

NEWBY TEAS (UK) LIMITED  
DIRECTORS REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2017

BOYDELL & CO  
Chartered Accountants  
89 Chiswick High Road  
London  
W4 2EF

Company number: 03904465

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NEWBY TEAS (UK) LIMITED(COMPANY NUMBER: 03904465)DIRECTORS REPORT

The directors submit their report with the financial statements of the company for the year ended 31 July 2017.

RESULTS AND DIVIDENDS

The profit on ordinary activities for the period, after taxation, amounted to £24,563 (2016: £33,461). The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the period was the sale of tea. The directors are concentrating on sales to the European and Middle East and UK markets in addition to the Russian market.

DIRECTORS

The directors at 31 July 2017 who served during the year were as follows:-

Nirmal K Sethia  
Arun Bhattacharya  
Aneta Aslakhanova  
Richa Sethia  
Shraddha Sethia

EVENTS SINCE THE BALANCE SHEET DATE

There are no events on which to report.

GOING CONCERN

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

POLITICAL DONATIONS

During the year, the company made no donations to political parties or organisations.

NEWBY TEAS (UK) LIMITEDDIRECTORS REPORT (continued)DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and in accordance with the provisions of the Financial Reporting Standard 102 Section 1A – small entities.

AUDITORS

The auditors, Boydell & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

On behalf of the board



.....  
N. K. SETHIA  
Director

105 St John Street  
London  
EC1M 4AS

16th October 2017

NEWBY TEAS (UK) LIMITED

DIRECTORS RESPONSIBILITIES STATEMENT

**Directors' responsibilities statement**

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 the 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 to apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and to 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED

Opinion

We have audited the financial statements of Newby Teas (UK) Limited ("the company") for the year ended 31 July 2017, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the Companies Act 2006.

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 FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

## NEWBY TEAS (UK) LIMITED (CONTINUED)

### 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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

### Matters on which we are required to report by exception

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 material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small
- companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

## NEWBY TEAS (UK) LIMITED (CONTINUED)

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

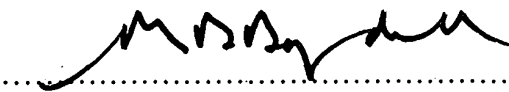
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company 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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

.....  
  
 Malcolm Boydell (Senior Statutory Auditor)  
 For and on behalf of: Boydell & Co. Statutory Auditor  
 89 Chiswick High Road  
 London  
 W4 2EF

29 December 2017

NEWBY TEAS (UK) LIMITEDSTATEMENT OF INCOME AND RETAINED EARNINGSFOR THE YEAR ENDED 31 JULY 2017

	<u>Notes</u>	<u>2017</u> £	<u>2016</u> £
TURNOVER	2	3,062,207	2,769,816
Cost of sales		(2,123,393)	(2,014,888)
Gross profit		938,814	754,928
Net operating expenses		(683,015)	(713,102)
OPERATING PROFIT		255,799	41,826
Impairment of investment	7	(225,000)	(-)
PROFIT on ordinary activities before taxation	3	30,799	41,826
Tax on profit on ordinary activities	4	(6,236)	(8,365)
PROFIT on ordinary activities for the year		24,563	33,461
RETAINED EARNINGS AT 1 AUGUST 2016		433,491	400,030
Dividends payable		(-)	(-)
RETAINED EARNINGS AT 31 JULY 2017		£ 458,054 =====	£ 433,491 =====

The accompanying notes on pages 10 to 15 form an integral part of these financial statements.

8.

NEWBY TEAS (UK) LIMITED

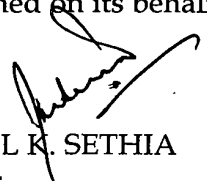
STATEMENT OF FINANCIAL POSITION

AT 31 JULY 2017

	Notes	£	<u>2017</u> £	£	<u>2016</u> £
<b>FIXED ASSETS</b>					
Intangible fixed assets	5		3,569		4,759
Tangible fixed assets	6		999		1,332
Investments	7		267,264		257,340
			<u>271,832</u>		<u>263,431</u>
<b>CURRENT ASSETS</b>					
Stocks	8	774,312		593,244	
Debtors	9	1,140,158		1,124,631	
Cash at bank		161,628		330,205	
		<u>2,076,098</u>		<u>2,048,080</u>	
<b>CREDITORS: amounts</b>					
falling due within one year	10	(889,876)		(878,020)	
		<u></u>		<u></u>	
<b>NET CURRENT ASSETS</b>			1,186,222		1,170,060
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£ 1,458,054</u>		<u>£ 1,433,491</u>
			=====		=====
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		1,000,000		1,000,000
Profit and loss account			458,054		433,491
			<u>£ 1,458,054</u>		<u>£ 1,433,491</u>
			=====		=====

These accounts have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard 102 Section 1A – small entities.

