

Tetley GB Limited
(Registered Number: 3019950)

REPORT AND FINANCIAL STATEMENTS

2 April 2005



Tetley GB Limited

Report of the Directors

The directors present their report and the audited financial statements for the period from 4 April 2004 to 2 April 2005.

Results, business review, future developments and dividends

Sales of £152.0 million (2004: £172.4 million) and the retained loss for the period of £12.8 million (2004: profit of £5.4 million) were in line with expectations. The directors recommended the payment of a final dividend of £40 million for the period (2004: £25 million). The dividend was paid on 14 March 2005. Net assets of the Company at 2 April 2005 were £10.8 million (2004: £23.6 million).

The Company expects to remain profitable before distribution of dividends in the 2005/06 trading year.

Principal activities

The principal activities of the Company are the processing, marketing and distribution of tea.

Directors and their interests

The directors during the period were as follows:

K Pringle	
PD Unsworth	
T Pascall	(resigned 28 th May 2004)
J Campbell	(appointed 28 th May 2004, resigned 18 th February 2005)

None of the directors hold beneficial shareholdings in the Company. Details of the interests of the directors in loans to the parent company are shown in TATA Tea (GB) Limited's directors' report.

Health, safety and the environment

The Company has a positive approach to health and safety at work and regards compliance with statutory requirements as a minimum standard.

As a responsible employer, the Company is aware of its position and role in the community and is continually committed to improving its environmental performance.

Disabled persons

It is the policy of the Company to employ disabled persons, whenever possible, in jobs suited to their individual circumstances and to give them, together with employees who become disabled while employed, full and fair consideration at all times in career development, and for training and promotion.

Research and development expenditure

The Company is committed to growth through new product development. A focused programme of research and product development is in place to meet that strategic need, building on successes and creating new, differentiated products that will enable the Company to penetrate new markets.

Tetley GB Limited

Report of the Directors (Continued)

Charitable and political contributions

Charitable donations during the period amounted to £203,151 (2004: £260,128), this amount includes £200,000 (2004: £205,328) paid to the British Heart Foundation in connection with an ongoing promotional campaign launched during 2001/02. No political donations were made in the period (2004: £nil).

Supplier payments

The Company agrees payment terms with its suppliers when it places purchase orders for the supply of goods and services. Tea commodity purchases are subject to industry-wide purchase contracts. The Company expects to meet these payment terms provided it is satisfied that the supplier has provided the goods or services in accordance with the agreed terms and conditions.

The trade creditors days are 22 (2004: 20).

Employee involvement

The Company believes in regular communication with its employees, principally through our intranet, monthly business briefs and our quarterly house magazine "The World of Tetley". Circulars on business developments are designed to ensure that all employees are well informed about the world-wide business.

Fixed assets

The movements in tangible fixed assets are set out in note 9 to the financial statements.

Going concern

The directors confirm that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and, having received the assurances referred to in note 14 in respect of the borrowings from Tetley Group Holdings Limited, they have adopted the going concern basis in preparing the financial statements.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Pursuant to a shareholders' resolution under section 386 of the Companies Act 1985, the Company is not obliged to re-appoint auditors annually.

Tetley GB Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By Order of the Board



PD Unsworth

Director

27th May 2005

Tetley GB Limited

Independent auditors' report to the members of Tetley GB Limited

We have audited the financial statements which comprise the statement of accounting policies, the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 2 April 2005 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
27th May 2005

Tetley GB Limited

Statement of accounting policies

Accounting dates

The Company decided in 2003 to change its financial period from the first Saturday in March to the first Saturday in April to better align the year end with that of the ultimate parent company. The current financial period ended 2 April 2005 is a 52 week period, however, the comparative period from 2 March 2003 to 3 April 2004 is a 57 week period.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

Group financial statements are not required as the Company is a wholly owned subsidiary of TATA Tea (GB) Limited, whose financial statements include the results of the Company and its subsidiary undertakings.

