

Jaguar Land Rover Ireland (Services) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 608696

For the year ended 31 March 2019

Directors and Advisors

Directors

I. J. Harnett
R. J. Molyneux
P. M. Girr
J. Cormican

Company secretary

LK Shields
40 Upper Mount Street
Dublin 2

Registered office

39/40 Upper Mount Street,
Dublin 2
D02 PR89
Republic of Ireland

Auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
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DIRECTORS' REPORT

The directors present their directors' report for Jaguar Land Rover Ireland (Services) Limited ('the Company' or 'JLR Ireland') for the year ended 31 March 2019.

Results and dividends

The income statement shows a profit after tax for the financial period of €529K (2018: €192K)

The directors do not recommended payment of a dividend in respect of the financial results for the year ended 31 March 2019, (2018: nil).

Principal activity

The company's principal activity during the year under review was research and development activity related to the delivery of key components that enable the next generation of Jaguar Land Rover ("JLR") Electrical Vehicle Architecture to support Connected Car, Advanced Driver Assistance System ("ADAS") technologies and future Automated Driving features.

Review of the business and future developments

The company is utilising a senior leadership team of experienced software developers to help develop roadmaps and architectures for ongoing R&D activity. This team bring a wealth of directly relevant automotive and software architecture/development experience and an established engineering network to support initial scale growth. With ongoing recruitment and this established team, JLR Ireland can become a central hub for the overall JLR global software strategy.

JLR Ireland collaborates with other JLR development teams worldwide to support the delivery of key technologies maintain its recognised position of innovative excellence.

Future developments

The company's objective is to bring certain software expertise and development capability in-house so that we can suitably cost optimise and scale solutions for next generation architectures. The Digital Development Centre hub will be part of a global team in JLR to deliver these solutions and to advance JLR's Autonomous Driving capabilities.

JLR Ireland will continue to explore further opportunities to deliver innovative technology advancements that contribute to the overall JLR global software and R&D strategy.

Key performance indicators

The key performance indicators used are set out below:

KPI	2018/2019	Commentary
Number of employees	185	Number of employees as at 31 March 2019, reflecting the growth of the company.
Cost base - total of employee costs and other expenses	€ 12,927K	Costs are in line with the directors' expectations.

DIRECTORS' REPORT (continued)

Risks and uncertainties

The key risks and uncertainties faced by the business are:

- Being unable to keep pace with development due to rapidly evolving technology areas and multiple possible technology and strategy approaches; and
- The Ireland site is fledgling and staff recruitment to required numbers will be a challenge. Longer term retention of key staff and remuneration in line with the tech industry eco-system.

Directors and secretary

The directors who held office during the period and subsequently to the date of this report unless otherwise stated are as follows:

Directors

I. J. Harnett
R. J. Molyneux
P. M. Girr
J. Cormican

Secretary

LK Shields

The directors are not required to retire by rotation.

Directors' and secretary's interests

The directors and secretary in office at 31 March 2019 did not have any interest in the share capital of the company or any group undertaking as at 31 March 2018 and 31 March 2019.

Events subsequent to the financial year end

There have been no significant events since the end of the financial year.

Going concern

The directors have considered the financial position of the company at 31 March 2019, net assets of €721K (2018 net assets of €192K) and the financial performance of the company for at least 12 months from the date of approval of these financial statements. The directors consider, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the company, that the company has adequate resources to continue in operation as a going concern for the foreseeable future.

Accounting records

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerised accounting systems. The company's accounting records are maintained at the company's registered office at 39/40 Upper Mount Street, Dublin 2.

DIRECTORS' REPORT (continued)

Relevant audit information

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

- a) So far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- b) the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

Independent auditor

KPMG LLP, Chartered Accountants and Statutory Audit Firm, were re-appointed as auditors during the year. KPMG LLP continues in office in accordance with Section 383(2) of the Companies Act 2014.

