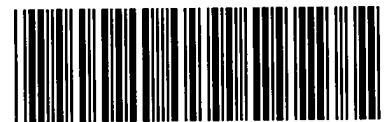


NEWBY TEAS (UK) LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2014

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

Company number: 3904465

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COMPANIES HOUSE

NEWBY TEAS (UK) LIMITED(COMPANY NUMBER: 3904465)DIRECTORS REPORT

The directors submit their report with the financial statements of the company for the year ended 31 July 2014.

RESULTS AND DIVIDENDS

The profit on ordinary activities for the period, after taxation, amounted to £ 58,296 (2013: £10,171). The directors do not recommend the payment of a dividend nor any transfer to reserves.

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 2014 who served throughout the year and their interests in the share capital of the holding company were as follows:-

		Ordinary shares	
		Number of Shares	
		<u>31.7.14</u>	<u>31.7.13</u>
Nirmal K Sethia	- beneficial holding	121,297	121,297
	- non-beneficial holding	981,403	981,403
Richa Sethia		-	-
Shraddha Sethia	(appointed 20.1.15)	-	-
Jean Pierre S Booth	(resigned 20.1.15)	-	-
Amrao Jain	(resigned 3.2.14)	-	-
Aneta Aslakhanova	(resigned 20.1.15)	-	-
Arun Bhattacharya	(resigned 20.1.15)	-	-
Chattar S Jain	(resigned 3.2.14)	-	-

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

NEWBY TEAS (UK) LIMITEDDIRECTORS REPORT (continued)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 with the Financial Reporting Standard for Smaller Entities (effective April 2008).

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

28th April 2015

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED

We have audited the financial statements of Newby Teas (UK) Limited for the year ended 31 July 2014, which comprise 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 and the requirements of the Financial Reporting Standard for Smaller Entities (effective April 2008).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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) and for being satisfied that the financial statements give a true and fair view 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). In forming our opinion we are also required to comply with the Auditing Practice Board's Ethical Standards.

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 United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, and give a true and fair view. 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 adequate accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the audited financial statements. Our responsibilities do not extend to any other information.

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.

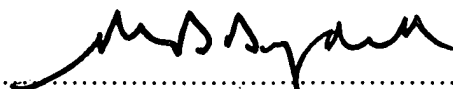
INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

NEWBY TEAS (UK) LIMITED (CONTINUED)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 July 2014 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Directors' Report is consistent with the financial statements.



.....
Malcolm Barry Boydell (Senior Statutory Auditor)

For and on behalf of

Boydell & Co

Chartered Accountants and Statutory Auditors

89 Chiswick High Road

London

W4 2EF

30 April 2015

NEWBY TEAS (UK) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2014

	<u>Notes</u>	<u>2014</u> £	<u>2013</u> £
TURNOVER	2	2,914,053	2,212,705
Cost of sales		(2,539,096)	(2,028,392)
Gross profit		<u>374,957</u>	<u>184,313</u>
Net operating expenses	3	(300,059)	(171,962)
OPERATING PROFIT		<u>74,898</u>	<u>12,531</u>
PROFIT on ordinary activities before taxation		74,898	12,351
Tax on profit on ordinary activities	4	(16,602)	(2,180)
PROFIT on ordinary activities for the year		<u>58,296</u>	<u>10,171</u>
Profit brought forward		297,925	287,754
Profit carried forward		<u>£ 356,221</u>	<u>£ 297,925</u>


The notes on pages 7 to 11 form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITEDBALANCE SHEETAT 31 JULY 2014

	Notes	£	<u>2014</u> £	£	<u>2013</u> £
FIXED ASSETS					
Intangible fixed assets	5		8,461		11,281
Tangible fixed assets	6		2,367		2,946
Investments	7		257,340		204,518
			<u>268,168</u>		<u>218,745</u>
CURRENT ASSETS					
Stocks	8	743,960		763,066	
Debtors	9	787,570		915,300	
Cash at bank		131,798		79,573	
			<u>1,663,328</u>	<u>1,757,939</u>	
CREDITORS: amounts falling due within one year	10	(575,275)		(678,759)	
				<u></u>	
NET CURRENT ASSETS			1,088,053		1,079,180
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>£1,356,221</u>		<u>£1,297,925</u>
CAPITAL AND RESERVES					
Called up share capital	11		1,000,000		1,000,000
Profit and loss account			356,221		297,925
			<u>£ 1,356,221</u>		<u>£ 1,297,925</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 for Smaller Entities (effective April 2008).

Approved by the board on *28th April* 2015
and signed on its behalf by:


NIRMAL K. SETHIA
Director

The notes on pages 7 to 11 form an integral part of these financial statements.

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 JULY 20141. ACCOUNTING POLICIESBasis of accounting

The financial statements have been prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective January 2008). 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.

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)

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)

Stock and work in Progress

Stock and work in progress are valued at the lower cost and net realisable value.

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 average rate for the year. Differences in currency transactions are taken to trading account and translation differences on monetary items are taken to trading and profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at the date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

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.

