

Teapigs Limited
(Registered Number: 5426310)

Annual report and financial statements

Year ended 31 March 2009

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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 year ended 31 March 2009.

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 £151,000 (2008: a loss of £160,000). 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 11 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.

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
28 May 2009

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 2009 which comprise the accounting policies, 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

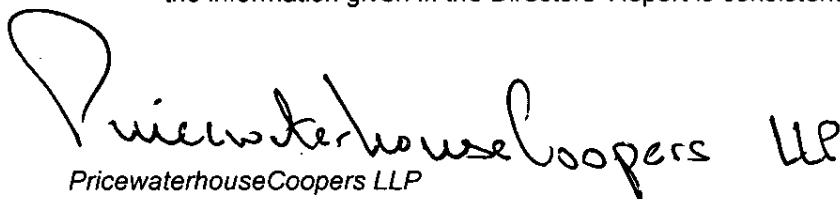
Teapigs Limited

Independent Auditor's Report to the Members of Teapigs Limited

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 2009 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

29/5/09

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 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 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 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

Teapigs Limited

Accounting Policies (continued)

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.

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.

Teapigs Limited

Profit and loss account Year ended 31 March 2009

	Note	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Turnover	1	822	356
Cost of sales		(492)	(173)
Gross profit		330	183
Selling and distribution expenses		(61)	(69)
Administrative expenses		(449)	(345)
Operating loss	2	(180)	(231)
Net interest (payable) / receivable	3	(30)	2
Loss on ordinary activities before taxation		(210)	(229)
Taxation on loss on ordinary activities	5	59	69
Loss for financial period	12	(151)	(160)

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 2009

	Note	31 March 2009 £'000s	31 March 2008 £'000s
Fixed assets	6	2	4
Current assets			
Stocks	7	289	217
Debtors (amounts falling due within one year)	8	166	140
Debtors (amounts falling due after more than one year)	9	59	-
Cash at bank and in hand		19	267
		533	624
Creditors: amounts falling due within one year	10	(156)	(548)
Net current assets		377	76
Total assets less current liabilities		379	80
Net assets		379	80
Share capital and reserves			
Called up share capital	11	1,000	550
Profit and loss reserve	12	(621)	(470)
Total shareholders' funds		379	80

The financial statements on pages 5 to 14 were approved by the Board on 28 May 2009 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 the United Kingdom.

2 Operating loss

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
The operating loss is stated after charging:		
Wages and salaries	237	186
Social security costs	25	22
Other pension costs	22	15
Staff costs	284	223
Operating lease rentals - Other	14	14
Depreciation of fixed assets - owned assets	2	2

The auditors' remuneration for audit services in the current and prior periods was borne by a fellow subsidiary undertaking, The Tetley Group Limited.

3 Net interest (payable) / receivable

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Interest payable on group loans	(31)	-
Bank interest receivable	1	2
Net interest payable / (receivable)	(30)	2

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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 (2008: 4).

The emoluments of the Directors were as follows:

	Year ended 31 March 2009 Number	Year ended 31 March 2008 Number
Wages and salaries	164	141
Social security costs	20	18
Other pension costs	20	14
Staff costs	204	173

5 Taxation

The tax credit of £59,000 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 28% (2008: 30%). The differences are explained below:

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Loss on ordinary activities before tax	(210)	(229)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)	(59)	(69)
Current tax credit for the period	(59)	(69)

The company has surrendered the benefit of tax losses to another group company for a consideration of £59,000. Accordingly, no tax losses are available for carry-forward.

Factors that may affect future tax charges for future periods

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 Fixed assets

	Computer Equipment £'000s
Cost	
At 1 April 2008	7
Additions	-
At 31 March 2009	7
Depreciation	
At 1 April 2008	3
Charge for the year	2
At 31 March 2009	5
Net book amount	
At 31 March 2009	2
At 31 March 2008	4

7 Stock

	31 March 2009 £'000	31 March 2008 £'000
Finished goods	289	217

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

8 Debtors (amounts falling due within one year)

	31 March 2009 £'000	31 March 2008 £'000
Amounts due within one year:		
Trade debtors	97	71
Amounts owed by group undertakings	69	69
	166	140

Teapigs Limited

Notes to the financial statements (continued)

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

	31 March 2009 £'000	31 March 2008 £'000
Amounts falling due after more than one year:		
Amounts owed by group undertakings	59	-

10 Creditors: amounts falling due within one year

	31 March 2009 £'000	31 March 2008 £'000
Trade creditors	32	221
Amounts owed to group undertakings	87	292
Other taxation and social security	-	5
Accruals	37	30
	156	548

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

11 Called up share capital

		31 March 2009 £'000	31 March 2008 £'000
Authorised			
Ordinary shares of £1 each	10,000,000 (2008: 10,000,000)	10,000	10,000
Allotted, called up and fully paid			
Ordinary shares of £1 each	1,000,000 (2008: 550,000)	1,000	550

During the year, 450,000 shares were issued for cash. The nominal value of these shares was £450,000 and consideration received was £450,000.

Teapigs Limited

Notes to the financial statements (continued)

12 Reserves

	Profit and loss reserve £'000
At 1 April 2008	(470)
Loss for the financial period	(151)
At 31 March 2009	(621)

13 Reconciliation of movements in shareholders' funds

	31 March 2009 £'000	31 March 2008 £'000
Loss for the financial year	(151)	(160)
New share capital subscribed	450	150
Net movement in shareholders' funds	299	(10)
Opening shareholders' funds	80	90
Closing shareholders' funds	379	80

14 Leases

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

Commitment expires:	Land and buildings 2009 £'000	2008 £'000
Within one year	-	2
Between one and five years	20	-
After five years	-	-
	20	2

Teapigs Limited

Notes to the financial statements (continued)

15 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.

16 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.