

**Jaguar Land Rover Holdings Limited**

Annual report and financial statements  
For the year ended 31 March 2018

(Company registered number: 04019301)

**Directors**

F. Brautigam  
K. D. M. Gregor  
I. J. Harnett  
H. Kirner  
N. M. Rogers  
Professor Dr R. D. Speth  
G. A. McPherson

**Company secretaries**

S. L. Pearson  
A. J. Beaton

**Registered office**

Abbey Road  
Whitley  
Coventry  
CV3 4LF

**Independent auditor**

KPMG LLP  
Statutory Auditor  
One Snowhill  
Snowhill Queensway  
Birmingham  
B4 6GH  
United Kingdom

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## **Strategic report**

The directors present their Strategic report for Jaguar Land Rover Holdings Limited ('the company') for the year ended 31 March 2018.

### **Principal activity**

The company's principal activity is 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 £5.6 million (2017: £2.6 million was earned on finance receivables) was paid on finance payables and no dividends were received for 2018 (2017: £234.9 million) from the company's subsidiary undertakings. Expenses of £1.2 million (2017: £2.3 million) were paid in the year for director services, strategic services and corporate administration services. Foreign exchange gain £nil (2017: £4.7 million) arose from translation of receivables in respect of dividends received in the year from subsidiaries.

There are no plans for any future developments in the company.

### **Key performance indicators**

Given the principal activity of the company, 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 for both the current and prior financial year.

### **Principal risks and uncertainties**

Given the principal activity of the company, 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 of Directors by:

S. L. Pearson  
Company secretary  
26 September 2018

### **Registered Office:**

Abbey Road  
Whitley  
Coventry  
CV3 4LF

## Directors' report

The directors present their report and the audited financial statements for the company for the year ended 31 March 2018.

## Results and dividends

The income statement shows a loss before tax for the financial year of £6.8 million (2017: profit before tax of £239.9 million). A dividend of £500.0 million (2017: £450.0 million) was paid during the year. The directors recommend that no further dividend should be proposed in respect of the financial results for the year ended 31 March 2018.

## Going concern and post balance sheet events

The directors have considered the financial position of the company at 31 March 2018 (net assets of £4,558.0 million (2017: net assets of £5,063.6 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 to the date of this report unless otherwise stated are as follows:

A. P. Goss (resigned 22 March 2018)  
K. D. M. Gregor  
W. Stadler (resigned 30 June 2018)  
Professor Dr R. D. Speth  
H. Kirner

F. Brautigam (appointed 1 April 2018)  
N. M. Rogers  
I. J. Harnett  
G. A. McPherson (appointed 1 July 2018)

## Directors' indemnities

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

## Independent auditor

During the year ended 31 March 2018 KPMG LLP was appointed as the company's 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 the 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 persons who were directors at the time when the report is approved, under Section 418 of the Companies Act 2006, the following applies:

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

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

S. L. Pearson  
Company secretary  
26 September 2018

**Registered Office:**  
Abbey Road  
Whitley, Coventry  
CV3 4LF

## **Directors' responsibilities statement**

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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

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

### **Opinion**

We have audited the financial statements of Jaguar Land Rover Holdings Limited for the year ended 31 March 2018 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **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.

### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon. Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

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

### **Directors' responsibilities**

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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.

### **John Leech (Senior Statutory Auditor)**

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom  
26 September 2018



## Income statement

	<i>Note</i>	<b>Year ended 31 March 2018 £m</b>	<b>Year ended 31 March 2017 £m</b>
Finance income	4	-	237.5
Finance expense	4	(5.6)	-
Other expenses	5	(1.2)	(2.3)
Foreign exchange gain		-	4.7
<b>(Loss)/profit before tax</b>		<b>(6.8)</b>	<b>239.9</b>
Income tax credit/(expense)	6	1.2	(15.5)
<b>(Loss)/profit after tax</b>		<b>(5.6)</b>	<b>224.4</b>

All the activities of the company are from continuing operations.

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

The notes on pages 10 to 29 form an integral part of these financial statements.

