

**Teapigs Limited**  
**(Registered Number: 5426310)**

**Annual report and financial statements**

**Year ended 31 March 2008**

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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 2008.

### **Principal Activities**

The company's primary activity is to source, market and distribute premium tea products

### **Results and dividends**

The company made a loss for the financial year of £160,000 (2007 £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 year were as follows:

N I Kilby  
J R Nicholas  
L A Allen  
G F Hartley

### **Going concern**

Tetley 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.

### **Share Capital**

The authorised and called-up share capital of the company, together with details of the shares allotted during the period, are shown in note 10 of 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 year.

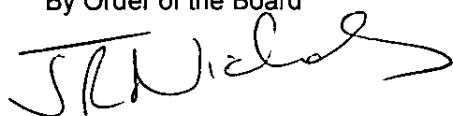
In preparing those financial statements, the directors are required to:

- 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  
22 May 2008

# Teapigs Limited

## Independent Auditor's Report to the Members of Teapigs Limited

We have audited the financial statements of Teapigs Limited for the year ended 31 March 2008 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

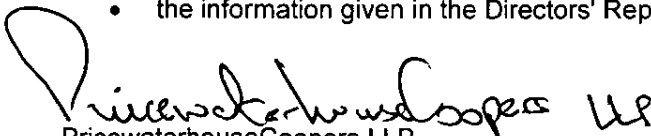
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its loss for the year 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

29 May 2008

# **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.

### **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.

### **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.

### **Stocks**

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

# Teapigs Limited

## Profit and loss account Year ended 31 March 2008

	Note	Year ended 31 March 2008	11 months 31 March 2007
		£'000	£'000
Turnover	1	356	25
Cost of sales		(173)	(9)
<b>Gross profit</b>		<b>183</b>	<b>16</b>
Selling and distribution expenses		(69)	-
Administrative expenses		(345)	(326)
<b>Operating loss</b>	2	<b>(231)</b>	<b>(310)</b>
Net interest receivable	3	2	-
<b>Loss on ordinary activities before taxation</b>		<b>(229)</b>	<b>(310)</b>
Taxation on loss on ordinary activities	5	69	-
<b>Loss for the financial year</b>	12	<b>(160)</b>	<b>(310)</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.

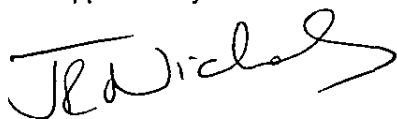
All amounts shown above relate to continuing operations.

# Teapigs Limited

## Balance sheet As at 31 March 2008

	Note	31 March 2008 £'000	31 March 2007 £'000
<b>Fixed assets</b>	6	4	4
<b>Current assets</b>			
Stock	7	217	54
Debtors	8	140	20
Cash at bank and in hand		267	89
		624	163
<b>Creditors: amounts falling due within one year</b>	9	(548)	(77)
<b>Net current assets</b>		76	86
<b>Total assets less current liabilities</b>		80	90
<b>Net assets</b>		80	90
<b>Capital and reserves</b>			
Called up share capital	10	550	400
Profit and loss reserve	11	(470)	(310)
<b>Total shareholders' funds</b>	12	80	90

Approved by the Board on 22 May 2008 and signed on its behalf by:



J R Nicholas  
Director



# Teapigs Limited

## Notes to the financial statements

### 1 Turnover

The principal operation of the company is the marketing and distribution of tea, which is regarded by the directors as a single class of business. The origin and destination of the company's turnover is within the United Kingdom.

### 2 Operating loss

	Year ended 31 March 2008 £'000	11 months to 31 March 2007 £'000
The operating loss is stated after charging:		
Wages and salaries	186	147
Social security costs	22	18
Other pension costs	15	14
<b>Staff costs</b>	<b>223</b>	<b>179</b>
Depreciation	2	1

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

### 3 Net interest receivable

	Year ended 31 March 2008 £'000	11 months to 31 March 2007 £'000
Bank interest receivable	2	-

### 4 Directors and Employees

The average number of persons (including directors) employed by the company during the period was 4 (2007: 5).

The emoluments of the Directors were as follows:

	Year ended 31 March 2008 £'000	11 months to 31 March 2007 £'000
Wages and salaries	141	143
Social security costs	18	17
Other pension costs	14	14
<b>Staff costs</b>	<b>173</b>	<b>174</b>

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

# Teapigs Limited

## Notes to the financial statements (continued)

### 5 Taxation

The tax credit of £69,000 is a credit for payments received or to be received from fellow group undertakings for the surrender of tax losses as group relief.

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2007: 30%). The differences are explained below:

	Year ended 31 March 2008 £'000	11 months to 31 March 2007 £'000
Loss on ordinary activities before tax	(229)	(310)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007: 30%)	(69)	(93)
Surrender of losses to other group companies	-	93
Current tax credit for the year	(69)	-

The company has surrendered the benefit of tax losses to another group company for a consideration of £69,000. Accordingly, no tax losses are available for carry-forward.

#### Factors that may affect future tax charges for future periods

With effect from 1 April 2008 the applicable UK corporation tax rate has fallen from 30% from 28%.

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.

# Teapigs Limited

## Notes to the financial statements (continued)

### 6 Tangible assets

	Computer Equipment £'000
<b>Cost</b>	
At 1 April 2007	5
Additions	2
At 31 March 2008	7
<b>Depreciation</b>	
At 1 April 2007	1
Charge for the year	2
At 31 March 2008	3
<b>Net book amount</b>	
At 31 March 2008	4
At 31 March 2007	4

### 7 Stocks

	31 March 2008 £'000	31 March 2007 £'000
Finished goods	217	54

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

### 8 Debtors

	31 March 2008 £'000	31 March 2007 £'000
<b>Amounts due within one year:</b>		
Trade debtors	71	2
Amounts owed by group undertakings	69	-
VAT recoverable	-	18
	140	20

# Teapigs Limited

## Notes to the financial statements (continued)

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

	31 March 2008 £'000	31 March 2007 £'000
Trade creditors	221	34
Amounts owed to Group undertakings	292	-
Other taxation and social security	5	-
Accruals	30	43
	<b>548</b>	<b>77</b>

### 10 Called up share capital

	31 March 2008 £'000	31 March 2007 £'000
Authorised Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid Ordinary shares of £1 each	550	400

### 11 Reserves

	Profit and loss reserve (£'000)
At 1 April 2007	(310)
Loss for the financial year	(160)
At 31 March 2008	<b>(470)</b>

# Teapigs Limited

## Notes to the financial statements (continued)

### 12 Reconciliation of movements in shareholders' funds

	31 March 2008 £'000	31 March 2007 £'000
Loss for the financial year	(160)	(310)
New share capital subscribed	150	400
Net movement in shareholders' funds	(10)	90
Opening shareholders' funds	90	-
Closing shareholders' funds	80	90

### 13 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.

### 14 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.