



Annual Report and Financial Statements of
Tata Motors Design Tech Centre plc
(formerly known as Tata Motors European Technical Centre plc)

For the Year Ended 31 March 2024

Company Registration No: 05551225



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Company Information

Directors:

Mr S Chandra	Non-Executive Director
Mr D Gupta	Non-Executive Director (appointed 19 th May 2023)
Mr A Malbari	Non-Executive Director (resigned 9 th August 2023)
Mr M Uhlarik	Executive Director

Secretary:

Pennsec Limited
125 Wood Street
London
EC2V 7AW

Registered office:

18 Grosvenor Place
London
SW1X 7HS

Business address:

Prof. Lord Bhattacharyya Building
National Automotive Innovation Centre
Lord Bhattacharyya Way
University of Warwick
Coventry
CV4 7AL

Auditor:

Forvis Mazars LLP
2 Chamberlain Square
Birmingham
B3 3AX

Banker:

HSBC Bank
PO BOX 125
2nd Floor
62-76 Park Street
London
SE1 9DZ

Solicitor:

Penningtons Manches LLP
Da Vinci House
Basing View
Basingstoke
Hampshire
RG21 4EQ



Strategic Report

Tata Motors Design Tech Centre plc (TMDTC), formerly known as Tata Motors European Technical Centre plc, was established in 2005 by Indian parent company Tata Motors Limited (TML) as a wholly owned subsidiary with the purpose of strengthening TML's technical capabilities through delivery of world-class automotive engineering services. Its success has allowed it to grow organically to its current strength of around 193 automotive professionals, and it is now an intrinsic part of TML's development capacity. Its location on the campus of University of Warwick (UoW) in the UK has been a key enabler both of attracting the right calibre of staff and conducting collaborative research with academia and with other commercial organizations. The UK having a rich talent pool of Design and Engineering skills in the Automotive Sector puts TMDTC in a prime location to do this. TMDTC has a mandate to apply a proportion of its capacity to non-Tata brand customers to maintain and strengthen the skills base it can deploy on its core work for TML and its subsidiaries.

TMDTC became a wholly owned subsidiary of Tata Passenger Electric Mobility Limited (TPEML) in March 2022, which is a subsidiary of TML and now has a focus on developing new products through New Product Introduction (NPI) process with Design and Engineering working in alignment. In parallel to this there is an emphasis on developing new enabling technologies to enhance the portfolio of products. These include Advanced Driver Assistance Systems (ADAS) which delivers ground-breaking research in Autonomous vehicles, 5G/Connectivity and Engineering Quality.

Tata Group, including TPEML, is a signatory to the United Nations Global Compact and as part of the Group's corporate philosophy, individual Tata companies seek to contribute to development of the society local to their operations. TMDTC fosters relationships with a network of universities for collaborative research and to contribute to students' education. TMDTC's employees regularly make technical presentations at institutional and trade events, and provide inputs to the development of national policy, standards, and legislation. The reduction of transport pollutants and CO₂ emissions is at the heart of much of the Company's engineering and development effort and is exemplified by its hybridisation and light weighting projects.

The Company's financial performance for the year ended 31 March 2024 is summarised below and is compared with the previous year.

	2023-24 £'000	2022-23 £'000
Revenue	31,729	28,502
Cost of Sales	(20,779)	(17,792)
Gross Profit	10,950	10,710
<i>Gross Profit Margin</i>	35%	38%
Other operating income	1,098	947
Administrative expenses	(9,768)	(9,412)
Profit on ordinary activities before finance charges and taxation	2,280	2,245

No dividends have been paid or are proposed on ordinary shares by the Company during the year.



Strategic Report (Continued)

The Company is exposed to several areas of risk, against which it implements the following mitigating actions on an on-going basis.

- **Financial risks:** where the Company may be subject to foreign exchange fluctuations, TMDTC enters most of its contracts with TML and its subsidiaries, other customers and suppliers in sterling which mitigates its exposure to currency fluctuations.
- **Operational risks:** where retention of its employees is vital to TMDTC's progression and sustainability, the Company continually encourages its workforce to develop their technical and professional skills through the provision of training and degree courses. Regarding operational risks associated with its processes, and in line with its ISO 9001 accreditation, the Company updates its procedures, systems and policies on a regular basis and ensures they are being properly implemented and followed.
- **Liquidity risks:** where maintaining the necessary cash flows to ensure the smooth running of all business activities is paramount. The Company rigorously monitors its expected receipts from customers and payments to suppliers to enable it to forecast any potential working capital shortfalls and act before they arise. TPEML has written to the Directors to confirm its continuing financial support for the year from the date of approval of these financial statements.
- **Customer service risks:** TMDTC is heavily dependent on its parent for work and there always remains a risk that there may be a change in TPEML's supplier requirement. However, TMDTC continually strives to provide the highest level of service to its customer to ensure customer satisfaction, through a regular questionnaire and feedback process. Working remotely has benefited the working model in many ways by providing more frequent and open channels of communication with the customer.

