Financial report 2017/18

Jaguar Land Rover Nederland B.V.

Vianen

Independent auditor's report

To: the General Meeting of Jaguar Land Rover Nederland B.V.

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2017-2018 of Jaguar Land Rover Nederland B.V., based in Beesd.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Jaguar Land Rover Nederland B.V. as at 31 March 2018, and of its result for 2017-2018 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at 31 March 2018;
2. the profit and loss account for 2017-2018; and
3. the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Jaguar Land Rover Nederland B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

Report on the other information included in the financial report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information that consists of:

- annual report of the directors;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the annual report of the directors, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 1 June 2018

KPMG Accountants N.V.

H.L. Kramer RA

KPMG

KPMG Accountants N.V.
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Registered
Jaguar Land Rover Nederland B.V.
Attn. Mr. M.A.M. Bienemann
Stationsweg 8
4153 RD BEESD

Our ref. LK/18W00159091UTR

Utrecht, 1 June 2018

Subject: Financial statements 2017-2018

Dear Mr. Bienemann,

We hereby confirm that we agree to the inclusion of the below auditor's report in the other information accompanying the financial report. The financial report should be issued in accordance with the final draft presented to us, of which an authenticated copy is enclosed.

"Independent auditor's report

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Jaguar Land Rover Nederland B.V.
Subject: Financial statements 2017-2018
Utrecht, 1 June 2018

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Utrecht, 1 June 2018

KPMG Accountants N.V.

H.L. Kramer RA"

The before-mentioned text of our auditor's report states the name of our audit firm and the name of the responsible audit partner, but is lacking a personally signed signature. We have enclosed one copy of our auditor's report including a personally signed signature. This copy is meant for your files.

We confirm our permission to publish the text of our unsigned auditor's report, provided that the prepared financial statements are adopted unamended by the General Meeting and subsequent filing occurs at the trade register within one month from the date of this letter. Publishing of our auditor's report is only allowed together with the corresponding complete set of the financial report. We emphasise that it is not allowed to publish the attached authenticated copy of the financial report. You need to publish an identical not authenticated copy of the financial report.

If you publish on the internet the financial report, including the audited financial statements, you should ensure that the financial report is properly separated from other information on the internet site. Separation can be achieved, for example, by presenting the financial report, including the audited financial statements, in an unchangeable format, stored as a separate file and/or by issuing a warning if the reader switches from the financial statements ('you are leaving the secured zone of the financial report, including the audited financial statements'). Further, we recommend that you include the following disclaimer: 'In the event of any differences or inconsistencies between the text and quantitative information on this internet site and that in the original financial report, including the audited financial statements, as filed at the trade register of the Chamber of Commerce, the latter shall prevail'.

Jaguar Land Rover Nederland B.V.
Subject: Financial statements 2017-2018
Utrecht, 1 June 2018

A copy of the financial statements should be signed by the members of the Board of Directors and be presented to the General Meeting. These financial statements should be adopted by the General Meeting and the adoption should be recorded in the minutes. The date of the adoption by the General Meeting will be stated on the financial statements.

Incidentally, we should point out that if circumstances arise that necessitate the amendment of the financial statements before the General Meeting, such an amendment has to be made before the meeting in accordance with the provisions of section 2:362 subsection 6 of the Dutch Civil Code. In this situation, of course, we withdraw our permission granted above.

No later than eight days after the adoption of the financial statements by the General Meeting, the financial report to be filed should have been filed at the trade register of the Chamber of Commerce. You should state that the original financial statements have been signed by members of the Board of Directors and adopted in the General Meeting, including the date on which this occurred. Filing of a signed copy of the financial report to be filed is not advisable.

We would like to remind you that the filing of the financial report is a statutory requirement, and that failing to file them is a punishable offence. In certain circumstances, the failure to file could even lead to the Directors being made personally liable.

Furthermore, we wish to point out to you that, as per the date on which the dividend is made payable, members of the Board of Directors is required to assess, with due observance of the information then available, whether the Company will, following dividend payments, be able to continue to pay its exigible debts. Should dividends be paid and the Company turn out at a later stage, following and owing to the dividend payments, to be unable to continue to pay its exigible debts, members of the Board of Directors may be held jointly and severally liable for payment to the Company of the deficit created by the dividend payments if they knew or should have foreseen at the time when the dividend was made payable that such situation would arise owing to the dividend payments.

We will be pleased to provide any further information you may require.

Yours faithfully,

KPMG Accountants N.V.

H.L. Kramer RA

Enclosure(s)

KPMG

Independent auditor's report

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Utrecht, 1 June 2018

KPMG Accountants N.V.

