

**BLACKWOOD HODGE (ZIMBABWE)
(PRIVATE) LIMITED**

**Financial Statements
for the year ended 31 March 2015**

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED
Annual financial statements
for the year ended 31 March 2015

<i>Contents</i>	<i>Page</i>
Directors' responsibility for financial reporting	2
Directors' report	3 - 4
Independent auditor's report	5
Statement of financial position	6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 32

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Directors' responsibility for financial reporting

The directors of the company are responsible for the preparation and fair presentation of the annual financial statements of Blackwood Hodge (Zimbabwe) (Private) Limited, comprising the statement of financial position at 31 March 2015, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, and the directors' report, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Zimbabwe.

The directors' responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these financial statements.

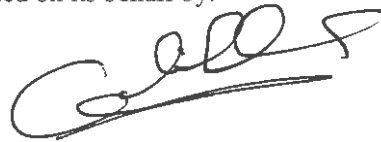
The directors have made an assessment of the company's ability to continue as a going concern and there is no reason to believe the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

The annual financial statements of Blackwood Hodge (Zimbabwe) (Private) Limited, as set out on pages 6 to 31, were approved by the board of directors on 4 May 2015 and signed on its behalf by:



Director



Director

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Directors' report

for the year ended 31 March 2015

The directors have pleasure in presenting their report for the year ended 31 March 2015.

Business activities

The main business of the company is the importation and sale of commercial motor vehicles and related spare parts.

Review of operations

The annual financial statements set out on pages 6 to 31 adequately reflect the state of affairs and the results of the business operations of the company for the year ended 31 March 2015.

Share Capital

There has been no change in the share capital during the year.

Dividends

A dividend of US\$nil (2014 - US\$ 126,000) was paid during the year.

A dividend of US\$nil (2014 - US\$ 126,000) has been proposed by the directors subsequent to the year end, subject to the approval of the members of the company at the annual general meeting.

Directors

The directors in office during the year and at the date of this report are:-

S. Matiza		Appointed 01/12/2014
B. Sabawala	*	Appointed 28/02/2015
S. Murray		Resigned 16/02/2014
T Mbele		(resigned 28/02/2015)
X Gobille	#	

* Indian

French

Secretary

A secretary has not been appointed. Virgin Management Services (Private) Limited performs certain secretarial duties on behalf of the company.

Business Address

Virgin Management Services
7 Nomandy Road, Alexander Park
Harare, Zimbabwe

Postal Address

P O Box A 235
Avondale, Harare, Zimbabwe

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Directors' report

for the year ended 31 March 2015 (continued)

Auditors

Deloitte & Touche are the appointed auditors for the company.

Business Address

Deloitte & Touche
West Block
Borrowdale Office Park
Borrowdale Road, Borrowdale

Postal Address

P O Box 267
Harare

Holding company

The holding company is Tata Africa Holdings (SA) (Pty) Ltd, incorporated in South Africa which holds 100% of the Company's ordinary shares. The ultimate holding company is Tata Sons Limited.

Going Concern

The directors have reviewed the going concern considerations of the company and have no reason to believe the business will not be a going concern in the year ahead.

Subsequent events

There have been no material circumstances or events between the year end and the date of this report.

Company details

Business address

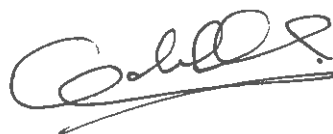
Stand 4917
Simon Mazorodze Road
Harare
Zimbabwe

Postal address

P. O Box 1978
Southerton
Harare
Zimbabwe



Director
04-May-15



Director
04-May-15

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

We have audited the accompanying financial statements of Blackwood Hodge (Zimbabwe) (Private) Limited (the "Company") as set out on pages 6 to 31, which comprise the Company's statement of financial position as at 31 March 2015, statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of Zimbabwe (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluation of the overall presentation of the financial statements.

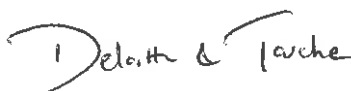
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Blackwood Hodge (Zimbabwe) (Private) Limited as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

In our opinion, the financial statements have been prepared in accordance with the disclosure requirements of the Companies Act (Chapter 24:03) and the relevant Statutory Instruments (SI 33/99 and SI 62/96).



