

Tetley USA Inc.
Financial Statements

Year ended 31 March 2022

Tetley USA Inc.

**Income statement & Other Comprehensive Income
For the year ended 31 March 2022**

	Note	2022 USD'000	2021 USD'000
Revenue		15,513	17,679
Operating profit / (loss) before exceptional items	4	(1,129)	(1,254)
Exceptional Items	5	-	6,688
Operating profit/ (loss)	4	(1,129)	5,434
Other income		-	14
Dividend Income		-	1,120
Finance income	6	403	127
Finance costs	6	(8)	(12)
Finance income - net		395	115
Profit / (loss) before taxation		(734)	6,683
Income tax expense		-	-
Profit/ (loss) for the financial year		(734)	6,683
Other Comprehensive (expense)/ Income:			
Items that will not be subsequently reclassified to the Income Statement			
Re-measurement gains on defined benefit pension		73	32
Other comprehensive (expense) / income for the financial year, net of tax		73	32
Total comprehensive (expense)/income for the financial year		(661)	6,715

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Tetley USA Inc.

**Statement of financial position
As at 31 March 2022**

	Note	2022 USD'000	2021 USD'000
Non-current assets			
Goodwill	7	3,603	3,603
Property, plant and equipment	8	30	27
Investment in Joint Venture	12	-	-
Trade and Other Receivables	10	-	5,462
Total Non-current assets		3,633	9,092
Current assets			
Inventories	9	2,524	2,337
Trade and other receivables	10	22,644	18,975
Cash and cash equivalents		12,337	11,591
Current Tax Assets – Net		23	23
Other Current Assets – Non Financial		179	202
Total Current Assets		37,707	33,128
Current liabilities			
Creditors - amounts falling due within one year	11	5,717	5,856
Post-Employment Benefits		63	63
Total Current Liabilities		5,780	5,919
Net Current assets		31,927	27,209
Total assets less current liabilities		35,560	36,301
Non-current liabilities			
Post-Employment Benefits		390	470
Total Non-Current Liabilities		390	470
Net assets		35,170	35,831
Stockholders' Equity			
Additional Paid in Capital		136,504	136,504
Retained earnings		(101,334)	(100,673)
Total equity		35,170	35,831

The notes are an integral part of these financial statements.

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Tetley USA Inc.

**Statement of changes in equity
For the year ended 31 March 2022**

	Additional Paid-in Capital	Retained Earnings	USD'000 Total Stockholder's Equity
Balance as at April 1, 2020	136,504	(107,388)	29,116
Total comprehensive (expense)/income for the financial year		6,715	6,715
Balance as at March 31, 2021	136,504	(100,673)	35,831
Total comprehensive (expense)/income for the financial year		(661)	(661)
Balance as at March 31, 2022	136,504	(101,334)	35,170

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Tetley USA Inc.

**Statement of Cash Flow
For the year ended 31 March 2022**

	2022	2021
	USD'000	USD'000
Net Income/(Loss) before Tax	(734)	6,683
Adjustment to reconcile net income to cash provided by operating activities		
Depreciation and Amortisation	26	4
Finance Cost	8	12
Dividend Income	-	(1,120)
Finance Income	(403)	(127)
Gain on sale of long-term investment	-	(6,688)
Debts and advances written off	22	5
Operating Cash Flow before working capital changes	(1,081)	(1,231)
Adjustment for:		
Changes in Working Capital		
(Increase) / Decrease in Inventory	(187)	(810)
(Increase) / Decrease in Debtors	421	(2,026)
(Increase) / Decrease in Other operating loans & Advances	44	(96)
Increase / (Decrease) in Other operating liability and provisions	(164)	3,723
Operating Cash Flow after working capital changes	(967)	(440)
Tax Paid	-	-
Net Cash from Operating activities	(967)	(440)
Investing Activities		
Payment for Property, Plant and Equipment	(29)	(31)
Proceeds from sale of Long-term Investments	-	5,102
Investment in Joint Ventures	-	(1,000)
Investment Income	-	1,120
Interest Income	242	-
Cash flow from Investing Activities	213	5,191
Financing Activities		
Deferred consideration on sale of Long-term Investments	1,500	-
Interest Paid	-	127
Cash flow from Financing Activities	1,500	127
Net Change in Cash	746	4,878
Cash and Cash Equivalent		
Opening Balance	11,591	6,713
Closing Balance	12,337	11,591

