

**Teapigs Limited**  
(Registered number 05426310)

**Annual report and financial statements**

**Year ended 31 March 2011**

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# **Teapigs Limited**

## **Contents**

	<b>Page</b>
Directors' report	<b>1</b>
Independent auditors' report to the members of Teapigs Limited	<b>3</b>
Accounting policies	<b>5</b>
Profit and loss account	<b>7</b>
Balance sheet	<b>8</b>
Notes to the financial statements	<b>9-14</b>

# **Teapigs Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 March 2011. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

### **Principal Activities**

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

### **Results and dividends**

The company made a profit for the financial year of £117,000 (2010: £95,000). The directors do not recommend the payment of a dividend.

### **Principal risks and uncertainties**

The directors of Tata Global Beverages Group Limited (formerly 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 the business of Teapigs Limited.

### **Directors**

The directors during the year were as follows:

L A Allen  
N I Kilby  
G Hartley (resigned 24 September 2010)  
J R Nicholas (resigned 8 April 2011)  
N Holland (appointed 7 April 2011)  
M Thakrar (appointed 29 September 2010)

### **Going Concern**

Tata Global Beverages GB Limited (formerly 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 11 of the financial statements.

# **Teapigs Limited**

## **Directors' report (continued)**

### **Disclosure of information to auditors**

In accordance with Section 418 of the Companies Act 2006, the directors' reports shall include a statement, in the case of each director in office at the date the directors' report is approved, 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

### **Statement of directors' responsibilities**

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

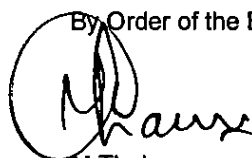
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- 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



M Thakrar  
Director  
1 August 2011

## **Teapigs Limited**

### **Independent Auditors' Report to the members of Teapigs Limited**

We have audited the financial statements of Teapigs Limited for the year ended 31 March 2011 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) as applicable to financial statements prepared in accordance with the small companies regime of the Companies Act 2006.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 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 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 2011 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.

#### **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.

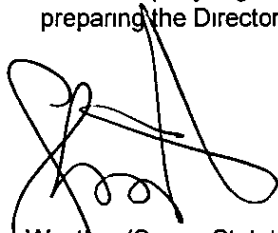
## Teapigs Limited

### Independent Auditor's Report to the members of Teapigs Limited (continued)

#### 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, or
- the directors were not entitled to prepare financial statements in accordance with the small company regime and take advantage of the small companies' exemption in preparing the Directors' Report



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

2 August 2011

## **Teapigs Limited**

### **Accounting policies**

#### **Basis of preparation**

The financial statements are 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.

Tata Global Beverages GB Limited (formerly 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.

#### **Cash flow statement**

Tata Global Beverages Group Limited (formerly 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
Fixtures and Fittings	- 2 to 5 years

#### **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.

#### **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.

#### **Leased assets**

Tangible fixed assets held under finance leases are capitalised and depreciated in accordance with the company's depreciation policy. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of the capital repayments outstanding. Operating lease charges are charged to the profit and loss account as incurred.

#### **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.

## **Teapigs Limited**

### **Accounting policies (continued)**

#### **Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange ruling at the day of the transaction. Any exchange differences are dealt with in the profit and loss account. Period end foreign currency assets and liabilities are translated at period end exchange rates.

#### **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.

## Teapigs Limited

### Profit and loss account Year ended 31 March 2011

	Note	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
Turnover	1	2,826	1,551
Cost of sales		(1,757)	(690)
<b>Gross profit</b>		<b>1,069</b>	<b>861</b>
Selling and distribution expenses		(180)	(121)
Administrative expenses		(726)	(607)
<b>Operating profit</b>	2	<b>163</b>	<b>133</b>
Interest payable and other similar charges	3	-	(1)
<b>Profit on ordinary activities before tax</b>		<b>163</b>	<b>132</b>
Tax on profit on ordinary activities	5	(46)	(37)
<b>Profit for financial period</b>	12	<b>117</b>	<b>95</b>

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

All amounts shown above relate to continuing operations

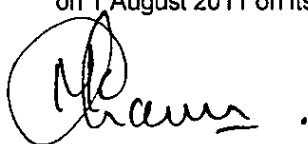
The company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been provided

# Teapigs Limited

## Balance sheet As at 31 March 2011

	Note	31 March 2011 £'000	31 March 2010 £'000
<b>Fixed assets</b>	6	24	2
<b>Current assets</b>			
Stock	7	647	511
Debtors (amounts falling due within one year)	8	367	211
Debtors (amounts falling due after more than one year)	9	89	87
Cash at bank and in hand		136	100
		<b>1,239</b>	<b>909</b>
<b>Creditors (amounts falling due within one year)</b>	10	<b>(672)</b>	<b>(437)</b>
<b>Net current assets</b>		<b>567</b>	<b>472</b>
<b>Total assets less current liabilities</b>		<b>591</b>	<b>474</b>
<b>Net assets</b>		<b>591</b>	<b>474</b>
<b>Capital and reserves</b>			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(409)	(526)
<b>Total shareholders' funds</b>		<b>591</b>	<b>474</b>

The financial statements on pages 5 to 14 were approved by the Board on 18 July 2011 and signed on 1 August 2011 on its behalf by



M Thakrar  
Director

Teapigs Limited  
Registered number 05426310

# 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 the United Kingdom.

### 2 Operating profit

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
<b>The operating profit / (loss) is stated after charging</b>		
Wages and salaries	437	306
Social security costs	34	23
Other pension costs	24	22
<b>Staff costs</b>	<b>495</b>	<b>351</b>
Operating lease rentals - other	24	24
Depreciation of fixed assets - owned assets	4	2

The auditors' remuneration for audit services in the current and prior periods was borne by a fellow subsidiary undertaking, Tata Global Beverages Services Limited (formerly The Tetley Group Limited).

