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**TATA LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

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## **TATA LIMITED**

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### **COMPANY INFORMATION**

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<b>Directors</b>	C P Mistry I Hussain D M Landsman N Kumar
<b>Company secretary</b>	F Parekh
<b>Registered number</b>	00092560
<b>Registered office</b>	18 Grosvenor Place London SW1X 7HS
<b>Independent auditor</b>	Moore Stephens LLP Chartered Accountants 150 Aldersgate Street London EC1A 4AB

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**TATA LIMITED**

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## **TATA LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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The directors present their report and the financial statements for the year ended 31 March 2016.

#### **Directors' responsibilities statement**

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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.

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## TATA LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

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#### Results, dividends, principal activities and business review

The profit for the year, after taxation, amounted to £2,079,503 (2015 - loss £3,385,829).

The turnover in the financial period ended 31 March 2016 rose by 13% to £2.66m (2015: £2.35m). Administrative expenditure before provision for bad debts fell by 58% to £2.92m (2015: £6.94m).

After accounting for other operating income of £68k (2015: £104k), fair value movements under FRS 102 £2.28m (2015: £24K) and profit/(loss) on disposal of fixed asset investments £40k (2015: Loss £1.96m) there was an operating profit of £2.13m (2015: Loss of £6.45m).

Profit before taxation for the financial year ending 31 March 2016 was £2.89m compared to a loss of £5.41m in previous year.

The principal activities are purchasing agents, representatives, traders and trade financing. The corporate affairs function carried out on behalf of Tata Sons Ltd, consist of communications and brands, public affairs in UK and EU and business development working to strengthen, develop and improve the working relationship between the Tata companies in the UK and other stakeholders. The company is also engaged in promoting the Tata Business excellence program, organising and managing programs for Tata companies.

Revenue from the agency commission has improved as a result of total order value increasing by 17% with one customer increasing their orders by 45%. The company have engaged with Tata Business Support Service to provide support services and is currently concentrating efforts to enhance its service provision to the main existing customers.

During the year, the Company:

- held a convertible loan of £1m advanced to Bladon Jets Holding. The company exercised its option to convert the loan into equity of 898,634 shares at £1.11 per share
- purchased an additional 500,000 shares at £2.00 per share in Bladon Jets increasing the total holding to 22%(2015: 17.5%)

#### Directors

The directors who served during the year were:

C P Mistry  
I Hussain  
D M Landsman  
N Kumar

#### Financial risk management objectives and policies

A risk management review has been undertaken by the Company to identify, evaluate and manage key risks. The board considers the Company's key elements of financial risk to be market risk relating to the company's dependence on the role within the Tata Group detailed above and credit risk.

Our policies and arrangements seek to ensure that company's services and activities remain relevant and advantageous to the group in order to reduce the risk is at an acceptable level.

The company's credit risks are spread geographically and while most customers have good credit ratings, the board ensures that appropriate measures are taken to mitigate risks to an acceptable level in all cases.

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**TATA LIMITED**

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**DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

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**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

Moore Stephens were appointed during the year by the directors and will be re-appointed in accordance with Chapter 2 of Part 16 of the Companies Act 2006.

This report was approved by the board on 20 May 2016 and signed on its behalf by:



**F Parekh**  
Secretary

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## **TATA LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TATA LIMITED**

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We have audited the financial statements of TATA Limited for the year ended 31 March 2016, set out on pages 6 to 35. The financial reporting framework that has been applied in their preparation is applicable law including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 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 Auditor**

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

#### **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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 and the directors' report has been prepared in accordance with applicable legal requirements.

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**TATA LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TATA LIMITED**

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**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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Stephen Corral (Senior Statutory Auditor)