## Balance sheet

As at	Note	31 March 2018 £m	31 March 2017 £m
<b>Non-current assets</b>			
Investments	7	5,513.0	5,513.0
Deferred tax		1.3	-
<b>Total non-current assets</b>		<b>5,514.3</b>	<b>5,513.0</b>
<b>Total assets</b>		<b>5,514.3</b>	<b>5,513.0</b>
<b>Current liabilities</b>			
Accounts payable		1.2	-
Other financial liabilities	8	955.0	449.4
Other payables		0.1	-
<b>Total current liabilities</b>		<b>956.3</b>	<b>449.4</b>
<b>Total liabilities</b>		<b>956.3</b>	<b>449.4</b>
<b>Equity attributable to shareholders</b>			
Ordinary share capital	9	5.0	5.0
Reserves	10	4,553.0	5,058.6
<b>Total equity attributable to shareholders</b>		<b>4,558.0</b>	<b>5,063.6</b>
<b>Total liabilities and equity</b>		<b>5,514.3</b>	<b>5,513.0</b>

The notes on pages 10 to 29 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 26 September 2018 and were signed on its behalf:

*I. J. Harnett*  
Director

Company registered number: 04019301

## Statement of changes in equity

	<i>Note</i>	Ordinary share capital £m	Reserves £m	Total equity £m
<b>Balance at 1 April 2017</b>		<b>5.0</b>	<b>5,058.6</b>	<b>5,063.6</b>
Loss for the year		-	(5.6)	(5.6)
<b>Total comprehensive expense</b>		<b>-</b>	<b>(5.6)</b>	<b>(5.6)</b>
Dividend paid	11	-	(500.0)	(500.0)
<b>Balance at 31 March 2018</b>		<b>5.0</b>	<b>4,553.0</b>	<b>4,558.0</b>

	<i>Note</i>	Ordinary share capital £m	Reserves £m	Total equity £m
<b>Balance at 1 April 2016</b>		<b>5.0</b>	<b>5,134.2</b>	<b>5,139.2</b>
Profit for the year		-	224.4	224.4
<b>Total comprehensive income</b>		<b>-</b>	<b>224.4</b>	<b>224.4</b>
Dividend paid	11	-	(300.0)	(300.0)
<b>Balance at 31 March 2017</b>		<b>5.0</b>	<b>5,058.6</b>	<b>5,063.6</b>

The notes on pages 10 to 29 form an integral part of these financial statements.

## Cash flow statement

	Year ended 31 March 2018 £m	Year ended 31 March 2017 £m
<b>Cash flows used in operating activities</b>		
<b>(Loss)/profit after tax</b>	<b>(5.6)</b>	<b>224.4</b>
<i>Adjustments for:</i>		
Income tax (credit)/expense	(1.2)	15.5
Finance income	-	(237.5)
Foreign exchange gain on dividend receivable	-	(4.7)
Finance expense	5.6	-
	<hr/>	<hr/>
<b>Cash flows used in operations before movements in working capital</b>	<b>(1.2)</b>	<b>(2.3)</b>
Movements in accounts payable	1.2	-
<b>Net cash used in operations</b>	<b>-</b>	<b>(2.3)</b>
Income tax paid	-	(15.5)
	<hr/>	<hr/>
<b>Net cash used in operating activities</b>	<b>-</b>	<b>(17.8)</b>
	<hr/>	<hr/>
<b>Cash flows used in investing activities</b>		
Increase in investment in subsidiary	-	(921.9)
Interest income received	-	2.6
Dividends received	-	239.6
	<hr/>	<hr/>
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(679.7)</b>
	<hr/>	<hr/>
<b>Cash flows generated from financing activities</b>		
Dividend paid	(500.0)	(450.0)
Issue of loans to group undertakings	-	-
Repayment of loans by group undertakings	-	698.1
Proceeds from loans issued by group undertakings	500.0	676.1
Repayment of loans to group undertakings	-	(226.7)
	<hr/>	<hr/>
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>697.5</b>
	<hr/>	<hr/>
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of year	-	-
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

The notes on pages 10 to 29 form an integral part of these financial statements.