Approved by the board on *16th October* 2017  
and signed on its behalf by:

  
NIRMAL K. SETHIA  
Director

The accompanying notes on pages ~~10~~ to ~~15~~ form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 JULY 2017

	Called up share capital	Profit and loss account	Total equity
At 1 August 2015	1,000,000	400,030	1,400,030
Profit for the year	-	33,461	33,461
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	33,461	33,461
Equity dividends paid	-	(-)	(-)
At 31 July 2016	1,000,000	433,491	1,433,491
Profit for the year	-	24,563	24,563
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	24,563	24,563
Equity dividends paid	-	(-)	(-)
At 31 July 2017	1,000,000	458,054	1,458,054

Included in the profit and loss account is £nil (2016: £nil) of profits which are not available for distribution as they are unrealised.

The accompanying notes on pages 10 to 15 form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JULY 2017**1. ACCOUNTING POLICIES****Statutory information**

Newby Teas (UK) Limited is a private company limited by shares, domiciled in England and Wales, and with a Companies House registration number 03904465. The registered office is N. Sethia House, 105 St. John Street, London, EC1M 4AS, which is also the registered office of the company preparing group accounts.

**Statement of compliance**

The Company's financial statements have been prepared in accordance with the provisions of the Financial Reporting Standard 102 Section 1A - small entities (FRS 102). There were no material departures from the standard.

**Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

The Company transitioned from previously extant UK GAAP to FRS 102 on 1 August 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 19.

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets. They have been prepared on the going concern basis, on the understanding that fellow group undertakings will not seek repayment of sums due to them in excess of the Company's available resources.

The financial statements are prepared in sterling which is the functional currency of the Company.

**Amortisation**

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, at the following annual rates:

Artwork and design	25% (reducing instalment basis)
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**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, at the following annual rates:

Furniture and equipment	25% (reducing instalment basis)
Computers	25% (reducing instalment basis)

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 JULY 20171. ACCOUNTING POLICIES (CONTINUED)Investments

Investments in shares and other investments are included at cost less impairment, as it has not been possible to readily ascertain the market value of these unlisted shares.

Stock and work in Progress

Stock and work in progress are valued at the lower cost and estimated selling price less costs to sell. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacture or completion.

Income recognition

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

Deferred taxation

Deferred tax is provided on the liability method to take account of all timing differences between the treatment of certain assets for accounts purposes and their treatment for tax purposes.

Tax deferred or accelerated is accounted for in respect of all material timing differences.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of transaction.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Financial instruments

Basic financial instruments are recognised at amortised cost.

2. TURNOVER

Turnover represents the invoiced amounts of goods sold, excluding VAT.

An analysis of turnover by geographical market is given below:

	<u>2017</u>	<u>2016</u>
	£	£
Europe (excluding UK)	1,500,401	1,572,807
United Kingdom	1,115,183	826,838
Asia	332,347	279,573
North America	114,276	90,598
	<u>3,062,207</u>	<u>2,769,816</u>
	=====	=====

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 JULY 2017

3.	<u>PROFIT ON ORDINARY ACTIVITIES</u>	<u>2017</u>	<u>2016</u>
		£	£
	This is stated after charging:		
	Auditors' remuneration current year	3,000	-
		=====	=====
	Employees (including directors):		
	Average number of people employed during the year (administration etc)	8	8
	Cost in respect of these employees:		
	Salaries	163,304	144,757
	Social security costs	18,145	24,012
		£ 181,449	£ 168,769
		=====	=====

4.	<u>TAXATION</u>		
	Current taxation		
		<u>2017</u>	<u>2016</u>
		£	£
	The taxation charge for the year is as follows:-		
	Corporation tax for the year @ 19%/20% (2016: 20%)	6,236	8,365
		6,236	8,365
		=====	=====

