Jaguar Land Rover Holdings Limited

Annual report and financial statements
Year ended 31 March 2016

(Company registered number: 04019301)

Directors and advisors
Directors

A. P. Goss
K. D. M. Gregor
W. Stadler
Dr. R. D. Speth
W. K. Epple (resigned 31 May 2016)
P. Hodgkinson (resigned 7 June 2016)
M. D. Wright (resigned 31 March 2016)
N. M. Rogers (appointed 7 June 2016)
I. J. Harnett (appointed 7 June 2016)
H. Kirner (appointed 7 June 2016)

Company secretary

S. L. Pearson
A. J. Beaton
R. M. A. Bielby

Registered office

Abbey Road
Whitley
Coventry
CV3 4LF

Independent auditor

Deloitte LLP
Four Brindleyplace
Birmingham
B1 2HZ

Contents

Strategic report

The directors present their annual report and the audited financial statements of Jaguar Land Rover Holdings Limited ("the Company") for the year ended 31 March 2016.

Principal activity

The principal activity of the Company until 31 December 2012 was the design, development, manufacture and sale of premium off-road vehicles and related components. On 1 January 2013, the Company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The Company's principal activity is now to act as a holding Company for investments in group companies.

Review of business and future developments

The Company does not trade and therefore has no revenue. Interest of £0.3 million (2015: £0.2 million) was earned on finance receivables and dividends were received of £886.8 million (2015: £1,304.9 million) from the Company's subsidiary undertakings. There are no plans for any future developments in the Company.

Key performance indicators

Given the cessation of the former trade of the Company and current principal activity, the directors do not consider any key performance indicators to be relevant to the understanding of the financial performance or financial position of the Company.

Principal risks and uncertainties

Following the cessation of the former trade of the Company and current principal activity, the directors do not consider that the Company has any principal risks and uncertainties.

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

S.L.Pearson
Company Secretary
10 August 2016

Registered Office:
Abbey Road
Whitley
Coventry
CV3 4LF

Directors' report

Results and dividends

The income statement shows a net income before tax for the financial period of £887.1 million (2015: £1,305.1 million).

A dividend of £150.0 million (2015: £150.0 million) was paid during the year. The directors recommended on 23 March 2016 that a further dividend of £150.0 million (2015: £nil) in respect of the financial results for the year ended 31 March 2016 should be paid on or before 31 March 2017.

Going concern and post balance sheet events

The directors have considered the financial position of the Company at 31 March 2016 (net assets of £5,139.2 million (2015: net assets of £4,591.2 million)) 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 and the directors believe it is appropriate to prepare these financial statements on a going concern basis.

Directors

The directors who held office during the year and subsequently are as follows:

A. P. Goss
K. D. M. Gregor
W. Stadler
Dr. R. D. Speth
W. K. Epple (resigned 31 May 2016)
P. Hodgkinson (resigned 7 June 2016)
M. D. Wright (resigned 31 March 2016)
N. M. Rogers (appointed 7 June 2016)
I. J. Harnett (appointed 7 June 2016)
H. Kirner (appointed 7 June 2016)

Directors' indemnities

The Company's intermediate parent, Jaguar Land Rover Automotive plc, maintained director's liability insurance for all directors during the financial year.

Branches

The Company has one branch which exists and operates outside of the UK in the United Arab Emirates.

Independent auditor

In accordance with Section 487 of the Companies Act 2006 the Company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of an auditor. With such an election in force the Company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 485 of the Act.

Statement of disclosure of information to auditor

In the case of the person who is a director at the time when the report is approved, under Section 418(2) of the Companies Act 2006, the following applies:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself 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 by:

S.L.Pearson
Company Secretary
10 August 2016

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 year. 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 year. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Independent auditor's report to the members of Jaguar Land Rover Holdings Limited

We have audited the financial statements of Jaguar Land Rover Holdings Limited for the year ended 31 March 2016 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in Note 2 to the financial statements, the company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Independent auditor's report to the members of Jaguar Land Rover Holdings Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Jonathan Dodworth (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Birmingham, UK
10 August 2016

Income statement

For the year ended 31 March 2016

	Note	**Year ended 31 March 2016 £m**	**Year ended 31 March 2015 £m**
Finance income	*4*	887.1	1,305.1
Net income before tax		**887.1**	**1,305.1**
Income tax expense	*5*	(39.0)	(59.2)
Net income attributable to shareholders		**848.1**	**1,245.9**