DELOITTE & TOUCHE
HARARE, ZIMBABWE
4 May 2015

A full list of partners and directors is available on request

Member of Deloitte Touche Tohmatsu

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

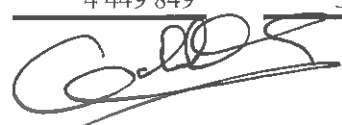
Statement of financial position

at 31 March 2015

	Note	2015 USD	2014 USD
Assets			
Non-current assets			
Property, plant and equipment	4.	1 967 058	2 011 491
Total non-current assets		<u>1 967 058</u>	<u>2 011 491</u>
Current assets			
Amounts owing by related parties	5.	-	16 055
Inventories	7.	1 212 601	1 100 587
Trade receivables	8.	1 093 666	616 683
Other receivables	9.	81 795	3 780
Taxation	19.	71 917	-
Cash and cash equivalents		<u>22 812</u>	<u>97 829</u>
Total current assets		<u>2 482 791</u>	<u>1 834 934</u>
Total assets		<u>4 449 849</u>	<u>3 846 425</u>
Equity and liabilities			
Equity			
Share capital	10.	1 260 000	1 260 000
Share Premium	10.	285 000	285 000
Non Distributable Reserves	10.	157 414	157 414
Retained earnings		<u>747 402</u>	<u>464 668</u>
Total equity		<u>2 449 816</u>	<u>2 167 082</u>
Liabilities			
Non-current liabilities			
Deferred tax liability	6.	<u>402 563</u>	<u>413 792</u>
Total non-current liabilities		<u>402 563</u>	<u>413 792</u>
Current liabilities			
Amounts owing to related parties	5.	335 190	175 368
Short term liabilities	11.	970 503	725 000
Trade payables		16 216	-
Other payables and provisions	12.	275 561	315 904
Taxation	19.	-	49 279
Total current liabilities		<u>1 597 470</u>	<u>1 265 551</u>
Total liabilities		<u>2 000 033</u>	<u>1 679 343</u>
Total equity and liabilities		<u>4 449 849</u>	<u>3 846 425</u>



Director
04-May-15


Director
04-May-15

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Statement of comprehensive income

for the year ended 31 March 2015

	<i>Note</i>	2015 USD	2014 USD
Revenue	<i>13.</i>	4 267 117	3 698 881
Cost of sales		<u>(2 617 221)</u>	<u>(2 230 004)</u>
Gross profit		1 649 896	1 468 877
Other operating income		40 406	11 632
Selling, distribution and administrative expenses		<u>(1 228 496)</u>	<u>(1 107 573)</u>
Profit from operations	<i>14.</i>	461 806	372 936
Finance income	<i>15.</i>	307	77
Finance expense	<i>15.</i>	<u>(83 730)</u>	<u>(102 274)</u>
Net finance expense		(83 423)	(102 197)
Profit before taxation		378 383	270 739
Income tax expense	<i>16.</i>	<u>(95 649)</u>	<u>(75 440)</u>
Total comprehensive income for the year		<u>282 734</u>	<u>195 299</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Statement of changes in equity

for the year ended 31 March 2015

	Share capital USD	Share Premium USD	Non Distributable Reserves USD	Retained earnings USD	Total USD
Balance at 1 April 2013	1 260 000	285 000	157 414	395 369	2 097 783
Total comprehensive income for the year				195 299	195 299
Dividend paid				(126 000)	(126 000)
Balance at 31 March 2014	<u>1 260 000</u>	<u>285 000</u>	<u>157 414</u>	<u>464 668</u>	<u>2 167 082</u>
Total comprehensive income for the year			-	282 734	282 734
Balance at 31 March 2015	<u>1 260 000</u>	<u>285 000</u>	<u>157 414</u>	<u>747 402</u>	<u>2 449 816</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Statements of cash flows

