

# **Jaguar Land Rover Ireland (Services) Limited**

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 608696

For the eight month period ended 31 March 2018

## **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  
Statutory Auditor  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

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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 eight month period from incorporation on 28 July 2017 through to 31 March 2018.

### Results and dividends

The income statement shows a profit after tax for the financial period of €192,000.

The directors do not recommended payment of a dividend in respect of the financial results for the period ended 31 March 2018.

### Principal activity

The company's principal activity during the period 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.

Through 2017/18 two initial key R&D projects have been undertaken which have enabled the JLR Ireland Software Centre to make a significant contribution to ongoing programs within its first year of operation:

1. Next Generation Model Year Electrical Architecture
2. Advanced Driving Assistance Systems Level 3 Autonomous Driving

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	2017/2018	Commentary
Number of employees	57	Number of employees as at 31 March 2018, reflecting the growth of the company.
Cost base - total of employee costs and other expenses	€ 4,381,000	Costs were in line with the directors' expectations for the first period of operations.

## **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 (appointed 28 July 2017)  
R. J. Molyneux (appointed 28 July 2017)  
P. M. Girr (appointed 8 February 2018)  
J. Cormican (appointed 8 February 2018)

#### **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 2018 did not have any interest in the share capital of the company or any group undertaking as at 31 March 2017 and 31 March 2018.

### **Events subsequent to the financial year end**

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

### **Going concern**

The directors have considered the financial position of the company at 31 March 2018 (net assets of €192,000) 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 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, Chartered Accountants and Statutory Audit Firm, were appointed as auditors during the year. KPMG continues in office in accordance with Section 383(2) of the Companies Act, 2014.

Approved by the Board and signed on its behalf by:

John Cormican  
Director

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (referred to as 'IFRS'). 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 assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the company Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps, or causes to be kept, adequate accounting records which correctly explain and record the transactions of the company, enable at any time the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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 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 2018 set out on pages 1 to 24, which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, and the related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (referred to as 'IFRS').

In our opinion, the accompanying financial statements:

- give a true and view of the assets, liabilities and financial position of the Company as at 31 March 2018 and of its loss for the eight month period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards; 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;
- 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 6, 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.

#### ***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:** [XXXX]

#### **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

<b>Eight month period ended 31 March (€ thousands)</b>	<b>Note</b>	<b>2018</b>
<b>Revenue</b>	<b>3</b>	<b>4,600</b>
Employee cost	4	(3,917)
Other expenses	7	(461)
Depreciation and amortisation	9, 10	(3)
<b>Profit before tax</b>		<b>219</b>
Income tax expense	8	(27)
<b>Profit for the period</b>		<b>192</b>

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

## BALANCE SHEET

<b>As at (€ thousands)</b>	<b>Note</b>	<b>2018</b>
<b>Non-current assets</b>		
Property, plant and equipment	9	310
Intangible assets	10	55
<b>Total non-current assets</b>		<b>365</b>
<b>Current assets</b>		
Trade receivables	11	4,600
Other current assets	12	799
Cash and cash equivalents	13	7
<b>Total current assets</b>		<b>5,406</b>
<b>Total assets</b>		<b>5,771</b>
<b>Current liabilities</b>		
Accounts payable	14	4,484
Other current liabilities	15	685
Current tax liabilities	8	26
Other financial liabilities	16	383
<b>Total current liabilities</b>		<b>5,578</b>
<b>Non-current liabilities</b>		
Deferred tax liability		1
<b>Total non-current liabilities</b>		<b>1</b>
<b>Total liabilities</b>		<b>5,579</b>
<b>Equity attributable to shareholders</b>		
Ordinary share capital	18	-
Reserves		192
<b>Equity attributable to shareholders</b>		<b>192</b>
<b>Total liabilities and equity</b>		<b>5,771</b>

These financial statements were approved by the Board of Directors and authorised for issue on [DATE] 2018. They were signed on its behalf by

John Cormican

*Director*

Company registered number: 608696

## STATEMENT OF CHANGES IN EQUITY

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

## CASH FLOW STATEMENT

<b>Eight month period ended 31 March (€ thousands)</b>	<b>2018</b>
<b>Cash flows used in operating activities</b>	
Profit for the period	192
Adjustments for:	
Depreciation and amortisation	3
Income tax expense	27
<b>Cash flows from operating activities before changes in assets and liabilities</b>	<b>222</b>
Trade receivables	(4,600)
Other current assets	(799)
Accounts payable	4,484
Other current liabilities	685
<b>Net cash used in operating activities</b>	<b>(8)</b>
<b>Cash flows used in investing activities</b>	
Purchases of property, plant and equipment	(311)
Cash paid for intangible assets	(57)
<b>Net cash used in investing activities</b>	<b>(368)</b>
<b>Cash flows generated from financing activities</b>	
Issue of short-term loans from group undertakings	383
<b>Net cash generated from financing activities</b>	<b>383</b>
<b>Net change in cash and cash equivalents</b>	<b>7</b>
Cash and cash equivalents on incorporation	-
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>

## **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 period 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').

#### **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 2018 (net assets of €192,000) 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 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 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	10

##### 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

#### 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 year, 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 does 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).

Application of IFRS 15 is mandatory for reporting periods beginning on or after 1 January 2018, although early adoption is permitted. The company will apply IFRS 15 for the first time for the financial year beginning on 1 April 2018.