Approved by the Board and signed on its behalf by:



Ian Jeffrey Harnett

Director

06 June 2019



John Cormican

Director

06 June 2019

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Irish law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under Irish law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER IRELAND (SERVICES) LIMITED

Report on audit of the financial statements

We have audited the financial statements of Jaguar Land Rover Ireland (Services) Limited (the "Company") for the year ended 31 March 2019 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including the summary of significant accounting policies set out in note 2.

In our opinion, the accompanying financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards, as adopted by the European Union; and
- have been properly prepared in accordance with requirements of the Companies Act 2014.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) ((ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER IRELAND (SERVICES) LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A fuller description of our responsibilities is provided on IAASA's website at http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8fa98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Date: 06 June 2019

John Leech
for and on behalf of KPMG LLP
Chartered Accountants, Statutory Audit Firm
One Snowhill
Snow Hill Queensway
Birmingham B4 6GH
United Kingdom

INCOME STATEMENT

(€ thousands)	Note	Year ended 31 March 2019	Eight month period ended 31 March 2018
Revenue	3	13,531	4,600
Employee cost	4	(9,760)	(3,917)
Other expenses	7	(2,663)	(461)
Depreciation and amortisation	9, 10	(504)	(3)
Profit before tax		604	219
Income tax expense	8	(75)	(27)
Profit for the year		529	192

All the activities of the company are from continuing operations.

There were no other gains or losses other than the results for the current financial year and prior financial period. Accordingly, no statement of comprehensive income has been presented.

BALANCE SHEET

As at 31 March (€ thousands)	Note	2019	2018
Non-current assets			
Property, plant and equipment	9	7,027	310
Intangible assets	10	49	55
Total non-current assets		7,076	365
Current assets			
Trade receivables	11	4,628	4,600
Other current assets	12	779	799
Cash and cash equivalents	13	653	7
Total current assets		6,060	5,406
Total assets		13,136	5,771
Current liabilities			
Accounts payable	14	4,065	4,484
Other current liabilities	15	-	685
Current tax liabilities	8	27	26
Other financial liabilities	16	8,275	383
Total current liabilities		12,367	5,578
Non-current liabilities			
Deferred tax liability	8	48	1
Total non-current liabilities		48	1
Total liabilities		12,415	5,579
Equity attributable to shareholders			
Ordinary share capital	18	-	-
Reserves		721	192
Equity attributable to shareholders		721	192
Total liabilities and equity		13,136	5,771

These financial statements were approved by the Board of Directors and authorised for issue on 06 June 2019. They were signed on its behalf by:



Ian Jeffrey Harnett
Director



John Cormican
Director

Company registered number: 608696

STATEMENT OF CHANGES IN EQUITY

(€ thousands)	Ordinary Share Capital	Reserves	Total Equity
Opening Balance	-	192	192
Profit for the year ended 31 March 2019	-	529	529
Total comprehensive income for the year	-	529	529
Balance at 31 March 2019	-	721	721

(€ thousands)	Ordinary Share Capital	Reserves	Total Equity
Balance on incorporation	-	-	-
Profit for the eight month period ended 31 March 2018	-	192	192
Total comprehensive income for the period	-	192	192
Balance at 31 March 2018	-	192	192

CASH FLOW STATEMENT

(€ thousands)	Year ended 31 March 2019	Eight month period ended 31 March 2018
Cash flows used in operating activities		
Profit for the period	529	192
Adjustments for:		
Depreciation and amortisation	504	3
Income tax expense	75	27
Cash flows from operating activities before changes in assets and liabilities	1,108	222
Trade receivables	(28)	(4,600)
Other current assets	20	(799)
Accounts payable	(447)	4,484
Other current liabilities	(685)	685
Net cash used in operating activities	(32)	(8)
Cash flows used in investing activities		
Purchases of property, plant and equipment	(7,195)	(311)
Cash paid for intangible assets	(19)	(57)
Net cash used in investing activities	(7,214)	(368)
Cash flows generated from financing activities		
Issue of short-term loans from group undertakings	7,892	383
Net cash generated from financing activities	7,892	383
Net change in cash and cash equivalents	646	7
Cash and cash equivalents beginning of the period	7	-
Cash and cash equivalents at the end of the period	653	7

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

The company was incorporated on 28 July 2017.

