

# **InMotion Ventures Limited**

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 10070632

For the thirteen month period ended 31 March 2017

## **Directors and Advisors**

### **Directors**

A. M. Hallmark  
H. Kirner  
N. M. Rogers  
S. A. Peck  
I. Harnett

### **Company secretary**

S.L. Pearson

### **Registered office**

Abbey Road  
Whitley  
Coventry  
CV3 4LF  
United Kingdom

### **Independent auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindleyplace  
Birmingham  
B1 2HZ  
United Kingdom

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## STRATEGIC REPORT

The directors present their Strategic Report for InMotion Ventures Limited ("the company") for the 13 month period from incorporation on 18 March 2016 to 31 March 2017.

### Principal activity

The company's principal activity during the period was investment into high-growth potential companies in the automotive mobility and smart transportation sector. It invests globally at all stages from seed funding to series B funding, including providing investment in a London based accelerator programme which offers pre-seed investment to early stage start-ups. Alongside these activities, the company also collaborates with the wider Jaguar Land Rover business to develop new products and services that provide better experiences for both new and existing customers.

## BUSINESS REVIEW

### Key 2016/17 success and future developments

In its first thirteen months of operations the company has seen the establishment of its London office, the building of an experienced team, and initial investments into five early stage mobility businesses.

The company also launched its London based accelerator programme targeting the sectors most talented entrepreneurs. This programme creates an opportunity for start-ups to build valuable businesses, through investment, in-house expertise, personal development, fundraising support and access to partnerships including Jaguar Land Rover.

During 2017/18 the company will continue to expand its investment activities through its accelerator programme, service development and collaborations.

### Key performance indicators

The directors consider that in the early stages of the company's lifecycle, the company's Key Performance Indicators (KPIs) are its profit or loss before tax, and long-term investment value growth given the company's principle activity.

The company's loss before tax for the period was £6,127,000

As at 31 March 2017, the company has a portfolio of investments in early stage and start-up companies of £842,000.

The company's activities were primarily financed through an intercompany loan from its immediate parent company, Jaguar Land Rover Limited, the balance of which stood at £7,201,000 as of 31 March 2017.

Given that these accounts represent the company's first thirteen months of operation, there are no comparative measures presented.

### Principal risks and uncertainties

The principle risk that the company is exposed to arises from its investments in early stage businesses that do not necessarily have a proven business model and therefore potentially may not be recoverable in the future. This risk is mitigated through the establishment of governance processes that review initial investments and monitor the performance of portfolio companies on an ongoing basis.

## STRATEGIC REPORT (CONTINUED)

The company is also exposed to foreign currency exchange rates given the global nature of its investments and activities. This exposure arises primarily from US Dollar denominated investments. Due to the amounts involved, these amounts are not currently hedged. The directors will continue to evaluate this position going forward.



S. L. Pearson  
Company Secretary  
16 June 2017

**Registered Address**  
Abbey Road  
Whitley  
Coventry  
CV3 4LF  
United Kingdom

## **DIRECTORS' REPORT**

The directors present their directors' report and the audited financial statements for InMotion Ventures Limited ('the company') for the 13 month period from incorporation on 18 March 2016 to 31 March 2017.

### **Results**

The income statement shows a loss after tax for the financial period of £4,902,000.

### **Dividends**

The directors do not propose a dividend for the period ended 31 March 2017.

### **Directors**

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

A. M. Hallmark (appointed 18 March 2016)  
H. Kirner (appointed 19 May 2016)  
N. M. Rogers (appointed 18 March 2016)  
K. D. M. Gregor (appointed 18 March 2016), (resigned on 1 June 2016)  
S. A. Peck (appointed 15 May 2017)  
I. Harnett (appointed 16 June 2017)

### **Directors' indemnities**

The company's intermediate parent company, Jaguar Land Rover Automotive plc, maintained director's liability insurance for all directors during the financial period and subsequently.

### **Going concern**

The directors have considered the financial position of the company at 31 March 2017 (net liabilities of £4,902,000) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements. The company is part of the Jaguar Land Rover group and as part of the group it has access to significant cash and financial resources. The directors of Jaguar Land Rover Limited have provided a letter stating that financing will be provided to 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.

### **Research and development**

The company undertook no research and development activities during the period.

### **Political donations**

The company made no political donations during the period.

### **Independent auditor**

During the period Deloitte LLPs was appointed as auditor.

