

Tata Global Beverages GB Limited

Registered number 03019950

Annual report and financial statements

Year ended 31 March 2012

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Tata Global Beverages GB Limited

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Tata Global Beverages GB Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 March 2012

Principal activities

The principal activities of the company are the processing, marketing and distribution of tea products

Results, business review, future developments and dividends

The company operates within the UK from where it services the UK grocery and foodservice markets as well as export markets primarily in Canada and Western Europe

The Company remains a leading member of the Ethical Tea Partnership, an international non-commercial alliance of tea packers with a vision to create a thriving global tea sector that is socially just and environmentally sustainable. The Company pursued its commitment to purchase all tea for Tetley branded teabag and loose tea products from Rainforest Alliance Certified TM farms by 2016, securing sufficient certified black tea for the 2011 launches in the UK, Europe and Canada. The Rainforest Alliance collaboration is being communicated through the Farmers First Hand initiative on Facebook, which continues to grow successfully. The Company has commenced measurement of its global carbon footprint.

The directors are pleased to report that it has been a successful and profitable period for the company. The company achieved sales of £181.9 million (2011: 189.5 million) which represents a decline of 4.0 % year on year. Profit after tax of £20.2 million (2011: 20.1 million) was £0.1 million ahead (2011: 3.5 million behind) of the prior year.

The market performance of the company remains strong. The company has a UK market share in value terms of 22.0% (2011: 24.7%). In Canada, the company's largest export market, leadership was maintained with a share of 32.6% (2011: 35.1%). Market performance in the Company's other markets was satisfactory.

Financial Risk Management

The company takes a proactive approach to the management of the various risks that it faces. Of these risks the principal ones are raw tea pricing, currency movements, and the current dependence on black tea. These are managed in the following ways:

Raw tea pricing - raw tea is the company's single largest cost. Climatic conditions in the different countries from which raw tea is sourced can lead to fluctuations in price. However, these raw teas are blended before packing which allows some flexibility to manage these fluctuations by substitution.

Currency movements - foreign exchange risk in relation to export revenues and import costs is managed by the parent company's Treasury function using spot, forward and option exchange contracts.

Dependence on black tea - much of the company's current trading is in black tea, a market that is in slow decline in the UK. Management's strategy is to grow the business in product categories other than black tea, which are currently growing.

The company's activities and future prospects have been reviewed and the company plans to continue trading within the tea market. The company is looking to maximise the value of its portfolio of brands and to increase its presence in the wider beverage market.

Tata Global Beverages GB Limited

Directors' report (continued)

The company is a wholly owned subsidiary of Tata Global Beverages Group Limited. More detail on the performance of the Group as a whole can be found in the Directors' report of that company.

Directors and their interests

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	
N Holland	appointed 30 June 2011
P Siganporia	appointed 30 June 2011, resigned 29 June 2012
J R Nicholas	resigned 8 April 2011
P D Unsworth	resigned 30 June 2011
M Thakrar	appointed 3 July 2012

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 17 in respect of the borrowings from Tata Global Beverages Group Limited and Tata Global Beverages Holdings Limited, they have adopted the going concern basis in preparing the financial statements.

Health, safety and the environment

The company operates in full compliance with all relevant environmental legislation and has a worldwide environmental policy and ISO14001 accreditation for its UK based facilities.

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, training and promotion.

Research and development expenditure

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

Charitable and political contributions

Charitable donations during the year amounted to £2,000 (2011: £1,000). No political donations were made in the year (2011: £nil).

Tata Global Beverages GB Limited

Directors' report (continued)

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.

Employee involvement

The company believes in effective communication to engage its employees worldwide. This is regularly delivered via its intranet site, a monthly Core Brief and World of Tetley, a quarterly in-house magazine, supported by ad hoc mailings and face to face communication events. Together, these ensure all employees are well informed about the company's performance and key business issues and developments.

Fixed assets

The movements in tangible fixed assets are set out in note 11 to the financial statements.

Loans to and from group undertakings

The company has agreed with certain group undertakings to offset debit and credit balances on loans to and from those group undertakings in the year. Details of loans to and from group undertakings are included within notes 14, 15, 16 and 17.