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

Balance sheet

As at 31 March 2016

	Note	**31 March 2016 £m**	**31 March 2015 £m**
Non-current assets			
Investments	*6*	4,591.1	4,591.1
Total non-current assets		**4,591.1**	**4,591.1**
Current assets			
Finance receivables	*7*	698.1	-
Total non-current assets		**698.1**	**-**
Total assets		**5,289.2**	**4,591.1**
Current liabilities			
Finance liability	*8*	150.0	-
Total current liabilities		**150.0**	**-**
Total liabilities		**150.0**	**-**
Equity attributable to shareholders			
Ordinary shares	*9*	5.0	5.0
Reserves	*10*	5,134.2	4,586.1
Total equity attributable to shareholders		5,139.2	4,591.1
Total liabilities and equity		**5,289.2**	**4,591.1**

These financial statements were approved by the Board of Directors and authorised for issue on 10 August 2016 and were signed by:

K. D. M. Gregor
Director

Company registered number: 04019301

Statement of changes in equity

For the year ended 31 March 2016

	Note	**Ordinary share capital £m**	**Reserves £m**	**Total equity £m**
Balance at 1 April 2015		**5.0**	**4,586.1**	**4,591.1**
Income for the year		-	848.1	848.1
Total comprehensive income		**-**	**848.1**	**848.1**
Dividend paid	*11*	-	(150.0)	(150.0)
Dividend declared	*11*	-	(150.0)	(150.0)
Balance at 31 March 2016		**5.0**	**5,134.2**	**5,139.2**

		Ordinary share capital £m	**Reserves £m**	**Total equity £m**
Balance at 1 April 2014		**5.0**	**3,490.2**	**3,495.2**
Income for the year		-	1,245.9	1,245.9
Total comprehensive income		**-**	**1,245.9**	**1,245.9**
Dividend paid	*11*	-	(150.0)	(150.0)
Balance at 31 March 2015		**5.0**	**4,586.1**	**4,591.1**

Cash flow statement

For the year ended 31 March 2016

	Year ended 31 March 2016 £m	Year ended 31 March 2015 £m
Cash flows from operating activities		
Net income attributable to shareholders	**848.1**	**1,245.9**
Adjustments for:		
Income tax expense	39.0	59.2
Interest income	(0.3)	(0.2)
Dividend income	(886.8)	(1,304.9)
Cash generated from operations	**-**	**-**
Income tax paid	(39.0)	(59.2)
Net cash generated from operating activities	**(39.0)**	**(59.2)**
Cash flows from investing activities		
Increase in investment in subsidiary	-	(1,031.3)
Interest income received	0.3	0.2
Dividends received	886.8	1,240.3
Net cash generated from investing activities	**887.1**	**209.2**
Cash flows from financing activities		
Dividend paid	(150.0)	(150.0)
Loans to group undertakings	(698.1)	-
Net cash used in financing activities	**(848.1)**	**(150.0)**
Net change in cash and cash equivalents	**-**	**-**
Cash and cash equivalents at beginning of year	-	-
Cash and cash equivalents at end of year	**-**	**-**

Notes to the financial statements

1 Background and operations

The principal activity of the Company until 31 December 2012 was the design, development, manufacture and sale of premium off-road vehicles and related components. On 1 January 2013, the Company transferred its net assets and trade to Jaguar Land Rover Limited and ceased its former trade. The Company's principal activity is now to act as a holding Company for investments in group companies.

The Company is incorporated and domiciled in the UK and has its registered office at Abbey Road, Whitley, Coventry, CV3 4LF. The Company is an indirect subsidiary of Tata Motors Limited, India ("TATA Motors").

The financial statements have been prepared in Pound Sterling ("GBP") and rounded to the nearest 0.1 million GBP (£m) 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 is exempt from preparing consolidated group accounts under Section 400 of the Companies Act 2006 and therefore these financial statements contain information about the Company and not its group. The Company is included in the consolidated accounts 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 going concern position of the Company at 31 March 2016, net assets of £5,139.2 million (2015: net assets of £4,591.1 million) 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. Accordingly, the directors continue to adopt the going concern basis in preparing these financial statements.

Notes to the financial statements (continued)

2 Accounting policies (continued)

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the Company's financial statements are included in the following notes:

Note 6 Investments – the Company applies judgement in determining the carrying value of its investments.