for and on behalf of  
**Moore Stephens LLP**

Chartered Accountants

150 Aldersgate Street  
London  
EC1A 4AB

Date: 27 May 2016



**TATA LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover		2,663,308	2,346,825
<b>Gross profit</b>		<b>2,663,308</b>	<b>2,346,825</b>
Administrative expenses		(2,922,071)	(6,920,911)
Other operating income		68,517	103,950
Fair value movements		2,280,503	(24,000)
Profit/(loss) on disposal of fixed asset investments		40,531	(1,958,836)
<b>Operating profit/(loss)</b>		<b>2,130,788</b>	<b>(6,452,972)</b>
Income from fixed assets investments		87,721	121,524
Interest receivable and similar income	9	978,143	1,049,679
Interest payable and expenses	10	(304,146)	(132,276)
<b>Profit/(loss) before tax</b>		<b>2,892,506</b>	<b>(5,414,045)</b>
Tax on profit/(loss)	11	(813,003)	684,527
<b>Profit/(loss) for the year</b>		<b>2,079,503</b>	<b>(4,729,518)</b>
<b>Other comprehensive (expense) / income for the year</b>			
Actuarial (losses) / gains on defined benefit pension scheme		(112,000)	216,000
Deferred Tax in respect of defined benefit pension scheme		(41,160)	45,360
<b>Other comprehensive (expense) / income for the year</b>		<b>(153,160)</b>	<b>261,360</b>
<b>Total comprehensive income / (expense) for the year</b>		<b>1,926,343</b>	<b>(4,468,158)</b>

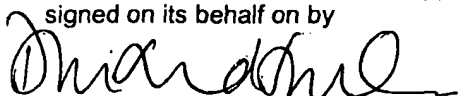
**TATA LIMITED**  
**REGISTERED NUMBER: 00092560**

**BALANCE SHEET**  
**AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	12	6,425,434	6,574,573
Investments	13	10,762,563	6,680,139
Investment property	14	1,750,000	1,500,000
		<u>18,937,997</u>	<u>14,754,712</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	15	12,326,190	9,790,770
Cash at bank and in hand		47,213,570	47,572,291
		<u>59,539,760</u>	<u>57,363,061</u>
Creditors: amounts falling due within one year	16	(13,947,594)	(9,422,011)
<b>Net current assets</b>		<u>45,592,166</u>	<u>47,941,050</u>
<b>Total assets less current liabilities</b>		<u>64,530,163</u>	<u>62,695,762</u>
<b>Provisions for liabilities</b>			
Deferred tax	18	(2,132,216)	(2,028,158)
Pension asset	21	2,980,000	2,784,000
<b>Net assets</b>		<u><u>65,377,947</u></u>	<u><u>63,451,604</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	59,891,730	59,891,730
Revaluation reserve	20	4,908,577	5,050,577
Profit and loss account		577,640	(1,490,703)
		<u><u>65,377,947</u></u>	<u><u>63,451,604</u></u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board on 20 May 2016 and were signed on its behalf on by



**D M Landsman**  
Director

**TATA LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	Share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2015	59,891,730	5,050,577	(1,490,703)	63,451,604
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	2,079,503	2,079,503
Actuarial losses on pension scheme	-	-	(153,160)	(153,160)
Other comprehensive expense for the year	-	-	(153,160)	(153,160)
Total comprehensive income for the year	-	-	1,926,343	1,926,343
Transfer (to)/from profit and loss account	-	(142,000)	142,000	-
At 31 March 2016	<u>59,891,730</u>	<u>4,908,577</u>	<u>577,640</u>	<u>65,377,947</u>

**TATA LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2015**

	Share capital	Revaluation reserve	Retained earnings	Total equity
	£	£	£	£
At 1 April 2014	191,891,730	5,192,577	(41,164,549)	155,919,758
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(4,729,518)	(4,729,518)
Actuarial gains on pension scheme	-	-	261,360	261,360
<b>Other comprehensive income for the year</b>	-	-	261,360	261,360
<b>Total comprehensive expense for the year</b>	-	-	(4,468,158)	(4,468,158)
Transfer (to)/from profit and loss account	-	(142,000)	142,000	-
Share capital reduction	(132,000,000)		44,000,004	(87,999,996)
<b>At 31 March 2015</b>	<b>59,891,730</b>	<b>5,050,577</b>	<b>(1,490,703)</b>	<b>63,451,604</b>

The notes on pages 11 to 35 form part of these financial statements.

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## **TATA LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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#### **1. Accounting policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 26.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

##### **1.2 Going concern**

The Board confirms that, after making appropriate enquiries, it is of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing these accounts.

##### **1.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;

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## TATA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

The company has film rights income in relation to films that were released some years ago. All cost has been amortised in prior periods and the small amount of income that the company still receives is recognised on a cash basis

#### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties and long – term leasehold properties are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	Term of lease
Motor vehicles	4 years
Fixtures and fittings	4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

#### 1.5 Tangible fixed assets at deemed cost

Individual freehold and leasehold properties other than investment properties are carried at deemed cost being the revalued amount at the transition date less any subsequent depreciation and subsequent accumulated impairment losses. Historic revaluations have been transferred to retained earnings on transition.

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## TATA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1.6 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive income.

#### 1.7 Valuation of investments

Associates and Joint Ventures are held at fair value.