For and on behalf of the Board
Tata Motors Design Tech Centre plc

Mr M Uhlarik
Director
Tata Motors Design Tech Centre plc
18 Grosvenor Place
London SW1X 7HS
United Kingdom

15.07.2024
Date:



Directors' Report

1. Employees

During the year ended 31 March 2024, the Company's mission was to "Innovate mobility solutions with passion to enhance quality of life" through its vision to be "The preferred choice for TML (customers) in delivering Excellence, Efficiency and Value in Design and Engineering Solutions". In pursuit of this mission during the year ended 31 March 2024, TMDTC continued to recruit, develop, and retain the best automotive talent. It strongly encourages continuous professional development and membership of the relevant professional institutions across all functions. In addition to fulfilling vocational training needs identified through the annual appraisal process, TMDTC has a well-established policy of supporting up to 5% of its permanent workforce through degree courses by the payment of fees and providing study leave.

There continues to be a major skills shortage in this sector in the UK, and competition for experienced automotive engineers remains fierce.

There were on average 193 employees for the financial year (March 2023: 163), consisting of 158 permanent and 35 contractors. The Company is an equal opportunities employer.

2. Board of Directors

The Board of Directors is the apex decision making body within the Company. Mr Shailesh Chandra and Mr Martin Uhlarik continue as non-Executive Director and Executive Director respectively. Mr Dhiman Gupta has been appointed as a non-Executive Director on the 19th May 2023 and Mr Aasif Malbari resigned as non-Executive Director on 9th August 2023. The Company's Articles do not mandate the retirement of directors by rotation.

In January 2007, the Committee of the Board signed an agreement with Tata Sons Limited to adopt formally the 'Tata Code of Conduct'. This is a comprehensive document that serves as the ethical road map for Tata Group employees and companies.

3. Post Balance Sheet Events

The directors of the Company have agreed to acquire Trilix s.r.l after the balance sheet date, whereby Trilix s.r.l will become a wholly owned subsidiary company of the Company. Trilix s.r.l were previously a wholly owned subsidiary of Tata Passenger Electric Mobility Limited.

4. Directors' Indemnities

Tata Motors Limited, as the ultimate parent company of Tata Motors Design Tech Centre plc, has made qualifying third-party indemnity provisions for the benefit of the directors of its subsidiary companies, which were made during the year and remain in force at the date of this report.

5. Auditor

Each of the persons who is a director at the date of this report confirms that:

- a) So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- b) The director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.



Directors' Report (continued)

6. Going Concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company meets its day-to-day working capital requirements primarily from operational cash flows, and trading balances with the group headed by Tata Motors Limited (TML).

The Company generates most of its revenue from provision of design and engineering services to TML and its subsidiaries under an arrangement which is renewed annually, and the current arrangement runs to 31 March 2025. The directors have prepared cash flow forecasts in order to assess going concern which indicate that the company will generate sufficient funds through its arrangement with the Group.

These forecasts are dependent on TML continuing to engage with the company at the current levels and additional financial support from its immediate parent company Tata Passenger Electric Mobility Limited (TPEML) during the going concern assessment period. TPEML has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period.

As with any company placing reliance on the renewal of current agreements and financial support from other group companies, the directors acknowledge that there can be no certainty that these will be renewed and continued, although, at the date of approval of these financial statements, they have no reason to believe that they will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

7. Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Forvis Mazars LLP will therefore continue in office.

For and on behalf of the Board
Tata Motors Design Tech Centre plc

Mr M Uhlarik
Director

Tata Motors Design Tech Centre plc
18 Grosvenor Place
London SW1X 7HS
United Kingdom

Date: 15.07.2024



Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement. The directors 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.



Independent auditor's report to the members of Tata Motors Design Tech Centre plc

Opinion

We have audited the financial statements of Tata Motors Design Tech Centre plc (the 'company') for the year ended 31 March 2024 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2024 and of its profit for the year then ended; and
- 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.



Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting



estimates, revenue recognition (which we pinpointed to the cut-off assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.

Elisa Howe

Elisa Howe (Jul 19, 2024 14:23 GMT+1)

Elisa Howe (Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP

Chartered Accountants and Statutory Auditor

First Floor

2 Chamberlain square

Birmingham

B3 3AX



Statement of Comprehensive Income
For the year ended 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
Revenue	2	31,728,951	28,501,997
Cost of sales		<u>(20,779,123)</u>	<u>(17,792,364)</u>
Gross profit		10,949,828	10,709,633
Other operating income		1,098,790	947,409
Administrative expenses		<u>(9,768,298)</u>	<u>(9,412,010)</u>
Profit on ordinary activities before finance charges and taxation		2,280,320	2,245,032
Net interest income	4	<u>97,578</u>	<u>100,276</u>
Profit on ordinary activities before taxation	3	2,377,898	2,345,308
Tax charge	7	<u>(831,742)</u>	<u>(669,198)</u>
Profit for the financial year		<u>1,546,156</u>	<u>1,676,110</u>


All activities are from continuing operations. There was no other comprehensive income for 2024 or 2023. The notes on pages 15 to 28 form part of these financial statements.



Statement of Financial Position
As at 31 March 2024

	Notes	31 March 2024 £	31 March 2023 £
<u>Non-current assets</u>			
Intangible assets	8	397,115	111,031
Property, plant and equipment	9	3,025,004	2,785,540
Right of use assets	10	20,200,277	21,860,574
		23,622,396	24,757,145
<u>Current assets</u>			
Receivables	11	19,016,031	21,001,523
Cash at bank and in hand		6,781,116	2,040,772
		25,797,147	23,042,295
Current liabilities	12	(5,982,410)	(5,886,716)
Net current assets		19,814,737	17,155,579
Non-current liabilities	13	(280,395)	(302,142)
Net Assets		43,156,738	41,610,582
<u>Equity and Reserves</u>			
Share capital	15	63,248,427	63,248,427
Retained Earnings	16	(20,091,689)	(21,637,845)
Shareholders' Funds		43,156,738	41,610,582

These financial statements were approved by the board of directors on and were signed on its behalf by:


15.07.2024
Mr M Uhlarik
Director
Company registered number: 05551225

The notes on pages 15 to 28 form part of these financial statements.



**Statement of Changes in Equity
For the year ended 31 March 2024**

	Share Capital £	Retained Earnings £	Total £
Balance at 1 April 2022	63,248,427	(23,313,955)	39,934,472
Profit for the period	-	1,676,110	1,676,110
Balance at 31 March 2023	63,248,427	(21,637,845)	41,610,582

	Share Capital £	Retained Earnings £	Total £
Balance at 1 April 2023	63,248,427	(21,637,845)	41,610,582
Profit for the period	-	1,546,156	1,546,156
Balance at 31 March 2024	63,248,427	(20,091,689)	43,156,738

The notes on pages 15 to 28 form part of these financial statements.



Notes to the Financial Statements **For the year ended 31 March 2024**

1. ACCOUNTING POLICIES

a) Basis of preparation

Tata Motors Design Tech Centre plc is a public limited company incorporated, domiciled and registered in England & Wales. The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ["UK Adopted IFRSs"], but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken:

- IFRS 2 Share-based payment
- IFRS 3 Business Combinations
- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
- IFRS 7 Financial Instruments: Disclosures
- IFRS 13 Fair Value Measurement
- IFRS 15 Revenue from Contracts with Customers
- IAS 1 Presentation of Financial Statements
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 24 Related Party Disclosures
- IAS 36 Impairment of Assets

The financial statements are prepared in accordance with the historical cost convention and on the going concern basis as noted in the Directors' Report.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements and estimates made by the directors in the application of these accounting policies that have a significant effect on the financial statements are discussed as necessary. Such judgements and estimates concern, but are not limited to, assets useful lives, IFRS 16 interest rate and deferred tax.

b) Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Company meets its day-to-day working capital requirements primarily from operational cash flows, and trading balances with the group headed by Tata Motors Limited (TML).

The Company generates most of its revenue from the provision of design and engineering services to TML and its subsidiaries under an arrangement which is renewed annually, and the current arrangement runs to 31 March 2025. The directors have prepared cash flow forecasts in order to assess going concern which indicate that the company will generate sufficient funds through its arrangement with the Group.

