
Financial report 2018/19

Jaguar Land Rover Nederland B.V.

Vianen

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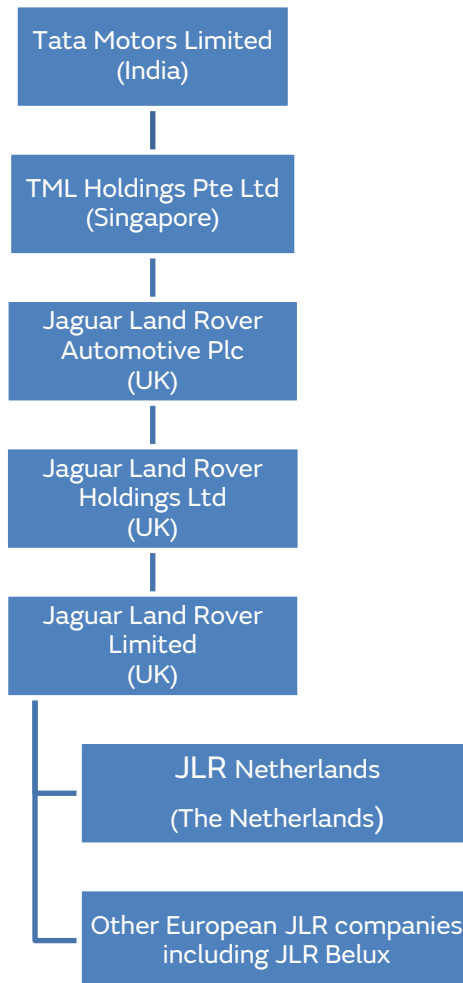
Annual report of the directors

Mission Statement

Jaguar Land Rover's vision is "to create experiences customers love, for life" with two global iconic brands: Jaguar and Land Rover. Jaguar is as dynamic as our name and logo suggest. We have always believed that a car is the closest thing you can create to something that is alive. Land Rover continues to build the world's most capable all-purpose vehicles. A blend of refinement, performance and unmatched all-terrain capability make our vehicles so distinctive and unique.

Jaguar Land Rover Netherlands

Jaguar Land Rover Netherlands operates as a distributor of Land Rover and Jaguar products in The Netherlands. It is a 100% subsidiary of Jaguar Land Rover Ltd (UK).



The company's offices are located in Beesd and its principal function is the sales, marketing and distribution of Land Rover and Jaguar products in The Netherlands. Its responsibility includes the development and maintenance of the local dealer network, and the deployment of Jaguar Land Rover's strategy in the local market.

Since the 1st of April 2010 Jaguar Land Rover Netherlands and Jaguar Land Rover Belux have been integrated into one Sales Company in order to grow sales and save costs by maximising the economies of scale. Although there is one organisation scheme for the Benelux-organisation, both countries still have separate legal entities.

Results and development during the year

Due to the big success of the All Electric Jaguar I-Pace the Dutch car market wholesale units for Jaguar Land Rover increased with 58% in 2018/19 compared with 2017/18. Jaguar volume more than doubled compared to last year driven by the sale of Jaguar I-Pace at the end of 2018. Land Rover volume however decreased due to the impact of the new testing procedure WLTP as this directly relates to higher taxations.

Net revenue increased with EUR 174.514k from EUR 198.977k in 2017/18 to EUR 373.501k in 2018/19. Result before taxation increased with EUR 2.172k to EUR 3.696k. The balance sheet total decreased from EUR 76.862k to EUR 59.410k.

Financial position

The shareholders' equity decreased to EUR 5.967k with the decision to pay out an interim dividend of EUR 6.042k and the addition of the net result of EUR 3.284k. The solvability (ratio of equity capital in relation to total capital) is stable at 10%. The liquidity position (ratio of current assets in relation to current liabilities) decreased with 0,01 to 1,09.

There are no specific critical performance indicators defined within Jaguar Land Rover Netherlands other than the number of cars sold.

Future developments

2019/20 will be a transition year for Jaguar Land Rover Netherlands between the exceptional launch of the full electric Jaguar I-Pace in 2018 driven by changing tax incentives in the Netherlands and the arrival of a portfolio of electrified products across our model range in 2020 embracing fully electric, plug-in hybrid and mild hybrid vehicles.

No investments are planned by Jaguar Land Netherlands for 2019/20.