H.L. Kramer RA

Annual accounts

Balance sheet as at March 31 2018

(before proposed appropriation of result)

		March 31 2018		March 31 2017	
	Ref.	EUR000	EUR000	EUR000	EUR000
Assets					
Fixed assets					
Tangible fixed assets	1	36		28	
Financial fixed assets	2	581		581	
			617		609
Current assets					
Inventories	3	30.590		35.597	
Trade and other receivables	4	39.288		27.853	
Cash and cash equivalents	5	6.367		3.672	
			76.245		67.122
			76.862		67.731

		March 31 2018		March 31 2017	
	Ref.	EUR000	EUR000	EUR000	EUR000
Shareholders' equity	6				
Issued capital		45		45	
Other reserves		6.042		4.579	
Result for the year		1.151		1.463	
			7.238		6.087
Current liabilities	7		69.624		61.644
			76.862		67.731

Profit and loss account 2017/18

	Ref.	2017/2018 EUR000	2017/2018 EUR000	2016/2017 EUR000	2016/2017 EUR000
Net turnover	10		**198.977**		**194.411**
Total operating income			**198.977**		**194.411**
Cost of outsourced work and other external costs	11	193.846		189.518	
Wages and salaries	12	3.198		2.577	
Depreciation of fixed assets	13	13		13	
Other operating expenses	14	311		301	
Total operating expenses			197.368		192.409
Operating result			**1.609**		**2.002**
Financial income and expenses	15		85-		71-
Result before tax			**1.524**		**1.932**
Tax on result	16		373-		469-
Net result			**1.151**		**1.463**

Cash flow statement 2017/18

According to RJ 360.104, the cash flow statement has been omitted as Jaguar Land Rover Nederland B.V. is a subsidiary of Jaguar Land Rover Plc. which includes a cash flow statement in its consolidated financial statements. These consolidated financial statements will be made available on the website www.jaguarlandrover.com.

Notes to the balance sheet and profit and loss account

1 General

1.1 Activities

Jaguar Land Rover Nederland B.V., having its legal seat in Vianen and the office is located at Stationsweg 8, 4153 RD in Beesd, is primarily engaged in marketing, buying and selling Jaguar and Land Rover vehicles and related parts and accessories. These products are entirely obtained within the Jaguar Land Rover Group and are mainly distributed to the dealer network in the Netherlands.
Jaguar Land Rover Nederland B.V. is registered in the Dutch Chamber of Commerce with registration number 23074977.

1.2 Group structure

Jaguar Land Rover Nederland B.V. belongs to the Jaguar Land Rover Plc. The ultimate parent company of this group is Tata Group in India. The annual accounts of Jaguar Land Rover Nederland B.V. are included in the consolidated annual accounts of Tata Motors Ltd. in India. Copies of the consolidated annual accounts of 2017/18 Tata Motors Ltd. are available at cost price from the offices of Jaguar Land Rover Nederland B.V.

These financial statements cover the year 2017/18, which ended at the balance sheet date of 31 March 2018. The financial statements of the Company have been prepared on the basis of the going concern assumption.

1.3 Accounting policies

The annual accounts are prepared according to the stipulations in chapter 9 Book 2, of the Dutch Civil Code.

1.4 Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables, equity instruments and other financial liabilities.
Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.
Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.
The company does not use derivative financial instruments (derivatives).

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

1.5 Translation of foreign currency
The financial statements are presented in euros ('EUR'), which is the Company's functional currency. All amounts have been rounded to the nearest thousand.

2 Principles of valuation of assets and liabilities

2.1 General
Assets and liabilities are measured at nominal value, unless otherwise stated in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

2.2 Use of estimates
In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

2.3 *Correction of errors*

Presentation Luxury tax in Inventories

After the 2016/2017 financial statements were adopted, management identified an error regarding the recording of Luxury tax on rental and company cars included in inventories. The total amount of Luxury tax on rental and company cars included in inventories was recorded as part of 'Trade and other receivables' instead of as part of the Inventories. Since the Luxury tax on rental and company cars and the cars itself are part of the cost of sales an correction entry has to be made from 'Trade and other receivables' to 'Inventories'. This error is corrected in the 2016/2017 comparable figures included in the 2017/2018 financial statements.

The impact on net result/result after tax for the year 2017/2018 and 2016/2017 is nihil. A complete overview of the impact on the financial position in the balance sheet, profit and loss account and the cash flow statement can be stated as follows:

- Inventories	€ 4,575,000
- Trade and other receivables	€ 4,575,000-

Application of categorical model

After the 2016/2017 financial statements were adopted, management identified an error regarding the application of the categorical model for the profit and loss account. In order to align with the requirements of the applicable accounting framework, this error is corrected in the 2016/2017 comparable figures included in the 2017/2018 financial statements.

