

Tata Consumer Products Australia Pty Ltd

ACN 003 450 922

Annual Report for the year ended - 31 March 2023

Tata Consumer Products Australia Pty Ltd
Directors' report
31 March 2023

The Directors present their report, together with the financial statements, on the Company for the year ended 31 March 2023.

Directors

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

L Krishna Kumar
Stephen Eyre (resigned 31/07/2022)
Manesh Thakrar (resigned 31/07/2022)
Scott Wackrow (appointed 8/08/2022)
Adam Burton (appointed 8/08/2022)

Principal activities

During the financial year the principal continuing activities of the Company consisted of 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

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the Company after providing for income tax amounted to \$985,741 (31 March 2022: \$644,666).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future 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 report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options

There were no ordinary shares of the Company issued on the exercise of options during the year ended 31 March 2023 and up to the date of this report.

Indemnity and insurance of officers

The Directors and officers of the Company are indemnified under a global insurance policy taken out by Tata Consumer Products Ltd. Tata Consumer Products Australia Pty Ltd has been asked to contribute to the cost of global insurance. Scott Wackrow, Australian director, is the only director covered under this premium for director's liability, the yearly premium is \$12,744.05.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Tata Consumer Products Australia Pty Ltd
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31 March 2023

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.

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 immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

SWackrow

Scott Wackrow
Director

5 May 2023

5 May 2023

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 2023, 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



Shodai Enters
Partner
Chartered Accountants

Tata Consumer Products Australia Pty Ltd

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General information

The financial statements cover Tata Consumer Products Australia Pty Ltd as an individual entity. The financial statements are presented in Australian dollars, which is Tata Consumer Products Australia Pty Ltd's functional and presentation 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 Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

Tata Consumer Products Australia Pty Ltd
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Revenue	3	19,320,511	23,201,037
Other income	4	454,064	65,378
Total revenue		<u>19,774,575</u>	<u>23,266,415</u>
Expenses			
Cost of sales		(13,041,877)	(14,621,761)
Distribution expense		(201,393)	(1,815,647)
Selling expense		(2,170,285)	(2,407,002)
Administration expense		(3,229,355)	(3,419,899)
Finance costs	5	<u>(10,305)</u>	<u>(15,348)</u>
Profit before income tax expense		1,121,360	986,758
Income tax expense	6	<u>(135,619)</u>	<u>(342,092)</u>
Profit after income tax expense for the year attributable to the owners of Tata Consumer Products Australia Pty Ltd	18	985,741	644,666
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of Tata Consumer Products Australia Pty Ltd		<u><u>985,741</u></u>	<u><u>644,666</u></u>

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 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	7	7,868,795	4,534,875
Trade and other receivables	8	1,957,923	5,802,232
Inventories	9	178,473	314,551
Other current assets	10	62,261	20,868
Total current assets		<u>10,067,452</u>	<u>10,672,526</u>
Non-current assets			
Property, plant and equipment	12	6,432	7,231
Right-of-use assets	11	215,555	367,703
Intangibles assets	13	220,548	214,492
Deferred tax asset	6	128,741	264,360
Total non-current assets		<u>571,276</u>	<u>853,786</u>
Total assets		<u>10,638,728</u>	<u>11,526,312</u>
Liabilities			
Current liabilities			
Trade and other payables	14	4,170,481	5,445,464
Lease liabilities	15	164,620	169,273
Employee benefits	16	164,065	597,015
Total current liabilities		<u>4,499,166</u>	<u>6,211,752</u>
Non-current liabilities			
Lease liabilities	15	93,018	257,643
Employee benefits	16	6,784	2,898
Total non-current liabilities		<u>99,802</u>	<u>260,541</u>
Total liabilities		<u>4,598,968</u>	<u>6,472,293</u>
Net assets		<u>6,039,760</u>	<u>5,054,019</u>
Equity			
Issued capital	17	11,800,000	11,800,000
Accumulated losses	18	<u>(5,760,240)</u>	<u>(6,745,981)</u>
Total equity		<u>6,039,760</u>	<u>5,054,019</u>