These forecasts are dependent on TML and its subsidiaries continuing to engage with the company at the current levels and additional financial support from its immediate parent company Tata Passenger Electric Mobility Limited (TPEML) during the going concern assessment period. TPEML has indicated its intention to continue to make available such funds as are needed by the company during the going concern assessment period.

As with any company placing reliance on the renewal of current agreements and financial support from other group companies, the directors acknowledge that there can be no certainty that these will be renewed and continued, although, at the date of approval of these financial statements, they have no reason to believe that they will not do so.



Notes to the Financial Statements (continued) **For the year ended 31 March 2024**

1. ACCOUNTING POLICIES (continued)

b) Going concern (continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c) Revenue

Revenue consists of amounts chargeable by the Company to its customers (primarily Tata Passenger Electric Mobility Limited and Tata Motors Passenger Vehicles Limited) for engineering and design consultancy services provided and is exclusive of value added tax. The Company recognises revenue when contracts are agreed between the Company and its customer and performance obligations are agreed and satisfied, which can be over a period of time. All contracts relate to the financial year and do not span the year end, as such the Company recognises no contract assets or liabilities at the end of the financial year.

d) Impairment of non-financial assets excluding stocks and deferred tax assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit (CGU) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

e) Pensions & other benefits

The Company operates a Group Personal Pensions Plan (GPPP), which is a defined contributions scheme, provided by Royal London ('the provider') and arranged by Deven Yagnic Limited. The Company has constituted the said pension plan to attract and retain good talent from the industry. The Company makes a contribution of up to 6% of the employees' gross basic salary, subject to the employees' making a matching contribution towards the pension plan, as per the provisions of the Scheme. Pension costs for the Company's GPPP are charged to the Statement of comprehensive income in the year in which they are incurred.

Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

The Company has also established an approved group life assurance plan through Unum Limited for the benefit of the employees, which would provide financial protection to the employee's dependants in the event of the employee's death. HMRC has approved the said plan and the contributions paid towards the said plan would be eligible for deductions from profits chargeable to corporation tax under the Income and Corporation Taxes Act 1988 (ICTA 1988). The policy covers the insurance of the employees up to a limit of 4 times the employee's basic salary, subject to the overall Company ceiling cover of £1,250,000. Premiums paid towards the said policy have been charged to the Statement of comprehensive income in the year in which they are incurred.



Notes to the Financial Statements (continued) **For the year ended 31 March 2024**

1. ACCOUNTING POLICIES (continued)

f) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

g) Foreign exchange

Transactions denominated in foreign currencies are translated from the functional currency at the periodic rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the Statement of Comprehensive Income.

h) Finance costs

Finance costs of financial liabilities are recognised in the Statement of Comprehensive Income over the term of such instruments at a constant rate on the carrying amount.

i) Government grants

Government grants are recognised when there is reasonable assurance that the group will comply with the conditions attached to them and the grants will be received.

Government grants which have been made to reimburse expenses are charged to the Statement of Comprehensive income when they become receivable and in the appropriate period so to match with the expenses which it relates.

The Company has opted to apply for the Research and Development Expenditure Credit (RDEC) for qualifying expenditure and the Job Retention Scheme (JRS). In accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance', RDEC and JRS income is included within other operating income and the associated taxation charge (for RDEC) within taxation charges.

j) Property, plant and equipment

Fixed assets are stated at cost less provision for depreciation and any impairment. Depreciation on tangible fixed assets is provided to write off the value (being cost less estimated residual value) of tangible fixed assets over their estimated useful economic lives below:

Computer Equipment:	Over a period of 4 years
Office Equipment:	Over a period of 4 years
Design & Engineering Equipment:	Over a period of 4-10 years; assessed by each individual asset
Motor Vehicles:	Over a period of 4 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.



Notes to the Financial Statements (continued) **For the year ended 31 March 2024**

1. ACCOUNTING POLICIES (continued)

k) Intangible assets – intellectual property

Intellectual property is included at cost and amortised in equal annual instalments over a period of 7 years which is their estimated useful economic life. Provision is made for any impairment, when required.

l) Intangible assets – perpetual licences & software

Perpetual licences and software are included at cost and amortised in equal annual instalments over a period of 4 - 5 years which is their estimated useful economic life. Provision is made for any impairment, when required.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

o) Liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material.

p) Leases

The Company accounts for leases using the modified retrospective approach.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company also assesses whether the contract contains any non-lease components, as these are accounted for outside of IFRS 16.