At the completion of its audit tenure, Deloitte will stand down as auditor. A formal selection process has commenced to identify a successor auditor and a resolution to appoint will be proposed at the 2017 Tata Motors Limited Annual General Meeting

## DIRECTORS' REPORT (CONTINUED)

### Statement of disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved under Section 418 of the Companies Act, 2006 the following applies:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken necessary actions in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by the Board of Directors and signed on behalf of the Board,



S. L. Pearson  
Company Secretary  
16 June 2017

**Registered Address**  
Abbey Road  
Whitley  
Coventry  
CV3 4LF  
United Kingdom

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INMOTION VENTURES LIMITED**

We have audited the financial statements of InMotion Ventures Limited for the period ended 31 March 2017 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the period then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in: the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' Report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INMOTION VENTURES LIMITED (CONTINUED)

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Kate Hadley (Senior Statutory Auditor)**

for and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

16 June 2017

## INCOME STATEMENT

Thirteen month period ended 31 March (£ thousands)	Note	2017
Other income	3	2
Employee costs	5	(2,193)
Other expenses	6	(3,870)
Amortisation	10	(25)
Foreign exchange gain	8	2
Finance expense	4	(43)
<b>Loss before tax</b>		<b>(6,127)</b>
Income tax credit	9	1,225
<b>Loss for the period</b>		<b>(4,902)</b>

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

## BALANCE SHEET

As at 31 March (£ thousands)	Note	2017
<b>Non-current assets</b>		
Intangible assets	10	60
Other financial assets	12	187
Investments	11, 17	842
<b>Total non-current assets</b>		<b>1,089</b>
<b>Current assets</b>		
Other financial assets	12	1,227
<b>Total current assets</b>		<b>1,227</b>
<b>Total assets</b>		<b>2,316</b>
<b>Current liabilities</b>		
Accounts payable	14	17
Other financial liabilities	13	7,201
<b>Total current liabilities</b>		<b>7,218</b>
<b>Equity attributable to shareholders</b>		
Ordinary share capital	16	-
Other reserves		(4,902)
<b>Equity attributable to shareholders</b>		<b>(4,902)</b>
<b>Total liabilities and equity</b>		<b>2,316</b>

These financial statements were approved by the Board of Directors and authorised for issue on 16 June 2017. They were signed on its behalf by



H. Kirner  
 Director

Company registered number: 10070632

## STATEMENT OF CHANGES IN EQUITY

(£ thousands)	Note	Ordinary Share Capital	Reserves	Total Equity
<b>Balance at incorporation</b>		-	-	-
Issue of ordinary share capital	16	-	-	-
Loss for the period		-	(4,902)	(4,902)
<b>Balance at 31 March 2017</b>		-	<b>(4,902)</b>	<b>(4,902)</b>

## CASH FLOW STATEMENT

Thirteen months ended 31 March (£ thousands)	2017
<b>Cash flows generated from/(used in) operating activities</b>	
<b>Loss for the period</b>	<b>(4,902)</b>
Adjustments for:	
Amortisation expense	25
Foreign exchange gain on investments	(2)
Income tax credit	(1,225)
Investment income	(2)
Finance expense	43
<b>Cash flows used in operating activities before changes in assets and liabilities</b>	<b>(6,063)</b>
Accounts payable	17
<b>Cash generated from operations</b>	<b>(6,046)</b>
<b>Net cash used in operating activities</b>	<b>(6,046)</b>
<b>Cash flows used in investing activities</b>	
Issue of loans	(187)
Investment in associates	(156)
Purchase of other investments	(684)
Acquisition of intangible assets	(85)
<b>Net cash used in investing activities</b>	<b>(1,112)</b>
<b>Cash flow from financing activities</b>	
Issue of share capital	-
Proceeds from issue of loans to related parties	7,158
<b>Net cash generated from financing activities</b>	<b>7,158</b>
<b>Net change in cash and cash equivalents</b>	<b>-</b>
Cash and cash equivalents at beginning of period	-
<b>Cash and cash equivalents at end of period</b>	<b>-</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1 BACKGROUND AND OPERATIONS**

The company was incorporated on 18 March 2016.

The company is an indirect subsidiary of Tata Motors Limited, India ('Tata Motors Limited'). The company's principal activity during the period was the provision of accelerator services to start-up businesses, primarily focused around the automotive mobility sector.

The company is a private limited company incorporated and domiciled in England and Wales. The address of its registered office is Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom.