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 2023

	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2021	11,800,000	(7,390,647)	4,409,353
Profit after income tax expense for the year	-	644,666	644,666
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	644,666	644,666
Balance at 31 March 2022	<u>11,800,000</u>	<u>(6,745,981)</u>	<u>5,054,019</u>
	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 April 2022	11,800,000	(6,745,981)	5,054,019
Profit after income tax expense for the year	-	985,741	985,741
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	985,741	985,741
Balance at 31 March 2023	<u>11,800,000</u>	<u>(5,760,240)</u>	<u>6,039,760</u>

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

Tata Consumer Products Australia Pty Ltd
Statement of cash flows
For the year ended 31 March 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		23,164,820	22,641,642
Payments to suppliers and employees (inclusive of GST)		<u>(20,087,194)</u>	<u>(19,516,056)</u>
		3,077,626	3,125,586
Interest received	4	293,144	51,968
Rent received	4	160,920	13,410
Interest and other finance costs paid	5	<u>(10,305)</u>	<u>(15,348)</u>
Net cash from operating activities		<u>3,521,385</u>	<u>3,175,616</u>
Cash flows from investing activities			
Payments for property, plant and equipment	12	(1,890)	(12,516)
Payments for intangibles	13	<u>(16,297)</u>	<u>-</u>
Net cash used in investing activities		<u>(18,187)</u>	<u>(12,516)</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>(169,278)</u>	<u>(169,330)</u>
Net cash used in financing activities		<u>(169,278)</u>	<u>(169,330)</u>
Net increase in cash and cash equivalents		3,333,920	2,993,770
Cash and cash equivalents at the beginning of the financial year		<u>4,534,875</u>	<u>1,541,105</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>7,868,795</u></u>	<u><u>4,534,875</u></u>

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

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 1. Significant accounting policies

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards – Simplified Disclosures. In the prior year, the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.

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

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The Company has adopted the revised Conceptual Framework from 1 April 2022. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The Company has adopted AASB 1060 from 1 April 2022. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.

There was no impact on the amounts recognised, measured and classified in the financial statements of the Company as a result of the change in basis of preparation.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 1. Significant accounting policies (continued)

Revenue recognition

The Company recognises revenue as follows:

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”.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income

Rental income is recognised when it is earned.

Income tax

Tata Consumer Products Australia Pty Ltd is the head Company of a tax-consolidated group with Earth Rules Pty Ltd (entity under common control) 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.

Note 1. Significant accounting policies (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 arise 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.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

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.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 1. Significant accounting policies (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

<i>Class of asset</i>	<i>Depreciation rate</i>
Plant and equipment	5 years
Computer equipment	3 - 4 years
Furniture and fixtures	3 - 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 1. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of the 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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

The Company tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Promotional accruals

Promotional accruals are calculated based off the weighted average cost of total promotional spend per product from the previous 12 months. The promotional accrual is accrued at the time of sale to the distributor. Management will periodically review the accrual rates to ensure that they align with any changes in shelf pricing or promotional frequency.

Revenue recognition

The Company completes an annual revenue assessment in accordance with AASB 15 Revenue from Contracts with Customers to determine if the Company is a principal or an agent in the relationship with its main customer DKSH Grocery Connect Pty (DKSH). Management reviews pricing discretion, inventory control and risk, interaction with DKSH and managements level of brand investment to determine that revenue should be recognised as gross

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 3. Revenue

	2023	2022
	\$	\$
Sale of goods	<u>19,320,511</u>	<u>23,201,037</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2023	2022
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>19,320,511</u>	<u>23,201,037</u>

Note 4. Other income

	2023	2022
	\$	\$
Interest from third parties	293,144	51,968
Rent from third parties	<u>160,920</u>	<u>13,410</u>
Other income	<u>454,064</u>	<u>65,378</u>