Turnover

Turnover comprises sales of goods after deduction of discounts and sales taxes. Statutory turnover is after the deduction of promotional costs required by Application Note G. Turnover is recognised when the risks and rewards of the underlying products and services have been substantially transferred to the customer.

Research and development

Such expenditure is written off to the profit & loss account as incurred in accordance with SSAP 13.

Pension and other post retirement benefit arrangements

Pensions and other post retirement benefits are accounted for in line with SSAP 24 and the transitional arrangements of FRS 17.

Defined Benefit Schemes

Pension costs and similar post retirement charges are reflected in the profit and loss account on a systematic basis over the average service life of employees. Further details on the Company's pension schemes are given in note 18.

Defined Contribution Schemes

Pension costs relating to defined contribution schemes are recognised in the profit and loss account as they arise. Further details on all the Company's pension schemes are given in note 18.

Goodwill

Goodwill represents the excess of the fair values of the investments made in the tea business in 1995/6, over the fair values of the underlying net assets at the dates of acquisition and has been capitalised in accordance with FRS 10, 'Goodwill and Intangible assets'.

This goodwill was initially amortised over a period of 20 years from acquisition. In the period ended 2 March 2002 the parent company changed the group accounting policy to one where the goodwill arising at a group level has an indefinite useful economic life and as such goodwill has not been amortised. The factors that influenced the directors' view of the durability of the goodwill are the businesses' proven ability to maintain market leadership, and operate profitably, over a long period of time, the strength of the brand, the continuing commitment to high levels of investment in brand

Tetley GB Limited

Statement of accounting policies (Continued)

Goodwill (continued)

building and innovation and the significant financial and technical barriers to new market entrants that have been built. The carrying value of the goodwill will continue to be subject to an annual impairment review based on the expected future cashflows of the businesses and adjusted to the recoverable amount if required.

The accounting treatment represents a departure from the specific requirements of the Companies Act 1985 (Paragraph 3 of Schedule 4). The directors consider this to be necessary for the overriding purpose of providing a true and fair view. If the group had continued to amortise goodwill over a period of 20 years the profit before tax would have been £4.1m lower for the period (2004: £4.4m).

Depreciation

No depreciation is charged on land. Freehold buildings are depreciated on a straight line basis over 50 years or their remaining life, if less. Leasehold buildings are depreciated on a straight line basis over the remaining term of the lease. Other fixed assets are depreciated on a straight line basis over their expected remaining useful lives at the following rates:

Plant and machinery	5 to 12 years
Commercial and motor vehicles	4 to 6 years
Office furniture and fittings	5 to 10 years
Computer hardware	3 to 5 years

Depreciation is not charged on capital work in progress until the assets are brought into operational use in the business and transferred to the appropriate asset category.

Leased assets

Tangible fixed assets held under finance leases are capitalised and depreciated in accordance with the Company's depreciation policy. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding. Operating lease charges are charged to the profit and loss account as incurred.

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value and, in the opinion of the directors, their value is not less than the aggregate amount shown in the balance sheet.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises that expenditure which has been incurred in the normal course of business in bringing the product to its present location and condition, including attributable overheads.

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the day of the transaction. Any exchange differences are dealt with in the profit and loss account. Period end foreign currency assets and liabilities are translated at period end exchange rates.

Tetley GB Limited

Statement of accounting policies (Continued)

Deferred Tax

Deferred tax is fully provided in respect of timing differences that have originated but not reversed by the balance sheet date. These are based on average tax rates that are expected to apply at the time of the reversal, which will be the rates that have either been enacted, or substantially enacted, by the balance sheet date. No deferred tax is provided on permanent timing differences. Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax balances are not discounted.