Income recognition
Finance income, including dividend income from subsidiary undertakings is recognised when receivable.

Income taxes
Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the consolidated income statement, except when related to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity, whereby tax is also recognised outside of profit or loss).

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. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. 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.

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.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividend payable recognition
Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the financial statements (continued)

2 Accounting policies (continued)

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 and other financial liabilities. No financial instruments have been designated as fair value through profit or loss using the fair value option or 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 – held for trading: Derivatives, including embedded derivatives separated from the host contract, are classified into this category. Financial assets and liabilities are measured at fair value with changes in fair value recognised in the income statement with the exception of those derivatives which are designated as cash flow hedging instruments and for which hedge accounting is applied.

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.

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. The Company does not hold any available-for-sale financial assets.

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.

Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

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

Notes to the financial statements (continued)

2 Accounting policies (continued)

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.

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.

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.

Notes to the financial statements (continued)

2 Accounting policies (continued)

New accounting pronouncements

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.

IFRS 11 Joint Arrangements addresses how a joint operator should account for the interest in a joint operation in which the activity of the joint operation constitutes a business. The amendment is effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. The amendment does not have any impact on the financial statements.

IAS 1 Presentation of Financial Statements has been amended to support preparers in exercising their judgement in presenting their financial reports. This includes clarification that all information should have materiality considerations applied and additional examples on expected presentation of the financial statements. The amendment does not have any impact on the financial statements based upon the current disclosures given.

IAS 27 Separate Financial Statements has been amended to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. The amendment is effective for annual periods beginning on or after 1 January 2016 with early adoption permitted. This amendment does not have any impact on the financial statements.

In addition, as part of the IASB's Annual Improvements, a number of minor amendments have been made to standards in the 2012–2014 cycles. These amendments are effective for annual periods beginning on or after 1 July 2016, with early application permitted. These amendments do not have a material impact on the Company's financial statements.

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.

IFRS 10 and IAS 28 have been amended to clarify the treatment of the transfer of assets or sale of equity from an investor to its associate or joint venture. The mandatory effective date for these amendments has been deferred indefinitely by the IASB. These amendments are not expected to have a material impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. 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. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The Company does not believe the adoption of IFRS 15 will have a material impact on the Company's financial statements.

Notes to the financial statements (continued)

2 Accounting policies (continued)

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. 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. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There is now a new expected credit losses model that replaces the incurred loss model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and the hedging instrument and for the "hedged ratio" to be the same as the one management actually use for the risk management process. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted subject to EU endorsement. The Company does not believe the adoption of IFRS 9 will have a material impact on the Company's financial statements.

The amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) relate to investment entities. The amendment is effective for annual periods beginning on or after 1 January 2016 and earlier application is permitted subject to EU endorsement. JLR, its subsidiaries and its parent do not meet the definition of an 'investment entity' and therefore the amendment is not applicable.

IFRS 16 specifies how an IFRS reporter will 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 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 is assessing the impact of IFRS 16 and does not expect it to have a material impact on the financial statements.

IAS 12 Income taxes has been amended to clarify the treatment of deferred tax on debt held at fair value and clarify details on recognition of deferred tax assets. The amendment is effective for annual periods beginning on or after 1 January 2017, with early adoption permitted. These amendments do not have any impact on the Company's financial statements.

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 standard.

Notes to the financial statements (continued)

3 Employees and director emoluments

The Company did not have any employees other than the directors in the current and prior year.
The directors did not receive remuneration for their services specifically to this Company during the current year (2015: £nil). Emoluments are paid by Jaguar Land Rover Limited, a subsidiary Company who makes no recharge to this Company. Retirement benefits accruing to the directors are disclosed in the financial statements of Jaguar Land Rover Limited for the year ended 31 March 2016.

