

Company Number: 05931997

Tata Consumer Products Capital Limited

Annual report and financial statements

Year ended 31 March 2023

Tata Consumer Products Capital Limited

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Tata Consumer Products Capital Limited

Strategic Report for the year ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

Review of the business

Tata Consumer Products Capital Limited (the “company”) acts as an intermediate holding entity. The company continued to receive dividends from shares in group undertakings in the current year. Dividends received were £1,358k (2022: £7,271k). Net interest expense of £4,790k (2022: £2,701k) was incurred, which largely relates to interest on a loan owed to Tata Consumer Products UK Group Limited (note 16) and the increase reflects the adverse impact of higher interest rates. As a result of lower dividend receipts from investments in the current year and higher interest rates the company delivered a loss before tax of £3,427k, whilst the prior year profit before tax was £4,598k.

The net asset position of the company as at 31 March 2023 was £87,717k, a decrease from £90,107k as at 31 March 2022 driven by the after tax loss for the year.

Key performance indicators

Due to the straightforward nature of the operations of the company, the directors consider that profit after tax is the key performance indicator of the company which has been discussed above.

Principal risks and uncertainties

The principal risk to the company is the carrying value of its investments in Tata Consumer Products UK Group Limited and Consolidated Coffee, Inc. (USA) which can also impact the company’s financial statements. This is kept under review on an ongoing basis by the directors.

Section 172 statement

The Companies (Miscellaneous Reporting) Regulations 2018 (‘2018 MRR’) require the Company’s Directors to explain how they considered the interests of key stakeholders and the other matters set out in section 172(1) (A) to (F) of the Companies Act 2006 (‘s172’) when performing their duty to promote the success of the Company for the benefit of its members as a whole. Of critical importance to the Directors whenever they exercise their s172 duties is the need to uphold the principles of the Tata Code of Conduct (‘TCoC’). This long standing Code is a comprehensive set of principles which are applicable to all employees and Directors in the wider Tata group of companies.

The members of the Company’s Board of Directors are suitably qualified persons having demonstrable competence and integrity, relevant business experience, financial acumen, a strategic mindset and leadership experience. They demonstrate a significant degree of commitment towards the Company and devote time to prepare thoroughly for Board meetings.

The Company has in place the framework to ensure Directors have regard to our key stakeholders and those other matters referenced in s172(1) in their decision-making.

Section 172 (1) (A) ‘The likely consequences of any decision in the long-term’

The Board has deep experience in reviewing management’s recommendations in relation to decisions facing the Company. The very nature of any Board decision means its possible long-term consequences must always be considered by the Board. This consideration is facilitated by the fact each Director understands the wider business and economic environment in which the Company and its investments operate. In considering the long-term consequences of a decision, where necessary the Board will obtain specialist advice either internally and / or from external professional advisors. All strategic priorities are within the Company’s framework for risk management. This collaborative approach between the Board, key employees of the group and external advisors helps to promote the long-term success of the Company.

Tata Consumer Products Capital Limited

Strategic Report for the year ended 31 March 2023

Section 172 (1) (B), (C) and (E)

The company considers these paragraphs as not being applicable as it is a holding company with no employees, customers or suppliers.

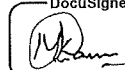
Section 172 (1) (D) 'The impact of the Company's operations on the community and the environment'

The company as a holding company considers its impact through its associate company Tata Consumer Products UK Group Limited and immediate parent company.

Section 172 (1) (F) 'The need to act fairly as between members of the Company'

Given that the company is a wholly owned subsidiary of Tata Consumer Products Limited the company considers this paragraph as not applicable.

Approved for issue by board of directors and signed on behalf of the board.

DocuSigned by:

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Manesh Thakrar
Director
10 May 2023

Tata Consumer Products Capital Limited

Directors' Report for the year ended 31 March 2023

The Directors present their annual report and the audited financial statements for the year ended 31 March 2023.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

L Krishna Kumar
M Thakrar (resigned 30 June 2022, reappointed 27 January 2023)
J Jacob
S A Shah (resigned 28 November 2022)
S D'Souza
A Stubbs (appointed 27 January 2023)

The company secretary, who is a director is M Bailey.

Going concern

The directors have considered the business activities and the company's principal risks and uncertainties as set out in the Strategic Report for adoption of the going concern basis for preparing the financial statements. Additionally, given the net current liabilities position of £85k, Tata Consumer Products UK Group Limited, an associate of the company, has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. Based on the company's statement of financial position, the forecasts and projections and having made enquiries to satisfy themselves of the ability of the associate to provide support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Dividends

The company received dividend income of £1,358k (2022: £7,271k) from its investments. During the year, no dividend was declared and paid (2022: £2,300k). No further dividends have been proposed since the balance sheet date.