for the year ended 31 March 2015

	Note	2015 USD	2014 USD
Cash flows from operating activities			
Cash generated from operations	19.	67 558	613 006
Interest received		307	77
Interest paid		(83 730)	(102 274)
Taxation paid	19.	(228 074)	(124 531)
Dividends paid	19.	-	(126 000)
Net cash (outflow)/inflow from operating activities		<u>(243 939)</u>	<u>260 278</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment		(111 581)	(124 836)
Proceeds from disposal of property, plant and equipment		35 000	4 500
Net cash outflow from investing activities		<u>(76 581)</u>	<u>(120 336)</u>
Cash flows from financing activities			
Increase in short-term liabilities		<u>245 503</u>	<u>(75 000)</u>
Net cash inflow/(outflow) from financing activities		<u>245 503</u>	<u>(75 000)</u>
Net (decrease)/increase in cash and cash equivalents		(75 017)	64 942
Cash and cash equivalents at beginning of year		97 829	32 887
Cash and cash equivalents at end of year	19.	<u>22 812</u>	<u>97 829</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015

1. Reporting entity

Blackwood Hodge (Zimbabwe) (Private) Limited is a company incorporated in Zimbabwe. It is a wholly owned subsidiary of Tata Africa Holdings SA (Pty) Limited, a Company based in South Africa. Tata Africa Holdings SA (Pty) Limited is in turn a wholly owned subsidiary of Tata International, a company based in India. The principal activity of the company is the sale of motor vehicles, sale of spares and servicing of motor vehicles.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) and the Companies Act of Zimbabwe.

(b) Basis of measurement

The financial statements are presented in USD, which is the company's functional currency. They are prepared on the historical cost basis except for derivative financial instruments which are measured at fair value.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each of the assets. Expected future cash flows used to determine the value in use are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including, sales estimates, together with economic factors such as spot and future prices, discount rates, foreign currency exchange rates, estimates of costs and future capital expenditure.

(d) Comparatives

Previous year figures have been reclassified, wherever necessary, to make them comparable with those of the current year.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies

The accounting policies set out below have been applied consistently by the company to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated at the foreign exchange rate ruling at that date. Gains and losses arising on translation are credited to or charged against income.

(b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(b) Financial instruments (continued)

(ii) Non-derivative financial instruments (continued)

A financial instrument is recognised if the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Financial liabilities are derecognised if the company's obligations specified in the contract expire or are discharged or cancelled.

Trade receivables are recognised and carried at the fair value of the original invoice using the effective interest rate method. Gains or losses are recognised in the statement of comprehensive income when the receivables are derecognised or impaired.

Cash and cash equivalents comprise cash balances.

Investments at fair value through profit or loss

An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the group and company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

(c) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see accounting policy c (iii)) and impairment losses (see accounting policy f). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(ii) Subsequent costs

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

(iii) Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

Depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually.

The following rates of depreciation are used:

	Depreciation rate %
Commercial buildings	2.5%
Motor vehicles	20%
Furniture & fittings	10%
Plant and Equipment	10%
Office equipment	10%
Computer equipment	20%

(d) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Inventories are valued on a weighted average basis. Obsolete, redundant and slow moving inventories are identified on a regular basis and are written down to their estimated net realisable value.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(f) Impairment

The carrying amounts of the company's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see accounting policy g (i)). An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

The recoverable amount of assets or cash generating unit 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversal of impairment

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. Any impairment previously recorded against goodwill is not reversed.

(g) Revenue

(i) Goods sold and services rendered

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(h) Revenue (continued)

(i) Goods sold and services rendered (continued)

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or continuing management involvement with the goods.

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date.

(ii) Other

Dividend income is recognised in the statement of comprehensive income on the date the entity's right to receive payments is established.

(i) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease.

(ii) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested, dividend income, and foreign exchange gains and losses. Interest income is recognised in the statement of comprehensive income as it accrues, using the effective interest method.

(j) Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(j) Taxation (continued)

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Employee benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income when they are due.

(l) Provisions

A provision is recognised if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future statement of cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(m) Key source of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(m) Key source of estimation uncertainty (continued)

(i) Deferred taxation asset

Deferred taxation asset is recognised to the extent that it is probable that taxable profits will be available in future against which the deferred taxation assets can be utilised. The future availability of taxable profits is based on management's judgements regarding future business plans.

(ii) Asset lives and residual values

Property, plant and equipment are depreciated to their residual values over their estimates useful lives. Methods of depreciation, residual values and estimated useful lives are reviewed annually, based on management's judgement of relevant factors and conditions.