The company is an indirect subsidiary of Tata Motors Limited, India ('Tata Motors Limited'). The company's principal activity during the year under review was research and development activity related to the delivery of key components that enable the next generation of Jaguar Land Rover ("JLR") Electrical Vehicle Architecture to support Connected Car, Advanced Driver Assistance System ("ADAS") technologies and future Automated Driving features.

The company is a private limited company incorporated and domiciled in Republic of Ireland. The address of its registered office is 39/40 Upper Mount Street, Dublin 2, D02 PR89.

These financial statements have been prepared in Euros and rounded to the nearest thousand (€ thousand) unless otherwise stated.

2 ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with International Financial Reporting Standards (referred to as 'IFRS') and IFRS Interpretation Committee ('IFRS IC') interpretations as adopted by the European Union ('EU').

MEASUREMENT CONVENTION

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below

GOING CONCERN

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

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on not seeking repayment of the amounts currently due to the group, which at 31 March 2019 amounted to €1,475,970, and providing additional financial support during that period. Jaguar Land Rover Limited has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In the process of applying the company's accounting policies management has made no judgements that have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION

Revenue from the provision of services comprises income received from the company's immediate parent company with respect to the research and development activities.

The directors do not consider there to be more than one class of business or geographical segment and therefore no further analysis of results by class of business or geographical segment is presented.

COST RECOGNITION

Costs and expenses are recognised when incurred and are classified according to their nature in the income statement.

FOREIGN CURRENCY

The company has a functional and presentation currency of EUR.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the income statement as 'Foreign exchange gain or loss' when applicable.

INCOME TAXES

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity, whereby tax is also recognised outside profit or loss), or where related to the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Property, Plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation and less accumulated impairment, if any.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Depreciation is recognised on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Class of property, plant and equipment	Estimated useful life (years)
Fixtures and fittings	12
Computers	3

Assets under construction are not depreciated. Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible assets

Intangible assets are stated at cost of acquisition or development less accumulated amortisation and less accumulated impairment, if any.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-developed intangible assets and other direct costs incurred up to the date the intangible asset is ready for its intended use.

Amortisation is recognised on a straight-line basis over the estimated useful lives of the intangible asset. Estimated useful lives of the intangible assets are as follows:

Class of intangible assets	Estimated useful life (years)
Software	3

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

IMPAIRMENT

Fixed assets

At each balance sheet date, the company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The estimated recoverable amount is the higher of fair value less costs of disposal and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

LEASES

Operating leases

Assets leased under operating leases are not recognised on the company's balance sheet. Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease in 'Other expenses'.

FINANCIAL INSTRUMENTS

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets are classified into categories: financial assets at fair value through profit or loss (which can either be held for trading or designated as fair value options), held-to-maturity investments, loans and receivables and available-for-sale financial assets). Financial liabilities are classified into financial liabilities at fair value through profit or loss or classified as other financial liabilities. No financial instruments have been classified as held-to-maturity.

Financial instruments are recognised on the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at amortised cost using the effective interest method less any impairment losses, if any. These include cash and cash equivalents, trade receivables, finance receivables and other financial assets.

Other financial liabilities

These are measured at amortised cost using the effective interest method.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Derecognition of financial assets and financial liabilities

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or has expired.

When a financial instrument is derecognised, the cumulative gain or loss in equity (if any) is transferred to the income statement.

Impairment of financial assets

The company assesses at each balance sheet date whether there is objective evidence that a financial asset, other than those at fair value through profit or loss, or a group of financial assets is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Loans and receivables: Objective evidence of impairment includes default in payments with respect to amounts receivable from customers, significant financial difficulty of the customer or bankruptcy. Impairment loss in respect of loans and receivables is calculated as the difference between their carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Such impairment loss is recognised in the income statement. If the amount of an impairment loss decreases in a subsequent year, and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The reversal is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS

In the current period, the company adopted the following standards, revisions and amendments to the standards and interpretations (which had a material impact upon the company).