Future developments

In the next financial year the board does not anticipate any changes to the company's ownership in investments or to its financing structure.

Treasury policy and financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in foreign currency exchange rates, interest rates, credit risks and liquidity. The board of Tata Consumer Products UK Group Limited ("the Group") approves Treasury policy that provides a framework to manage these risks on financial performance. The application of the policy, together with the management of day-to-day treasury operations, is managed by the Group Treasury function. Treasury activities are reported to the board on a regular basis and are subject to periodic independent review and audit, both internal and external.

Treasury policy is in place designed to manage the main financial risks faced by the company in relation to hedging. The policy dictates that the exposure to any one counterparty or type of instrument be within specified limits and that company exposure to exchange rate movements is managed according to set parameters.

In the context of the company's business operations, no transactions are undertaken which are speculative in nature.

Tata Consumer Products Capital Limited

Directors' Report for the year ended 31 March 2023

(i) Liquidity risk

The company ensures that there is adequate financing available through intercompany funding arrangements with group companies and a multiparty, multicurrency notional cash pool arrangement held with HSBC Bank PLC, London to fund growth and has adequate capacity to comfortably meet its funding requirements. The company considers that the Group cash reserves are sufficient for this purpose.

(ii) Interest rate risk

The company seeks to manage any exposure to changes in interest rates arising from internal borrowings that it may take out. Group Treasury is responsible for monitoring long-term interest exposures of the company and for recommending appropriate action to the Board.

(iii) Foreign currency exchange rates risk

Foreign exchange risk is transaction risk which arises from dividend income received which is denominated in US dollars. The Group has an effective hedging policy to manage such risks.

(iv) Credit risk

Credit risk arises on receivables balances which are with 100% owned subsidiaries. The risk is therefore mitigated by monitoring underlying financial performance of the counterparties which is performed regularly throughout the year by the Group management team.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also has Directors' and Officers' liability insurance in respect of itself and its Directors which is purchased and maintained throughout the financial year by a subsidiary of Tata Consumer Products UK Group Limited. No recharge is made to the company.

Events subsequent to the end of the financial year

As at the date of this report, no matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and

Tata Consumer Products Capital Limited

Directors' Report for the year ended 31 March 2023

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure of information to auditor

For each of the persons who were directors at the time this report was prepared, the following applies:

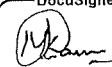
- So far as the directors are aware, there is no relevant information of which the Company's auditor is unaware; and
- The directors have taken steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditor

The auditor, Deloitte LLP, have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved for issue by board of directors and signed on behalf of the board.

DocuSigned by:

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Manesh Thakrar
Director
10 May 2023

Tata Consumer Products Capital Limited

Independent Auditor's report to the members of Tata Consumer Products Capital Limited for the year ended 31 March 2023

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Tata Consumer Products Capital Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Tata Consumer Products Capital Limited

Independent Auditor's report to the members of Tata Consumer Products Capital Limited for the year ended 31 March 2023

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These

Tata Consumer Products Capital Limited

Independent Auditor's report to the members of Tata Consumer Products Capital Limited for the year ended 31 March 2023

included UK Companies Act and tax legislation; and

- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Tata Consumer Products Capital Limited

Independent Auditor's report to the members of Tata Consumer Products Capital Limited for the year ended 31 March 2023

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Nipun Vinaik (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

11 May 2023

Tata Consumer Products Capital Limited
Income Statement for the year ended 31 March 2023
(All amounts in £ thousands unless otherwise stated)

	Note	2023	2022
Turnover			
Income from shares in group undertakings	8	1,358	7,271
Other gains	6	5	29
Administration expenses		-	(1)
Operating Profit		1,363	7,299
Finance costs	9	(4,790)	(2,701)
(Loss) / Profit before income tax		(3,427)	4,598
Tax on (loss) / profit	10	1,037	362
(Loss) / Profit for the year		(2,390)	4,960

The notes on pages 15 to 23 are an integral part of these financial statements.

The company has no other comprehensive income. All results relate to continuing operations.