2. TURNOVER

Turnover represents the invoiced amounts of goods sold and services provided, excluding VAT. An analysis of turnover by geographical market is given below:

	<u>2014</u>	<u>2013</u>
	£	£
Europe (excluding UK)	1,978,363	1,586,090
United Kingdom	486,640	337,660
Asia	449,050	288,955
	<u>2,914,053</u>	<u>2,212,705</u>
	=====	=====

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 JULY 2014

3. <u>OPERATING PROFIT</u>	<u>2014</u>	<u>2013</u>
This is stated after charging:	£	£
Auditors' remuneration current year	6,000	6,000
	=====	=====
Employees (including directors *):		
Average number of people employed during the year (administration etc)	-	-
Cost in respect of these employees:		
Salaries	-	-
Social security costs	-	-
	£ -	£ -
	=====	=====

* The costs of the company's employees are borne by Sethia London Limited, the immediate parent company.

4. <u>TAXATION</u>		
(a) Current taxation		
	<u>2014</u>	<u>2013</u>
The taxation charge for the year is as follows:-	£	£
Corporation tax for the year		
@ 23% & 21% (2013: 20%)	16,602	2,499
Adjustment prior year	-	(319)
	16,602	2,180
	=====	=====

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20% (2013: 20%). The differences are reconciled below:

	<u>2014</u>	<u>2013</u>
	£	£
Profit on ordinary activities before taxation	74,898	12,351
	=====	=====
Profit on ordinary activities multiplied by tax rate	16,582	2,470
Depreciation	722	196
Capital allowances	(702)	(920)
Other	-	434
	16,602	2,180
	=====	=====

(c) Factors that may affect future tax charges

The company has no tax losses (2013: £nil) that are available for offset against future taxable profits.

NEWBY TEAS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31 JULY 2014

5.	<u>INTANGIBLE FIXED ASSETS</u>	<u>Artwork & Design</u> £	<u>Trademark & patents</u> £	<u>Total</u> £
	Cost:			
	At 1 August 2013	261,036	143,315	404,351
	Additions/disposals	-	-	-
	Disposals	-	-	-
	At 31 July 2014	261,036	143,315	404,351
	Amortisation:			
	At 1 August 2013	249,755	143,315	393,070
	Charge for the year	2,820	-	2,820
	At 31 July 2014	252,575	143,315	395,890
	Net book value:			
	At 31 July 2014	8,461 =====	- =====	8,461 =====
	At 31 July 2013	11,281 =====	- =====	11,281 =====
6.	<u>TANGIBLE FIXED ASSETS</u>	<u>Furniture and equipment</u> £	<u>Computers</u> £	<u>Total</u> £
	Cost:			
	At 1 August 2013	55,961	14,775	70,736
	Additions	-	210	210
	Disposals	-	-	-
	At 31 July 2014	55,961	14,985	70,946
	Depreciation:			
	At 1 August 2013	53,621	14,169	67,790
	Charge for the period	585	204	789
	At 31 July 2014	54,206	14,373	68,579
	Net book value:			
	At 31 July 2014	1,755 =====	612 =====	2,367 =====
	At 31 July 2013	2,340 =====	606 =====	2,946 =====

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31 JULY 2014

7.	<u>INVESTMENTS</u>	<u>Total</u>
	<u>At cost</u>	
	At 1 August 2013	204,518
	Additions	52,822
	At 31 July 2014	<u>£ 257,340</u>

At 31 July 2014, the company held 2,080,000 equity shares of 10 Rupees each, fully paid in the company stated below, at a cost of £252,340, which represents 52% of the company's issued share capital.

The aggregate amount of this company's capital and reserves together with their profit and loss for the year ended 31 March 2014 (a year-end date required by Indian company law) is as follows:

	Capital and Reserves INR	Loss for the year INR
Newby India Private Limited	<u>27,581,905</u>	<u>(8,937,223)</u>
8.	<u>2014</u>	<u>2013</u>
	£	£
Promotional goods and packaging	170,133	185,134
Raw materials	189,903	280,260
Finished goods	383,924	297,672
	<u>743,960</u>	<u>763,066</u>
9.	<u>2014</u>	<u>2013</u>
	£	£
Trade debtors	745,823	880,488
Prepayments	25,529	7,929
VAT	16,218	26,883
	<u>787,570</u>	<u>915,300</u>
10.	<u>2014</u>	<u>2013</u>
	£	£
Trade creditors	99,218	17,242
Corporation tax payable	16,602	2,499
Amounts owed to Group undertakings	357,113	457,463
Accruals	86,125	15,257
Bank overdraft	16,217	186,298
	<u>575,275</u>	<u>678,759</u>

NEWBY TEAS (UK) LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONT'D)FOR THE YEAR ENDED 31 JULY 201411. SHARE CAPITAL

	Authorised		Allotted called up and fully paid	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
	No.	No.	£	£
Ordinary £1 shares	1,000,000	1,000,000	1,000,000	1,000,000

12. RECONCILIATION OF MOVEMENT IN
SHAREHOLDERS FUNDS

	<u>2014</u>	<u>2013</u>
	£	£
Opening shareholders' funds	1,297,925	1,287,754
Profit for the year after tax	58,296	10,171
Closing shareholders' funds	<u>1,356,221</u>	<u>1,297,925</u>

13. IMMEDIATE PARENT COMPANY

The company is a wholly owned subsidiary of Sethia London Limited, a company incorporated in England and Wales. In the directors' view, Sethia London Limited continues to be the company's immediate parent company.

14. ULTIMATE PARENT COMPANY

The ultimate parent company is N. Sethia Group Limited, a company incorporated in England and Wales.