IAS 7 has been amended to require additional disclosure to help users evaluate changes in borrowings. The amendment is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted subject to EU endorsement. The company has included a net debt reconciliation within its disclosures following the adoption of this standard.

The following pronouncements, issued by the IASB and endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company is evaluating the impact of these pronouncements on the financial statements.

IFRS 9 *Financial Instruments* addresses the classification, measurement and recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and contractual cash flow characteristics of the financial asset. The company has undertaken an assessment of classification and measurement and the company did not expect a significant impact on the financial statements.

The new standard also introduces expanded disclosure requirements. The company does not expect significant changes to the nature or extent of disclosures in respect of financial instruments.

IFRS 15 *Revenue from Contracts with Customers* replaces IAS 18 Revenue and IAS 11 Construction Contracts and related interpretations (such as IFRIC 13 Customer Loyalty Programmes).

The company proposes to apply the modified retrospective application approach, meaning that comparative periods are not restated according to IFRS 15. Instead, the cumulative effect of the application of the Standard will be recognised in opening balance sheet reserves.

The new standard identifies a comprehensive five-step model for determining revenue recognition, including the amount and timing that revenue is recognised. This is generally to be applied to all contracts with customers. The model depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

The company did not recognise any material impacts on the financial statements from IFRS 15.

IFRS 16 *Leases* sets out a new approach to accounting for leases by lessees. Whilst under IAS 17, the accounting treatment of a lease was determined on the basis of the transfer of risks and rewards incidental to ownership of the asset, whereas under the new standard, all leases in general are to be accounted for by the lessee in a similar way to finance lease arrangements. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to EU endorsement and the adoption of IFRS 15.

The company does not expect a significant impact on the financial statements from IFRS 16.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The company does not expect a significant impact on the financial statements from IFRS 16.

The following pronouncements, issued by the IASB, have not yet been endorsed by the EU, are not yet effective and have not yet been adopted by the company. The company is evaluating the impact of these pronouncements on the financial statements.

IFRS 17 *Insurance Contracts* was published on 18 May 2017 and replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, such as roadside assistance, entities have an accounting policy choice to account for them in accordance with either IFRS 17 or IFRS 15. Due to the existing operating activities of the company, adoption of IFRS 17 is not expected to have a material impact on either the profitability or the net assets of the company.

IFRIC 23 *Uncertainty over Income Tax Treatments* was published in June 2017 which sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings. If no, the entity should reflect the effect of uncertainty in determining its accounting tax position. The Interpretation applies to annual reporting periods beginning on or after 1 January 1 2019 with earlier application permitted.

The IASB issued IFRIC 22 (*Foreign Currency Transaction and Advance Consideration*) in December 2016 which clarified accounting requirements with respect to exchange rate to be used for reporting foreign currency transactions when payment is made or received in advance. This is effective for annual periods beginning on or after 1 January 2018. The company is currently assessing the impact of adopting IFRIC 22.

The company does not consider that any other standards, amendments or interpretations issued by the IASB, but not yet applicable, will have a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 REVENUE

(€ thousands)	2019	Eight month to 31 March 2018
Revenue from provision of services	13,531	4,600
Total revenue	13,531	4,600

4 EMPLOYEE NUMBERS AND COSTS

Period ended 31 March (€ thousands)	2019	Eight month to 31 March 2018
Wages, salaries and benefits	9,314	3,885
Pension costs	446	32
Total employee costs	9,760	3,917

The company employed an average of 185 (2018:57) employees for year ended 31 March 2019.

5 DIRECTORS' EMOLUMENTS

For the year ended 31 March 2019, only two directors received remuneration for their qualifying services specifically to the company which has been paid by the company. The remaining directors did not receive a remuneration for this period in relation to their qualifying services specifically to the company and their remuneration are paid by the immediate parent company (Jaguar Land Rover Limited) and no recharges have been made to the company.

Year ended 31 March (€ thousands)	2019	Eight month to 31 March 2018
Directors' emoluments	314	95
Post-employment benefits	20	3
Total	334	98

There are two directors accruing retirement benefits €20,000 (2018: €3,000) under the defined contribution scheme.