Investments and funding

Jaguar Land Rover Netherlands is not exposed to currency risk as all transactions are in euro. The company does not have any significant concentrations of credit risk related to customers as title documents are not released before payment is received. No forward

contracts or other derivatives are concluded to mitigate financial risks due to the limited exposure.

Jaguar Land Rover Netherlands is completely funded by its parent company. In 2018/19 there were no changes in funding, nor are there any expected in 2019/20.

Personnel

In January 2019 the decision was made to reduce headcount in Jaguar Land Rover Netherlands as part of a world-wide restructuring programme in JLR. 3 FTE's left in March 2019 and 3 FTE's will be leaving in 2019/20. Related separation costs are provisioned in 2018/19. No further significant changes in personnel are planned in 2019/20. Staffing is sufficient to suite necessary business operations.

Environmental issues

Investments are made on an on-going basis in order to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with a number of suppliers and supported by the British government, Jaguar and Land Rover are not only working on low emission vehicles, but has recently launched new hybrid and full electric models that will reduce the company's CO2-emission.

Risks

Jaguar Land Rover Netherlands has assessed all potential risks – strategically, operationally, financially, and legally – and has concluded that from a market perspective there are no risks which are relevant for this report. For all potential risks from a manufacturer's / Brand viewpoint we refer to the 'Risks and Mitigations' section in the annual report of Jaguar Land Rover Ltd.

The group is willing to take risks in a responsible and calculated manner and hence a careful and risk based assessment process is applied for strategic and tactical decisions. The risk assessments are included in the central risk management and internal controlling system of the Jaguar Land Rover Group. The identified risks are being quantified and reported and monitored according to the frequency as well as the consequences they have. To reduce each risk, the Jaguar Land Rover Group management defines and implements the corresponding measures.

Currently the Dutch management consider the principal risks and uncertainties facing the company to be as follows:

- Strategy: risks and uncertainties to realize the legal entity's strategy fully depends on the release of new models that fit to the Dutch market and innovations in low emission vehicles, but also on new models that will reduce the company's CO2-emission like hybrid and electric products. Local management is not able to reduce this risk, this is managed by the group and/or shareholder, but risks could have a

material impact on revenues; the impact of the new WLTP emission remain uncertain and is likely negative but will be offset by the sales of the all-electric Jaguar I-Pace and the introduction of more electrified products in the near future.

- Operational: risks and uncertainties that affect the effectiveness and efficiency of the legal entity's operations in the short term are related to the reliance on the IT system. This risk is mitigated by using the central ERP system management by the group and or shareholder. Another operational risk that could impact the brand reputation is the quality of products. This risk is fully reduced by Jaguar Land Rover Group by a continued investing program in the quality of the vehicles;
- Legislation and regulations: risks and uncertainties ensuing from legislation and regulations is applicable because local regulations will change regularly. Mitigating measures included recruitment and retention of well qualified and experienced staff and engaging external specialist advice when necessary.

Code of Conduct

The Code of Conduct is the mandatory, group-wide policy for appropriate business behaviour and responsibility towards our stakeholder, and is the backbone of the Group's sustainability commitment. The policy consists of business ethics, human rights and social justice and environmental principles which shall be applied in policies, decisions and activities. Also Jaguar Land Rover shall comply with the laws and regulations of each country in which it operates and integrate the principles of this policy into critical processes.

Board of Directors

The composition of the board of directors does not reflect a situation as intended in article 276 Book 2 of the Dutch civil code. The present composition is a result of the qualifications of the present members. A balanced situation as described in the aforementioned articles can only be realized when vacancies occur where quality prevails over gender.

Vianen, June 3 2019

M.A.M. Bienemann
Managing Director

Annual accounts

Balance sheet as at March 31 2019

		<u>March 31 2019</u>		<u>March 31 2018</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
<i>Assets</i>					
Fixed assets					
Tangible fixed assets	1	141		36	
Financial fixed assets	2	<u>581</u>		<u>581</u>	
			722		617
Current assets					
Inventories	3	30.858		30.590	
Trade and other receivables	4	24.402		39.288	
Cash and cash equivalents	5	<u>6.122</u>		<u>6.367</u>	
			<u>61.382</u>		<u>76.245</u>
			<u>62.104</u>		<u>76.862</u>