Note 5. Expenses

	2023	2022
	\$	\$
Profit before income tax includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	<u>12,601,682</u>	<u>14,314,395</u>
<i>Depreciation and amortisation</i>	<u>158,827</u>	<u>182,568</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>10,305</u>	<u>15,348</u>
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	<u>-</u>	<u>99,910</u>
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>76,351</u>	<u>157,980</u>
<i>Employee benefits expense excluding superannuation</i>		
Employee benefits expense excluding superannuation	<u>738,803</u>	<u>1,692,288</u>
<i>Write off of assets</i>		
Software	<u>6,251</u>	<u>-</u>
Impairment of right-of-use assets	<u>-</u>	<u>20,614</u>

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 6. Income tax

	2023	2022
	\$	\$
<i>Income tax expense</i>		
Current tax	-	-
Deferred tax arising from adjustments in prior periods	18,824	59,146
Deferred tax	116,795	282,946
	<u>135,619</u>	<u>342,092</u>
<i>Aggregate income tax expense</i>		
	<u>135,619</u>	<u>342,092</u>
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit before income tax expense	1,121,360	986,758
Tax at the statutory tax rate of 30%	336,408	296,027
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Effect of expenses that are not deductible in determining taxable profit	(1,138)	1,381
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	-
	<u>335,270</u>	<u>297,408</u>
Adjustment recognised for prior periods	18,824	59,146
Prior year tax losses not recognised now recouped	(218,475)	(14,462)
	<u>135,619</u>	<u>342,092</u>

	2023	2022
	\$	\$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	20,845,732	21,573,983
Potential tax benefit @ 30%	6,253,720	6,472,195

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	2023	2022
	\$	\$
<i>Deferred tax asset</i>		
Deferred tax asset comprises temporary differences attributable to:		
Tax losses	27,868	27,868
Employee benefits	72,766	236,492
Leases	12,625	-
Blackhole	15,482	-
	<u>128,741</u>	<u>264,360</u>
Deferred tax asset	<u>128,741</u>	<u>264,360</u>
Movements:		
Opening balance	264,360	606,452
Charged to profit or loss	(135,619)	(342,092)
	<u>128,741</u>	<u>264,360</u>
Closing balance	<u>128,741</u>	<u>264,360</u>

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 7. Cash and cash equivalents

	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	7,868,795	4,534,875

Note 8. Trade and other receivables

	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	1,948,986	5,746,256
Other receivables	8,937	55,976
	<u>1,957,923</u>	<u>5,802,232</u>

Note 9. Inventories

	2023	2022
	\$	\$
<i>Current assets</i>		
Finished goods - at cost	178,473	393,408
Less: Provision for impairment	-	(78,857)
	<u>178,473</u>	<u>314,551</u>

Note 10. Other current assets

	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	62,261	20,868

Note 11. Right-of-use assets

	2023	2022
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	380,382	380,382
Less: Accumulated depreciation	(164,827)	(12,679)
	<u>215,555</u>	<u>367,703</u>

The Company has entered into a sub-lease agreement in March 2022, consequently right-of-use to buildings was reassessed in the current year as the Company is reasonably certain that the lease term extension option will not be exercised at the end of the lease term.

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 11. Right-of-use assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings right-of-use \$	Total \$
Balance at 1 April 2022	367,703	367,703
Depreciation expense	(152,148)	(152,148)
	<u>215,555</u>	<u>215,555</u>

Note 12. Property, plant and equipment

	2023 \$	2022 \$
<i>Non-current assets</i>		
Computer equipment - at cost	9,328	7,438
Less: Accumulated depreciation	(2,896)	(207)
	<u>6,432</u>	<u>7,231</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Computer equipment \$	Total \$
Balance at 1 April 2022	7,231	7,231
Additions	1,890	1,890
Depreciation expense	(2,689)	(2,689)
	<u>6,432</u>	<u>6,432</u>

Note 13. Intangibles assets

	2023 \$	2022 \$
<i>Non-current assets</i>		
Goodwill - at cost	205,609	205,609
Software - at cost	16,297	19,740
Less: Accumulated amortisation	(1,358)	(10,857)
	<u>14,939</u>	<u>8,883</u>
	<u>220,548</u>	<u>214,492</u>