Investments in unlisted Company shares, whose market value can be reliably determined, are re-measured to market value at each balance sheet date. Gains and losses on re-measurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are re-measured to market value at each Balance Sheet date. Gains and losses on re-measurement are recognised in profit or loss for the period.

#### 1.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 1.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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## TATA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 1.12 Foreign currency translation

##### **Functional and presentation currency**

*The company's functional and presentational currency is GBP.*

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

#### 1.13 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequently, the measurement of financial liabilities depends on their classification.

##### *Derecognition of financial liabilities*

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.



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## **TATA LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

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Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

#### **14 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### **1.15 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

#### **1.16 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

#### **1.17 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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## TATA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### **2. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

##### *Defined benefit pension and other post-employment benefits*

The present value of the defined benefit pension and other post-employment benefit obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for pension and other post-employment benefits include the discount rate. Any changes in these assumptions will have an effect on the carrying amount of pension and other post-employment benefits.

After taking appropriate professional advice, group management determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations.

Other key assumptions relevant to the defined benefit pension and other post-employment benefit obligations are based in part on current market conditions. Additional disclosures concerning these obligations are given in note 23.

##### *Fair value of investments*

The directors have estimated the fair value of investments by appropriate means based on market evidence. One of the company's unlisted investments could not be reliably fair valued and has been accounted for at cost. Another have been valued by reference to the price implicit in recent transactions in its shares.

##### *Fair value of property*

Valuations are obtained from third party qualified valuers where the property is carried at fair value. The directors consider the need for impairments in respect of property carried at cost on the basis of available market intelligence.

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**TATA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**3. Analysis of turnover**

Analysis of turnover by country of destination:

	2016 £	2015 £
India	2,484,589	2,000,750
United Kingdom	112,262	231,489
Rest of the world	66,457	114,586
	<u>2,663,308</u>	<u>2,346,825</u>

**4. Other operating income**

	2016 £	2015 £
Net property revenue	68,517	103,950
	<u>68,517</u>	<u>103,950</u>

**5. Operating profit (loss)**

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	203,114	202,232
Fees payable to the Company's auditor for the audit of the company's annual accounts	40,500	39,000
Defined contribution pension cost	<u>97,850</u>	<u>90,274</u>

**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**6. Auditor's remuneration**

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	40,500	39,000
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
All other services	<u>15,580</u>	<u>37,000</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,207,308	1,161,759
Social security costs	143,421	130,599
Other pension costs	97,850	90,274
	<u>1,448,579</u>	<u>1,382,632</u>

Included within Other pension costs above is an amount for £16,430 (2015: £16,248) relating to pensions paid to a retired director.

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Office and management	<u>23</u>	<u>23</u>

**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**8. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	154,550	148,542
Company contributions to defined contribution pension schemes	21,528	20,000
Payment to retired director	-	30,115
	<u>176,078</u>	<u>198,657</u>

During the year retirement benefits were accruing to one retired director (2015: one). See note 7 for further information.

	2016 £	2015 £
Remuneration of key management		
Emoluments	104,380	102,387
Company contributions to defined contribution pension schemes	5,378	5,221
	<u>109,758</u>	<u>107,608</u>

**9. Interest receivable**

	2016 £	2015 £
Expected return from pension assets	310,000	417,000
Bank interest receivable	668,143	632,679
	<u>978,143</u>	<u>1,049,679</u>

**10. Interest payable and similar charges**

	2016 £	2015 £
Interest on bank loans	-	113,694
Other interest payable	7,556	-
Financing costs	87,590	(209,418)
Interest on pension liabilities	209,000	228,000
	<u>304,146</u>	<u>132,276</u>

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**TATA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**11. Taxation**

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on profits for the year	133,250	159,545
Adjustments in respect of previous periods	616,855	-
<b>Total current tax</b>	<u>750,105</u>	<u>159,545</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	62,898	(844,072)
<b>Total deferred tax</b>	<u>62,898</u>	<u>(844,072)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>813,003</u>	<u>(684,527)</u>

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**TATA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is based on the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>2,892,506</u>	<u>(4,070,356)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of % (2015 - 21%)	578,146	(1,108,386)
<b>Effects of:</b>		
Adjustments to tax rate applied to deferred balances		
Non-tax deductible amounts, fair value adjustments	(451,100)	463,665
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	66,407	1,554
Capital allowances for year in excess of depreciation	28,808	(3,548)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(22,400)	(84,000)
Adjustments to tax rate applied to deferred balances	(49,067)	-
Other timing differences leading to an increase (decrease) in taxation	62,898	(844,072)
Capital gains	-	1,931,626
Dividends from UK companies	(17,544)	(25,520)
Adjustments in respect of previous periods	616,855	-
Unrelieved tax losses carried forward	-	(1,015,846)
<b>Total tax charge for the year</b>	<u>813,003</u>	<u>(684,527)</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**12. Tangible fixed assets**