		<u>March 31 2019</u>		<u>March 31 2018</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
Shareholders' equity	6				
Issued capital		45		45	
Other reserves		2.639		6.042	
Unappropriated profit for the year		<u>2.605</u>		<u>1.151</u>	
			5.289		7.238
Current liabilities	7		56.815		69.624
			<u>62.104</u>		<u>76.862</u>

Profit and loss account 2018/19

		<u>2018/2019</u>		<u>2017/2018</u>	
	Ref.	EUR000	EUR000	EUR000	EUR000
Net turnover	10		<u>372.616</u>		<u>198.977</u>
Total operating income			<u>372.616</u>		<u>198.977</u>
Cost of outsourced work and other external costs	11	364.697		193.846	
Wages and salaries	12	3.963		3.198	
Depreciation of fixed assets	13	31		13	
Other operating expenses	14	<u>212</u>		<u>311</u>	
Total operating expenses			<u>368.903</u>		<u>197.368</u>
Operating result			3.713		1.609
Financial income and expenses	15		<u>30-</u>		<u>85-</u>
Result before tax			3.683		1.524
Tax on result	16		<u>1.078-</u>		<u>373-</u>
Net result			<u>2.605</u>		<u>1.151</u>

Cash flow statement 2018/19

According to RJ 360.104, the cash flow statement has been omitted as Jaguar Land Rover Nederland B.V. is a subsidiary of Jaguar Land Rover Plc. which includes a cash flow statement in its consolidated financial statements. These consolidated financial statements will be made available on the website www.jaguarlandrover.com.

Notes to the balance sheet and profit and loss account

1 General

1.1 *Activities*

Jaguar Land Rover Nederland B.V., having its legal seat in Vianen and the office is located at Stationsweg 8, 4153 RD in Beesd, is primarily engaged in marketing, buying and selling Jaguar and Land Rover vehicles and related parts and accessories. These products are entirely obtained within the Jaguar Land Rover Group and are mainly distributed to the dealer network in the Netherlands. Jaguar Land Rover Nederland B.V. is registered in the Dutch Chamber of Commerce with registration number 23074977.

1.2 *Group structure*

Jaguar Land Rover Nederland B.V. belongs to the Jaguar Land Rover Plc. The ultimate parent company of this group is Tata Group in India. The annual accounts of Jaguar Land Rover Nederland B.V. are included in the consolidated annual accounts of Tata Motors Ltd. in India. Copies of the consolidated annual accounts of 2018/19 Tata Motors Ltd. are available at cost price from the offices of Jaguar Land Rover Nederland B.V.

These financial statements cover the year 2018/19, which ended at the balance sheet date of 31 March 2019. The financial statements of the Company have been prepared on the basis of the going concern assumption.

1.3 *Accounting policies*

The annual accounts are prepared according to the stipulations in chapter 9 Book 2, of the Dutch Civil Code.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

1.4 *Financial instruments*

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables, equity instruments and other financial liabilities.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

The company does not use derivative financial instruments (derivatives).

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in

the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

2 Principles of valuation of assets and liabilities

2.1 General

Assets and liabilities are measured at historical cost, unless otherwise stated in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

2.2 Functional and presentation currency

The financial statements are presented in euros ('EUR'), which is the Company's functional currency. All amounts have been rounded to the nearest thousand.

2.3 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following accounting policies are in the opinion of management the most critical in preparing these financial statements and require judgements, estimates and assumptions: the revenue recognition principle which determines when revenues can be recognized in the accounting period is fully in line with IFRS criteria.

2.4 *Financial instruments*

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables, equity instruments and other financial liabilities.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerable part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.

The company does not use derivative financial instruments (derivatives).

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

Financial instruments held for trading

Financial instruments (assets and liabilities) held for trading are carried at fair value and changes in the fair value are directly recognised in the profit and loss account. In the first period of recognition, attributable transaction costs are charged directly to the profit and loss account. Purchases and sales of financial assets that belong to the category held for trading are accounted for at the transaction date.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

2.5 *Tangible fixed assets*

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Machinery and equipment are valued at cost less straight-line depreciation over the estimated useful life. Any impairment as at the balance sheet date is taken into account. For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to impairment of fixed assets. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taken into account any estimated residual value of the individual assets. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

2.6 Financial fixed assets

The financial fixed assets consist of a certificate in a golf club and deposits. Financial fixed assets that are not part of a trade portfolio either and are held until maturity are valued at amortised cost or lower market value. When the market value is lower than the amortised cost price an impairment is accounted for. Reversal of an impairment is capped at the amortised cost price that would have been determined had it not concerned an impairment.