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 purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Statement of disclosure of information to auditors

In accordance with Section 418 of the Companies Act 2006, each director in office at the date the Directors' Report is approved, confirms that

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Tata Global Beverages GB Limited

Directors' report (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

The directors are responsible for preparing the Directors' 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). 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,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By Order of the Board



L Krishna Kumar
Director

27 July 2012

Tata Global Beverages GB Limited

Independent auditors' report to the members of Tata Global Beverages GB Limited

We have audited the financial statements of Tata Global Beverages GB Limited for the year ended 31 March 2012 which comprise the Accounting Policies, the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Tata Global Beverages GB Limited

Independent auditors' report to the members of Tata Global Beverages GB Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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



Stephen Wootton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 July 2012

Tata Global Beverages GB Limited

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards. The company has consistently applied its accounting policies.

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 17 in respect of the borrowings from Tata Global Beverages Group Limited and Tata Global Beverages Holdings Limited, they have adopted the going concern basis in preparing the financial statements.

Consolidation

The company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group financial statements as the results are included in the consolidated financial statements of Tata Global Beverages Group Limited.

Cash flow statement

Tata Global Beverages Group Limited has presented in its consolidated financial statements a group cash flow statement drawn up in accordance with the provisions of FRS 1. Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

Turnover

Turnover comprises sales of goods after deduction of discounts and sales taxes. 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 and loss account as incurred in accordance with SSAP 13.

Pension and other post retirement benefit arrangements

Pensions and other post retirement benefit arrangements are accounted for in line with FRS 17.

Defined Benefit Schemes

A number of the company's employees are members of The Tetley GB Final Salary Pension Scheme. Whilst this is a defined benefit scheme, the company is unable to identify its share of the underlying assets and liabilities of the scheme and the company accounts for the scheme as a defined contribution scheme, as permitted by FRS 17 'Retirement benefits'.

Defined Contribution Schemes

Pension costs relating to defined contribution schemes represent contributions payable to the scheme for the accounting period. They are recognised in the profit and loss account as they arise.

Further details on the Group's pension schemes are given in note 22.

Tata Global Beverages GB Limited

Accounting policies (continued)

Intangible Fixed Assets (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 company changed the 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 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 cash flows of the businesses and adjusted to the recoverable amount if required.

Whilst the accounting treatment represents a departure from the specific requirements of the Companies Act 2006, the directors consider this to be necessary for the overriding purpose of providing a true and fair view in accordance with the Companies Act 2006 (Section 404(5)). If the company had continued to amortise goodwill over a period of 20 years the profit before tax would have been £4.1 million lower for the period (2011: £4.1 million).

Intangible Fixed Assets (Brands)

Intangible Assets held represents the purchase of Vitax and Flosana brands for £4.8 million in April 2007.

The intangible brand assets have not been amortised as the directors have concluded that the brands have an indefinite useful life.

The primary factors that influenced the directors' view of the durability of the brands are the strength of the brands acquired and their respective market positions.

Tangible Fixed Assets

Fixed assets are recorded at historic cost less accumulated 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 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 provided to write off the cost, or valuation, of the relevant assets. 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.

Tata Global Beverages GB Limited

Accounting policies (continued)

Leased assets

Operating lease charges are charged to the profit and loss account as incurred

Fixed Asset Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value
Impairment reviews are undertaken annually by the directors

Stock

Stock is 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 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 taken to the profit and loss account

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

Tata Global Beverages GB Limited

Profit and loss account Year ended 31 March 2012

	Note	Year ended 31 March 2012 £'000	Year ended 31 March 2011 £'000
Turnover	1	181,889	189,466
Operating profit	1,2,3	18,503	24,368
Interest receivable and similar income	4	7,578	6,390
Interest payable and similar charges	5	(2,952)	(2,274)
Profit on ordinary activities before taxation		23,129	28,484
Tax on profit on ordinary activities	8	(2,891)	(8,329)
Profit for the financial year		20,238	20,155

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

All amounts shown above relate to continuing operations


The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been provided

Tata Global Beverages GB Limited

Balance sheet As at 31 March 2012

	Note	31 March 2012 £'000	31 March 2011 £'000
Fixed assets			
Intangible assets	10	63,355	63,355
Tangible assets	11	13,185	14,140
Investments	12	1,000	1,000
		77,540	78,495
Current assets			
Stock	13	28,498	27,311
Debtors - amounts falling due within one year	14	35,604	34,510
Debtors - amounts falling due after more than one year	15	136,943	130,190
Cash at bank and in hand		6	6
		201,051	192,017
Creditors - amounts falling due within one year	16	(32,664)	(46,526)
Net current assets		168,387	145,491
Total assets less current liabilities		245,927	223,986
Creditors - amounts falling due after more than one year	17	(56,588)	(54,366)
Provisions for liabilities	18	(1,495)	(2,014)
Net assets		187,844	167,606
Capital and reserves			
Called up share capital	19	-	-
Profit and loss account	20	187,844	167,606
Total shareholders' funds		187,844	167,606