These financial statements have been prepared in in GBP and rounded to the nearest thousand GBP (£ 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') and the requirements of the United Kingdom Companies Act 2006 applicable to companies reporting under IFRS.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group financial statements and therefore these financial statements contain information about the company and not its group. The company is included in the consolidated financial statements of Jaguar Land Rover Automotive Plc which are available from the company's registered office.

#### **BASIS OF PREPARATION**

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 directors have considered the financial position of the company at 31 March 2017 (net liabilities of £4,902,000) and the projected cash flows and financial performance of the company for at least 12 months from the date of approval of these financial statements. The company is part of the Jaguar Land Rover group and as part of the group it has access to significant cash and financial resources. The directors of Jaguar Land Rover Limited have provided a letter stating that financing will be provided to 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.

#### **USE OF ESTIMATES AND JUDGEMENTS**

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

- (i) Note 11 – Investments – the company and management applied judgement in assessing whether the carrying value of investments are supportable and whether an impairment is required. Judgement is also applied in determining the level of impairment, with varying estimates and assumptions used in determining the level of impairment and expected cash flows arising from the investment.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **2 ACCOUNTING POLICIES (CONTINUED)**

#### **OTHER INCOME**

Included within Other Income is income generated during trial phases of projects that are developed in house. If a project reaches implementation the income following "go-live" is subsequently considered to be Revenue arising in the course of the company's ordinary activities. Income generated during these trial phases is recognised in accordance with the transfer of risks and rewards to the customer or upon InMotion fulfilling their obligations of the related transactions

Also included within other income is interest generated from the company's convertible loan investments, which is accrued on a straight line basis over the term until expiry or conversion and at the agreed rate of interest of the loan note issued.

#### **FINANCE INCOME**

Finance income is derived from the interest receivable on the secured loan receivable and accounted for using the Effective Interest Rate method.

#### **COST RECOGNITION**

Costs and expenses are recognised when incurred and are classified according to their nature.

#### **FOREIGN CURRENCY**

The company has a functional and presentation currency of GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured 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/losses'.

#### **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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 ACCOUNTING POLICIES (CONTINUED)

#### INCOME TAXES (CONTINUED)

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

#### INTANGIBLE ASSETS

Intangible assets purchased, including those acquired in business combinations, are measured at acquisition cost which is the fair value on the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any.

For intangible assets with definite lives, amortisation is provided on a straight-line basis over the estimated useful lives of the acquired intangible assets as per the estimated amortisation periods below:

Class of intangible asset	Estimated amortisation period (years)
Patents and trademarks	2 to 12
Software	2 to 8

The amortisation for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

#### Internally generated intangible assets

Research costs are charged to the income statement in the year in which they are incurred. Internally generated software is only capitalised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity (future economic benefits include revenue from the sale of products or services, cost savings, or other benefits resulting from the use of the asset) and the cost of the development can be measured reliably. Expenditure originally charged to expense prior to qualifying as an intangible asset is not capitalised. Costs incurred after the software is deemed "ready-for-use" is expensed.

#### INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are recorded at cost, which is the fair value of the consideration paid.

#### INVESTMENTS IN START-UPS

*Equity Investments:* These are equity investments in companies which are not quoted and where there is not presently an active market. Therefore the fair value cannot be reliably measured and as such the investments are measured at cost. Within the first 6 months of being invested in by the company, the investment is maintained at cost. Following the first 6 months the investment is reviewed to determine whether the carrying value of the investment is supportable.

*Convertible loan notes:* These investments are hybrid financial instruments, giving rise to a financial asset from the contractual right to cash flows and an embedded derivative associated with the option to acquire a residual interest in the net assets of the investee. The number of shares that may be acquired varies depending on valuations of the investee companies. The company has elected to designate the whole hybrid instrument at "fair value through profit and loss". Fair value movements are recognised within the

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 ACCOUNTING POLICIES (CONTINUED)

#### INVESTMENTS IN START-UPS (CONTINUED)

line 'Foreign exchange gain'.

The loan notes are automatically convertible into equity shares in any of the following circumstances:

- a) The investee company secures further investment funding of a certain threshold;
- b) The investee company undergoes a change of control; or
- c) The loan note maturity date is reached.

For equity investments in companies that have stopped operations, the investment is impaired down to nil.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 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, 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 and 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.

*Financial assets and financial liabilities at fair value through profit or loss:* The whole value of the company's investments in convertible loan notes are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the income statement.