## Notes to the financial statements

### 1 Background and operations

The company is incorporated and domiciled in the United Kingdom and has its registered office at Abbey Road, Whitley, Coventry, CV3 4LF. The company is an indirect subsidiary of Tata Motors Limited, India.

The company's principal activity is to act as a holding company for investments in group companies. The financial statements have been prepared in Pound Sterling (GBP) which is considered to be the functional currency of the company and rounded to the nearest 0.1 million GBP unless otherwise stated.

### 2 Accounting policies

#### ***Statement of compliance***

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee 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 financial statements 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 financial statements of Jaguar Land Rover Automotive plc which are available from the company's registered office.

#### ***Basis of preparation***

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

#### ***Going concern***

The directors have considered the financial position of the company at 31 March 2018, net assets of £4,558.0 million (2017: net assets of £5,063.6 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 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.

#### ***Foreign currency***

The company has a functional and presentation currency of GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognised in the income statement as 'Foreign exchange gains/losses'.

## **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 7 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 tax. Income tax expense is recognised in the 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. 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.

#### ***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 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.

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

##### ***Other financial liabilities***

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

##### ***Determination of fair value***

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

##### ***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.

## Notes to the financial statements (continued)

### 2 Accounting policies (continued)

#### *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.

#### *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.



## Notes to the financial statements (continued)

### 2 Accounting policies (continued)

#### *New accounting pronouncements (continued)*

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 material 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.

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 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 Employee costs and directors emoluments

The company did not have any employees other than the 7 directors (2017: 7 directors) in the current and prior year. Emoluments are paid by Jaguar Land Rover Limited, a subsidiary company.

Retirement benefits accruing to the directors are disclosed in the financial statements of Jaguar Land Rover Limited for the year ended 31 March 2018.

As explained in note 5, Jaguar Land Rover Limited makes a recharge to the company that includes £0.6 million (2017: £1.7 million) for director services.

### 4 Finance income and expense

	Year ended 31 March 2018 £m	Year ended 31 March 2017 £m
Interest received	-	2.6
Dividends received	-	234.9
<b>Total finance income</b>	<b>-</b>	<b>237.5</b>
Interest paid	5.6	-
<b>Total finance expense</b>	<b>5.6</b>	<b>-</b>

### 5 (Loss)/profit before tax

During the year ended 31 March 2018 Jaguar Land Rover Limited, a subsidiary company, made a recharge of £1.2 million (2017: £2.3 million) to the company relating to director services, strategic services and corporate administration services. This amount has been included in 'other expenses' in the income statement.

Loss before tax for the year ended 31 March 2018 includes £nil (2017: £4.7 million) of foreign exchange gain on accrued finance income. There was no foreign exchange gain or loss in the year ended 31 March 2018.

Auditor's remuneration is borne by Jaguar Land Rover Limited and in the current financial year £0.1 million has been recharged to the company for fees payable to the company's auditor for the audit of the annual financial statements (2017: £0.1 million).

## Notes to the financial statements (continued)

### 6 Taxation

#### Recognised in the income statement

	Year ended 31 March 2018 £m	Year ended 31 March 2017 £m
<b>Current tax expense</b>		
Current year	-	15.5
Adjustments for prior years	0.1	-
	<hr/>	<hr/>
Current tax expense	0.1	15.5
	<hr/>	<hr/>
<b>Deferred tax credit</b>		
Current year	(1.3)	-
	<hr/>	<hr/>
Deferred tax credit	(1.3)	-
	<hr/>	<hr/>
<b>Total income tax (credit)/expense</b>	<b>(1.2)</b>	<b>15.5</b>
	<hr/> <hr/>	<hr/> <hr/>

#### Reconciliation of effective tax rate

	Year ended 31 March 2018 £m	Year ended 31 March 2017 £m
(Loss)/profit after tax	(5.6)	224.4
Total income tax (credit)/expense	(1.2)	15.5
	<hr/>	<hr/>
<b>(Loss)/profit before tax</b>	<b>(6.8)</b>	<b>239.9</b>
	<hr/>	<hr/>
Tax using the company effective corporation tax rate of 19% (2017: 20%)	(1.3)	48.0
Prior period adjustments	0.1	(32.5)
	<hr/>	<hr/>
<b>Total income tax (credit)/expense</b>	<b>(1.2)</b>	<b>15.5</b>
	<hr/> <hr/>	<hr/> <hr/>

The company had no recognised deferred tax assets at 31 March 2017.