5.	<u>INTANGIBLE FIXED ASSETS</u>			
		<u>Artwork &amp; Design</u>	<u>Trademark &amp; patents</u>	<u>Total</u>
		£	£	£
	Cost:			
	At 1 August 2016	261,036	143,315	404,351
	Disposals	-	(143,315)	(143,315)
	At 31 July 2017	261,036	-	261,036
	Amortisation:			
	At 1 August 2016	256,277	143,315	399,592
	Charge for the year	1,190	-	1,190
	Disposals	(-)	(143,315)	(143,315)
	At 31 July 2017	257,467	-	400,782
	Net book value:			
	At 31 July 2017	3,569	-	3,569
		=====	=====	=====
	At 31 July 2016	4,759	-	4,759
		=====	=====	=====

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 JULY 2017

6. TANGIBLE FIXED ASSETS

	<u>Furniture and equipment</u>	<u>Computers</u>	<u>Total</u>
	£	£	£
Cost:			
At 1 August 2016	55,961	14,985	70,946
Additions/(disposals)	-	-	-
At 31 July 2017	55,961	14,985	70,946
Depreciation:			
At 1 August 2016	54,974	14,640	69,614
Charge for the period	247	86	333
At 31 July 2017	55,221	14,726	69,947
Net book value:			
At 31 July 2017	740	259	999
	=====	=====	=====
At 31 July 2016	987	345	1,332
	=====	=====	=====

7. INVESTMENTS

	<u>Total</u>
<u>At cost less impairment provision</u>	
At 1 August 2016	257,340
Additions	234,924
Impairment provision	(225,000)
	267,264
	=====

At 1 August 2016, the company held 2,080,000 equity shares of 10 Rupees each, fully paid in the company stated below, at a cost of £257,340, which represented 26% of the company's issued share capital.

During the year a further 2,000,000 equity shares were purchased through a rights issue at a cost of £234,924 increasing the shareholding to 40%:

The aggregate amount of this company's capital and reserves together with their profit and loss for the year ended 31 March 2017 (a year-end date required by Indian company law) is as follows:

	<u>Capital and Reserves INR</u>	<u>Loss for the year INR</u>
Newby India Private Limited	(1,520,764)	(13,844,612)

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 JULY 2017

8.	<u>STOCKS</u>	<u>2017</u>	<u>2016</u>
		£	£
	Promotional goods and packaging	235,784	139,478
	Raw materials	76,124	95,677
	Finished goods	462,404	358,089
		<u>774,312</u>	<u>593,244</u>
9.	<u>DEBTORS</u>	<u>2017</u>	<u>2016</u>
		£	£
	Trade debtors	1,048,231	1,076,573
	Prepayments	19,252	8,297
	VAT	72,675	39,761
		<u>1,140,158</u>	<u>1,124,631</u>
10.	<u>CREDITORS: amounts falling due within one year</u>	<u>2017</u>	<u>2016</u>
		£	£
	Amounts owed to Group undertakings	867,385	846,932
	Accruals	11,897	11,374
	Corporation tax payable	6,126	19,714
	Other taxes and social security	4,468	-
		<u>889,876</u>	<u>878,020</u>
11.	<u>SHARE CAPITAL</u>	Authorised	Allotted called up and fully paid
		<u>2017</u> No.	<u>2016</u> No.
		<u>2017</u> £	<u>2016</u> £
	Ordinary £1 shares	1,000,000	1,000,000
		<u>1,000,000</u>	<u>1,000,000</u>

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 JULY 201712. RELATED PARTY TRANSACTIONS

There were no balances or transactions that required disclosure between the Company and related parties.

13. OTHER FINANCIAL COMMITMENTS

At 31 July 2017 the Company had no annual commitments under non-cancellable operating leases.

14. CONTINGENT LIABILITIES

At 31 July 2017 the Company had no contingent liabilities.

15. OFF BALANCE SHEET ARRANGEMENTS

There are no material off-balance sheet arrangements to disclose.

16. EVENTS SINCE THE BALANCE SHEET DATE

There are no events on which to report.

17. FINANCIAL INSTRUMENTS

The Company has no other financial instruments than basic financial instruments.

18. DIRECTORS' ADVANCES, CREDIT AND GUARANTEES

There were none made to directors.

19. TRANSITION TO FINANCIAL REPORTING STANDARD 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2015.

There was no material impact from the transition to FRS 102 from existing UK GAAP.