*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. These include cash and cash equivalents, trade receivables, finance receivables and other financial assets.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 ACCOUNTING POLICIES (CONTINUED)

#### FINANCIAL INSTRUMENTS (CONTINUED)

*Available-for-sale financial assets:* Available-for-sale financial assets are those non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other financial assets categories. Subsequently, these are measured at fair value and changes therein are recognised in other comprehensive income, net of applicable deferred income taxes, and accumulated in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets, which are recognised directly in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost.

#### 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.

#### De-recognition 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 ACCOUNTING POLICIES (CONTINUED)

#### FINANCIAL INSTRUMENTS (CONTINUED)

*Loans and receivables:* Objective evidence of impairment includes default in payments with respect to amounts receivable from counterparties, significant financial difficulty of the counterparty 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.

*Equity investments:* A significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in profit and loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

#### NEW ACCOUNTING PRONOUNCEMENTS

##### The following pronouncements have been issued by the IASB and not yet adopted

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 expects to include a net debt reconciliation within its disclosures following the adoption of this amendment.

IFRS 7 additional disclosure requirements are being assessed and disclosure will be given as required when IFRS 9 is adopted by the company.

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 does not expect a significant impact on the financial statements.

The new standard also introduces expanded disclosure requirements and changes in presentation. 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* provides a new comprehensive framework for revenue recognition and establishes new principles and the disclosure requirements thereof. The new standard specifies a uniform, five-step model for revenue recognition, which is to be applied to all contracts with customers. The new disclosure requirements aim to create a more transparent view of how a company generates its revenue and aims to provide more consistent and standardised information to users of financial statements about the nature, timing and amount arising from an entity's contracts with customers. Under IFRS 15 revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts* and related interpretations (such as IFRIC 13 *Customer Loyalty Programmes*). The company does not expect a significant impact on the financial statements from IFRS 15.

IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The standard replaces IAS 17 *Leases* and related interpretations (IFRIC-4, SIC-15,

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)**

SIC-27). 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.

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 OTHER INCOME

Thirteen month period ended 31 March (£ thousands)	2017
Investment income	2
<b>Total other income</b>	<b>2</b>

### 4 FINANCE EXPENSE

Thirteen month period ended 31 March (£ thousands)	2017
Interest expense on financial liabilities measured at amortised cost	43
<b>Total finance expense</b>	<b>43</b>

### 5 EMPLOYEE NUMBERS AND COSTS

Period ended 31 March (£ thousands)	2017
Wages and salaries	2,062
Social security costs and benefits	131
<b>Total employee costs</b>	<b>2,193</b>

Average number of employees	2017
Employees	10

Included in the total employee costs above are costs in relation to employees of the company of £292,000 and costs of £1,901,000 comprising amounts recharged from the company's immediate parent company, Jaguar Land Rover Limited, for employees of Jaguar Land Rover Limited.

### 6 OTHER EXPENSES

Period ended 31 March (£ thousands)	2017
Audit fees	14
Consultancy	2,349
IT and telecommunications	166
Other costs	1,341
<b>Total other expenses</b>	<b>3,870</b>

### 7 DIRECTORS' EMOLUMENTS

The directors did not receive remuneration for their services specifically to this company. Emoluments are paid by the immediate parent company, Jaguar Land Rover Limited, and are not recharged. Retirement benefits accruing to the directors are disclosed in the financial statements of Jaguar Land Rover Limited for the year ended 31 March 2017.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 8 FOREIGN EXCHANGE GAIN

Included in loss before tax for the period are Foreign exchange gains arising from investments in foreign currency denominated convertible loan notes as follows:

Loan note	Investment date	Amount invested (£ thousands)	Investment as at 31 March 2017 (£ thousands)	Foreign exchange gain (£ thousands)
Splitting Fares Inc	6 February 2017	80	81	1
Gokid Corporation	11 January 2017	81	81	-
Sheprd Inc	20 February 2017	120	121	1
Parkt Inc	27 March 2017	403	403	-
<b>Total</b>		<b>684</b>	<b>686</b>	<b>2</b>

### 9 TAXATION

#### Recognised in the income statement

Period ended 31 March (£ thousands)	2017
<b>Current tax credit</b>	
Current period	1,225

#### Reconciliation of effective tax rate

Period ended 31 March (£ thousands)	2017
Loss for the period	4,902
Income tax credit	1,225
<b>Loss before tax</b>	<b>6,127</b>
Income tax credit at 20%	1,225

The Company has no recognised deferred tax assets or liabilities at 31 March 2017.