2.7 Impairment of fixed assets

Tangible and financial fixed assets are assessed at each reporting date whether there is any indication of an impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

If it is established that a previously recognised impairment no longer applies or has declined, then the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.8 Inventories

Goods available for sale are measured at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacture, plus other expenditure to bring the inventories to their present location and condition. Net realisable value is based on the most reliable estimate of the amount the inventories will generate at the most, less costs still to make. Luxury tax is included for cars recorded as part of inventories for which a licence plate is obtained.

In Accordance with accounting principles generally accepted for financial reporting in The Netherlands, the buyback vehicles are accounted for in the balance sheet under stocks. Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

2.9 Trade and other receivables

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted.

2.10 Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. Cash and cash equivalents are measured at nominal value. If cash

equivalents are not readily available, this fact is taken into account upon measurement. Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

2.11 Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the legal reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

2.12 Current liabilities

Current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

3 Principles for determination of result

3.1 General

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably.

Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

3.2 Revenue recognition

Sale of goods

Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, value added taxes and taxes on passenger cars (BPM).

Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

The transfer of risks and rewards varies according to the conditions of the relevant sales contract. For the sale of dealer build-to-order cars, transfer occurs at the time of shipment (ex-factory). For the sale of non-dealer tagged cars sold after shipment, transfer occurs on invoice date (usually at compound release). For the sale of parts, transfer usually occurs when the parts leave the warehouse.

3.3 *Costs of outsourced work and other external costs*

Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate. Cost of outsourced work and other external costs includes costs incurred in order to generate operating income, cost prices of vehicles and parts sold, insofar as these costs have been charged by third parties.

3.4 *Leasing*

All leases entered into by the company are classified as operational lease by which the company acts as lessor and therefore the risks and rewards of ownership of the leased object are carried by the company. The buyback cars are part of the inventory and the buyback liability is presented as current liabilities.

3.5 *Operating expenses*

Operating expenses include the expense of the Managing Director and the administration department. This also includes costs incurred in order to generate operating income, insofar as these costs have been charged by third parties, namely marketing cost.

3.6 *Employee benefits/pensions*

Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. The Company has two pension schemes. One scheme provides defined pension benefits to staff upon reaching retirement age, depending on age, salary and years of service.

The related accrued entitlements are always fully financed in the related calendar year through – at least - cost effective contribution payments.

Furthermore JLR has a defined contribution pension plan which is financed by contributions to an insurance company. The pension obligations of the plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

The annual contribution payments are based on the age dependable table as provided by the insurance company. The pensionable salary is based on the gross wage net of a deductible (of EUR 2,054,579). The pensionable salary is capped (at EUR 100,000). The annual employer-paid contribution is at least 4% and capped at 4% of the pensionable salary.

The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.

Based on the administrative regulations the group has no other obligations than the annual contribution payments.

3.7 *Depreciation*

Tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Land and investment property are not depreciated. Future depreciation is adjusted if there is a change in estimated useful life.

3.8 *Financial income and expense*

Interest income and expense

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received takes account of any transaction costs.

3.9 *Taxation*

Profits tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates. Also taken into account are changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognized in the profit and loss account.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognized.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realize or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

3.10 *Determination of fair value*

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

— The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

3.11 *Related parties*

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions. In the year 2018/19 there have been no transaction with related parties which have not been entered at arm's length.

3.12 Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

1 Tangible fixed assets

Tangible fixed assets

	Equipment	Other fixed assets	Total
	EUR000	EUR000	EUR000
April 1 2018			
Acquisition costs	129	65	194
Accumulated impairments and depreciation	-116	-42	-158
Book value	<u>13</u>	<u>23</u>	<u>36</u>
Movements 2018/19			
Additions	136	0	136
Desinvestments			
Depreciation	-22	-9	-31
Depreciation Desinvestments			
	<u>114</u>	<u>-9</u>	<u>105</u>
31 March 2019			
Acquisition costs	265	65	330
Accumulated impairments and depreciation	-138	-51	-189
Book value	<u>127</u>	<u>14</u>	<u>141</u>
Depreciation rates	<u>25,00%</u>	<u>25,00%</u>	

2 Financial fixed assets

The Other participating interests exist of a certificate of EUR 13,613 in a golf club.
The Other receivables exist mostly of a deposit payment for the Luxury tax of EUR 500,000. As at balance sheet date the total deposits presented under the Other receivables amounted to EUR 567,360 (2017/2018: EUR 567,360).