The UK Finance Act 2016 was enacted during the year ended 31 March 2017, which included provisions for a reduction in the UK corporation tax rate to 17 per cent with effect from 1 April 2020.

## Notes to the financial statements (continued)

### 7 Investments

Investments consist of the following:

	31 March 2018 £m	31 March 2017 £m
Unquoted equity investments at cost	5,513.0	5,513.0
<b>Total investments</b>	<b>5,513.0</b>	<b>5,513.0</b>

During the year ended 31 March 2017, the company acquired a further 921,853,063 £1 ordinary shares in Jaguar Land Rover Limited, increasing its investment by £921.9 million.

The company has the following direct and indirect investments in subsidiary undertakings as at 31 March 2018, each being a 100% interest in the ordinary share capital of the company:

Name of Company	Principal place of business and country of incorporation	Registered office address
<b>Direct investments</b>		
Jaguar Land Rover Limited	England & Wales	Abbey Road, Whitley, Coventry CV3 4LF, England
Jaguar Land Rover (China) Investment Co., Ltd. (formerly Jaguar Land Rover Automotive Trading (Shanghai) Co., Ltd.)	China	11F, No.06 (Building D) The New Bund World Trade Center (Phase II), Lane 227 Dongyu Road, Pudong New District, Shanghai 200126
Jaguar Land Rover Limited Liability Company	Russia	28B, Building 2 Mezhdunarodnoe Shosse 141411, Moscow Russian Federation
<b>Indirect investments</b>		
Jaguar Land Rover North America, LLC	USA	100 Jaguar Land Rover Way, Mahwah, NJ07495, USA
Jaguar Land Rover Deutschland GmbH	Germany	Am Kronberger Hang 2a, 65824 Schwalbach/Ts, Germany
Jaguar Land Rover Belux N.V.	Belgium	Generaal Lemanstraat 47, 2018 Antwerpen, Belgium
Jaguar Land Rover Austria GmbH	Austria	Siezenheimer Straße 39a, 5020 Salzburg Austria
Jaguar Land Rover Italia SpA	Italy	Via Alessandro Marchetti, 105 - 00148, Roma, Italy
Jaguar Land Rover Australia (Pty) Limited	Australia	65 Epping Road, North Ryde, New South Wales 2113, Australia

## Notes to the financial statements (continued)

### 7 Investments (continued)

Name of Company	Principal place of business and country of incorporation	Registered office address
Jaguar Land Rover Espana SL	Spain	Torre Picasso, Plaza Pablo Ruiz Picasso, 1 – Planta 42, 23020 Madrid, Spain
Jaguar Land Rover Nederland B.V.	Holland	PO Box 40, Stationsweg 8, 4153 RD Beesd, Netherlands
Jaguar Land Rover Portugal Veiculos e Pecas, Lda.	Portugal	Edificio Escritorios do Tejo, Rua do Polo Sul, Lote 1.10.1.1 – 3.º B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal
Shanghai Jaguar Land Rover Automotive Service Co. Ltd	China	11F, No.06 (Building D) The New Bund World Trade Center (Phase II), Lane 227 Dongyu Road, Pudong New District, Shanghai 20012
Jaguar Land Rover Japan Ltd	Japan	Garden City Shinagawa Gotenyama Bldg. 9F, 6-7-29 Kita-Shinagawa, Shinagawa-ku, Tokyo 141-0001, Japan
Jaguar Land Rover Korea Co. Ltd	Korea	25F West Mirae Asset Center 1 Building 67 Suha-dong, Jung-gu Seoul 100-210, Korea
Jaguar Land Rover Canada ULC	Canada	75 Courtneypark Drive West, Unit 3 Mississauga, ON L5W 0E3, Canada
Jaguar Land Rover France SAS	France	Z.A. Kleber – Batiment Ellington, 165 Boulevard de Valmy, 92706 Colombes, Cedex, France
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos Ltda.	Brazil	Avenida Ibirapuera 2.332, Torre I - 10º andar-Moema 04028-002, São Paulo-SP-Brazil
Jaguar Land Rover (South Africa) Holdings Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	28 Victoria Link, Route 21 Corporate Park, Nellmapius Drive, Irene X30, Centurion, Tshwane, Gauteng, South Africa
Jaguar Land Rover India Limited	India	Nanavati Mahalaya, 3rd floor, 18, Homi Mody Street, Mumbai, Maharashtra, India 400001
Daimler Transport Vehicles Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
S.S. Cars Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
The Lanchester Motor Company Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England