	Long-term leasehold property	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2015	7,100,000	935,444	90,487	8,125,931
Additions	-	65,584	-	65,584
Disposals	-	(1,819)	(55,224)	(57,043)
At 31 March 2016	7,100,000	999,209	35,263	8,134,472
<b>Depreciation</b>				
At 1 April 2015	630,000	863,307	58,051	1,551,358
Charge for the period	141,999	47,609	13,494	203,102
Disposals	-	(323)	(45,099)	(45,422)
At 31 March 2016	771,999	910,593	26,446	1,709,038
<b>Net book value</b>				
At 31 March 2016	<u>6,328,001</u>	<u>88,616</u>	<u>8,817</u>	<u>6,425,434</u>
At 31 March 2015	<u>6,470,000</u>	<u>72,137</u>	<u>32,436</u>	<u>6,574,573</u>

The company's leasehold interest in 18 Grosvenor Place and 5 and 7 Chester Close, London SW1, was valued at £7,100,000 by external surveyors, Messrs Evans & Payne, on the basis of the open market for existing use as at 1 May 2014. The directors consider this as a reasonable estimate of market value at the transition date and have adopted the value as the deemed cost of the asset.

The net book value of land and building may be further analysed as follows:

	2016 £	2015 £
Long leasehold	6,328,001	6,470,000
	<u>6,328,001</u>	<u>6,470,000</u>



**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**13. Fixed asset investments**

	Investments in associates	Listed investments	Unlisted investments	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 April 2015	3,869,891	1,065,125	1,745,123	6,680,139
Additions	2,000,000	51,921	-	2,051,921
Fair value movement	2,087,232	(56,729)	-	2,030,503
At 31 March 2016	<u>7,957,123</u>	<u>1,060,317</u>	<u>1,745,123</u>	<u>10,762,563</u>
<b>Net book value</b>				
At 31 March 2016	<u>7,957,123</u>	<u>1,060,317</u>	<u>1,745,123</u>	<u>10,762,563</u>
At 31 March 2015	<u>3,869,891</u>	<u>1,065,125</u>	<u>1,745,123</u>	<u>6,680,139</u>

The investment in associate relates to a 21.94% (2015: 17.56%) shareholding of Ordinary £0.0001 shares in Bladon Jets Holdings Limited, a company registered and incorporated in the Isle of Man whose principal activity is to manufacture micro jet turbines. The investment is held at fair value based on the price of a recent significant transaction in the company's shares.

The listed investments are UK listed investments and are held at market value based on quotes prices.

Unlisted investments relate to a 0.74% (2015: 0.74%) shareholding of Ordinary £1 shares in Tata Global Beverages Group Limited, a company registered and incorporated in England and Wales whose principal activity is tea production. It was not possible to obtain a reliable estimate of fair value for the investment therefore cost less impairment has been used as the measurement basis.

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**TATA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**14. Investment property**

	£
<b>Valuation</b>	
At 1 April 2015	1,500,000
Surplus on revaluation	250,000
<b>At 31 March 2016</b>	<b><u>1,750,000</u></b>

The property was valued by Dexters, Chartered Surveyors on an open market value for existing use basis.

**15. Debtors**

	2016 £	2015 £
Trade debtors	11,540,032	7,326,266
Amounts owed by joint ventures and associated undertakings	-	1,000,000
Other debtors	268,926	1,188,516
Prepayments and accrued income	517,232	275,988
	<b><u>12,326,190</u></b>	<b><u>9,790,770</u></b>

Trade debtors include the gross amounts due from the customer for the goods and services which the company has procured on behalf of its clients.

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**TATA LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**16. Creditors: Amounts falling due within one year**

	2016 £	2015 £
Trade creditors	12,318,025	6,993,002
Taxation and social security	468,182	477,878
Other creditors	21,785	-
Accruals and deferred income	1,139,602	1,951,131
	<u>13,947,594</u>	<u>9,422,011</u>

Trade creditors include the gross amounts due to the supplier of goods and services which the company has procured on behalf of its clients.