The UK Finance Act 2015 was enacted on 18 November 2015 and included provisions for a reduction in the UK corporation tax rate from 20 per cent to 19 per cent with effect from 1 April 2017 and to 18 per cent with effect from 1 April 2020.

The UK Finance Act 2016 was enacted during the period and included provisions for a further reduction in the UK corporation tax rate to 17 per cent with effect from 1 April 2020.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 10 INTANGIBLE ASSETS

(£ thousands)	Software	Patent and trademarks	Total
<b>Cost</b>			
Balance on incorporation	-	-	-
Additions	73	12	85
<b>Balance at 31 March 2017</b>	<b>73</b>	<b>12</b>	<b>85</b>
<b>Accumulated amortisation</b>			
Balance on incorporation	-	-	-
Amortisation charge for the period	24	1	25
<b>Balance at 31 March 2017</b>	<b>24</b>	<b>1</b>	<b>25</b>
<b>Net Book Value</b>			
<b>At 31 March 2017</b>	<b>49</b>	<b>11</b>	<b>60</b>

### 11 INVESTMENTS

The breakdown of the company's investments in start-ups and subsidiaries as at 31 March 2017 is as follows:

Period ended 31 March (£ thousands)	2017
Investments in subsidiaries	-
Investment in associate	156
<b>Total investments</b>	<b>156</b>
Convertible loan notes	686
<b>Total investments in start-ups and subsidiaries</b>	<b>842</b>

#### Investments in subsidiaries

The company has the following subsidiaries at 31 March 2017:

Name of company	Principal place of business and country of incorporation	Registered office address
InMotion Ventures 1 Limited	England and Wales	Abbey Road, Whitley, Coventry, United Kingdom, CV3 4LF
InMotion Ventures 2 Limited	England and Wales	Abbey Road, Whitley, Coventry, United Kingdom, CV3 4LF
InMotion Ventures 3 Limited	England and Wales	Abbey Road, Whitley, Coventry, United Kingdom, CV3 4LF

During the period ended 31 March 2017, the company purchased 100% of the ordinary share capital of InMotion Ventures 1 Limited, InMotion Ventures 2 Limited and InMotion Ventures 3 Limited for £1 each.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 INVESTMENTS (CONTINUED)

#### Investments in associates

As at 31 March 2017, the company holds an investment in the following associate company:

Period ended 31 March (£ thousands)	2017
Synaptiv Limited	156

Details of the company's associate are given below:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Registered office address
Synaptiv Limited	33.30%	England & Wales	114 Curtain Road, London, United Kingdom, EC2A 3AH

#### Convertible loan notes

As at 31 March 2017 the company holds investments in convertible loan notes in the following companies:

Period ended 31 March (£ thousands)	2017
Splitting Fares Corporation	81
Gokid Inc	81
Sheprd Inc	121
Parkt Inc	403
<b>Total</b>	<b>686</b>

During the period to 31 March 2017, the company invested £80,000 in Splitting Fares Corporation, £120,000 in Sheprd Inc, £81,000 in Gokid Corp and £403,000 in Parkt Inc.

Further detail of these convertible loan notes is given in note 17.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 12 OTHER FINANCIAL ASSETS

<b>Other current financial assets</b>	
<b>Period ended 31 March (£ thousands)</b>	<b>2017</b>
Interest receivable	2
Group tax relief	1,225
<b>Total current other financial assets</b>	<b>1,227</b>

<b>Non-current other financial assets</b>	
<b>Period ended 31 March (£ thousands)</b>	<b>2017</b>
Secured loan receivable	187
<b>Total non-current other financial assets</b>	<b>187</b>

Intercompany group tax relief receivables are repayable on demand.

The loan is secured against the value of four motor vehicles.

### 13 OTHER FINANCIAL LIABILITIES

<b>As at 31 March (£ thousands)</b>	<b>2017</b>
<b>Current</b>	
Interest payable on intercompany loan	43
Intercompany loan	7,158
<b>Total current other financial liabilities</b>	<b>7,201</b>

### 14 ACCOUNTS PAYABLE

<b>As at 31 March (£ thousands)</b>	<b>2017</b>
Employee national insurance contributions	8
Employee taxes	9
<b>Total accounts payable</b>	<b>17</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 15 LEASES

Non-cancellable operating lease rentals are payable as follows:

As at 31 March (£ thousands)	2017
Less than one year	367
<b>Total lease payments</b>	<b>367</b>

The leases comprise of office building rentals. The total operating lease charge recognised in the income statement in the period was £286,000.