## Notes to the financial statements (continued)

### 7 Investments (continued)

<b>Name of Company</b>	<b>Principal place of business and country of incorporation</b>	<b>Registered office address</b>
The Daimler Motor Company Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
The Jaguar Collection Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Jaguar Land Rover Pension Trustees Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
JLR Nominee Company Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Jaguar Cars Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Land Rover Exports Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Land Rover Ireland Limited	Ireland	c/o LK Shields Solicitors 39/40 Upper Mount Street Dublin 2, Ireland
Jaguar Cars South Africa (Proprietary) Ltd	South Africa	Simon Vermooten Road, Silverton, Pretoria 0184 South Africa
Jaguar Land Rover Slovakia s.r.o.	Slovakia	Vysoka 2/B, 811 06 Bratislava, Slovakia
Jaguar Land Rover Singapore Pte. Ltd	Singapore	138 Market Street, CapitaGreen Singapore
Jaguar Racing Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
InMotion Ventures Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Jaguar Land Rover Colombia SAS	Colombia	CL 67735 OFE, 1204 Bogotan Cundinamarca 1 3192 900 Colombia
InMotion Ventures 1 Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
InMotion Ventures 2 Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
InMotion Ventures 3 Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF England
Jaguar Land Rover Mexico, S.A.P.I. De C.V	Mexico	Av. Javier Barros Sierra No 540 Piso 7 Oficina 703, Col. Santa Fe La Fe Del., Alvaro Obregon, Mexico, D.F.C.P 01210

## Notes to the financial statements (continued)

### 7 Investments (continued)

Name of Company	Principal place of business and country of incorporation	Registered office address
Jaguar Land Rover Servicios Mexico, S.A De C.V	Mexico	Av. Javier Barros Sierra No 540 Piso 7 Oficina 703, Col. Santa Fe La Fe Del., Alvaro Obregon, Mexico, D.F.C.P 01210
Jaguar Land Rover Taiwan Company Limited	Taiwan	12F, No. 40, Sec. 1, Chengde Road, Datong Dist., Taipei City 103, Taiwan (R.O.C)
Jaguar Land Rover Ireland (Services) Limited	Ireland	c/o 40 Upper Mount Street, Dublin 2, Ireland
Spark44 (JV) Limited	England and Wales	Abbey Road, Whitley, Coventry CV3 4LF
Spark44 Limited	England and Wales	The White Collar Factory, 1 Old Street Yard, London EC1Y 8AF England
Spark44 LLC	USA	5870 W. Jefferson Blvd, Studio H, Los Angeles, CA 90016, USA
Spark44 Canada Inc	Canada	1059 Spadina Road, Toronto, ON M5N 2M7, Canada
Spark44 GmbH	Germany	Querstr. 7, 60322 Frankfurt am Main
Spark44 Communications S.L	Spain	Prim 19, 4 <sup>th</sup> floor, 28004 Madrid
Spark44 S.r.l	Italy	Via Marcella, 4/6-00153 Rome
Spark44 Pty Limited	Australia	Level 5, 65 Berry Street, North Sydney, NSW 2060
Spark44 DMCC	UAE	Unit No: 1401&1404 Swiss Tower, Plot No: JLT-PH2-Y3A Jumeirah Lakes Towers, Dubai, UAE
Spark44 Seoul Limited	South Korea	F12, 11 Cheonggyecheon-ro, Jongno-gu, Seoul, Korea
Spark44 Singapore Pte Limited	Singapore	138 Market Street 36-01/02 CapitaGreen, Singapore 048946
Spark44 Japan K.K.	Japan	2-23-1-806, Akasaka, Minato-ku, Tokyo, 153-0042
Spark44 Demand Creation Partners Limited	India	Block A, Level 1, Shiv Sagar Estate, Dr Annie Besent Road, Worli, Mumbai-400018
Spark44 South Africa Pty Ltd	South Africa	21 Forssman Close, Barbeque Downs, Kyalami
Spark44 Shanghai	China	Rooms 6401, 6402, 6501, 6502, No. 436 Ju Men Road, Huang Pu District, Shanghai