	Other participating interests	Other receivables	Total financial fixed assets
	EUR000	EUR000	EUR000
April 1 2018	14	567	581
Movements 2018/19	-	-	-
March 31 2019	14	567	581

3 Inventories

	Inventories	Inventories impairment	Luxury tax	Total inventories
	EUR000	EUR000	EUR000	EUR000
April 1 2018				
Book value	31.040	3.026-	2.576	30.590
Movements 2018/19	330	424	486-	268
March 31 2019				
Book value	31.370	2.602-	2.090	30.858

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are depreciated over the duration of the contract period to the estimated market value between the company and the buyer of the car. The contracts have an average duration of 9 months. These vehicles are presented under inventories and represent a value of EUR 15,933,733 (FY 2017/18: EUR 15,404,666). The buyback liability is presented under the Current liabilities and represents a value of EUR 15,093,021 (FY 2017/18: EUR 14,723,763).

4 Receivables

	March 31 2019		March 31 2018	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	22.642	0	37.162	0
Prepaid pension costs	258	0	488	0
Other receivables	1.502	0	1.638	0
	<u>24.402</u>	<u>0</u>	<u>39.288</u>	<u>0</u>

Provisions on doubtful debtors 2018/19 exist of EUR 308.840 (2017/18 EUR 308.840).

Netting receivables and liabilities from group companies

Jaguar Land Rover Nederland B.V. is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies of Jaguar Land Rover Nederland B.V.

5 Cash and cash equivalents

All cash at banks and in hand is available on demand.

6 Shareholders' equity

Issued capital

The authorised share capital of the Company as at 31 March 2019 amounts to EUR 227,000 and consists of 500 ordinary shares of EUR 454 each.

Issued and paid in share capital amounts to EUR 45,400 and consists of 100 ordinary shares with a nominal value of EUR 454 each.

Other Reserves

	<u>March 31 2019</u>	<u>March 31 2018</u>
	EUR000	EUR000
Balance as at 1 April	7.528	4.579
Interim Dividend	6.042-	-
Added to other reserves	<u>1.153</u>	<u>1.463</u>
Balance as at 31 March	<u>2.639</u>	<u>6.042</u>
 <i>Result financial year</i>		
Balance sheet as at 1 April	1.151	1.463
Result financial year	2.605	1.151
Added to other reserves	<u>1.151-</u>	<u>1.463-</u>
Balance as at 31 March	<u>2.605</u>	<u>1.151</u>

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

7 Current liabilities

	<u>March 31 2019</u>	<u>March 31 2018</u>
	EUR000	EUR000
Trade creditors	3.940	2.290
Tax payable	15.406	22.565
Affiliated companies	2.645	14.730
Corporate income tax payable	969	312
Buyback	13.354	14.724
Sales accrual	11.160	8.999
Deferred Revenue	2.776	3.546
Other liabilities	6.565	2.458
	<u>56.815</u>	<u>69.624</u>

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are presented under inventories and represent a value of EUR 15,933,733 (FY 2017/18: EUR 15,404,666).

The deferred income include an amount of EUR 998,661 (FY 2017/18: EUR 1,022,428) with a residual term of more than one year.

The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturities of the positions.

8 Financial Instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed.

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company. Jaguar Land Rover Netherlands is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies of Jaguar Land Rover Netherlands.

Currency risks

There are no currency risks. All invoices for purchasing and selling vehicles and parts are in euro.

Interest risks

There are no interest risks. All transactions, including funding, are managed through a cash pool agreement with the parent company.

Credit risks

Credit risks for dealer receivables (cars) are decreased by the fact that the majority of the vehicles is paid on behalf of the dealer by FGAC at the moment of invoicing. Title documents for the vehicles are not released to the customers before payment is received. The risk on parts is reduced by the fact that the outstandings are collected through direct debit once a week.

