
Balance at 31 March 2020	303,736	24,733	328,469
Additions	733,046	-	733,046
Disposals	(303,736)	-	(303,736)
Balance at 31 March 2021	733,046	24,733	757,779

	Buildings	Motor vehicles	Total
	$	$	$
Accumulated depreciation			
Balance at 31 March 2020	(202,489)	(16,488)	(218,977)
Eliminated on disposals of assets	303,736	-	303,736
Charge for the year	(188,219)	(8,245)	(196,464)
Balance at 31 March 2021	(86,972)	(24,733)	(111,705)

19.2 Amounts recognised in profit and loss

	2021	2020
	$	$
Depreciation expense on right-of-use assets	**196,464**	218,977
Interest expense on lease liabilities	**680**	7,481

20 Lease liabilities

	2021	2020
	$	$
Non-current	**589,233**	-
Current	**143,813**	129,528
	733,046	129,528

21 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations or the state of affairs of the entity in subsequent financial years.

22 Parent entities

The immediate parent entity is Tata Consumer Products Overseas Holdings Ltd (incorporated in the United Kingdom), which is wholly owned by Tata Global Beverages Services Ltd (incorporated in the United Kingdom). The ultimate parent entity is Tata Consumer Products Ltd (incorporated in India).

23 Related party transactions

23.1 Trading transactions

During the year, group entities entered into the following trading transactions with related parties that are not members of the Group:

	Sales of goods		Purchases of goods	
	2021	2020	**2021**	2020
	$	$	**$**	$
Earth Rules Pty Ltd	**72,436**	171,214	**-**	-
Tata Consultancy Services Ltd	**33**	2,487	**-**	-
Tata Consumer Products GB Ltd	**-**	-	**12,602,363**	12,160,738

The following balances were outstanding at the end of the reporting period:

	Amounts owed by related parties		Amounts owed to related parties	
	2021	2020	**2021**	2020
	$	$	**$**	$
Earth Rules Pty Ltd	**28,522**	93,405	**-**	-
Tata Consultancy Services Ltd	**-**	-	**-**	48,986
Tata Consumer Products GB Ltd	**-**	-	**2,686,871**	2,124,311

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

23.2 Other related party transactions

In addition to the above, during the year the company performed and received certain administrative services from related parties, amounts charged and being charged were as follows:

	Administrative services charged to related parties		Administrative services charged by related parties	
	2021	2020	**2021**	2020
	$	$	**$**	$
Earth Rules Pty Ltd	**133,777**	131,650	**-**	-
Tata Consultancy Services Ltd	**-**	-	**49,657**	48,986
Tata Consumer Products GB Ltd	**-**	-	**151,444**	138,201
Tata Global Beverages Services Ltd	**-**	-	**30,722**	14,604

23.3 Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year was as follows:

2021	2020
$	$
326,737	549,088

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the entity.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001.*

On behalf of the Directors

Stephen Eyre

Director

Melbourne

11th May 2021

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Independent Auditor's Report to the members of Tata Consumer Products Australia Pty Ltd

Opinion

We have audited the financial report of Tata Consumer Products Australia Pty Ltd (the "Entity") which comprises the statement of financial position as at 31 March 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Tata Consumer Products Australia Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Entity's financial position as at 31 March 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants *(including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Entity, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report included in the Entity's annual report for the year ended 31 March 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Deloitte.

Responsibilities of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Deloitte.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

DELOITTE TOUCHE TOHMATSU

Shodai Enters
Partner
Chartered Accountants
Melbourne, 11 May 2021