4 Finance income

	Year ended 31 March 2016 £m	Year ended 31 March 2015 £m
Interest income received	0.3	0.2
Dividends received	886.8	1,304.9
Total finance income	**887.1**	**1,305.1**

Notes to the financial statements (continued)

5 Taxation

Recognised in the income statement

	Year ended 31 March 2016 £m	Year ended 31 March 2015 £m
Current income tax expense	39.0	59.2
Total income tax expense	**39.0**	**59.2**

Reconciliation of effective tax rate

	Year ended 31 March 2016 £m	Year ended 31 March 2015 £m
Net income attributable to shareholders for the year	848.1	1,245.9
Total income tax expense	39.0	59.2
Net income excluding taxation	**887.1**	**1,305.1**
Tax using the Company effective corporation tax rate of 20% (2015: 21%)	177.4	274.1
Dividend income not subject to taxation	(30.0)	(45.1)
Differences between UK and overseas tax rates	(108.4)	(169.8)
Total income tax expense	**39.0**	**59.2**

Notes to the financial statements (continued)

6 Investments

Investments consist of the following:

	31 March 2016 £m	31 March 2015 £m
Unquoted equity investments at cost	4,591.1	4,591.1
	4,591.1	**4,591.1**

The Company has the following direct and indirect investments in subsidiary undertakings as at 31 March 2016, each being a 100% interest in the ordinary share capital of the Company:

Name of Company	Principal place of business and country of incorporation	Principal activity
Direct investments		
Jaguar Land Rover Limited	England & Wales	Manufacture and sale of motor vehicles
Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd.	China	Distribution and sales
Limited Liability Company 'Jaguar Land Rover' (Russia)	Russia	Distribution and sales
Indirect investments		
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos ltda (change of name from Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda)	Brazil	Distribution and sales
Jaguar Land Rover (South Africa) (Pty) Limited	South Africa	Distribution and sales
Jaguar Land Rover Australia Pty Ltd	Australia	Distribution and sales
Jaguar Land Rover Austria GmbH	Austria	Distribution and sales
Jaguar Land Rover Belux N.V.	Belgium	Distribution and sales
Jaguar Land Rover Canada, ULC	Canada	Distribution and sales
Jaguar Land Rover Deutschland GmbH	Germany	Distribution and sales
Jaguar Land Rover Espana SL	Spain	Distribution and sales
Jaguar Land Rover France SAS	France	Distribution and sales
Jaguar Land Rover India Limited	India	Distribution and sales
Jaguar Land Rover Italia SpA	Italy	Distribution and sales
Jaguar Land Rover Japan Limited	Japan	Distribution and sales
Jaguar Land Rover Korea Co. Ltd.	Korea	Distribution and sales
Jaguar Land Rover Nederland BV	Holland	Distribution and sales

Notes to the financial statements (continued)

6 Investments (continued)

Jaguar Land Rover North America, LLC.	USA	Distribution and sales
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	Portugal	Distribution and sales
Shanghai Jaguar Land Rover Automotive Service Co. Ltd	China	Distribution and sales
Jaguar Land Rover (South Africa) Holdings Limited	England and Wales	Holding Company
JLR Nominee Company Limited	England and Wales	Dormant
Land Rover Ireland Limited	Ireland	Non-trading
JDHT Limited	England and Wales	Non-trading
Daimler Transport Vehicles Limited	England and Wales	Dormant
Jaguar Cars (South Africa) (Pty) Limited	South Africa	Dormant
Jaguar Cars Limited	England and Wales	Dormant
Land Rover Exports Limited	England and Wales	Dormant
S. S. Cars Limited	England and Wales	Dormant
The Daimler Motor Company Limited	England and Wales	Dormant
The Jaguar Collection Limited	England and Wales	Dormant
The Lanchester Motor Company Limited	England and Wales	Dormant
Jaguar Land Rover Pension Trustee Limited	England and Wales	Dormant
Jaguar Land Rover Slovakia s.r.o.	Slovakia	Manufacturing
Jaguar Land Rover Singapore Pte. – Ltd	Singapore	Distribution and sales
Jaguar Racing Limited	England and Wales	Race team management
InMotion Ventures Limited	England and Wales	Distribution and sales
Silkplan Limited	England and Wales	Non-trading

The Company made indirect investments in 100 per cent of the ordinary share capital of Jaguar Land Rover Slovakia s.r.o., Jaguar Land Rover Singapore Pte – Ltd, Jaguar Racing Limited and InMotion Ventures Limited. Further, the Company indirectly acquired 100 per cent of the share capital of Silkplan Limited during the year ended 31 March 2016.

In April 2015, the Company received a net dividend of £38.6 million from its Russian subsidiary (2015: November 2014 net dividend of £84.9 million).

In March 2016, the Company received a net dividend of £659.2 million from its Chinese subsidiary (2015: December 2014 net dividend of £946.1 million).

In June 2015, the company received a dividend of £150.0 million from Jaguar Land Rover Limited (2015: £150.0 million).