/s/ SUSAN DONDERO

Susan Dondero

VP Finance

Date: May 27, 2022

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

1. General Information

Tetley USA, Inc. is engaged in the sale of tea to the grocery, mass, club, dollar, military and convenience channels primarily within the United States. Tetley USA Inc. (“Tetley USA”) was incorporated on December 8, 1972, pursuant to the laws of Delaware.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are either set out below or included in the accompanying notes. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Function and presentation currency

The company’s functional and presentation currency is the United States Dollars (USD).

b. Revenue from contracts with customer

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset or when services are rendered.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and value added tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

c. Finance income

Finance income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as finance income. Finance income on impaired loan and receivables is recognised using the original effective interest rate.

d. Royalty Income

Royalty income includes fees generated by licensing the Company's trademark. Licensing fees are recognized when earned, which is generally upon sale of the underlying products by the licensees and are recorded in net sales.

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

e. Borrowing Costs

Borrowing costs consist of interest, ancillary and other costs that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

f. Intangible assets

Goodwill arising on a business combination represents the excess of the fair value of consideration over the identifiable net asset acquired. Fair value of consideration represents the aggregate of the consideration transferred, a reliable estimate of contingent consideration payable, and the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree on the acquisition date. Net assets acquired represents the fair value of the identifiable assets acquired and liabilities assumed.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the acquisition itself or from the synergies of the combination or both. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested for impairment. Goodwill impairment reviews are generally undertaken annually. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed unless the CGU is classified as “Asset held for sale” and there is evidence of reversal. Goodwill is subsequently measured at cost less amounts provided for impairment.

g. Property, plant and equipment

i) Recognition and measurement: Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the item. Subsequent expenditure related to an asset is added to its book value 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 amounts of replacements are derecognised.

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

All repairs and maintenance are charged to the statement of profit and loss during the financial year in which they are incurred.

ii) Depreciation: Items of property, plant and equipment are depreciated in a manner that amortizes the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives on a straight line basis. Land is not depreciated.

iii) Cost incurred on assets under development are disclosed under capital work in progress and not depreciated till asset is ready to use.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. 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. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

iv) Estimated useful lives of items of property, plant and equipment are as follows:

Category	Useful life
Furniture and Fixtures	10 years
Plant and Machinery	3-20 years

h. Other receivables

Other receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

i. Inventories

Inventories are stated at the lower of cost, or net realizable value, as determined by using the first-in, first-out method. In evaluating whether inventories are stated at the lower of cost or net realizable value, the Company considers factors such as the amount of inventory on hand; estimated time required to sell such inventory, remaining shelf life and market conditions.

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

j. Current and deferred income tax

i) Current Income Tax:

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

ii) Deferred Tax:

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

k. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

l. Trade receivables

Trade receivables are amounts due from customers for products sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in IFRS 9, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

m. Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

n. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. 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.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However the same are disclosed in the financial statements where an inflow of economic benefit is possible.

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

o. Post Retirement Obligation and Other Employee Benefits

Post Retirement Obligations

The Company has post-retirement life insurance benefit plan for qualifying retirees which is a defined benefit plan and the charge on account of such plan is determined through independent actuarial valuation at year end and such charge recognised in the statement of profit and loss. Interest costs on employee benefit schemes have been classified within finance cost. The Scheme is unfunded. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income, and subsequently not reclassified to the Statement of Profit and Loss.

The Company recognises in the statement of profit and loss, gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

Other Employee Benefits

Other employee benefits are accounted for on accrual basis. Liabilities for compensated absences are determined based on independent actuarial valuation at year end and charge is recognised in the statement of profit and loss.

p. Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange prevailing at the transaction date. Monetary assets and liabilities in foreign currencies are re-translated at the rate of exchange rate ruling at the balance sheet date. All exchange differences are recognised in the income statement.

q. Exceptional Items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. These are material items of income or expense that have to be shown separately due to their nature or incidence.

r. Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed, if material.

3. Critical accounting judgements and key sources of estimation uncertainty

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

Estimates

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 addressed below.

Estimated impairment of goodwill

Determining whether impairment is needed requires an estimation of the recoverable amount through value in use of the cash generating units to which the goodwill or intangible asset has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash- generating unit and use a suitable discount rate in order to calculate present value.