## Notes to the financial statements (continued)

### 7 Investments (continued)

The company made indirect investments in 100 per cent of the ordinary share capital of Jaguar Land Rover Ireland (Services) Limited, Jaguar Land Rover Mexico S.A.P.I de C.V, Jaguar Land Rover Services Mexico de S.A. de C.V. and Jaguar Land Rover Taiwan Company Limited in the year ended 31 March 2018.

The company indirectly purchased a further 0.5 per cent of the ordinary share capital of Spark 44 Limited bringing the total to 50.5 per cent.

The company made indirect investment in 100 per cent of the ordinary share capital of Jaguar Land Rover Colombia SAS, InMotion Ventures 1 Limited, InMotion Ventures 2 Limited and InMotion Ventures 3 Limited during the year ended 31 March 2017.

During the year ended 31 March 2017, two of the company's indirect investments; Silkplan Limited and Jaguar Daimler Heritage Trust Limited, which the company indirectly invested in during the year ended 31 March 2016, were dissolved.

In December 2016, the company received a net dividend of £67.3 million from its Russian subsidiary.

In December 2016, the company received a net dividend of £167.6 million from its Chinese subsidiary.

The company has the following indirect investments in joint ventures and associates at 31 March 2018:

<b>Name of investment</b>	<b>Proportion of voting rights</b>	<b>Principal place of business and country of incorporation</b>	<b>Principal activity</b>	<b>Registered office address</b>
Chery Jaguar Land Rover Automotive Co. Ltd	50.00%	China	Manufacture and assembly of vehicles	Room 1102, Binjiang International Plaza, No 88 Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Province, China
Jaguar Cars Finance Limited	49.90%	England & Wales	Non-trading	280 Bishopsgate, London, EC2M 4RB, England
CloudCar Inc.	33.30%	USA	Business and domestic software development	2191 E Bayshore Rd 200, Palo Alto, CA 94303, USA
Synaptiv Ltd	33.30%	England & Wales	Business and domestic software development	84 Kirkland Avenue, Ilford, Essex, England, IG5 0TN

During the year ended 31 March 2018, the company made indirect investments in 25.08% in the share capital of Driveclub Service Pte Ltd and 1% of the share capital of Driveclub Limited, a wholly owned subsidiary of Driveclub Service Pte Ltd.

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



## Notes to the financial statements (continued)

### 8 Other financial liabilities

As at	31 March 2018 £m	31 March 2017 £m
Amounts due to group undertakings	955.0	449.4
<b>Total</b>	<b>955.0</b>	<b>449.4</b>

Amounts due to group undertakings as at 31 March 2018 and 31 March 2017 relate to a loan and interest on the loan from a subsidiary company.