Tetley GB Limited

Profit and loss account for the period ended 2 April 2005

	Note	52 weeks ended 2 April 2005	57 weeks ended 3 April 2004
		£'000	£'000
Turnover	1	152,024	172,413
Operating profit	1,2,3	40,120	45,425
Net interest payable and similar charges	4	(1,092)	(1,978)
Profit on ordinary activities before taxation		39,028	43,447
Tax on ordinary activities	6	(11,782)	(13,054)
Profit for the financial period		27,246	30,393
Dividend	7	(40,000)	(25,000)
Retained (loss)/profit for the period	17	(12,754)	5,393

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

All recognised gains and losses relating to the period are included above.

All amounts shown above relate to continuing businesses.

The notes on pages 11 to 22 form part of these financial statements.

Tetley GB Limited

Balance sheet as at 2 April 2005

	Note	2 April 2005 £'000	3 April 2004 £'000
Fixed assets			
Intangible assets	8	58,540	58,540
Tangible assets	9	26,229	26,006
Investments	10	467	290
		85,236	84,836
Current assets			
Stocks	11	17,936	16,861
Debtors	12	72,690	82,598
Cash at bank and in hand		5	9
		90,631	99,468
Creditors: amounts falling due within one year	13	(64,529)	(59,922)
Net current assets		26,102	39,546
Total assets less current liabilities		111,338	124,382
Creditors: amounts falling due after more than one year	14	(95,929)	(96,164)
Provisions for liabilities and charges	15	(4,584)	(4,639)
Net assets		10,825	23,579
Capital and reserves			
Called up share capital	16	-	-
Profit and loss account	17	10,825	23,579
Equity Shareholders' funds		10,825	23,579

Approved by the Board on 27th May 2005
and signed on its behalf by:



PD Unsworth
Director

The notes on pages 11 to 22 form part of these financial statements.

Tetley GB Limited

Reconciliation of movements in shareholders' funds

	52 weeks ended 2 April 2005 £'000	57 weeks ended 3 April 2004 £'000
Profit for the financial period	27,246	30,393
Dividends	(40,000)	(25,000)
Net (decrease)/addition to shareholders' funds	(12,754)	5,393
Opening shareholders' funds	23,579	18,186
Closing shareholders' funds	10,825	23,579

The notes on pages 11 to 22 form part of these financial statements.

Tetley GB Limited

Notes to the financial statements

1 Turnover and profit information

The principal operations of the Company are the processing, marketing and distribution of tea, which is regarded by the directors as a single class of business.

The origin and destination of the Group's statutory turnover is as follows:

Period ended 2 April 2005:	Turnover by origin £'000s	Turnover by destination £'000s
United Kingdom	152,024	125,416
Rest of World	-	26,608
Total	152,024	152,024

Period ended 3 April 2004:	Turnover by origin £'000s	Turnover by destination £'000s
United Kingdom	172,413	143,118
Rest of World	-	29,295
Total	172,413	172,413

The directors consider the segmental analysis for operating net assets by location and profit on ordinary activities before tax to be commercially sensitive information. The disclosure has been excluded from the financial statements on this basis.

Further analysis of the Company's profit and loss account is provided as follows:

	52 weeks 2005 £'000	57 weeks 2004 £'000
Turnover	152,024	172,413
Cost of sales	(82,407)	(97,346)
Gross profit	69,617	75,067
Selling and distribution costs	(18,299)	(17,985)
Administrative expenses	(11,246)	(11,715)
Other operating income/(expenses)	48	58
Operating profit before exceptional items	41,093	46,057
Exceptional items (note 3)	(973)	(632)
Operating profit	40,120	45,425

Tetley GB Limited

Notes to the financial statements (Continued)

2 Operating profit

	52 weeks 2005 £'000	57 weeks 2004 £'000
The operating profit is stated after charging:		
Staff costs:		
Wages and salaries	16,395	19,040
Social security costs	1,638	1,806
Other pension costs	2,615	3,086
Auditors' remuneration	143	163
Auditors' fees for non audit services	249	249
Depreciation and amortisation of fixed assets	4,301	4,917
Operating lease rentals	1,574	2,840
Research and development costs	820	1,062
Exceptional items (see note 3)	973	632

3 Exceptional items

During the period £973,000 (2004: £632,000) of reorganisation provisions were charged to operating profit. These charges relate mainly to reorganisation of the distribution network. A tax credit of £0.3 million has arisen on these exceptional items.