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 does not expect a significant impact 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.

## 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

Eight month period ended 31 March (€ thousands)	2018
Revenue from provision of services	4,600
<b>Total revenue</b>	<b>4,600</b>

### 4 EMPLOYEE NUMBERS AND COSTS

Eight month period ended 31 March (€ thousands)	2018
Wages, salaries and benefits	3,885
Pension costs	32
<b>Total employee costs</b>	<b>3,917</b>

The company employed an average of 13 employees for the eight month period ending 31 March 2018.

### 5 DIRECTORS' EMOLUMENTS

For the eight month period to March 2018, 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).

Eight month period ended 31 March (€ thousands)	2018
Directors' emoluments	95
Post-employment benefits	3
<b>Total</b>	<b>98</b>

There are two directors accruing retirement benefits under the define 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

<b>Eight month period ended 31 March (€ thousands)</b>	<b>2018</b>
Works, operations and other costs	145
Rent, rates and other taxes	300
Insurance	6
Foreign exchange loss	10
<b>Total other expenses</b>	<b>461</b>

### 8 TAXATION

#### Recognised in the income statement

<b>Eight month period ended 31 March (€ thousands)</b>	<b>2018</b>
Current tax expense	26
Deferred tax	1
<b>Total income tax expense</b>	<b>27</b>

#### Reconciliation of effective tax rate

<b>Eight month period ended 31 March (€ thousands)</b>	<b>2018</b>
Profit for the period	192
Total income tax expense	27
<b>Profit before tax</b>	<b>219</b>
Tax using the corporation tax rate applicable in Ireland of 12.5%	27
<b>Total income tax expense</b>	<b>27</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 9 PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	Computers	Fixtures & Fittings	Under Construction	Total
<b>Cost</b>				
Balance on incorporation	-	-	-	-
Additions	100	48	163	311
<b>Balance at 31 March 2018</b>	<b>100</b>	<b>48</b>	<b>163</b>	<b>311</b>
<b>Accumulated depreciation</b>				
Balance on incorporation	-	-	-	-
Depreciation charge for the period	1	-	-	1
<b>Balance at 31 March 2018</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
<b>Net book value</b>				
<b>At 31 March 2018</b>	<b>99</b>	<b>48</b>	<b>163</b>	<b>310</b>

### 10 INTANGIBLE ASSETS

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 TRADE RECEIVABLES

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Amount owed by group undertakings	4,600
<b>Total trade receivables</b>	<b>4,600</b>

### 12 OTHER CURRENT ASSETS

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Recoverable VAT	744
Prepaid expense	55
<b>Total other current assets</b>	<b>799</b>

### 13 CASH AND CASH EQUIVALENTS

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Cash and cash equivalents	7
<b>Total cash and cash equivalents</b>	<b>7</b>

### 14 ACCOUNTS PAYABLE

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Amounts owed to Group undertakings	4,209
Liabilities for expenses	275
<b>Total accounts payable</b>	<b>4,484</b>

### 15 OTHER CURRENT LIABILITIES

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
VAT payable	685
<b>Total other current financial liabilities</b>	<b>685</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 16 OTHER FINANCIAL LIABILITIES

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Loans owed to group undertakings	383
<b>Total other current financial liabilities</b>	<b>383</b>

Amounts owed by group undertakings are repayable on demand.

### 17 LEASES

There were no finance leases in the period.

Non-cancellable operating lease rentals are payable as follows:

<b>As at 31 March (€ thousands)</b>	<b>2018</b>
Less than one year	30
<b>Total lease payments</b>	<b>30</b>

The total operating lease charge recognised in the income statement in the period was € 300,000.

### 18 SHARE CAPITAL

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.

In the eight month period ended 31 March 2018, the company issued 100 shares at their nominal value of €100 (€1 per share).

## 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 table presents the carrying amounts and fair value of each category of financial assets and liabilities as of 31 March 2018:

<b>Financial assets</b>			
<b>(€ thousands)</b>	<b>Loans and receivables</b>	<b>Total carrying value</b>	<b>Total fair value</b>
Amounts owed by group undertakings	4,600	4,600	4,600
Cash and cash equivalents	7	7	7
<b>Total financial assets</b>	<b>4,607</b>	<b>4,607</b>	<b>4,607</b>
<b>Financial liabilities</b>			
<b>(€ thousands)</b>	<b>Other financial liabilities</b>	<b>Total carrying value</b>	<b>Total fair value</b>
Accounts payable	4,484	4,484	4,484
Loans owed to group undertakings	383	383	383
<b>Total financial liabilities</b>	<b>4,867</b>	<b>4,867</b>	<b>4,867</b>

### 20 COMMITMENTS AND CONTINGENCIES

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various contracts of capital nature aggregating to €145,000 and €2,000 relating to the acquisition of intangible assets.

### 21 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.

## 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.

- €4,600,000 was due from the immediate parent company as at 31 March 2018 for services provided during the year – See note 11.
- The payable amounts of €4,209,000 was due to the immediate parent company as at 31 March 2018 – see note 14.
- A short term loan of €383,000 was due to the immediate parent company as at 31 March 2018 – see note 16.

#### Compensation of key management personnel

Eight month period ended 31 March (€ thousands)	2018
Short-term benefits	105
Post-employment benefits	3
<b>Total</b>	<b>108</b>

### 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.