Judgements

There are no judgements that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Tetley USA Inc.**Notes to the financial statements for the year ended 31 March 2022****4. Operating profit**

	2022	2021
	USD'000	USD'000
Revenue	15,513	17,679
Cost of sales	(9,961)	(10,706)
Selling and distribution costs	(4,004)	(4,388)
Administrative expenses	(2,677)	(3,839)
Operating profit /(loss) before exceptional items	(1,129)	(1,254)
Exceptional Items (Note 5)	-	6,688
Operating profit/(loss)	(1,129)	5,434

Operating profit is stated after charging:

	2022	2021
	USD'000	USD'000
Wages and salaries	-	117
Staff costs:	-	117
Depreciation (note 8)	26	4
Audit Fees	69	62
Bad Debt Written Off	22	5

Tetley USA Inc.**Notes to the financial statements for the year ended 31 March 2022****5. Exceptional items**

	2022	2021
	USD'000	USD'000
Gain on Disposal of Long Term Investments	-	6,688
Total exceptional items	-	6,688

6. Finance income and costs

	2022	2021
	USD'000	USD'000
Interest income - Other	242	127
Interest income - Unwinding of present value	161	-
Total interest income	403	127
Interest on Retirement Benefits	(8)	(12)
Total interest expense	(8)	(12)
Net interest income	395	115

7. Intangible assets

	Goodwill
	USD'000
Net carrying amount	
At 31 March 2021	3,603
At 31 March 2022	3,603

Tetley USA Inc.

Notes to the financial statements for the year ended 31 March 2022

8. Property, plant and equipment

	Plant and Machinery	Furniture and Fixtures	Total Tangible Assets
Cost			
As at April 1, 2020	784	369	1,153
Additions	30	-	30
Disposal	-	-	-
As at March 31, 2021	814	369	1,183
Additions	29	-	29
Disposal	(784)	(369)	(1,153)
As at March 31, 2022	59	-	59
Accumulated Depreciation			
As at April 1, 2020	783	369	1,152
Depreciation for the year	4	-	4
Disposal	-	-	-
As at March 31, 2021	787	369	1,156
Depreciation for the year	26	-	26
Disposal	(784)	(369)	(1,153)
As at March 31, 2022	29	-	29
Net Carrying Value			
As at March 31, 2021	27	-	27
As at March 31, 2022	30	-	30

9. Inventories

	2022 USD'000	2021 USD'000
Packing Material	6	2
Finished goods	2,518	2,335
Total	2,524	2,337

Tetley USA Inc.**Notes to the financial statements for the year ended 31 March 2022****10. Trade and other receivables**

	2022	2021
	USD'000	USD'000
Trade receivables	18,388	18,831
Other Receivables	4,123	5,462
Deposits - Unsecured	133	144
Total	22,644	24,437
Less: Non-current portion		
Other Receivables	-	5,462
Current portion	22,644	18,975

Trade Receivable include amount due from Group Companies of USD 16,562k (2021: USD 16,711k).

11. Creditors - amounts falling due within one year

	2022	2021
	USD'000	USD'000
Trade and Other creditors	4,030	4,409
Accruals and deferred income	1,687	1,447
Total	5,717	5,856

Trade Creditors include USD 3,466k being amounts due to group undertakings (2021: USD 3,874k)

12. Investment in Joint Venture

	USD'000
As at April 1, 2020	2,826
Add: Addition during the year	1,000
Less: Disposal of investment	(3,826)
As at March 31, 2021	-
Add: Purchase during the year	-
Less: Disposal of investment	-
As at March 31, 2022	-

Tetley USA Inc.**Notes to the financial statements for the year ended 31 March 2022****13. Parent company**

The immediate parent undertaking of Tetley USA, Inc. is Tata Consumer Products US Holdings Inc. The smallest parent to include the company's results in its consolidated financial statements is Tata Consumer Products UK Group Limited, a company incorporated in the United Kingdom. The company's ultimate parent undertaking is Tata Consumer Products Limited, a company registered in India.

14. Events after the end of the reporting period

As at the date of this report, no matter or circumstance has arisen since 31 March 2022 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

15. Previous year's figures have been regrouped / rearranged, to the extent necessary, to conform to current year's classifications.