

**Tetley Group Holdings Limited**  
(formerly Tetley GB Holdings Limited)  
(Registered Number: 3265181)

**Report and financial statements**

**3 April 2004**



# **Tetley Group Holdings Limited**

## **Report of the Directors**

The directors present their report and the audited financial statements for the 57 week period ending 3 April 2004.

### **Results, business review and dividends**

The financial statements have been produced on a non-consolidated basis as consolidated financial statements have been prepared for TATA Tea (GB) Limited. The retained loss for the period is £5,957,000 (2003: £nil). A final dividend of £25 million (2003: £35 million) was paid on 23rd March 2004.

### **Principal activities and future developments**

The company acts as an intermediate holding company and expects to continue to act in this capacity in the future.

### **Directors and their interests**

The directors during the period were as follows:

PD Unsworth	
T Pascall	(resigned 28 <sup>th</sup> May 2004)
J Campbell	(appointed 28 <sup>th</sup> May 2004)
D Barlow	(appointed 28 <sup>th</sup> May 2004)

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.

### **Going concern**

Tata Tea (GB) Limited has indicated that it will continue to support the company financially for at least 12 months from the date of signing these financial statements. On this basis, 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 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 Group Holdings Limited**

## **Report of the Directors** (Continued)

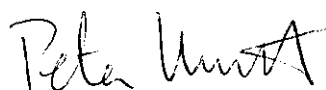
### **Statement of Directors' responsibilities**

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

9<sup>th</sup> June 2004

# **Tetley Group Holdings Limited**

## **Independent auditors' report to the members of Tetley Group Holdings Limited**

We have audited the financial statements, which comprise the statement of accounting policies, the profit and loss account, the balance sheet 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.

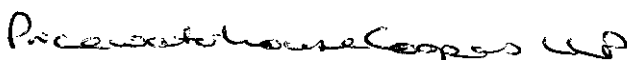
### **Basis of audit opinion**

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 3 April 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
9<sup>th</sup> June 2004

# **Tetley Group Holdings Limited**

## **Statement of accounting policies**

### **Financial Period**

The company has decided 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. This financial period ended 3 April 2004 is a 57 week period, however, the comparative period from 3 March 2002 to 1 March 2003 is a 52 week period.

### **Basis of accounting**

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

### **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.

# Tetley Group Holdings Limited

## Profit and loss account for the period ended 3 April 2004

	Note	57 weeks ended 3 April 2004 £'000	52 weeks ended 1 March 2003 £'000
<b>Turnover</b>		-	-
Operating loss	1	(8,510)	-
Income from shares in Group undertakings	1	25,000	35,000
<b>Profit on ordinary activities before taxation</b>		<b>16,490</b>	<b>35,000</b>
Taxation on profit on ordinary activities	3	2,553	-
<b>Profit for the financial period</b>		<b>19,043</b>	<b>35,000</b>
Dividend	4	(25,000)	(35,000)
<b>Retained loss for the financial period</b>		<b>(5,957)</b>	<b>-</b>

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

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

The notes on pages 7 to 11 form part of these financial statements.

# Tetley Group Holdings Limited

## Balance sheet as at 3 April 2004

	Note	3 April 2004 £'000	1 March 2003 £'000
<b>Fixed assets</b>			
Investments	5	174,294	174,294
<b>Current assets</b>			
Debtors	6	2,553	-
<b>Creditors: amounts falling due within one year</b>	7	(8,510)	-
<b>Net current liabilities</b>		(5,957)	-
<b>Total assets less current liabilities</b>		168,337	174,294
<b>Net assets</b>		168,337	174,294
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Share premium account	9	174,294	174,294
Profit and loss account	9	(5,957)	-
<b>Equity shareholders' funds</b>		168,337	174,294

Approved by the Board on 9<sup>th</sup> June 2004 and  
signed on its behalf by:



PD Unsworth  
Director

The notes on pages 7 to 11 form part of these financial statements.

# Tetley Group Holdings Limited

## Notes to the financial statements

### 1 Profit and loss account

The operating loss in the current year relates to the recharge of administration expenses by Tetley Group Limited, a subsidiary company. Income from shares in Group undertakings represents the dividend received from Tetley GB Limited, which is then paid up to TATA Tea (GB) Ltd as detailed in note 4. The auditors' remuneration is paid by the Company's ultimate UK parent undertaking.