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 13. Intangibles assets (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Goodwill	Software	Total
	\$	\$	\$
Balance at 1 April 2022	205,609	8,883	214,492
Additions	-	16,297	16,297
Write off of assets	-	(6,251)	(6,251)
Amortisation expense	-	(3,990)	(3,990)
	<u>205,609</u>	<u>14,939</u>	<u>220,548</u>

Note 14. Trade and other payables

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	63,032	296,703
Accrued expenses and other payables	2,369,839	2,196,265
Amounts due to related parties	1,737,610	2,952,496
	<u>4,170,481</u>	<u>5,445,464</u>

Note 15. Lease liabilities

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>164,620</u>	<u>169,273</u>
<i>Non-current liabilities</i>		
Lease liability	<u>93,018</u>	<u>257,643</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	184,954	179,571
One to five years	78,010	262,964
	<u>262,964</u>	<u>442,535</u>

Note 16. Employee benefits

	2023	2022
	\$	\$
<i>Current liabilities</i>		
Employee benefits	<u>164,065</u>	<u>597,015</u>
<i>Non-current liabilities</i>		
Employee benefits	<u>6,784</u>	<u>2,898</u>

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 17. Issued capital

	2023	2022	2023	2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>	<u>11,800,000</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 18. Accumulated losses

	2023	2022
	\$	\$
Accumulated losses at the beginning of the financial year	(6,745,981)	(7,390,647)
Profit after income tax expense for the year	<u>985,741</u>	<u>644,666</u>
Accumulated losses at the end of the financial year	<u>(5,760,240)</u>	<u>(6,745,981)</u>

Note 19. Dividends

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Franking credits

	2023	2022
	\$	\$
Franking credits available for subsequent financial years based on a tax rate of 30%	<u>985,614</u>	<u>985,614</u>

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

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 20. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2023	2022
	\$	\$
Aggregate compensation	<u>433,803</u>	<u>353,930</u>

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu Limited, the auditor of the Company:

	2023	2022
	\$	\$
<i>Audit services - Deloitte Touche Tohmatsu Limited</i>		
Audit of the financial statements	<u>89,775</u>	<u>86,625</u>

Note 22. Contingent assets and liabilities

Contingent assets and liabilities for the year ended 2023 are \$nil (2022: \$nil).

Note 23. Commitments

The Company had no capital commitments for the year ended 31 March 2023 (2022: nil).

Note 24. Related party transactions

Parent entity

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).

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with related parties:

	2023	2022
	\$	\$
<i>Payment for goods and services to related parties:</i>		
Tata Global Beverages GB Ltd	12,457,701	12,947,061
<i>Administrative services charged to related parties:</i>		
Earth Rules Pty Ltd	-	31,374
Tata Global Beverages GB Ltd	176,525	-
<i>Administrative services charged by related parties:</i>		
Tata Global Beverages GB Ltd	3,223,348	610,344
Tata Consultancy Services Ltd	-	3,857

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023	2022
	\$	\$
<i>Current payables:</i>		
Tata Global Beverages GB Ltd (note 14)	1,737,610	2,952,496

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.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Tata Consumer Products Australia Pty Ltd
Notes to the financial statements
31 March 2023

Note 24. Related party transactions (continued)

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 25. Events after the reporting period

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Tata Consumer Products Australia Pty Ltd
Directors' declaration
31 March 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 March 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

SWackrow

Scott Wackrow
Director

5 May 2023

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

Opinion

We have audited the financial report of Tata Consumer Products Australia Pty Ltd (the "Company") which comprises the statement of financial position as at 31 March 2023, 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 Company is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Company's financial position as at 31 March 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards – Simplified Disclosure 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 Company 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 (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 Company, 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 information included in the directors' report for the year ended 31 March 2023, 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.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosure 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 ability of the Company 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 Company 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 Company'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 Company'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 Company 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.



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.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink that reads "Shodai Enters".

Shodai Enters
Partner
Chartered Accountants
Melbourne, 5 May 2023