(n) New standards and interpretations adopted with a material impact on the the reported amounts and disclosures in the current and prior period.

As at the financial year ended 31 March 2015, there were no new, revised and amended IFRSs that were mandatorily effective that had a material effect on the reported amounts and disclosures in the current and prior

(o) New standards and interpretations adopted with no material impact on the the reported amounts and disclosures in the current and prior period.

As at the financial year ended 31 March 2015, the following new, revised and amended IFRSs were mandatorily effective, but had no material effect on the reported amounts and disclosures in the current and prior period

	Standard/Interpretation		Annual accounting period beginning on or after
IAS 32	Offsetting Financial Assets and Financial Liabilities	Amendment	1 January 2014
IFRS 10, IFRS 12 and IAS 27	Investment Entities	Amendment	1 January 2014
IAS 36	Recoverable Amount Disclosures for Non-Financial Assets	Amendment	1 January 2014
IAS 39	Novation of Derivatives and Continuation of Hedge Accounting	Amendment	1 January 2014
IFRIC 21	Levies	Interpretation	1 January 2014

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

3. Significant accounting policies (continued)

(p) New standards and interpretations not yet adopted

At the date of authorisation of the financial statements of the Company for the year ended 31 March 2015, the following Standards and Interpretations were in issue but not yet effective:

Standard/Interpretation			Annual accounting period beginning on or after
IAS 1	Presentation of Financial Statements	Amendment	1 January 2016
IAS 16	Property, Plant and Equipment	Amendment	1 January 2016
IAS 19	Employee Benefits	Amendment	1 January 2016
IAS 27	Separate Financial Statements (as amended in 2011)	Amendment	1 January 2016
IAS 28	Investments in Associates and Joint Ventures	Amendment	1 January 2016
IAS 34	Interim Financial Reporting	Amendment	1 January 2016
IAS 38	Intangible Assets	Amendment	1 January 2016
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Amendment	1 January 2016
IFRS 7	Financial Instruments: Disclosures	Amendment	1 January 2015
IFRS 9	Financial Instruments	New	1 January 2018
IFRS 10	Consolidated Financial Statements	Amendment	1 January 2016
IFRS 11	Joint Arrangements	Amendment	1 January 2016
IFRS 12	Disclosure of Interest in Other Entities	Amendment	1 January 2016
IFRS 14	Regulatory Deferral Accounts	New	1 January 2016
IFRS 15	Revenue from Contracts with Customers	New	1 January 2017

The directors have not yet assessed the impact of the above standards and interpretations on the financial statements of the Company within the period of initial application.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

4. Property, plant and equipment	Cost USD	Accumulated depreciation USD	Carrying amount USD
2015			
Commercial land and buildings	2 041 073	299 863	1 741 210
Motor vehicles	260 517	106 439	154 078
Furniture and fittings	36 495	13 251	23 244
Machinery and tools	79 962	42 401	37 561
Office equipment	15 625	9 374	6 251
Computer equipment	21 898	17 184	4 714
Total assets	<u>2 455 570</u>	<u>488 512</u>	<u>1 967 058</u>
2014			
Commercial land and buildings	2 041 073	248 836	1 792 237
Motor vehicles	205 089	68 097	136 992
Furniture and fittings	32 530	9 698	22 832
Plant and equipment	76 638	34 576	42 062
Office equipment	15 625	7 811	7 814
Computer equipment	20 490	10 936	9 554
Total assets	<u>2 391 445</u>	<u>379 954</u>	<u>2 011 491</u>

Commercial land and buildings comprise the following:

- Industrial land and the buildings thereon, situated at stand number 4917, Simon Mazorodze Road, Harare, Zimbabwe