### 9 Share capital

As at	31 March 2018 £m	31 March 2017 £m
<b>Allotted, called up and fully paid</b>		
500,000,000 (2017: 500,000,000) ordinary shares of £0.01 each	5.0	5.0
<b>Share capital presented as equity</b>	<b>5.0</b>	<b>5.0</b>

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

## Notes to the financial statements (continued)

### 10 Reserves

The movement of reserves is as follows:

	<b>Profit and loss reserve £m</b>	<b>Total reserves £m</b>
<b>Balance at 1 April 2017</b>	<b>5,058.6</b>	<b>5,058.6</b>
Loss for the year	(5.6)	(5.6)
Dividend paid (note 11)	(500.0)	(500.0)
	<hr/>	<hr/>
<b>Balance at 31 March 2018</b>	<b>4,553.0</b>	<b>4,553.0</b>
	<hr/> <hr/>	<hr/> <hr/>

	<b>Profit and loss reserve £m</b>	<b>Total reserves £m</b>
<b>Balance at 1 April 2016</b>	<b>5,134.2</b>	<b>5,134.2</b>
Profit for the year	224.4	224.4
Dividend paid (note 11)	(300.0)	(300.0)
	<hr/>	<hr/>
<b>Balance at 31 March 2017</b>	<b>5,058.6</b>	<b>5,058.6</b>
	<hr/> <hr/>	<hr/> <hr/>

### 11 Dividends

During the year ended 31 March 2018, an ordinary share dividend of £1.00 per ordinary share of £0.01 totalling £500.0 million was declared and paid.

During the year ended 31 March 2017, an ordinary share dividend of £0.90 per ordinary share totalling £450.0 million was paid. The amount paid included £150.0 million declared during the year ended 31 March 2016.

## Notes to the financial statements (continued)

### 12 Commitments and contingencies

Any litigations and claims against the company are considered to be the responsibility of Jaguar Land Rover Limited which settle these as appropriate.

The Company provides certain guarantees for financing and other arrangements where the likelihood of demand on the guarantee is deemed remote. The financing arrangements covered by such guarantees include:

The Company's intermediate parent, Jaguar Land Rover Automotive plc, has issued Senior Notes that are listed on the Luxembourg Stock Exchange multilateral trading facility ('EURO MTF') market. The Company is a guarantor with Jaguar Land Rover Limited of certain of these bonds. The tranches of bonds outstanding at 31 March 2018 are as follows:

- \$700 million Senior Notes due 2018 at a coupon of 4.125% per annum
- £400 million Senior Notes due 2022 at a coupon of 5.000% per annum
- \$500 million Senior Notes due 2019 at a coupon of 4.250% per annum
- £400 million Senior Notes due 2023 at a coupon of 3.875% per annum
- \$500 million Senior Notes due 2020 at a coupon of 3.500% per annum
- €650 million Senior Notes due 2024 at a coupon of 2.200% per annum
- £300 million Senior Notes due 2021 at a coupon of 2.750% per annum
- \$500 million Senior Notes due 2027 at a coupon of 4.500% per annum

The Company is a guarantor with Jaguar Land Rover Limited, Jaguar Land Rover North America LLC, Land Rover Exports Limited and JLR Nominee Company Limited of the \$500 million Senior Notes due 2023 at a coupon of 5.625% per annum.

In addition, the Company is a guarantor with Jaguar Land Rover Limited of the £1,935 million revolving credit facility held by the intermediate parent company, Jaguar Land Rover Automotive plc. As at 31 March 2018 the facility was fully undrawn.

The Company is a guarantor of the \$295 million uncommitted receivables factoring facility held by the Company's subsidiary, Jaguar Land Rover Limited. \$209 million of this facility was drawn as at 31 March 2018.

## Notes to the financial statements (continued)

### 13 Capital management

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

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

The company has no external borrowings and is funded by equity and if required, loans from fellow group companies.

