

Teapigs Limited
(Registered Number. 5426310)

Annual report and financial statements

Period 1 May 2006 to 31 March 2007

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Teapigs Limited

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Teapigs Limited

Directors report

The directors present their report and the audited financial statements for the period ended 31 March 2007

Principal Activities

The company's primary activity is to source, market and distribute Premium Tea Products. The company commenced trading on 1 November 2006

Results and dividends

The company made a loss for the financial period of £310,000. The directors do not recommend the payment of a dividend.

Principal risks and uncertainties

The directors of Tata Tea (GB) Limited manage the company's risks at a group level, rather than at an individual business unit level. For this reason, the company's directors believe that a discussion of the group's risks would not be appropriate for an understanding of the development, performance or position of Teapigs Limited's business.

Directors and their interests

The directors during the period were as follows:

N I Kilby	(appointed 28 March 2006)
J R Nicholas	(appointed 12 July 2006)
P D Unsworth	(appointed 12 July 2006 and resigned 28 March 2007)
L A Allen	(appointed 12 July 2006)
G F Hartley	(appointed 28 March 2007)

None of the directors held any disclosable interest in the shares of the company or any other group undertaking. 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

The directors confirm that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they have adopted the going concern basis in preparing the financial statements.

Teapigs Limited

Directors report (Continued)

Statement of disclosure of information to auditors

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

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

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

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

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that 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 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



J R Nicholas
Director
30 May 2007

Teapigs Limited

Independent Auditor's Report to the Members of Teapigs Limited

We have audited the financial statements of Teapigs Limited for the period ended 31 March 2007 which comprises the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). 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 report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

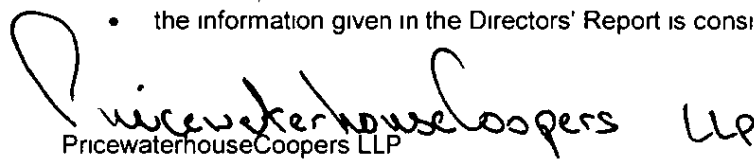
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
30 May 2007

Teapigs Limited

Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. The company has consistently applied its accounting policies throughout the reporting period.

Tetley (GB) Limited has provided a letter of support to the company indicating it will provide such financial support as may be required to enable the company to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. On this basis, the directors confirm that they have a reasonable expectation that the company has adequate resources to continue its operations as a going concern and have therefore adopted the going concern principle in preparing the financial statements.

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 FRS 1. Accordingly the company has taken advantage of the exemption available under FRS 1 to dispense with presenting its own cash flow statement.

Fixed Assets

Fixed assets are held at historic cost less accumulated depreciation. Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Computer Equipment - 3 to 5 years

Deferred Tax

Deferred tax assets are recognised only to the extent that it is more likely than not that they will be recovered against future taxable profits.

Teapigs Limited

Profit and loss account Year ended 31 March 2007

	Note	Period 1 May 2006 to 31 March 2007 £'000	Period 15 April 2005 to 30 April 2006 £'000
Turnover		25	-
Cost of sales		(9)	-
Gross profit		16	-
Administrative expenses		(326)	-
Operating loss	1	(310)	-
Loss on ordinary activities before taxation		(310)	-
Taxation on loss on ordinary activities	3	-	-
Loss for the financial period		(310)	-

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

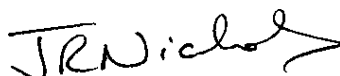
All amounts shown above relate to continuing operations

Teapigs Limited

Balance sheet As at 31 March 2007

	Note	31 March 2007 £'000	30 April 2006 £'000
Fixed assets	4	4	-
Current assets			
Stock	5	54	-
Debtors	6	20	-
Cash at bank and in hand		89	-
		163	
Creditors amounts falling due within one year	7	(77)	-
Net current assets		86	-
Total assets less current liabilities		90	-
Net assets		90	-
Capital and reserves			
Called up share capital	8	400	-
Profit and loss reserve	9	(310)	-
Total shareholders' funds	10	90	-

Approved by the Board on 30 May 2007 and signed on its behalf by



J R Nicholas
Director

Teapigs Limited

Notes to the financial statements

1 Operating loss

	2007 £'000	2006 £'000
The operating loss is stated after charging		
Wages and salaries	147	-
Social security costs	18	-
Other pension costs	14	-
Staff costs	179	-
Depreciation	1	-

The auditors' remuneration for audit services in the current year is borne by a fellow subsidiary undertaking, The Tetley Group Limited

2 Directors and Employees

The average number of persons (including directors) employed by the company during the period was 5

The emoluments of the Directors were as follows

	2007 £'000	2006 £'000
Wages and salaries	143	-
Social security costs	17	-
Other pension costs	14	-
Staff costs	174	-

Two of the directors, J Nicholas and G Hartley did not receive any remuneration from the company in the period

Teapigs Limited

Notes to the financial statements

3 Taxation

	2007 £'000	2006 £'000
Current tax		
UK corporation tax on losses of the period	-	-

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2007 £'000	2006 £'000
Loss on ordinary activities before tax	(310)	-
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	(93)	-
Surrender of losses to other group companies	93	-
Current tax charge for the period	-	-

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 surrender losses to these undertakings

4 Tangible assets

	Computer Equipment £'000
Cost	
Additions	5
At 31 March 2007	5
Depreciation	
Charge for the period	1
At 31 March 2007	1
Net book amount	
At 31 March 2007	4
At 30 April 2006	-

Teapigs Limited

Notes to the financial statements

5 Stocks

	2007 £'000	2006 £'000
Finished goods	54	-
	54	

The difference between the amount shown above for stocks is not materially different from their replacement cost to the company

6 Debtors

	2007 £'000	2006 £'000
Amounts due within one year		
Trade debtors	2	-
VAT recoverable	18	-
	20	-

7 Creditors. amounts falling due within one year

	2007 £'000	2006 £'000
Trade creditors	34	-
Accruals	43	-
	77	-

8 Share capital

	2007 £'000	2006 £'000
Authorised		
Ordinary shares of £1 each	10,000	-
Allotted, called up and fully paid		
Ordinary shares of £1 each	400	-

Teapigs Limited

Notes to the financial statements

9 Reserves

	Profit and loss reserve (£'000)
At 1 May 2006	-
Loss for the period	(310)
At 31 March 2007	(310)

10 Reconciliation of movements in shareholders' funds

	2007 £'000	2006 £'000
Loss for the financial period	(310)	-
New share capital subscribed	400	-
Net addition to shareholders' funds	90	-
Opening shareholders' funds	-	-
Closing shareholders' funds	90	-

11 Parent company

The immediate parent undertaking is Tetley 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 FRS 8 not to disclose any related party transactions with members of the Group or associates and joint ventures of Tata Tea (GB) Limited.