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

4. Property, plant and equipment (continued)

	Carrying amount at beginning of year	Additions	Transfers	Depreciation	Net disposals	Carrying amount at end of year
	USD	USD	USD	USD	USD	USD
2015						
Commercial land and buildings	1 792 237	-	-	(51 027)	-	1 741 210
Motor vehicles	136 992	102 885	-	(49 516)	(36 283)	154 078
Furniture and fittings	22 832	3 964	-	(3 552)	-	23 244
Plant and equipment	42 062	3 324	-	(7 825)	-	37 561
Office equipment	7 814	-	-	(1 563)	-	6 251
Computer equipment	9 554	1 408	-	(6 248)	-	4 714
	<u>2 011 491</u>	<u>111 581</u>	<u>-</u>	<u>(119 731)</u>	<u>(36 283)</u>	<u>1 967 058</u>
2014						
Commercial land and buildings	1 843 264	-	-	(51 027)	-	1 792 237
Motor vehicles	45 436	114 978	-	(23 422)	-	136 992
Furniture and fittings	30 735	5 101	(10 137)	(2 867)	-	22 832
Plant and equipment	49 726	-	-	(7 664)	-	42 062
Office equipment	9 376	-	-	(1 562)	-	7 814
Computer equipment	-	4 757	10 137	(5 340)	-	9 554
	<u>1 978 537</u>	<u>124 836</u>	<u>-</u>	<u>(91 882)</u>	<u>-</u>	<u>2 011 491</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD	2014 USD
5. Amount owing by/to related parties		
<i>Owing by related parties</i>		
Current asset		
Tata Motors Limited	-	14 543
Tata Africa Holdings (Tanzania) Limited	-	150
Tata Zambia Limited	-	1 362
	<u>-</u>	<u>16 055</u>
The amounts owing by related parties reflected as current in nature arise in the ordinary course of business and are unsecured.		
Current liability		
Tata Africa Holdings (SA) (Pty) Limited	-	13 368
Tata Africa Holdings (Tanzania) Limited	-	162 000
Tata Automobile SA (Pty) Limited	52 600	-
Tata Motors Limited	282 590	-
	<u>335 190</u>	<u>175 368</u>
The amounts owing to related parties reflected as current in nature arise in the ordinary course of business and are unsecured.		
6. Deferred tax asset / liability		
Balance at the beginning of the year	(413 792)	(499 599)
Current charge	11 229	85 807
Balance at the end of the year	<u>(402 563)</u>	<u>(413 792)</u>
<i>Comprising –</i>		
Accelerated Wear and Tear	(465 027)	(486 147)
Provisions	18 914	11 837
Advance Deposits from Customers	43 550	60 518
	<u>(402 563)</u>	<u>(413 792)</u>
7. Inventories		
Raw materials and work-in-progress	2 526	-
Finished goods	769 668	659 670
Spare parts	160 348	200 503
Goods in transit	280 059	240 414
	<u>1 212 601</u>	<u>1 100 587</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD	2014 USD
8. Trade receivables		
Gross trade receivables	1 167 120	662 654
Less: Provision for doubtful trade receivables	<u>(73 454)</u>	<u>(45 971)</u>
	<u>1 093 666</u>	<u>616 683</u>
<i>Trade receivables outstanding for a period exceeding six months from the date they were due for payment:</i>		
Unsecured receivables	72 231	157 535
Less: Provision for doubtful trade receivables	<u>(43 521)</u>	<u>(41 471)</u>
	<u>28 710</u>	<u>116 064</u>
<i>Trade receivables outstanding for a period less than six months from the date they were due for payment and trade receivables not due:</i>		
Unsecured receivables	1 094 889	505 119
Less: Provision for doubtful trade receivables	<u>(29 933)</u>	<u>(4 500)</u>
	<u>1 064 956</u>	<u>500 619</u>
The directors consider the carrying amount of trade receivables to represent a fair value of the trade receivables.		
9. Other receivables		
<i>Unsecured</i>		
Advances to suppliers	19 884	-
Loans and advances to employees	10 740	3 780
Value Added Tax receivable	22 353	-
Other receivables CAPEX (Demo units) Debtors	<u>28 818</u>	<u>-</u>
	<u>81 795</u>	<u>3 780</u>
10. Share capital & Reserves		
10.1 Share Capital		
<i>Authorised</i>		
3,700,000 (2013 –3,700,000) ordinary shares of USD0.35 each	<u>1 295 000</u>	<u>1 295 000</u>
<i>Issued</i>		
3,600,000 (2013 –3,600,000) ordinary shares of USD0.35 each	<u>1 260 000</u>	<u>1 260 000</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD	2014 USD
10. Share capital & Reserves (continued)		
10.2 Reserves		
Share premium	285 000	285 000
Non distributable reserve	157 414	157 414
11. Short-term liabilities		
Standard Chartered Bank of Zimbabwe	919 578	725 000
Exim Bank line of credit	50 925	-
Total short-term liabilities	970 503	725 000
<p>The loan from Standard Bank is denominated in USD and carries interest at 10% per annum. The Standard Chartered Bank loan is a combined facility of US\$1 million which can be utilised as an Overdraft or short term loans or both. The Exim Bank Line of Credit is USD denominated and carries interest at LIBOR plus 4% per annum (2014 - LIBOR plus 4% per annum) and is secured by a letter of comfort from Tata International Limited.</p>		
12. Other payables and provisions		
<i>Other payables</i>		
Advances from customers	169 126	235 020
Audit fees	18 000	18 000
Statutory remittances	1 946	-
Value added tax payable	-	591
Other payables : Accruals	52 736	53 592
Other payables : Leave Pay Provision	14 550	8 701
Other payables : Sundry Provisions	19 203	-
	275 561	315 904
13. Revenue		
<i>Sale of goods</i>		
Motor vehicles	3 832 739	3 454 385
Spare parts	138 761	66 425
	3 971 500	3 520 810
<i>Services rendered</i>		
Workshop	295 617	178 071
	295 617	178 071
Total revenue	4 267 117	3 698 881