### 2 Directors and employees

The directors did not receive any emoluments in this period in respect of their services as directors of the company (2003: £nil).

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 amount held as at 3 April 2004 by the directors of the company are disclosed within the financial statements of TATA Tea (GB) Limited.

Directors' pension arrangements at 3 April 2004 are as follows:

Number of directors who are members of:	2004 Number	2003 Number
Defined contribution pension schemes	3	3
Defined benefit pension scheme	-	-
Total	3	3

Other than the directors, the company has no employees (2003: nil).



# Tetley Group Holdings Limited

## Notes to the financial statements (Continued)

### 3 Taxation

The tax credit of £2,553,000 (2003: £nil) is a credit from a Group company for Group relief.

The current tax credit for the period is lower (2003: lower) than that at the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	16,490	35,000
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	4,947	10,500
Intergroup dividends not taxable	(7,500)	(10,500)
Current tax credit for the period	(2,553)	-

#### Factors that may affect future tax charges

The company expects fellow UK subsidiary undertakings to remain sufficiently profitable such that the company will continue to receive payment for tax losses surrendered to these undertakings.

### 4 Dividend

	2004 £'000	2003 £'000
Equity - ordinary		
Final dividend proposed: £123,762 per share (2003: £173,267 per share)	25,000	35,000
	25,000	35,000

# Tetley Group Holdings Limited

## Notes to the financial statements (Continued)

### 5 Investments

Cost	Shares in Group undertakings £'000
At 2 March 2003 and 3 April 2004	174,294

The principal subsidiary undertakings and joint ventures are as follows:

	Country of incorporation	Proportion of equity and voting rights held
Tetley GB Limited	UK	100%
The Tetley Group Limited	UK	100%
Tetley Overseas Holdings Limited	UK	100%
Tetley Overseas Limited (indirect holding)	UK	100%
Tetley US Holdings Inc (indirect holding)	USA	100%
Tetley USA Inc (indirect holding)	USA	100%
Empirical Group LLC (indirect holding)	USA	56%
Southern Tea LLC (indirect holding)	USA	50%
Tetley Canada Inc (indirect holding)	Canada	100%
Tetley Australia Pty Ltd (indirect holding)	Australia	100%
Stansand (Africa) Limited (indirect holding)	Kenya	100%
Stansand (Central Africa) Limited (indirect holding)	Malawi	100%
Tetley Polska Sp. z o.o (indirect holding)	Poland	100%
Tetley Netherlands B.V (indirect holding)	Netherlands	100%
Tata Tetley Limited (indirect holding)	India	50%
Tetley ACI (Bangladesh) Limited (indirect holding)	Bangladesh	50%
Tetley Clover (Private) Limited (indirect holding)	Pakistan	50%

All undertakings principally operate within the tea sector in their country of incorporation. A full list of subsidiary undertakings is included on the annual return.

### 6 Debtors

	2004 £'000	2003 £'000
Amounts due within one year:		
Amounts owed by group undertakings	2,553	-
	2,553	-

# Tetley Group Holdings Limited

## Notes to the financial statements (Continued)

### 7 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed to group undertakings	8,510	-
	<b>8,510</b>	<b>-</b>

### 8 Share capital

	Number	2004 £'000	2003 £'000
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	202 (2003: 202)	-	-
<b>Authorised</b>			
Ordinary shares of £1 each	300 (2003: 300)	-	-

### 9 Reserves

	Share premium £'000	Profit and loss account £'000
At 2 March 2003	174,294	-
Loss for the period	-	(5,957)
<b>At 3 April 2004</b>	<b>174,294</b>	<b>(5,957)</b>

### 10 Contingent liabilities

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 3 April 2004, total amounts outstanding under this arrangement were £159.9 million (2003: £167.9 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.

# **Tetley Group Holdings Limited**

## **Notes to the financial statements (Continued)**

### **11 Parent company**

The immediate parent undertaking is TATA Tea (GB) 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.

### **12 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.*

### **13 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.