4 Net interest payable and similar charges

	52 weeks 2005 £'000	57 weeks 2004 £'000
Other interest payable	146	191
Interest payable on finance lease obligation	7	6
Interest receivable from Group Undertakings	(3,635)	(4,520)
Interest payable to Group Undertakings	4,574	6,301
Net interest payable to Group Undertakings	939	1,781
Net interest payable	1,092	1,978

Tetley GB Limited

Notes to the financial statements (Continued)

5 Directors and employees

The average number of persons (full time equivalent) employed, principally in the United Kingdom, during the period was:

	2005 Number	2004 Number
Manufacturing	501	489
Selling & distribution	98	111
Administration	74	77
	673	677

There were no emoluments paid to Directors during the period in respect of services provided to the Company.

Directors' pension arrangements at 2 April 2005 are as follows:

Number of directors who are members of:	2005 Number	2004 Number
Defined contribution pension schemes	1	2
Defined benefit pension scheme	1	1
Total	2	3

The directors hold guaranteed secured loan notes 2006, taken in lieu of cash on the sale of The Tetley Group to TATA Tea (GB) Limited in March 2000. Interest on these loan notes is below market rates. The amounts held as at 2 April 2005 by the directors of the Company are disclosed within the financial statements of TATA Tea (GB) Limited.

Tetley GB Limited

Notes to the financial statements (Continued)

6 Taxation

	52 weeks 2005 £'000	57 weeks 2004 £'000
Current Tax:		
UK corporation tax on profits in the period	11,708	13,717
Total current tax	11,708	13,717
Deferred Tax	74	(663)
	11,782	13,054

Factors affecting the tax charge for the period

The current tax charge for the period is higher than at the standard rate of corporation tax in the UK (30%). The differences are explained below:-

	2005 £'000	2004 £'000
Profit on ordinary activities before tax	39,028	43,447
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	11,708	13,034
Effects of:		
Capital allowances for period in excess of depreciation	(76)	173
Other timing differences	-	490
Other items	76	20
Current tax charge for the period	11,708	13,717

7 Dividends

A dividend of £40 million was proposed and paid during the period (2004: £25 million).

Tetley GB Limited

Notes to the financial statements (Continued)

8 Intangible assets

Goodwill arising on acquisition: £'000

Cost

At 2 April 2005 and at 3 April 2004 81,269

Amortisation

At 2 April 2005 and at 3 April 2004 22,729

Net book amount at 2 April 2005 and at 3 April 2004 58,540

Tetley GB Limited

Notes to the financial statements (Continued)

9 Tangible assets

	Freehold land and buildings £'000	Short leasehold buildings £'000	Plant, machinery, fixtures, fittings and equipment £'000	Commercial and motor vehicles £'000	Capital work in progress £'000	Total £'000
Cost						
At 3 April 2004	5,503	30	43,440	359	623	49,955
Additions	-	-	-	98	4,466	4,564
Transfers	709	-	2,590	-	(3,299)	-
Disposals	-	-	(322)	(137)	-	(459)
At 2 April 2005	6,212	30	45,708	320	1,790	54,060
Depreciation						
At 3 April 2004	1,425	16	22,271	237	-	23,949
Charge for the period	326	1	3,940	34	-	4,301
Disposals	-	-	(307)	(112)	-	(419)
At 2 April 2005	1,751	17	25,904	159	-	27,831
Net book amount						
At 2 April 2005	4,461	13	19,804	161	1,790	26,229
At 3 April 2004	4,078	14	21,169	122	623	26,006

The book value of leased tangible assets held under finance lease arrangements, all of which relate to commercial and motor vehicles, is as follows:

	Total £'000
Cost	98
Accumulated depreciation	(15)
Net book value at 2 April 2005	83
Net book value at 3 April 2004	30

The depreciation charge on assets held under finance leases was £21,262 (2004: £20,400). These depreciation charges are higher than accumulated depreciation above due to disposal of assets.