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD	2014 USD
14. Profit from operations		
Profit from operations is arrived at after taking into account:		
Income		
Profit on disposal of property, plant and equipment	30 024	4 500
Other income - Interest on Overdue Debtors Accounts	4 340	-
Other income - Insurance Proceeds	2 310	-
	<u>36 674</u>	<u>4 500</u>
Expenses		
Auditors' remuneration	18 000	18 000
- current year	<u>18 000</u>	<u>18 000</u>
Depreciation of property, plant and equipment	119 731	91 882
- land and buildings	<u>51 027</u>	<u>51 027</u>
- motor vehicles	49 516	23 422
- furniture and fittings	3 552	2 867
- plant and equipment	7 825	7 664
- office equipment	1 563	1 562
- computer equipment	<u>6 248</u>	<u>5 340</u>
Profit from operations is arrived at after taking into account:		
Consulting fees	16 419	14 132
Directors' emoluments	1 667	-
- fees	<u>1 667</u>	<u>-</u>
- executive services	<u>-</u>	<u>-</u>
Employment related expenses	512 010	452 328
- salaries and wages	<u>398 955</u>	<u>371 130</u>
- retirement contributions	46 936	26 228
- staff welfare expenses	<u>66 119</u>	<u>54 970</u>
Loss on disposal of property, plant and equipment	2 489	-
Operating lease charges	1 200	1 558
- property	<u>-</u>	<u>-</u>
- other	<u>1 200</u>	<u>1 558</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD	2014 USD
15. Finance income / expense		
<i>Interest income</i>	307	77
– on current accounts	307	77
– on advances and loans	-	-
Finance income	<u>307</u>	<u>77</u>
<i>Interest expense</i>	(83 730)	(102 274)
– on borrowings	(83 730)	(102 274)
– on finance leases	-	-
– on other	-	-
Finance expense	<u>(83 730)</u>	<u>(102 274)</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

	2015 USD		2014 USD	
16. Taxation				
Normal taxation				
– Current year	106 878		161 247	
Deferred taxation				
– Current year	<u>(11 229)</u>		<u>(85 807)</u>	
	<u>95 649</u>		<u>75 440</u>	
Reconciliation of effective tax rate				
Profit before taxation	<u>378 383</u>	%	<u>270 739</u>	%
Current year's charge as a percentage of income before taxation	95 649	25%	75 440	28%
Disallowable expenditure	13 069	-2%	(5 725)	-2%
Capital gain		2%	-	0%
Standard tax rate	<u>97 434</u>	<u>26%</u>	<u>69 715</u>	<u>26%</u>

17. Financial instruments

The company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework, including implementation and monitoring of these policies.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(a) Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from the company's receivables from customers.