The Company recognises a right of use asset (as per Note 1(k)) and a lease liability at the lease transitional date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the transitional date, plus any initial direct costs incurred less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the transitional date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, as is the case for the Company, to use its incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, to the extent that the right of use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents its lease liabilities in creditors falling due within and after one year in the Statement of Financial Position.

The Company has elected not to recognise right of use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



Notes to the Financial Statements (continued) For the year ended 31 March 2024

2. REVENUE

Revenue for the year ended 31 March 2024 aggregated £31,728,951 (2023: £28,501,997), including revenue from the provision of services to Tata Motors Limited and its subsidiaries in India. The geographical breakdown of the Company's revenue is depicted below:

	31 March 2024 £	31 March 2023 £
UK revenue	15,750	37,800
Indian revenue	31,713,201	28,464,197
	<u>31,728,951</u>	<u>28,501,997</u>

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	31 March 2024 £	31 March 2023 £
Profit on ordinary activities before taxation	2,377,898	2,345,308
<u>This is stated after charging / (crediting):</u>		
Depreciation & amortisation	2,675,598	3,176,322
Loss / (profit) on disposal of assets	-	508
RDEC income	(1,094,663)	(940,110)
Foreign exchange (gains) / losses	325,353	(92,704)
Research and development expenditure	21,543,477	18,517,832

The analysis of auditor's remuneration is as follows:

Audit fees	<u>37,000</u>	<u>39,350</u>
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4. NET INTEREST INCOME

	31 March 2024 £	31 March 2023 £
Interest on Indian tax refunds	106,397	115,226
Other interest received	5,829	180
Total interest income *	112,226	115,406
Interest expense on lease liability **	(14,334)	(15,130)
Interest on Indian tax	(314)	-
Total interest expense	(14,648)	(15,130)
Net interest income	97,578	100,276

* The Company recognises interest income only once it has been received.

** Interest is calculated at the Company's incremental borrowing rate of LIBOR + 300 basis points, equating to 4.32% pa, on the total lease liability recognised.



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

5. DIRECTORS' EMOLUMENTS

	31 March 2024 £	31 March 2023 £
Directors Emoluments		
Emoluments	264,611	200,667
Cash sum in lieu of Company Car	7,200	7,200
Pension contribution	-	-
	<u>271,811</u>	<u>207,867</u>

The Company has only remunerated one director during the year (2023: one director).

The Company has a money purchase pension scheme whereby personal contributions are matched up to 6%, however there were no directors as at 31 March 2024 (2023: no directors) who were members of the money purchase pension scheme. There is no share option scheme in operation within the Company at present.

6. EMPLOYEE INFORMATION

	31 March 2024 £	31 March 2023 £
Permanent Staff Costs		
Salaries & Wages (including directors, but excluding non-executive directors)	12,748,445	10,746,085
Social security costs	1,420,231	1,293,325
Other pension costs	551,657	474,096
	<u>14,720,333</u>	<u>12,513,506</u>
Contractor Costs	<u>3,216,043</u>	<u>1,942,337</u>

Number of Employees (including the directors but excluding non-executive directors)

	31 March 2024 (Average in Numbers)	31 March 2023 (Average in Numbers)
Permanent	158	139
Contractors	35	24
	<u>193</u>	<u>163</u>

There were no unpaid pension contributions in the current year toward the pension scheme (2023: Nil).



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

7. TAXATION

	31 March 2024 £	31 March 2023 £
<i>Analysis of tax charge on ordinary activities</i>		
<u>UK corporation tax</u>		
Current tax on income for the period	347,220	147,310
Adjustments in respect of prior periods	(47,845)	(95,987)
<u>Foreign tax</u>		
Current tax on income for the period	504,848	554,967
Adjustments in respect of prior periods	27,519	62,908
	831,742	669,198
<u>Deferred tax:</u>		
Origination and reversal of temporary differences:		
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
Tax on profit	831,742	669,198
<i>Factors affecting current tax charge for the period</i>		
The taxation rate for the period is different to the standard rate of corporation tax in the UK of 25% (2022/23: 19%). These differences are reconciled below:		
Profit on ordinary activities before tax	2,377,898	2,345,308
Tax at 25% (2022/23 at 19%)	594,475	445,609
<u>Effects of:</u>		
Unrecognised temporary differences	(539,455)	(337,132)
Research and Development Expenditure Credit (RDEC) debit / (credit) in respect of prior periods	420,774	73,891
Adjustments to tax charge in respect of prior periods	(47,845)	(33,079)
Foreign tax	532,367	554,967
Foreign tax expensed	(128,574)	-
Fixed assets adjustments	-	(35,058)
Total tax charge for the period	831,742	669,198