The financial statements on pages 7 to 22 were approved by the Board on 27 July 2012 and signed on its behalf by


L Krishna Kumar
Director

Tata Global Beverages GB Limited
Registered number 03019950

Tata Global Beverages GB Limited

Notes to the financial statements

1 Turnover

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

The origin and destination of the company's turnover is as follows

Year ended 31 March 2012

	Turnover by origin £'000	Turnover by destination £'000
Continuing Operations		
United Kingdom	181,889	145,346
Rest of the World	-	36,543
Total	181,889	181,889

Year ended 31 March 2011

	Turnover by origin £'000	Turnover by destination £'000
Continuing Operations		
United Kingdom	186,618	150,666
Rest of the World	2,848	38,800
Total	189,466	189,466

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

	2012 £'000	2011 £'000
Turnover	181,889	189,466
Cost of sales	(120,807)	(120,742)
Gross profit	61,082	68,724
Selling and distribution costs	(20,655)	(23,640)
Administrative expenses - normal	(20,135)	(20,160)
Administrative expenses - exceptional (see note 3)	(1,789)	(556)
Operating profit	18,503	24,368

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

2 Operating profit

	2012 £'000	2011 £'000
The operating profit is stated after charging		
Wages and salaries	17,515	18,734
Social security costs	1,533	1,583
Other pension costs	3,087	3,276
Staff costs	22,135	23,593
Auditors' remuneration	-	-
Auditors' fees for non audit services	2	62
Depreciation and amortisation of fixed assets	3,293	4,130
Operating lease charges		
- Plant and machinery	264	247
- Other	767	796
Research and development costs	-	609
Exceptional items (see note 3)	1,789	556

The auditors' remuneration for audit services in the current year is borne by a fellow subsidiary undertaking, Tata Global Beverages Services Limited

3 Exceptional items

	2012 £'000	2011 £'000
Re-organisation costs	1,789	556
Total	1,789	556

During the year £1,789,000 (2011 £556,000) of reorganisation costs were charged to operating profit. The restructuring costs incurred during the year related primarily to redundancies.

4 Interest receivable and similar income

	2012 £'000	2011 £'000
Interest receivable from group undertakings	7,578	6,390
Total	7,578	6,390

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

5 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to group undertakings	(2,814)	(1,908)
Other interest payable	(138)	(366)
Total	(2,952)	(2,274)

6 Employees

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

	2012 Monthly average number	2011 Monthly average number
Manufacturing	355	382
Selling & distribution	86	66
Administration	42	24
Total	483	472

7 Directors emoluments

The directors of the company are directors of the Group's parent undertaking and are remunerated for their services to the Group as a whole. The emoluments of the directors and the details of the highest paid director are included within the Tata Global Beverages Group Limited financial statements. The directors do not receive any remuneration for their services to the company (2011 nil)

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

8 Tax on profit on ordinary activities

	2012 £'000	2011 £'000
Current tax:		
UK corporation tax on profits in the year	6,327	8,737
Adjustments in respect of prior years	(3,964)	909
Total current tax charge for the year	2,363	9,646
Deferred tax:		
Timing differences in respect of fixed assets	(386)	(268)
Other timing differences	102	(157)
Adjustments in respect of prior years	812	(892)
Tax on profit on ordinary activities	2,891	8,329

Factors affecting the tax charge for the year

The current tax charge for the year is lower (2011 higher) than at the standard rate of corporation tax in the UK of 26% (2011 28%) The differences are explained below

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	23,129	28,484
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 28%)	6,014	7,976
Effects of		
Capital allowances for year less than depreciation	386	539
Permanent differences	29	49
Other timing differences	(102)	173
Adjustments in respect of prior years	(3,964)	909
Current tax charge for the year	2,363	9,646