Tetley GB Limited

Notes to the financial statements (Continued)

10 Investments

Cost	Shares in Group undertakings £'000
At 3 April 2004	290
Acquisition of shares in Group undertakings	234
Write-down for impairment of investment	(57)
At 2 April 2005	467

The Company's shares in group undertakings at the start of the period are represented by 100% equity holdings in five dormant companies and a 70% equity holding in Drassington Limited, all of which were incorporated in the UK. During the period the Company has written down the carrying value of its investments in Companies which were either liquidated during the period or were in the process of being liquidated at the period end. The acquisition during the period relates to increased investment in Drassington Limited, to bring the Company's shareholding to 82.4% as at the period end.

11 Stocks

	2005 £'000	2004 £'000
Raw materials	12,844	11,925
Work in progress	91	296
Finished goods	5,001	4,640
	17,936	16,861

The difference between the amount shown above and replacement cost is not material.

12 Debtors

	2005 £'000	2004 £'000
Amounts due within one year:		
Trade debtors	17,020	15,726
Amounts owed by group undertakings	53,353	63,613
Pension prepayment	306	430
Other debtors, prepayments and accrued income	2,011	2,829
	72,690	82,598

Of the balance above, the pension prepayment is due after more than one year.

Tetley GB Limited

Notes to the financial statements (Continued)

13 Creditors: amounts falling due within one year

	2005 £'000	2004 £'000
Trade creditors	4,953	5,520
Amounts owed to group undertakings	37,855	32,618
Finance lease obligations	30	22
Other taxation and social security	442	433
Other creditors and accruals	21,249	21,329
	64,529	59,922

14 Creditors: amounts falling due after one year

	2005 £'000	2004 £'000
Borrowings owed to Group companies	95,873	96,152
Finance lease obligations:		
- Due between one and two years	30	12
- Due between two and five years	26	-
	95,929	96,164

Borrowings represent a loan from Tetley Group Holdings Limited (formerly Tetley GB Holdings Limited). The loan is at nil interest margin and is unsecured. The loan agreement provides for the principal, and any accrued and unpaid interest, to be repaid on demand by the lender. The Tetley Group Holdings Limited has indicated to the Company that it will not require repayment of the balance of the loan, in the normal course of events, until at least twelve months from the date that these financial statements were approved. The borrowings have, therefore, been treated as repayable after more than one year from the balance sheet date.

Tetley GB Limited

Notes to the financial statements (Continued)

15 Provisions for liabilities and charges

	Reorganisation cost £'000	Deferred tax £'000	Other provisions £'000	Total £'000
At 3 April 2004	279	4,360	-	4,639
Established in period	973	74	150	1,197
Utilised in period	(1,252)	-	-	(1,252)
At 2 April 2005	-	4,434	150	4,584

The reorganisation provision relates to the restructure of the UK operations. Utilisation of provisions during the period related mainly to employee severance payments.

The major components of the deferred tax balance are as follows:

	2005 £'000	2004 £'000
Accelerated capital allowances	4,115	3,957
Other timing differences	319	403
	4,434	4,360

There is no unprovided deferred tax in respect of the Company (2004: £nil).

16 Called up share capital

	Number	2005 £'000	2004 £'000
Allotted, called up and fully paid			
Ordinary shares of £1 each	1	-	-
Authorised			
Ordinary shares of £1 each	100	-	-

Tetley GB Limited

Notes to the financial statements (Continued)

17 Profit and loss account

	£'000
At 3 April 2004	23,579
Retained profit for the period	(12,754)
At 2 April 2005	10,825

18 Pensions

The Company's employees are members of the two Tetley GB Limited pension schemes.