Tata Consumer Products Capital Limited

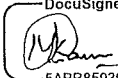
Balance sheet as at 31 March 2023

(All amounts in £ thousands unless otherwise stated)

	Note	2023	2022
Fixed Assets			
Investments	12	166,502	166,502
Deferred income tax assets	10	1,003	-
Debtors	14	2,329	2,193
		169,834	168,695
Current assets			
Cash at bank and in hand	13	3	1
		3	1
Creditors - amounts falling due within one year	15	(88)	(44)
Net current liabilities		(85)	(43)
Total assets less current liabilities		169,749	168,652
Creditors - amounts falling due after more than one year	15	(82,032)	(78,545)
Net assets		87,717	90,107
Capital and reserves			
Share capital	17	89,607	89,607
Retained earnings	17	(1,890)	500
		87,717	90,107

The notes on pages 15 to 23 are an integral part of these financial statements.

The financial statements on pages 12 to 23 were authorised for issue by the board of directors on 10 May 2023 and were signed on its behalf by:

DocuSigned by:

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Manesh Thakrar

Director

10 May 2023

Tata Consumer Products Capital Limited
 Registered number 05931997

Tata Consumer Products Capital Limited

*Statement of changes in equity for the year ended 31 March 2023**(All amounts in £ thousands unless otherwise stated)*

	Note	Share capital	Retained earnings	Total equity
Balance as at 1 April 2021		89,607	(2,160)	87,447
Profit and total comprehensive income for the year		-	4,960	4,960
Dividends paid	11	-	(2,300)	(2,300)
Balance as at 31 March 2022		89,607	500	90,107
Balance as at 1 April 2022		89,607	500	90,107
Loss and total comprehensive expense for the year		-	(2,390)	(2,390)
Dividends paid	11	-	-	-
Balance as at 31 March 2023		89,607	(1,890)	87,717

The notes on pages 15 to 23 are an integral part of these financial statements.

Tata Consumer Products Capital Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts in £ thousands unless otherwise stated)

1. General information

Tata Consumer Products Capital Limited ("the company") acts as an intermediate holding entity with investments in Tata Consumer Products UK Group Limited and Consolidated Coffee, Inc. (USA).

The company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ.

2. Statement of compliance

The individual financial statements of Tata Consumer Products Capital Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

3. 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) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as applicable to companies using FRS 102.

The preparation of financial statements in conformity with FRS 102 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 4.

(b) Going concern

The directors have considered the business activities and the company's principal risks and uncertainties as set out in the Strategic Report for adoption of the going concern basis for preparing the financial statements. Additionally, given the net current liabilities position of £85k, Tata Consumer Products UK Group Limited, an associate of the company, has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. Based on the company's statement of financial position, the forecasts and projections and having made enquiries to satisfy themselves of the ability of the associate to provide support, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

(c) Changes in accounting policy and disclosure

a) New standards, amendments and interpretations adopted by the company

There are no new FRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 April 2022 and have had a material impact on the company.

b) New standards, amendments and interpretations not yet adopted by the company

There are no new FRSs or IFRIC interpretations not yet adopted that we consider will have a material impact on the company.

Tata Consumer Products Capital Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts in £ thousands unless otherwise stated)

(d) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following available exemption for qualifying entities under FRS 102 para 1.12:

- (i) a reconciliation of the number of shares outstanding at the beginning and end of the period. [FRS 102 para 4.12(a)(iv)];
- (ii) the requirement to prepare a statement of cash flows. [Section 7 of FRS 102 and para 3.17(d)];
- (iii) the financial instruments disclosures required under paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as this information is provided in the consolidated financial statements;
- (iv) from disclosing the company's key management personnel compensation, as required by paragraph 7 of Section 33 'Related party disclosures'.

(e) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(f) 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.

(g) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Tata Consumer Products Capital Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts in £ thousands unless otherwise stated)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

Investments in subsidiaries and associates are measured at cost less impairment. An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

(h) Interest payable

Interest payable is accounted for on an accruals basis.

(i) Interest receivable

Interest receivable is recognised using the effective interest method.

(j) Share capital

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

(k) Dividend income

Dividend income is recognised when the right to receive payment is established.

(l) Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which

Tata Consumer Products Capital Limited

Notes to the financial statements for the year ended 31 March 2023

(All amounts in £ thousands unless otherwise stated)

the temporary difference can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the company and it is probable that the temporary difference will not reverse in the foreseeable future. Only where there is an agreement in place that gives the company the ability to control the reversal of the temporary difference not recognised.

Deferred income 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.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the company's accounting policies, which are described in note 2, management is required to make:

- judgments (other than those involving estimations) that have a significant impact on the amounts recognised; and
- estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgments and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

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.