The main rate of corporation tax decreased from 28% to 26% from 1 April 2011 and reduces to 24% with effect 1 April 2012 In addition to these changes, a number of additional changes to the UK Corporation tax system were announced in the March 2012 UK Budget Statement Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012 Further reductions to the main rate are proposed to reduce the rate to 22% from 1 April 2014 These further changes had not been substantively enacted at the balance sheet date and have no material impact on the deferred tax assets or liabilities of the group Therefore these further changes have not included in these financial statements

9 Dividends

No dividends were paid during the year (2011 nil)

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

10 Intangible fixed assets

	Brands £'000	Goodwill £'000s	Total £'000s
Cost			
At 1 April 2011 and at 31 March 2012	4,815	81,269	86,084
Accumulated Amortisation			
At 1 April 2011 and at 31 March 2012	-	22,729	22,729
Net book amount			
At 31 March 2012	4,815	58,540	63,355
At 31 March 2011	4,815	58,540	63,355

11 Tangible fixed assets

	Freehold land and buildings £'000	Plant, machinery, fixtures, fittings and equipment £'000	Commercial and motor vehicles £'000	Capital work in progress £'000	Total £'000
Cost					
At 1 April 2011	8,841	55,317	166	1,195	65,519
Additions	275	898	-	1,165	2,338
Disposals	-	(798)	-	-	(798)
At 31 March 2012	9,116	55,417	166	2,360	67,059
Depreciation					
At 1 April 2011	4,565	46,653	161	-	51,379
Charge for the period	600	2,688	5	-	3,293
Disposals	-	(798)	-	-	(798)
At 31 March 2012	5,165	48,543	166	-	53,874
Net book amount					
At 31 March 2012	3,951	6,874	-	2,360	13,185
At 31 March 2011	4,276	8,664	5	1,195	14,140

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

12 Fixed Asset Investments

Cost	Shares in Group undertakings £'000
At 1 April 2011 and 31 March 2012	1,000

The directors believe that the carrying value of the investments is supported by their underlying net assets

The company's shares in group undertakings at the start of the year are represented by 100% equity holdings in three dormant companies (Lyons Tetley Limited, Stansand Limited and Stansand (Brokers) Limited), a 100% equity holding in Teapigs Limited and a 94.9% equity holding in Drassington Limited, all of which were incorporated in the UK

13 Stock

	2012 £'000	2011 £'000
Raw materials	22,810	21,339
Work in progress	354	100
Finished goods	5,334	5,872
Total	28,498	27,311

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

14 Debtors - amounts falling due within one year

	2012 £'000	2011 £'000
Trade debtors	26,070	25,859
Amounts owed by group undertakings	6,311	6,248
Corporation tax	1,510	-
Other debtors, prepayments and accrued income	1,713	1,986
Deferred taxation	-	417
Total	35,604	34,510

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

15 Debtors - amounts falling due after more than one year

	2012 £'000	2011 £'000
Amounts owed by group undertakings	136,943	130,190

Amounts owed by group undertaking represents a balance held with Tata Global Beverages Services Limited. Interest on the loan is charged at 2% above LIBOR and the loan is unsecured. The loan agreement provides for the principal to be repaid on demand by the borrower. The company has indicated to Tata Global Beverages Services Limited that it will not require the loan to be repaid within the next 12 months.

16 Creditors - amounts falling due within one year

	2012 £'000	2011 £'000
Trade creditors	23,376	32,130
Amounts owed to group undertakings	2,492	2,433
Corporation tax	-	2,670
Other taxation and social security	430	449
Other creditors and accruals	6,366	8,844
Total	32,664	46,526

17 Creditors - amounts falling due after more than one year

	2012 £'000	2011 £'000
Amounts owed to group undertakings	56,588	54,366
Total	56,588	54,366

Amounts owed to group undertakings include a loan from Tata Global Beverages Group Limited of £42.8 million (2011: £41.1 million) and Tata Global Beverages Holdings Limited of £11.2 million (2011: £11.2 million) together with other balances with fellow group subsidiaries. Interest on the loans is charged at variable rates and the loans are unsecured. The loan agreements provide for the principal to be repaid on demand by the lender. Each lender has indicated to the company that it will not require repayment of the balance of its 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.