The Company participates in the Tetley GB Final Salary Pension Scheme, which is of the funded defined benefit type providing benefits to certain employees within the Tetley Group; the assets of the scheme are held separately from the Group's assets. The Scheme closed to new entrants in April 1997.

The Company pays contributions to the Tetley GB scheme at the rate set by the trustees of the fund and the pension cost in the period was £2,097,000 (2004: £2,335,000).

The latest actuarial valuation of the Scheme was carried out on 6 April 2003 and was subsequently updated to 2 April 2005 by an independent, professional qualified actuary using the projected unit method.

The funding level as at 2 April 2005 was 85% of the value of the Scheme's liabilities. The market value of the Scheme's assets at 2 April 2005 was £50.5m. The principal assumptions used in the valuation were an investment return of 7.5% per annum in respect of pre-retirement liabilities and 5.5% in respect of post-retirement liabilities, annual wage and salary increases of 4.25% per annum and increase in pensions in payment of 3% per annum.

The Company has also established a defined contribution scheme, administered by independent pension advisers and invested by external managers for employees joining the Group after July 1995. Such employees are not eligible to participate in the Tetley defined benefit scheme. The pension cost in the period of the Company's defined contribution scheme was £518,000 (2004: £751,000).

During the period the Company announced that the Tetley GB final salary pension scheme would be closed to future accrual with effect from 6 April 2005. All existing scheme members will be eligible to join the UK defined contribution plan

Full disclosures relating to this scheme are included within the financial statements of TATA Tea (GB) Limited.

Tetley GB Limited

Notes to the financial statements (Continued)

19 Contingent liabilities

There were contingent liabilities at 2 April 2005 and at 3 April 2004 in respect of operating leases undertaken in the normal course of business.

The Company is a wholly owned subsidiary of TATA Tea (GB) Limited ("TTGB"). The main financing for the group of companies owned by TTGB is provided by a series of credit facilities to TTGB and nominated subsidiaries. Under the terms of these arrangements, outstanding liabilities are supported by guarantees and various security provided by the principal subsidiaries of TTGB, including the Company. At 2 April 2005, total amounts outstanding under this arrangement were £138.6 million (2004: £159.9 million).

The directors are of the opinion that these arrangements will not have a material impact on the results and financial position of the Company.

20 Leases

The Company had annual commitments under non-cancellable operating leases, as follows:

Commitment expires:	Land and buildings		Other	
	2005 £'000	2004 £'000	2005 £'000	2004 £'000
Within one year	46	-	90	96
Between one and five years	-	-	268	816
After five years	1,601	1,628	-	-
	1,647	1,628	358	912

21 Capital commitments

Capital expenditure authorised by the Board and contracted for at 2 April 2005 amounted to £0.6 million (2004: £nil).

22 Parent company

The immediate parent company is Tetley Group Holdings Limited. The smallest parent company to include the company's results in their consolidated accounts is TATA Tea (GB) Limited, a company incorporated in the United Kingdom. Copies of that company's financial statements may be obtained from 325 Oldfield Lane North, Greenford, Middlesex, UB6 0AZ. The largest company to consolidate the company's results and the company's ultimate parent undertaking is TATA Tea Limited, a company registered in India.

Tetley GB Limited

Notes to the financial statements (Continued)

23 Related party transactions

As the Company is a wholly owned subsidiary of TATA Tea (GB) Limited advantage has been taken of the exemption afforded by Financial Reporting Standard 8 (FRS8) not to disclose any related party transactions with members of the Group or associates and joint ventures of TATA Tea (GB) Limited.

24 Cash flow statement

TATA Tea (GB) Limited has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of Financial Reporting Standard 1 (FRS1). Accordingly the Company has taken advantage of the exemption available under FRS1 to dispense with presenting its own cash flow statement.