Sources of estimate uncertainty

Impairment of investments

The company conducts impairment reviews of its investments whenever circumstances indicate that their carrying amounts may not be recoverable. Determining whether an asset is impaired requires an estimation of the recoverable amount. The recoverable amount is based on the higher of value in use and fair value less costs to sell of the company in which the investments are made. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. The estimation uncertainty mainly lies in the forecast cashflows used to estimate the recoverable amount. We have performed sensitivity analyses around the base assumptions and have concluded that no reasonable possible changes in key current assumptions based on current recent trends would cause the recoverable amount to be less than the carrying value. See note 12 for the net carrying amount of the investment in subsidiaries and associated impairment provision.

5. Directors and employees

Two (2022: three) of the directors of the company are directors of the associate undertaking, Tata Consumer Products UK Group Limited and are remunerated for their services to the Tata Consumer Products group as a whole. The emoluments

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(All amounts in £ thousands unless otherwise stated)

of these directors are included within the Tata Consumer Products UK Group Limited financial statements. In addition S Shah who resigned in the year and was also a director of Tata Consumer Products UK Group was remunerated for his services to the Tata Consumer Products group as a whole and his emoluments were included with Tata Consumer Products UK Group Limited financial statements.

One director is an employee of Tata Consumer Products GB Limited and is remunerated by this company for their services to the wider group. The remaining two (2022: two) directors are employees of the ultimate parent undertaking and are remunerated by that company for their services to the wider group.

The directors do not receive any remuneration for their services to the Company (2022: £nil).

Other than the directors, the company has no employees (2022: £nil).

6. Other gains

Other gains totalling £5k (2022: £29k) represents net foreign currency gains/(losses).

7. Auditor's remuneration

The Company's fees payable to the auditor for the audit of the company's financial statements were £15k (2022: £15k) which were borne by the associate company, Tata Consumer Products UK Group Limited.

8. Income from shares in group undertakings

	2023	2022
Dividends income from associate undertaking	-	5,812
Dividends income from investment undertaking	1,358	1,459
Total	1,358	7,271

During the year, the Company has received a dividend of £1,358k (2022: £1,459k) from Consolidated Coffee Inc. and Nil (2022: £5,812k) from Tata Consumer Products UK Group Limited.

9. Finance costs

	2023	2022
Interest expense on amounts due to group undertakings	(4,790)	(2,701)
Total finance costs	(4,790)	(2,701)

Interest is payable on a loan from Tata Consumer Products UK Group Limited (see note 16).

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10. Taxation

The tax credit assessed on the profit for the year is higher (2022: higher) to that of the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023	2022
Current tax:		
UK corporation tax on (loss) / profit for the year	(147)	(508)
Overseas corporation tax on (loss) / profit for the year	68	73
Total current tax credit for the year	(79)	(435)
Deferred tax:		
Origination and reversal of timing differences	(958)	73
Total deferred tax (credit) / charge for the year	(958)	73
Tax credit on (loss) / profit on ordinary activities	(1,037)	(362)

The differences are explained below:

	2023	2022
(Loss) / Profit on ordinary activities before tax	(3,427)	4,598
(Loss) / Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	(651)	874
Adjusting for the effects of:		
Income not subject to tax	(258)	(1,382)
impact in change in tax rate	(241)	-
Overseas withholding tax on unremitted earnings	45	73
Overseas withholding tax suffered on dividends	68	73
Tax credit for the financial year	(1,037)	(362)

Deferred tax

Deferred tax consists of the following (liabilities) / assets:

	2023	2022
Deferred tax assets		
Deferred tax asset - to be recovered after 12 months	-	-
Deferred tax asset - to be recovered within 12 months	1,003	-
Deferred tax assets	1,003	-
Deferred tax liabilities		
Deferred tax liability - to be paid after 12 months	-	-
Deferred tax liability - to be paid within 12 months	(230)	(185)
Deferred tax liabilities	(230)	(185)

	Deferred tax asset - Tax Losses	Deferred tax liability - Unremitted earnings	Total
At 1 April 2021	-	(112)	(112)
Income statement charge	-	(73)	(73)
At 31 March 2022	-	(185)	(185)
Income statement credit / (charge)	1,003	(45)	958
At 31 March 2023	1,003	(230)	773

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Notes to the financial statements for the year ended 31 March 2023

(All amounts in £ thousands unless otherwise stated)

There are temporary differences arising in respect of unremitted overseas retained earnings from the associate undertaking for which deferred tax liabilities amounting to £230k (2022: £185k) have been recognised as at 31 March 2023.