9 Off-balance sheet assets and liabilities

Financial obligations

- The Company issued a guarantee to the Dutch tax authorities of EUR 500,000 associated with Luxury tax. This guarantee has been deposited to the Dutch tax authorities.
- The commitment for renting the building amounts to EUR 80.239 on a yearly basis. The contract expires in 2020. The commitment with due in 1 year amounts to EUR 80.239, the commitment due within 5 years but no earlier than 1 year amounts to EUR 20.060 the commitment that is due no earlier than 5 years amounts up to EUR 0. The figures as stated do not include the yearly indexation.

10 Net turnover

Net turnover can be split into the following major categories:

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Cars	344.495	173.950
Parts	26.756	23.703
Other	<u>1.366</u>	<u>1.324</u>
	<u>372.617</u>	<u>198.977</u>

The total of the Net turnover has been realized in The Netherlands. In FY 2018/19 a total amount of EUR 43,500,080 (FY 2017/18: EUR 48,771,452) Luxury tax ('BPM') was recorded relating to cars which have been registered for the first time in The Netherlands., which is not included in the net turnover.

11 Cost of outsourced work and other external costs

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Cost price cars	323.810	149.587
Cost price parts	25.627	23.371
Sales expenses network	3.789	3.708
Sales expenses marketing	3.500	6.478
Sales expenses events	1.063	1.546
Sales expenses Other	2.139	1.705
Local variable costs	252	660
Rent / heating / light utilities	236	223
Cost of company vehicles	1.504	3.021
Consultancy costs	1.184	1.521
Legal costs	167	199
Cost of computers	215	232
Other	1.186	1.595
	<u>364.672</u>	<u>193.846</u>

The fees mentioned in the table for the audit of the financial statements 2018/19 EUR 54,563 (2017/18: EUR 53,425) relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

12 Wages and salaries

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Wages and salaries	2.427	2.335
Pension costs	401	556
Other salary costs	<u>1.134</u>	<u>307</u>
	<u>3.962</u>	<u>3.198</u>

During the 2018/19 financial year, the average number of staff employed converted into full-time equivalents, amounted to 26 people (2017/18: 27 people).

13 Depreciation of fixed assets

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Tangible fixed assets	<u>31</u>	<u>13</u>
	<u>31</u>	<u>13</u>

14 Other operating expenses

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Bad debt	<u>212</u>	<u>311</u>
	<u>212</u>	<u>311</u>

15 Financial income and expenses

	<u>March 31 2019</u>	<u>March 31 2018</u>
	EUR000	EUR000
Interest cost Land Rover Exports Ltd.	-36	-71
Interest income Land Rover Exports Ltd.	18	1
Bank charges	-3	0
Other	-9	-15
	<u>-30</u>	<u>-85</u>

16 Tax on result

The taxation on result on ordinary activities amounting to EUR 911,000 can be specified as follows:

	<u>2018/19</u>	<u>2017/18</u>
	EUR000	EUR000
Result from ordinary activities before taxation	<u>3.683</u>	<u>1.524</u>
	3.683	1.524
Taxation previous years	168-	-
Taxation on result on ordinary activities	<u>911-</u>	<u>373-</u>
Taxation according to the profit and loss account	1.078-	373-
Effective tax rate	24,7%	24,5%
Applicable tax rate	24,5%	24,5%

The applicable tax rate for the Netherlands is 20% for the first EUR 200,000 profit, and 25% for the profit above EUR 200,000. This also applies to 2018/19.

Besides the regular tax calculation on result from ordinary activities, an amount has been accrued in line with the final agreement in the transfer pricing discussion with the Dutch tax authorities.

17 Related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its shareholders and subsidiaries, directors and key management personnel. Transactions are transfers of resources, goods and services or obligations, regardless whether anything has been charged.

In 2018/2019, the purchases of goods and services from related parties amounted to EUR 308,083,000, and the sales of goods and services to related parties amounted to EUR 66,859.

There have been no transactions with related parties that were not on a commercial basis.

18 Remuneration Directors

The Company applies Article 2:383, Paragraph 1 of the Dutch Civil Code. In accordance with this, charges regarding remuneration, including pensions, of the director are not disclosed.

19 Subsequent events

There are no events after balance sheet date that are relevant for the economic decisions of users of the financial statements.

Vianen, June 3 2019

M.A.M. Bienemann
Managing Director

Other information

Independent Auditors' report

Reference is made to the auditor's report as included hereinafter.

Profit appropriation according to the Articles of Association

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.