### 16 SHARE CAPITAL

In the period ended 31 March 2017, the company issued 1 share at its nominal value of £1.

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

### 17 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.

#### (A) FINANCIAL ASSETS AND LIABILITIES

The following table shows the carrying amounts and fair value of each category of financial assets and liabilities as at 31 March 2017:

(£ thousands)	Loans and receivables	Fair value through profit and loss	Total carrying value	Total fair value
<b>Financial assets</b>				
Secured loan receivable	187	-	187	187
Convertible loan notes	-	686	686	686
Other financial assets - current	1,227	-	1,227	1,227
<b>Total financial assets</b>	<b>1,414</b>	<b>686</b>	<b>2,100</b>	<b>2,100</b>
<b>Financial liabilities</b>				
Accounts payable	17	-	17	17
Other financial liabilities - current	7,201	-	7,201	7,201
<b>Total financial liabilities</b>	<b>7,218</b>	<b>-</b>	<b>7,218</b>	<b>7,218</b>

All financial liabilities are current liabilities that mature in less than one year.

#### Fair value hierarchy

Financial instruments held at fair value are required to be measured by reference to the following levels:

- Quoted prices in an active market (Level 1): This level of hierarchy includes financial instruments that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **17 FINANCIAL INSTRUMENTS (CONTINUED)**

#### **(A) FINANCIAL ASSETS AND LIABILITIES (CONTINUED)**

- Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no change in the valuation techniques adopted or any transfers between fair value levels.

The financial instruments (namely convertible loan notes) that are measured subsequent to initial recognition at fair value are classified as Level 3 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices that are unobservable.

Due to the timings of when the convertible loan notes were issued, it is considered by the company that there is no material difference between the carrying value and the fair value as at 31 March 2017.

Fair values of trade receivables and payables, loan receivables and other financial assets and liabilities are assumed to approximate to cost due to the short term maturing of the instruments and as the impact of discounting is not significant.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the company could have realised in a sales transaction as of respective dates. The estimated fair value amounts as of 31 March 2017 have been measured as of the respective date. As such, the fair values of these financial instruments subsequent to the respective reporting dates may be different than the amounts reported at each period-end.

#### **(B) FINANCIAL RISK MANAGEMENT**

The company is currently exposed to foreign currency exchange rate and interest rate risks. The company has a risk management framework in place which monitors all of these risks.

#### **(C) FOREIGN CURRENCY EXCHANGE RATE RISK**

The fluctuation in foreign currency exchange rates may have a potential impact on the income statement, the balance sheet, the statement of changes in equity and the cash flow statement, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective entities.

Details of foreign exchange gains arising in the period on convertible loan notes are given in note 8.

The net balance sheet exposure to US Dollar assets and liabilities as at 31 March 2017 is £873,000. A 10 percent appreciation/depreciation of the US Dollar would result in a decrease/increase in the company's net profit before tax and total equity of £87,000

#### **(D) INTEREST RATE RISK**

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the company. As of 31 March 2017 net financial liabilities of £7,201,000 were 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 £72,000 in the company's net profit before tax and total equity.

### **18 COMMITMENTS AND CONTINGENCIES**

The company had no commitments or contingencies as at 31 March 2017.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 19 CAPITAL MANAGEMENT

The company's objectives when managing capital are to ensure the going concern operation of it and its subsidiaries 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.

### 20 RELATED PARTY TRANSACTIONS

The company's related parties principally consist of 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.

The following is a summary of the 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.

- The immediate parent company paid for software development costs £60,000 and recharged the costs to the company.
- The loan balance of £7,158,000 and interest £43,000 (total £7,201,000) are both due to the immediate parent company.
- Other liabilities £17,000 are due to the immediate parent company.
- Group tax relief £1,225,000 is due from the immediate parent company.

#### Compensation of key management personnel

The company did not make any compensation payment to key management personnel during the period.

### 21 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.

### 22 SUBSEQUENT EVENT

On 2 June 2017 InMotion Ventures Limited invested \$25 million (£20 million) in Lyft Inc, acquiring approximately 0.3% equity in the company.