**17. Financial instruments**

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss		
Investments	<u>9,017,440</u>	<u>4,935,016</u>
Financial liabilities measured at amortised cost		
Included in accruals	<u>1,174,790</u>	<u>1,720,569</u>

# TATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 18. Deferred taxation

	Deferred tax £
At 1 April 2015	(2,028,158)
Charged to the profit or loss	(62,898)
Charged to the other comprehensive income	(41,160)
<b>At 31 March 2016</b>	<b><u>(2,132,216)</u></b>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Pension asset	(536,400)	(556,800)
Revaluation difference	(1,690,616)	(1,581,556)
Other timing differences	94,800	(110,198)
	<b><u>(2,132,216)</u></b>	<b><u>(2,028,158)</u></b>

### 19. Share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
59,891,730- Ordinary shares of £1 each	<b><u>59,891,730</u></b>	<b><u>59,891,730</u></b>

### 20. Reserves

#### Revaluation reserve

The Revaluation Reserve has arisen over the years from revaluations of both the investment property and the long-term leasehold property. On transition to FRS102, the element of the Revaluation Reserve relating to the investment property has been moved to Retained Earnings. The other amount, relating to the long-term leasehold property, will remain within equity and the annual transfer of excess depreciation due to the revaluation between the Revaluation Reserve and Retained Earnings will continue.

## TATA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 21. Pension commitments

The Company operates a Defined Benefit Pension Scheme, the assets of which are held in trustee administered funds separate from those of the company. The Scheme closed to new members with effect from 1 January 2002. With effect from 31 December 2003, pension accrual ceased and preserved pensions will be calculated for all members on the same basis as for members who leave service.

The Scheme is periodically valued every 3 years by the Scheme actuary.

	2016 £	2015 £
Fair value of plan assets	8,833,000	8,872,000
Present value of plan liabilities	(5,853,000)	(6,088,000)
<b>Net pension scheme asset</b>	<b><u>2,980,000</u></b>	<b><u>2,784,000</u></b>

The amounts recognised in profit or loss are as follows:

	2016 £	2015 £
Expected return on scheme assets	(310,000)	(417,000)
Interest on scheme liabilities	209,000	228,000
<b>Total</b>	<b><u>(101,000)</u></b>	<b><u>(189,000)</u></b>
Actual return on scheme assets	(230,000)	725,000
	<b><u>230,000</u></b>	<b><u>(725,000)</u></b>

- Reconciliation of fair value of plan liabilities were as follow:

	2016 £	2015 £
Opening defined benefit obligation	6,088,000	5,423,000
Actuarial gains and (losses)	209,000	228,000
Actuarial gains and (losses)	(118,000)	509,000
Benefits paid	(109,000)	(100,000)
Change in secured pensioner value	(217,000)	28,000
<b>Closing defined benefit obligation</b>	<b><u>5,853,000</u></b>	<b><u>6,088,000</u></b>

# TATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 21. Pension commitments (continued)

Reconciliation of fair value of plan assets were as follows:

	2016 £	2015 £
Opening fair value of scheme assets	8,872,000	7,591,000
Actuarial gains and (losses)	(230,000)	725,000
Expected return on scheme assets	310,000	417,000
Contributions by employer	207,000	211,000
Benefits paid	(109,000)	(100,000)
Change in secured pensioner value	(217,000)	28,000
	<u>8,833,000</u>	<u>8,872,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £112,000 (2015 - £216,000).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2016 %	2015 %
Discount rate at 31 March	3.60%	3.50%
Future salary increases	3.00%	3.00%
Future pension increases	<u>2.80%</u>	<u>2.80%</u>

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes – net asset (liability)

	2016 £	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(5,853,000)	(6,088,000)	(5,423,000)	(5,767,000)	(5,182,000)
Scheme assets	8,833,000	8,872,000	7,591,000	7,438,000	6,550,000
	<u>2,980,000</u>	<u>2,784,000</u>	<u>2,168,000</u>	<u>1,671,000</u>	<u>1,368,000</u>

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## TATA LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

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#### 22. Related party transactions

Other operating income (which is expressed net of expenses in the financial statements) includes office rent from subsidiaries/associates of Tata Sons Limited, as follows:

	2016 £	2015 £
Tata Consultancy Services	163,916	163,920
Tata Interactive Systems	13,822	13,822
Tata Elxsi Ltd	<u>29,748</u>	<u>36,305</u>

Also included within income are service charges from Tata Sons Limited of £639,000 (2015: £537,612) and from Tata International Limited of £4,592 (2015: £710).