The company's principal exposure to credit risk is in its trade and other receivables and loans to related parties. Trade receivables principally represent amounts owing to the company by their customers and credit risk is managed at that level. Credit evaluations are performed on all customers requiring credit over a certain amount. Credit guarantee insurance is taken against appropriate debtors. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

17. Financial instruments (continued)

(a) Credit risk (continued)

Exposure to credit risk

The carrying value of the company's financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2015 USD	2014 USD
Other receivables	81 795	3 780
Trade receivables due from related parties	-	16 055
	<u>81 795</u>	<u>19 835</u>

The maximum exposure to credit risk for trade receivables at the reporting date by type of receivables was:

	Carrying amount	
	2015 USD	2014 USD
Small Medium Enterprises	366 884	514 866
Government and parastatals	43 559	101 817
Corporates	680 976	-
Foreign Companies	2 247	-
	<u>1 093 666</u>	<u>616 683</u>

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 2015 USD	Impairment 2015 USD	Gross 2014 USD	Impairment 2014 USD
Not past due	610 125	-	279 065	-
Past due 0-30 days	93 991	-	44 656	-
Past due 31-60 days	104 180	-	78 149	-
Past due 61-90 days	54 003	-	66 220	(4 500)
Past due 91-180 days	232 590	(29 933)	34 085	-
Past due over 180 days	72 231	(43 521)	160 479	(41 471)
	<u>1 167 120</u>	<u>(73 454)</u>	<u>662 654</u>	<u>(45 971)</u>

Based on past experience, the company believes that no further impairment provision is necessary in respect of trade receivables as there is no deterioration in credit risk.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

17. Financial instruments (continued)

(b) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The company manages its cash position and future outflows on an ongoing daily basis. The company ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities as they fall due.

The following are the contractual maturities of financial liabilities:

	Carrying amount USD	6 Months or less USD	6 -- 12 Months USD	More than 1 Year USD
2015				
Trade payables	16 216	16 216	-	-
Other payables	275 561	275 561	-	-
Amounts owing to related parties	335 190	335 190	-	-
Short-term liabilities	970 503	970 503	-	-
	<u>1 597 470</u>	<u>1 597 470</u>	<u>-</u>	<u>-</u>
2014				
Trade payables	-	-	-	-
Other payables	315 904	315 904	-	-
Amounts owing to related parties	175 368	175 368	-	-
Short-term liabilities	725 000	725 000	-	-
	<u>1 216 272</u>	<u>1 216 272</u>	<u>-</u>	<u>-</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Currency risk

The risk that the fair value or future statement of cash flows of a financial instrument will fluctuate due to the changes in the foreign exchange rates.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

17. Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

The company's exposure to foreign currency risk is NIL. All transactions are executed in USD.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to the changes in market interest rates.

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

	Carrying amount	
	2015	2014
	USD	USD
Financial assets	-	-
Financial liabilities	970 503	725 000

Sensitivity analysis

A 1% increase / decrease represents the management's assessment of the reasonably possible changes in interest rates.

2015

Based on the average interest bearing financial assets and effective interest rates applicable for the year ended 31 March 2015, a 1% increase / decrease during the year would have decreased / increased profit by US\$ 9,705.

2014

Based on the average interest bearing financial assets and effective interest rates applicable for the year ended 31 March 2014, a 1% increase / decrease during the year would have decreased / increased profit by US\$ 7,250.

(d) Fair values

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 - fair value is based on quoted prices in active markets for identical financial assets or liabilities that the entity can access at the measurement date

Level 2 - fair value is determined using either directly or indirectly observable inputs other than Level 1 inputs

Level 3 - fair value is determined on inputs not based on observable market data

All financial assets and financial liabilities have been classified as level 3 financial instruments.