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

8. INTANGIBLE FIXED ASSETS

	Perpetual Licence & Software £	Intellectual Property £	Total £
Cost			
As at 1 April 2023	3,617,779	1,834,978	5,452,757
Additions	155,403	-	155,403
Disposals	(71,429)	-	(71,429)
Reclassification *	330,062	-	330,062
As at 31 March 2024	4,031,815	1,834,978	5,866,793
Amortisation			
As at 1 April 2023	3,506,748	1,834,978	5,341,726
Charge for the year	55,991	-	55,991
Disposals	(71,429)	-	(71,429)
Reclassification *	143,390	-	143,390
As at 31 March 2024	3,634,700	1,834,978	5,469,678
Net Book Value			
As at 31 March 2024	397,115	-	397,115
As at 31 March 2023	111,031	-	111,031

* During the year the Company identified several assets classified as tangible assets, which actually pertained to intangible assets. As such, these assets have been reclassified to intangible assets on 31st March 2024.



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

9. PROPERTY, PLANT AND EQUIPMENT

	Computer Equipment	Office, Design & Engineering Equipment	Motor Vehicles	Total Tangible Assets
	£	£	£	£
Cost				
As at 1 April 2023	3,479,385	7,222,669	99,995	10,802,049
Additions	890,108	305,022	190,316	1,385,446
Disposals	(455,205)	(73,498)	-	(528,703)
Reclassification *	(228,740)	(101,322)	-	(330,062)
As at 31 March 2024	3,685,548	7,352,871	290,311	11,328,730
Depreciation				
As at 1 April 2023	2,667,984	5,265,566	82,959	8,016,509
Charge for the year	490,705	434,364	34,241	959,310
Disposals	(455,205)	(73,498)	-	(528,703)
Reclassification *	(42,068)	(101,322)	-	(143,390)
As at 31 March 2024	2,661,416	5,525,110	117,200	8,303,726
Net Book Value				
As at 31 March 2024	1,024,132	1,827,761	173,111	3,025,004
As at 31 March 2023	811,401	1,957,103	17,036	2,785,540

* During the year the Company identified several assets classified as tangible assets, which actually pertained to intangible assets. As such, these assets have been reclassified to intangible assets on 31st March 2024.



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

10. RIGHT OF USE ASSETS

	Commercial Premises £	Total £
Cost		
As at 1 April 2023	28,570,096	28,570,096
As at 31 March 2024	28,570,096	28,570,096
Depreciation		
As at 1 April 2023	6,709,522	6,709,522
Charge for the year	1,660,297	1,660,297
As at 31 March 2024	8,369,819	8,369,819
Net Book Value		
As at 31 March 2024	20,200,277	20,200,277
As at 31 March 2023	21,860,574	21,860,574

In line with IFRS 16 "Leases", the Company has two right of use assets; the National Automotive Innovation Centre (NAIC) and Argent Court. Other leases had been classified as short-term leases and have therefore been excluded from IFRS 16 and no additions were made during the year.

11. RECEIVABLES

	31 March 2024 £	31 March 2023 £
Trade receivables	-	15,120
Amounts due from related parties	5,074,914	12,077,628
VAT	413,269	197,754
Prepayments	1,182,765	472,865
Withholding tax recoverable and associated interest	11,292,483	6,792,097
Research and Development Expenditure Credit	1,042,500	1,279,468
Other receivables	10,100	166,591
	19,016,031	21,001,523

During the year, the Company continued to recover its withholding taxes from the Indian tax authorities. The remaining balance is believed to be recoverable within 12 months.



Notes to the Financial Statements (continued) For the year ended 31 March 2024

12. CURRENT LIABILITIES

	31 March 2024 £	31 March 2023 £
Trade creditors	1,774,573	2,425,243
Other creditors	68,045	59,136
Other taxation and social security	566,421	687,332
Lease liability	24,555	24,555
Accruals	3,548,816	2,690,450
	<u>5,982,410</u>	<u>5,886,716</u>

13. NON-CURRENT LIABILITIES

	31 March 2024 £	31 March 2023 £
Lease liability	<u>280,395</u>	<u>302,142</u>

The Company recognised a long-term lease liability following the implementation of IFRS 16 from 1st April 19, with respect to its premises, Argent Court. Further details about the leases are included in Note 1(p).