Substantially the whole of the company's commission revenue is derived from transactions in which one of the parties is an entity related to Tata Sons Limited.

#### 23. Controlling party

The ultimate parent undertaking is Tata Sons Limited, a company incorporated in India. Group accounts are available to the public from The Registrar of Companies in India and the group accounts of Tata Sons Limited are the only group accounts which include this company.

Tata Sons Limited holds the fully paid up equity capital of Tata Limited of £ 59,891,730 at £1 per share and has no further liability to the company in respect of its shareholding.

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**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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**24. First time adoption of FRS 102**



**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

	<i>As previously stated 1 April 2014 £</i>	<i>Effect of transition 1 April 2014 £</i>	<i>FRS 102 (as restated) 1 April 2014 £</i>	<i>As previously stated 31 March 2015 £</i>	<i>Effect of transition 31 March 2015 £</i>	<i>FRS 102 (as restated) 31 March 2015 £</i>
<b>Note</b>						
Fixed assets	167,498,581	1,305,450	168,804,031	13,449,262	1,305,450	14,754,712
Current assets	59,308,529	-	59,308,529	57,363,061	-	57,363,061
Creditors: amounts falling due within one year	(71,860,951)	417,739	(71,443,212)	(9,703,732)	281,721	(9,422,011)
<b>Net current (liabilities)/assets</b>	<b>(12,552,422)</b>	<b>417,739</b>	<b>(12,134,683)</b>	<b>47,659,329</b>	<b>281,721</b>	<b>47,941,050</b>
<b>Total assets less current liabilities</b>	<b>154,946,159</b>	<b>1,723,189</b>	<b>156,669,348</b>	<b>61,108,591</b>	<b>1,587,171</b>	<b>62,695,762</b>
Provisions for liabilities	831,966	(1,581,556)	(749,590)	2,337,398	(1,581,556)	755,842
<b>Net assets</b>	<b><u>155,778,125</u></b>	<b><u>141,633</u></b>	<b><u>155,919,758</u></b>	<b><u>63,445,989</u></b>	<b><u>5,615</u></b>	<b><u>63,451,604</u></b>
Capital and reserves	<u>155,778,125</u>	<u>141,633</u>	<u>155,919,758</u>	<u>63,445,989</u>	<u>5,615</u>	<u>63,451,604</u>

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**TATA LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

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The £1,305,450 increase in fixed assets relates to gains of £839,836 on the investment in Bladon Jets and £465,614 on the listed investments on transition, since under FRS 102 the investments must be disclosed at fair value. The net effect of the gains on listed investment is through the P&L reserves, with the deferred tax element being recognised as part of the deferred tax provision. There is no deferred tax element in relation to Bladon Jets so the entire amount transferred to the P&L reserve.

The transition adjustments on creditors relate to an annual commitment of \$1m per annum for the 6 years from 2012. In the previous year the remaining liability was recognised in full as part of accruals. However, under FRS 102 this should now be recognised as a financial liability and held under amortised cost, with calculations beginning on the initial commitment and continuing to the final payment which will be during the year ended 31 March 2018. As such, there was a reduction of £417,739 in the liability brought forward, with this difference going through the P&L Reserve.

Under previous UK GAAP, the company had a policy of revaluing the investment property. However, under FRS 102, any surplus or deficit arising on revaluation of investment properties should be recognised in the P&L account. As such, the net amount of any surplus included in the revaluation reserve that related to the investment property has been reallocated to the P&L reserve, with the deferred tax element going through the deferred tax provision.

# TATA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 24. First time adoption of FRS 102 (continued)

	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
Note			
Turnover	2,346,825	-	2,346,825
	2,346,825	-	2,346,825
Administrative expenses	(6,920,911)	-	(6,920,911)
Other operating income	103,950	-	103,950
Loss on disposal of fixed asset investments	(1,958,836)	-	(1,958,836)
<b>Operating profit</b>	<b>(6,428,972)</b>	<b>-</b>	<b>(6,428,972)</b>
Income from investments	121,524	-	121,524
Fair value movements	-	(24,000)	(24,000)
Interest receivable and similar income	1,049,679	-	1,049,679
Interest payable and similar charges	(20,258)	(112,018)	(132,276)
Taxation	684,527	-	684,527
<b>Loss on ordinary activities after taxation and for the financial year</b>	<b>(4,593,500)</b>	<b>(136,018)</b>	<b>(4,729,518)</b>

The fair value movements relate to the revaluation of certain investments, as set out on page 31.  
The interest payable relates to a 6 year commitment which is now recognised at amortised cost.