6 PROFIT BEFORE TAX

Auditor's remuneration for the current financial period is borne by the immediate parent company, Jaguar Land Rover Limited, and is not recharged. The company's allocation for fees payable to the company's auditor for the audit of the annual financial statements is €17,000. The company incurred no non-audit fees in the current financial period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 OTHER EXPENSES

(€ thousands)	2019	2018
Works, operations and other costs	1,917	145
Rent	699	300
Insurance	-	6
Foreign exchange loss	47	10
Total other expenses	2,663	461

8 TAXATION

Recognised in the income statement

(€ thousands)	2019	2018
Current tax expense	27	26
Deferred tax	48	1
Total income tax expense	75	27

Reconciliation of effective tax rate

(€ thousands)	2019	2018
Profit for the period	529	192
Total income tax expense	75	27
Profit before tax	604	219
Income tax at 12.5%	(75)	27
Prior period adjustment	150	-
Total income tax expense	75	27

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	Plant and Equipment	Computers	Fixtures & Fittings	Under Construction	Total
Cost					
Opening Balance	-	100	48	163	311
Additions	17	542	92	6,544	7,195
Balance at 31 March 2019	17	642	140	6,707	7,506
Accumulated depreciation					
Opening Balance	-	-	-	-	-
Depreciation charge for the period	1	419	59	-	479
Balance at 31 March 2019	1	419	59	-	479
Net book value					
At 31 March 2019	16	223	81	6,707	7,027

(€ thousands)	Plant and Equipment	Computers	Fixtures & Fittings	Under Construction	Total
Cost					
Opening Balance	-	-	-	-	-
Additions	-	100	48	163	311
Balance at 31 March 2018	-	100	48	163	311
Accumulated depreciation					
Opening Balance	-	-	-	-	-
Depreciation charge for the period	-	1	-	-	1
Balance at 31 March 2018	-	1	-	-	1
Net book value					
At 31 March 2018	-	99	48	163	310

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 INTANGIBLE ASSETS

(€ thousands)	Software	Total
Cost		
Opening Balance	57	57
Additions	19	19
Balance at 31 March 2019	76	76
Accumulated amortisation		
Opening Balance	2	2
Amortisation charge for the period	25	25
Balance at 31 March 2019	27	27
Net book value		
At 31 March 2019	49	49

(€ thousands)	Software	Total
Cost		
Balance on incorporation	-	-
Additions	57	57
Balance at 31 March 2018	57	57
Accumulated amortisation		
Balance on incorporation	-	-
Amortisation charge for the period	2	2
Balance at 31 March 2018	2	2
Net book value		
At 31 March 2018	55	55

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TRADE RECEIVABLES

As at 31 March (€ thousands)	2019	2018
Amount owed by group undertakings	4,628	4,600
Total trade receivables	4,628	4,600

Amounts owed by group undertakings are repayable on demand.

12 OTHER CURRENT ASSETS

As at 31 March (€ thousands)	2019	2018
Recoverable VAT	779	744
Prepaid expense	-	55
Total other current assets	779	799

13 CASH AND CASH EQUIVALENTS

As at 31 March (€ thousands)	2019	2018
Cash and cash equivalents	653	7
Total cash and cash equivalents	653	7

14 ACCOUNTS PAYABLE

As at 31 March (€ thousands)	2019	2018
Amounts owed to Group undertakings	1,476	4,209
Liabilities for expenses	2,589	275
Total accounts payable	4,065	4,484

15 OTHER CURRENT LIABILITIES

As at 31 March (€ thousands)	2019	2018
VAT payable	-	685
Total other current financial liabilities	-	685

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16 OTHER FINANCIAL LIABILITIES

As at 31 March (€ thousands)	2019	2018
Loans owed to group undertakings	8,275	383
Total other current financial liabilities	8,275	383

Loans owed to group undertakings are payable to the company's immediate parent company, Jaguar Land Rover Limited. The loan is subject to a variable rate interest at the higher of 0.85% and 0.85% plus the 1 month Euro LIBOR interest rate, and is repayable on demand.