The following table summarises the capital of the company:

As at	31 March 2018 £m	31 March 2017 £m
Short term loans due to group companies	955.0	449.4
<b>Total debt</b>	<b>955.0</b>	<b>449.4</b>
Equity	4,558.0	5,063.6
<b>Total capital</b>	<b>5,513.0</b>	<b>5,513.0</b>

## Notes to the financial statements (continued)

### 14 Financial instruments

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

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

#### **(A) Financial assets and liabilities**

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

	<b>Other financial liabilities Carrying value £m</b>	<b>Total financial liabilities Fair value £m</b>
<b>Current liabilities</b>		
Accounts payable	1.2	1.2
Other financial liabilities	955.0	955.0
Other payables	0.1	0.1
	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>956.3</b>	<b>956.3</b>
	<hr/>	<hr/>

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

	<b>Other financial liabilities Carrying value £m</b>	<b>Total financial liabilities Fair value £m</b>
<b>Current liabilities</b>		
Other financial liabilities	449.4	449.4
	<hr/>	<hr/>

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

## Notes to the financial statements (continued)

### Financial instruments (continued)

#### (B) Financial risk management

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

#### (C) Foreign currency exchange rate risk

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

As at 31 March 2018 and 31 March 2017, the company had no net balance sheet exposure to foreign currency assets and liabilities (2017: no exposure). The foreign exchange gains arising in the year ended 31 March 2017 are due to translation of foreign currency dividends received.

#### (D) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in interest income and expense for the company.

As at 31 March 2018, a short term loan of £955.0 million (2017: £449.4 million) were owed to Jaguar Land Rover Limited, a subsidiary company. The loan is repayable on demand and subject to a variable interest rate. An increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact of £9.6 million (2017: £4.5 million) in the income statement.

#### (E) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due.

The company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and borrowings from Group undertakings to meet the company's operating requirements with an appropriate level of headroom.

The following are the undiscounted contractual majorities of financial liabilities, including estimated interest payments.

As at 31 March 2018	Carrying Amount £m	Contractual Cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Accounts payable	1.2	1.2	1.2	-	-	-
Other financial liabilities	955.0	955.0	955.0	-	-	-
Other payables	0.1	0.1	0.1	-	-	-
<b>Total contractual maturities</b>	<b>956.3</b>	<b>956.3</b>	<b>956.3</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

### Financial instruments (continued)

As at 31 March 2017	Carrying Amount £m	Contractual Cash flows £m	1 year or less £m	1 to <2 years £m	2 to <5 years £m	5 years and over £m
Other financial liabilities	449.4	449.4	449.4	-	-	-
<b>Total contractual maturities</b>	<b>449.4</b>	<b>449.4</b>	<b>449.4</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 15 Reconciliation of movements of liabilities to cash flows arising from financing activities

	Amounts due to Group undertakings £m
<b>Balance as at 1 April 2016</b>	-
Proceeds from loans issued by group undertakings	676.1
Repayment of loans to group undertakings	(226.7)
<b>Balance as at 31 March 2017</b>	<b>449.4</b>
Proceeds from loans issued by group undertakings	500.0
Interest accrued on loans by group undertakings	5.6
<b>Balance as at 31 March 2018</b>	<b>955.0</b>

### 16 Related party transactions

The company's related parties include Tata Sons Limited, subsidiaries 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.

The following is a summary of the related party balances in the company financial statements. All related party transactions are conducted under normal terms of business. All amounts outstanding are unsecured and will be settled in cash.

- The payable amount of £1.2 million (2017: £nil) is due to Jaguar Land Rover Limited a subsidiary company.
- The short term loan of £955.0 million (2017: £449.4 million) is due to Jaguar Land Rover Limited a subsidiary company.
- The group relief payable of £0.1 million (2017: £nil) is due to a fellow group undertaking, InMotion Ventures Limited.

## **Notes to the financial statements (continued)**

### **17 Ultimate parent company and controlling party**

The immediate parent undertaking is Jaguar Land Rover Automotive plc which is also the parent of 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 Jaguar Land Rover Automotive plc consolidated financial statements can be obtained from the Company Secretary at the company's registered address.

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.

### **18 Subsequent Events**

On the 14 September 2018, Jaguar Land Rover Automotive Plc issued €500 million senior notes due 2026 at a coupon of 4.50% per annum.