### 3 Interest payable and other similar charges

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
Interest payable on group loans	-	(1)
<b>Total</b>	<b>-</b>	<b>(1)</b>

# Teapigs Limited

## Notes to the financial statements (continued)

### 4 Directors and employees

The average number of persons (including directors) employed by the company during the period was 4 (2010 4)

The emoluments of the Directors were as follows

	Year ended 31 March 2011 £000	Year ended 31 March 2010 £000
Wages and salaries	282	172
Social security costs	21	21
Other pension costs	22	21
<b>Staff costs</b>	<b>325</b>	<b>214</b>

### 5 Tax on profit on ordinary activities

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
<b>Current tax</b>		
UK corporation tax on profits for the year	73	37
Total current tax charge / (credit) for the period	73	37
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(27)	-
<b>Tax on profit on ordinary activities</b>	<b>46</b>	<b>37</b>

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 28% (2010 28%)

	Year ended 31 March 2011 £'000	Year ended 31 March 2010 £'000
Profit on ordinary activities before tax	163	132
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010 28%)	46	37
Adjusting for the effects of		
Short-term timing differences	27	-
<b>Current tax charge for the period</b>	<b>73</b>	<b>37</b>

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

Based on current capital investment plans, the company expects to continue to be able to claim capital allowances in excess of depreciation in future years at a similar level to the current year

## Teapigs Limited

### Notes to the financial statements (continued)

#### 5 Tax on profit on ordinary activities (continued)

Legislation was substantively enacted in March 2011 to reduce the UK rate of corporation tax to 26% with effect from 1 April 2011. This change in rate has no material impact on the deferred tax assets or liabilities of the company. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

#### 6 Fixed assets

	Fixtures and Fittings £'000	Computer equipment £'000	Total £'000
<b>Cost</b>			
At 1 April 2010	-	9	9
Additions	9	17	26
<b>At 31 March 2011</b>	<b>9</b>	<b>26</b>	<b>35</b>
<b>Depreciation</b>			
At 1 April 2010	-	7	7
Charge for the year	2	2	4
<b>At 31 March 2011</b>	<b>2</b>	<b>9</b>	<b>11</b>
<b>Net book amount</b>			
<b>At 31 March 2011</b>	<b>9</b>	<b>17</b>	<b>24</b>
At 31 March 2010	-	2	2

#### 7 Stock

	31 March 2011 £'000	31 March 2010 £'000
<b>Finished goods</b>	<b>647</b>	<b>511</b>

The amount shown for finished goods is not materially different from the replacement cost of those finished goods to the company.

# Teapigs Limited

## Notes to the financial statements (continued)

### 8 Debtors (amounts falling due within one year)

	31 March 2011 £'000	31 March 2010 £'000
<b>Amounts due within one year</b>		
Trade debtors	318	211
Other debtors	22	-
Deferred tax	27	-
<b>Total</b>	<b>367</b>	<b>211</b>

The deferred tax asset £27,000 (2010 nil) arises on origination of short-term timing differences. The asset is held at a corporation tax rate of 26%. There is no unrecognised deferred tax.

### 9 Debtors (amounts falling due after more than one year)

	31 March 2011 £'000	31 March 2010 £'000
<b>Amounts falling due after more than one year</b>		
Amounts owed by group undertakings	89	87

### 10 Creditors (amounts falling due within one year)

	31 March 2011 £'000	31 March 2010 £'000
Trade creditors	418	192
Amounts owed to group undertakings	75	181
Other accruals	179	64
<b>Total</b>	<b>672</b>	<b>437</b>

Amounts owed to group undertakings consist of a loan from Tata Global Beverages Services Limited (formerly The Tetley Group Limited). The loan is charged at variable rates and is unsecured. The principal is repayable on demand by the lender. Tata Global Beverages Services 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.

# Teapigs Limited

## Notes to the financial statements (continued)

### 11 Called up share capital

	Number	31 March 2011 £'000	31 March 2010 £'000
<b>Authorised</b>			
Ordinary shares of £1 each	10,000,000 (2010 10,000,000)	10,000	10,000
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	1,000,000 (2010 1,000,000)	1,000	1,000

### 12 Reserves

	Profit and loss account £'000
At 1 April 2010	(526)
Profit for the financial period	117
<b>At 31 March 2011</b>	<b>(409)</b>

### 13 Reconciliation of movements in shareholders' funds

	31 March 2011 £'000	31 March 2010 £'000
Profit for the financial year	117	95
<b>Net movement in shareholders' funds</b>	<b>117</b>	<b>95</b>
<b>Opening shareholders' funds</b>	<b>474</b>	<b>379</b>
<b>Closing shareholders' funds</b>	<b>591</b>	<b>474</b>

## Teapigs Limited

### Notes to the financial statements (continued)

#### 14 Leases

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

Commitment expires	Land and buildings	
	2011 £'000	2010 £'000
Within one year	-	-
Between one and five years	20	20
After five years	-	-
<b>Total</b>	<b>20</b>	<b>20</b>

#### 15 Parent company

The immediate parent undertaking is Tata Global Beverages GB Limited (formerly Tetley GB Limited). The smallest parent company to include the company's results in their consolidated accounts is Tata Global Beverages Group Limited (formerly Tata Tea (GB) Limited), a company incorporated in the United Kingdom. Copies of that company's financial statements may be obtained from its offices at 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 (formerly Tata Tea Limited), a company registered in India.

#### 16 Related party transactions

As the company is a wholly owned subsidiary of Tata Global Beverages Group Limited (formerly 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 Global Beverages Group Limited.

During the year, two children of one of the directors, N I Kilby, were employed by the company and were remunerated on an arm's length basis.