17 LEASES

There were no finance leases in the period.

Non-cancellable operating lease rentals are payable as follows:

As at 31 March (€ thousands)	2019	2018
Less than one year	1,655	30
Between one and five years	6,396	-
More than five years	7,670	-
Total lease payments	15,721	30

The total operating lease charge recognised in the income statement in the period was €700,000.

18 SHARE CAPITAL

The company has issued 100 shares at their nominal value of €100 (€1 per share). No new shares were issued in the period 31 March 2019

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 FINANCIAL INSTRUMENTS

This section gives an overview of the significance of financial instruments for the company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

Financial assets and liabilities.

The following tables presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2019 and 31 March 2018:

Financial assets			
(€ thousands)	Loans and receivables	Total carrying value	Total fair value
Amounts owed by group undertakings	4,628	4,628	4,628
Cash and cash equivalents	653	653	653
Total financial assets at 31 March 2019	5,281	5,281	5,281

Financial liabilities			
(€ thousands)	Other financial liabilities	Total carrying value	Total fair value
Accounts payable	4,065	4,065	4,065
Loans owed to group undertakings	8,275	8,275	8,275
Total financial liabilities at 31 March 2019	12,340	12,340	12,340

Financial assets			
(€ thousands)	Loans and receivables	Total carrying value	Total fair value
Amounts owed by group undertakings	4,600	4,600	4,600
Cash and cash equivalents	7	7	7
Total financial assets at 31 March 2018	4,607	4,607	4,607

Financial liabilities			
(€ thousands)	Other financial liabilities	Total carrying value	Total fair value
Accounts payable	4,484	4,484	4,484
Loans owed to group undertakings	383	383	383
Total financial liabilities at 31 March 2018	4,867	4,867	4,867

The loans owed to group undertakings in note 16 are subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of €4,000 in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 CAPITAL MANAGEMENT

The company's objectives when managing capital are to ensure its going concern operation and to maintain an efficient capital structure to reduce the cost of capital, support the corporate strategy and to meet shareholder expectations.

The capital structure and funding requirements are regularly monitored by the Board of Directors to ensure sufficient liquidity is maintained by the company. All debt issuance and capital distributions are approved by the Board of Directors.

The company has no external borrowings and is funded by equity, and if required, immediate parent company loans.

21 NOTES TO THE CASH FLOW STATEMENT

(A) RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

(€ millions)	Short-term borrowings
Proceeds from short-term loans from group undertakings	8,275,419
Balance at 31 March 2019	8,275,419

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 RELATED PARTY TRANSACTIONS

The company's related parties include Tata Sons Ltd., subsidiaries, associates and joint ventures of Tata Sons Ltd which includes Tata Motors Limited, (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Limited. The company routinely enters into transactions with these related parties in the ordinary course of business including transactions for sale and purchase of products with its associates and joint ventures.

The following is a summary of related party transactions and balances not eliminated in the company financial statements. All related party transactions are conducted under normal terms of business. All amounts outstanding are unsecured and will be settled in cash.

- €13,531,409 of revenue for services in note 3 was for services provided to the immediate parent company.
- €46,195 of costs incurred in the period related to SAP services received from Tata Consultancy Services Limited.
- €4,628,329 was due from the immediate parent company as at 31 March 2019 for services provided during the period – See note 11.
- €1,475,970 was due to the immediate parent company as at 31 March 2019 for costs incurred during the period – See note 14
- A short term loan of €8,275,419 was due to the immediate parent company as at 31 March 2019 – see note 16.

Compensation of key management personnel

Year ended 31 March (€ thousands)	31 March 2019	Eight month to 31 March 2018
Short-term benefits	349	105
Post-employment benefits	20	3
Total	369	108

23 IMMEDIATE AND ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The immediate parent undertaking is Jaguar Land Rover Limited and the ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the largest group to consolidate these financial statements. The smallest group which consolidates these financial statements is Jaguar Land Rover Automotive plc.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Group Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400001, India. Copies of the Jaguar Land Rover Automotive plc consolidated financial statements can be obtained from the company's registered office.