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

18 Provisions for liabilities

	Reorganisation costs £'000	Deferred tax £'000	Other provisions £'000	Total £'000
At 1 April 2011	537	1,327	150	2,014
Established in period	1,789	-	-	1,789
Utilised in period	(968)	(1,216)	(124)	(2,308)
At 31 March 2012	1,358	111	26	1,495

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

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

	2012 £'000	2011 £'000
Accelerated capital allowances	-	1,292
Other timing differences	111	35
Total	111	1,327

There is no unprovided deferred tax in respect of the company (2011: £nil).

19 Called up share capital

	Number	2012 £	2011 £
Authorised			
Ordinary shares of £1 each	100 (2011: 100)	100	100
Allotted, called up and fully paid			
Ordinary shares of £1 each	1 (2011: 1)	1	1

20 Profit and loss account

	Profit and loss account £'000
At 1 April 2011	167,606
Profit for the year	20,238
At 31 March 2012	187,844

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

21 Reconciliation of movements in shareholders' funds

	2012 £'000	2011 £'000
Profit for the year	20,238	20,155
Opening shareholders' funds	167,606	147,451
Closing shareholders' funds	187,844	167,606

22 Pensions

The company's employees are members of the two Tata Global Beverages 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 UK subsidiaries of the Tata Global Beverages group. The assets of the scheme are held separately from the group's assets. The Scheme closed to new entrants in April 1997 and was closed to future accrual with effect from 6 April 2005. All existing Scheme members are eligible to join the UK defined contribution plan.

The contributions paid by the company are accounted for as if the scheme were a defined contribution scheme, as the company is unable to identify its share of the underlying assets and liabilities in the scheme.

The total cost of contributions to the group scheme amount to £3.0 million (2011: £3.0 million) and are based on pension costs across the Group as a whole. Of this, £2.25 million (2011: £2.25 million) was charged to the company. An actuarial valuation of the Tetley GB Final Salary Pension scheme was undertaken on 31 March 2012 and a deficit of £14.3 million (2011: £6.8 million) was identified after deducting the associated deferred tax of £4.5 million (2011: £2.4 million).

The group expects to contribute £3.5 million over the following year, of which the company will be charged £2.625 million.

Full disclosures relating to this scheme are included within the financial statements of Tata Global Beverages Group Limited.

The defined contribution scheme is administered by independent pension advisers and invested by external managers for employees joining the Group after July 1995. Such employees were not eligible to participate in the Tetley defined benefit scheme. The pension cost in the year of the company's defined contribution scheme was £837,000 (2011: £1,173,000).

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

23 Contingent liabilities

There were contingent liabilities at 1 April 2011 and 31 March 2012 in respect of operating leases undertaken in the normal course of business

The company is a wholly owned subsidiary of Tata Global Beverages Group Limited ("the Group"). The main financing for the group of companies owned by the Group is provided by a series of credit facilities to the Group and nominated subsidiaries. Under the terms of these arrangements, outstanding liabilities are supported by guarantees and various securities provided by the principal subsidiaries of the Group, including the company. The company has provided a series of undertakings and covenants to the lenders in connection with the Group's performance consistent with usual practice in such financing arrangements. At 31 March 2012, total amounts outstanding under this arrangement were £nil (2011: nil).

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

24 Leases

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

Commitment expires	Land and buildings		Other	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Within one year	278	-	-	-
Between one and five years	20	325	264	247
After five years	469	471	-	-
	767	796	264	247

25 Capital commitments

Capital expenditure authorised by the Board and contracted for at 31 March 2012 amounted to £0.4 million (2011: £0.4 million).

26 Parent company

The immediate parent undertaking is Tata Global Beverages Holdings Limited. The smallest parent company to include the company's results in its consolidated accounts is Tata Global Beverages Group Limited, a company incorporated in the United Kingdom. Copies of that company's financial statements may be obtained from Parkview, 82 Oxford Road, Uxbridge, Middlesex, UB8 1UX. The largest company to consolidate the company's results and the company's ultimate parent undertaking is Tata Global Beverages Limited, a company registered in India. The consolidated financial statements of Tata Global Beverages Limited are available from 1 Bishop Lefroy Road, Kolkata, India.

Tata Global Beverages GB Limited

Notes to the financial statements (continued)

27 Related party transactions

As the company is a wholly owned subsidiary of Tata Global Beverages Group Limited advantage has been taken of the exemption afforded by FRS 8 not to disclose any related party transactions with members of the Group or associates and joint ventures of Tata Global Beverages Group Limited