The company has no unrecognised deferred tax assets or liabilities.

Factors that may affect future tax:

The UK corporation tax rate will increase from 19% to 25% from 1 April 2023. As the deferred tax liability is in respect of withholding tax on unremitted earnings the proposed change in the UK tax rate would have nil effect if the higher rate had it have been used at the balance sheet date.

During the year beginning 1 April 2023, the net reversal of the deferred liability is not expected to impact the corporation tax charge for the year, as it relates to withholding tax on unremitted earnings.

11. Dividends

	2023	2022
Equity - Ordinary		
Interim paid: Nil (2022: 2.57p) per £1 share	-	2,300

12. Investments

	Shares in Investment undertaking	Shares in associate undertaking	Total
At 1 April 2022	14,086	152,416	166,502
Additions	-	-	-
At 31 March 2023	14,086	152,416	166,502

Shares held in the investment undertaking represent a 16.70% holding of the ordinary share capital of Consolidated Coffee Inc., an indirectly held subsidiary of its immediate parent company, Tata Consumer Products Limited, a company registered in India (see note 19 Parent Company). Shares in the associate undertaking represent a holding of 49.18% of the ordinary share capital of Tata Consumer Products UK Group Limited. (2022: 49.18%). The associate undertaking's profit for the year is £24,122k and its total equity (including non-controlling interest) is £528,488k as at 31 March 2023. The directors believe that the carrying value of the investments is supported by their value in use and that no provision against their value is required.

Tata Consumer Products UK Group Limited is incorporated in United Kingdom and the address of its registered office is 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ. Its principal activities are processing, marketing and distribution of tea, coffee and related products.

Consolidated Coffee Inc. is incorporated in United States and the address of its registered office is 155 Chestnut Ridge Road, Montvale, New Jersey 07645, USA. Its principal activities are processing, marketing and distribution of coffee and related products.

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13. Cash at bank and in hand

	2023	2022
Cash at bank and in hand	3	1
Total	3	1

14. Debtors

	2023	2022
Amounts owed by group undertakings	2,329	2,193
Total	2,329	2,193

Amounts owed by group undertakings of £2,329k (2022: £2,193k) represents a balance with Tata Consumer Products GB Limited which is unsecured, interest free and are repayable on demand. The company has provided a letter to Tata Consumer Products GB Limited stating that these balances will not be required to be repaid until at least twelve months from the date that these financial statements were approved. Therefore they have been treated as falling due after more than one year. Amounts due from group undertakings has been classified as non current assets to the extent it meets with the company's intention not to request for settlement within 12 months.

15. Creditors - amounts due within one year

	2023	2022
Amounts owed to group undertakings	88	44
Total	88	44

Amounts owed to group undertakings represents interest owed to Tata Consumer Products UK Group Limited £88k (2022: £44k) fall due within one year. The loan on which the interest is charged is classified as non-current and terms described in note 16.

16. Creditors - amounts due after more than one year

	2023	2022
Amounts owed to group undertakings	81,802	78,360
Deferred tax liabilities (note 10)	230	185
Total	82,032	78,545

The amounts owed to group undertakings represent a loan from Tata Consumer Products UK Group Limited £81,802k (2022: £78,360k). The loan is unsecured and interest is charged at a margin of 3.5% over Benchmark (2022: 3.5% over LIBOR). The loan is repayable on demand and the company has the discretion of rolling over the interest owed to group undertakings every three months. We have received written confirmation from the group undertaking that they will not recall the amount due for a period of at least 12 months from the balance sheet date. Accordingly, the loan is disclosed as long-term in these financial statements.

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17. Called-up share capital and retained earnings

	Number of shares (thousands)	2023	2022
Authorised			
Ordinary shares of £1 each	500,000	500,000	500,000
Allotted, called up and fully paid			
Ordinary shares of £1 each	89,607	89,607	89,607

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

18. Events after the end of the reporting period

As at the date of this report, no matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the company, its results or the state of affairs in future financial years.

19. Parent company

The immediate and ultimate parent undertaking and controlling party is Tata Consumer Products Limited, a company incorporated in India. Tata Consumer Products Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 March 2023. The consolidated financial statements of Tata Consumer Products Limited are available from the company website www.tataconsumer.com or from its registered office at 1 Bishop Lefroy Road, Kolkata, India.