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

17. Financial instruments (continued)

(d) Fair values (continued)

The fair value of financial assets and liabilities, together with the carrying amounts in the statement of financial position, are as follows:

	2015		2014	
	Carrying value USD	Fair Value USD	Carrying value USD	Fair Value USD
Loans and receivables				
Trade receivables	1 093 666	1 093 666	616 683	616 683
Other receivables	81 795	81 795	3 780	3 780
Cash and cash equivalents	22 812	22 812	97 829	97 829
Amounts owing by related parties	-	-	16 055	16 055
Financial liabilities at amortised cost				
Trade Payables	16 216	16 216		
Short-term liabilities	970 503	970 503	725 000	725 000
Other payables	275 561	275 561	315 904	315 904
Debenture interest liability	-	-	-	-
Dividends payable	-	-	-	-
Amounts owing to related parties	335 190	335 190	175 368	175 368

18. Related parties

(a) Identity of related parties

The holding company of Blackwood Hodge (Zimbabwe) (Private) Limited is Tata Africa Holdings (SA) Proprietary Limited, incorporated in South Africa, which holds 100% (2014: 100%) of the company's ordinary shares.

The directors are listed in the directors' report.

(b) Directors' remuneration – refer note 14.

(c) Related party balances - Amounts owing by/to related parties (refer note 5).

(d) Material related party transactions	2015 USD	2014 USD
(i) Purchases from related parties		
Tata Motors Limited	1 336 062	1 046 662
Tata International Limited	-	25 639
Tata Africa Holdings (Tanzania) Limited	548 580	273 400
Tata Uganda Limited	71 080	-
Tata Zambia Limited	4 613	151 195
TATA Automobile Corporation SA (Pty) Limited	87 125	-
	<u>2 047 460</u>	<u>1 496 896</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

18. Related parties (continued)	2015	2014
	USD	USD
(ii) <i>Reimbursement of expenses</i>		
Tata Africa Holdings (SA) (Pty) Limited	4 440	13 368
Tata Automobile Corporation SA (Pty) Limited	4 000	-
	<u>8 440</u>	<u>13 368</u>
(iii) <i>Dividends paid</i>		
Tata Africa Holdings (SA) (Pty) Limited	-	126 000
	<u>-</u>	<u>126 000</u>
(iv) <i>Services rendered by</i>		
Virgin Management Services - Secretarial Fees	1 208	9 204
19. Notes to the statements of cash flows	2015	2014
	USD	USD
(a) Cash generated/(utilised) from operations		
Profit before income tax	378 383	270 739
<i>Adjustments for –</i>		
Depreciation of property, plant and equipment	119 731	91 882
Interest received	(307)	(77)
Interest paid	83 730	102 274
Net profit on disposal of property, plant and equipment	<u>(27 535)</u>	<u>(4 500)</u>
Operating income before working capital changes	554 002	460 318
(Increase)/decrease in inventories	(112 014)	433 647
Increase in trade and other receivables	(526 180)	(315 317)
Decrease/(increase) in amounts owing by related parties	16 055	(16 055)
Increase in trade payables	16 216	178 749
Decrease in other payables and provisions	(40 343)	-
Increase/(decrease) in amounts owing to related parties	<u>159 822</u>	<u>(128 336)</u>
	<u>67 558</u>	<u>613 006</u>

BLACKWOOD HODGE (ZIMBABWE) (PRIVATE) LIMITED

Notes to the financial statements

for the year ended 31 March 2015 (continued)

19. Notes to the statements of cash flows (continued)

	2015 USD	2014 USD
(b) Taxation paid		
Amount (outstanding)/prepaid at beginning of year	(49 279)	(12 563)
Normal income tax expense	(106 878)	(161 247)
Amount outstanding/(prepaid) at end of year	<u>(71 917)</u>	<u>49 279</u>
Amount (paid)/refunded	<u>(228 074)</u>	<u>(124 531)</u>
(c) Dividends paid		
To equity holders of the company	-	(126 000)
To non-controlling interest	<u>-</u>	<u>-</u>
	<u>-</u>	<u>(126 000)</u>
(d) Cash and cash equivalents		

Cash and cash equivalents comprise cash on hand and balances with banks, together with holdings in money market instruments. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

Cash and cash equivalents	22 812	97 829
Bank overdraft	<u>-</u>	<u>-</u>
	<u>22 812</u>	<u>97 829</u>

20. Going Concern

The Directors have assessed the ability of the Company to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. However the Directors believe that under the current economic environment a continuous assessment of the ability of the Company to continue to operate as a going concern will need to be performed to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

21. Events after the reporting period

The Directors are not aware of any material events after reporting date that may significantly impact on the information contained in these financial statements.