The following amounts have been recognised in the Statement of Comprehensive Income for which the Company is a lessee:

	31 March 2024 £	31 March 2023 £
Interest on lease liabilities (under IFRS 16)	<u>14,334</u>	<u>15,130</u>

14. DEFERRED TAX

At 31 March 2024 the Company had unused trading losses of £28,641,221 (2023: £27,882,749). No deferred tax asset has been recognised this year and the preceding year in respect of these losses and other timing differences due to the uncertainty over whether there will be sufficient taxable profits in future periods to utilise them. Details of unrecognised deferred tax balances are stated below:

	31 March 2024 £	31 March 2023 £
<i>Analysis of unrecognised deferred tax balance</i>		
Capital allowances in excess of depreciation	(1,618,823)	(2,187,430)
Tax losses carried forward	(7,160,305)	(6,970,687)
RDEC expenditure claim	(454,393)	(105,201)
	<u>(9,233,521)</u>	<u>(9,263,318)</u>



Notes to the Financial Statements (continued)
For the year ended 31 March 2024

15. SHARE CAPITAL

	31 March 2024	31 March 2023
	£	£
Ordinary shares issued	<u>63,248,427</u>	<u>63,248,427</u>

The Company's share capital consists of ordinary allotted, called up and fully paid shares of a value of £1 each.

16. RETAINED EARNINGS

	£
Balance at 1 st April 2023	(21,637,845)
Profit for the period	<u>1,546,156</u>
Balance at 31st March 2024	<u>(20,091,689)</u>

17. DEFINED CONTRIBUTION SCHEMES

The total cost of £551,657 (2023: £474,096) recognised in the Statement of Comprehensive Income represents contributions payable to these schemes by the group at rates specified in the rules of the plans.

18. ULTIMATE CONTROLLING PARTY

The ultimate parent company for Tata Motors Design Tech Centre plc is Tata Motors Limited, a public limited company incorporated and domiciled in India, which is an associate of Tata Sons Limited.

Tata Motors Design Tech Centre plc is a wholly owned subsidiary of Tata Passenger Electric Mobility Limited, which is a subsidiary of Tata Motors Limited.

Tata Motors Limited is the parent company of the group to which this Company belongs and for which the smallest and largest group accounts are prepared. Copies of the consolidated financial statements of Tata Motors Limited can be obtained from the parent's registered office situated at Bombay House, 24 Homi Mody Street, Mumbai 400 001, India.

**19. RELATED PARTY TRANSACTIONS**

The Company has taken advantage of the exemption available under FRS 101 Section 8 not to disclose details of transactions with wholly owned group members.

Trading transactions with non-wholly owned group companies are summarised below:

Purchase of goods or services

	31 March 2024 £	31 March 2023 £
Tata Limited	43,200	43,200
Tata Technologies Europe Limited	80,277	-
Tata Sons Limited	-	48,832
Tata Technologies Pte	3,990	3,956
Tata Quality Management Services	1,150	600
Tata Technologies Inc	-	5,232
	<u>128,617</u>	<u>101,820</u>

Trade Creditor Balances

	31 March 2024 £	31 March 2023 £
Tata Limited	8,640	8,640
Tata Technologies Europe Limited	12,675	-
Tata Technologies Inc	-	5,232
	<u>21,315</u>	<u>13,872</u>

There were no sales of goods or services to non-wholly owned group companies during the year or amounts owed to non-wholly owned group companies at the end of the year. All transactions with related parties are on arm's length basis.

20. SUBSEQUENT EVENTS

The directors of the Company have agreed to acquire Trilix s.r.l after the balance sheet date, whereby Trilix s.r.l will become a wholly owned subsidiary company of the Company. Trilix s.r.l were previously a wholly owned subsidiary of Tata Passenger Electric Mobility Limited.

21. ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company continues to conduct its annual impairment reviews on all cash generating units (CGU) whereby best estimates are applied in calculating the recoverable values of the CGU.

As stated in note 14, no deferred tax asset has been recognised in respect of unused trading losses and other timing differences due to the uncertainty over whether there will be sufficient taxable profits in future periods to utilise them.