Notes to the financial statements (continued)

6 Investments (continued)

The company has the following indirect investments in joint ventures and trade investments at 31 March 2016:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity
Jaguar Land Rover Schweiz AG	10.0%	Switzerland	Sale of automotive vehicles and parts
Jaguar Cars Finance Limited	49.9%	England & Wales	Non-trading
Spark44 (JV) Limited	50.0%	England & Wales	Provision of advertising services
Chery Jaguar Land Rover Automotive Co. Limited	50.0%	China	Manufacture and assembly of vehicles

The company is exempt from preparing consolidated financial statements (see note 2). The joint ventures and trade investments indirectly owned by the company are consolidated in the Jaguar Land Rover Automotive plc accounts; a copy of which can be obtained from Abbey Road, Whitley, Coventry, CV3 4LF.

7 Finance receivables

Finance receivables primarily consist of loans, the details of which are as follows:

	31 March 2016 £m	31 March 2015 £m
Total loan instalments to be received from group undertakings	698.1	-
Total	**698.1**	**-**
Falling due within one year	698.1	-

All finance receivables are loans and interest on loans from other group companies and no impairment has been recognised.

Notes to the financial statements (continued)

8 Finance liability

	31 March 2016 £m	31 March 2015 £m
Amounts due to group undertakings	150.0	-
Total	**150.0**	**-**

Amounts due to group undertakings as at 31 March 2016 relate to a £150 million dividend payable to Jaguar Land Rover Automotive plc, which was declared on 23 March 2016.

9 Capital and reserves

	31 March 2016 £m	31 March 2015 £m
Allotted, called up and fully paid		
500,000,000 (2015: 500,000,000) ordinary shares of £0.01 each	5.0	5.0
Capital presented as equity	**5.0**	**5.0**

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.

Notes to the financial statements (continued)

10 Reserves

The movement of reserves is as follows:

	Profit and loss reserve £m	Total reserves £m
Balance at 1 April 2015	**4,586.1**	**4,586.1**
Net income for the year	848.1	848.1
Dividend paid (note 11)	(150.0)	(150.0)
Dividend declared (note 11)	(150.0)	(150.0)
Balance at 31 March 2016	**5,134.2**	**5,134.2**

	Profit and loss reserve £m	Total reserves £m
Balance at 1 April 2014	**3,490.2**	**3,490.2**
Net income for the year	1,245.9	1,245.9
Dividend paid (note 11)	(150.0)	(150.0)
Balance at 31 March 2015	**4,586.1**	**4,586.1**

11 Dividends

During the year ended 31 March 2016, an ordinary share dividend of 30.00p per ordinary share of £0.01 totalling £150.0 million was paid (2015: 30.00p per ordinary share of £0.01 totalling £150.0 million).

On 23 March 2016, an ordinary share dividend of 30.00p per ordinary share of £0.01 totalling £150.0 million was declared (2015: £nil). A liability for this dividend has been recognised within finance liability (see note 8) as at 31 March 2016.

Notes to the financial statements (continued)

12 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 policy of the group headed by Jaguar Land Rover Automotive plc is to borrow primarily through capital market issues to meet anticipated funding requirements and maintain sufficient liquidity for the group. The company has no external borrowings and is funded by equity, and if required, immediate parent company's loans.

The following table summarises the capital of the Company:

	31 March 2016 £m	31 March 2015 £m
Equity	**5,139.2**	**4,591.1**
Total capital	**5,139.2**	**4,591.1**

13 Related party transactions

The Company's related parties principally consist of Tata Sons Limited, subsidiaries, associates and joint ventures of Tata Sons Limited, which includes Tata Motors Limited (the ultimate parent company), subsidiaries, associates and joint ventures of Tata Motors Limited. The Company's related party transactions principally consist of intercompany loans and dividends.

In the current financial year, the Company received dividend income of £886.8 million (2015: £1,304.9 million) and finance income of £0.3 million (2015: £0.2 million) from related parties – see note 6.

The Company paid dividends totalling £150 million (2015: £150 million) to Jaguar Land Rover Automotive plc and declared a further dividend of £150 million (2015: £nil) within the year.

A loan of £698.1 million (2015: £nil) is due from Jaguar Land Rover Limited at 31 March 2016.

14 Ultimate parent Company and controlling party

The immediate parent undertaking is Jaguar Land Rover Automotive plc which is also the smallest group to consolidate these financial statements. 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.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the Company Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400001, India.