The impact on net result/result after tax for the year 2017/2018 and 2016/2017 is nihil. A complete overview of the impact on the comparable figures 2016/2017 included in the profit and loss account is stated below:

- Subtotal for Total Operating Income of EUR 194,411,000 is included;
- Cost of goods sold of EUR 173,417,000 and Operating expenses of EUR 16,101,000 are both reclassified to Cost of outsourced work and other external costs, as these expenses all related to external costs, the remaining other expenses primarily relate to internal cost and bad debt;
- 'Personnel expenses' is renamed into 'Wages and salaries';
- Main part (EUR 16,101,000) of Operating expenses is reclassified to cost of outsourced work and other external costs as stated above;
- 'Total expenses' is renamed into 'Total operating expenses';
- 'Result on ordinary activities before taxation' is renamed into 'Result before tax';
- 'Taxation on result on ordinary activities' is renamed into 'Tax on result';
- 'Net result after taxation' is renamed into 'Net result'.

2.4 *Tangible fixed assets*

Machinery and equipment are valued at acquisition cost plus additional direct expenses, less straight-line depreciation over the estimated useful life. Any impairment as at the balance sheet date is taken into account. For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to impairment of fixed assets.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably. Depreciation starts as soon as the asset is available for its intended use, and ends at decommissioning or divestment.

2.5 *Financial fixed assets*

The bonds and certificates stated under the financial fixed assets (listed and non-listed) that are not part of a trade portfolio either and that are held until maturity are valued at amortised cost or lower market value. When the market value is lower than the amortised cost price an impairment is accounted for. Reversal of an impairment is capped at the amortised cost price that would have been determined had it not concerned an impairment.

2.6 *Impairment of fixed assets*

Tangible and financial fixed assets are assessed at each reporting date whether there is any indication of an impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified. An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the higher of the realisable value and the value to the business.

If it is established that a previously recognised impairment no longer applies or has declined, then the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.7 *Inventories*

Goods available for sale are valued at acquisitions cost or net lower realisable value. This lower net realizable value is determined by individual assessment of inventories and the most reliable estimate of the amount the inventories will generate at the most, less costs still to make. Luxury tax is included for cars recorded as part of inventories for which a licence plate is obtained.

In Accordance with accounting principles generally accepted for financial reporting in the Netherlands, the buyback vehicles are accounted for in the balance sheet under stocks. Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

2.8 *Trade and other receivables*

Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted.

2.9 *Cash and cash equivalents*

Cash and cash equivalents consists of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. The cash is measured at face value. If cash equivalents are not freely disposable, then this has been taken into account upon measurement.

2.10 *Shareholders' equity*

Financial instruments that are designated as equity instruments by virtue of the legal reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

2.11 *Current liabilities*

Current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

3 Principles for determination of result

3.1 *General*

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises, of which the size can be measured reliably.

Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises, of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

3.2 *Net turnover*

Net turnover is determined as income from the supply of goods, less discounts and such like, exclusive of value added taxes, taxes on passenger cars (BPM).
Income from the supply of goods is recognised as soon as all substantial rights and risks relating to the title to the goods are transferred to the customer.

3.3 Leasing

All leases entered into by the company are classified as operational lease by which the company acts as lessor and therefore the risks and rewards of ownership of the leased object are carried by the company. The buy back cars are part of the inventory and the buy back liability is presented as current liabilities.

3.4 Costs of goods sold

Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate. Cost of sales represents external expenses and other operating expenses that are attributable to the cost of sales.

3.5 Operating expenses

Operating expenses include the expense of the Managing Director and the administration department. This also includes costs incurred in order to generate operating income, insofar as these costs have been charged by third parties, namely marketing cost.

3.6 Personnel remuneration

Salaries, wages and social security costs are charged to the profit and loss account when due, and in accordance with employment contracts and obligations.
The Company has two pension schemes. One scheme provides defined pension benefits to staff upon reaching retirement age, depending on age, salary and years of service.

The related accrued entitlements are always fully financed in the related calendar year through – at least - cost effective contribution payments.

Furthermore the Company has a defined contribution pension plan which is financed by contributions to an insurance company. The pension obligations of the plans are valued according to the ‘valuation to pension fund approach’. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

The annual contribution payments are based on the age dependable table as provided by the insurance company. The pensionable salary is based on the gross wage net of a deductible (of EUR 2,054,579). The pensionable salary is capped (at EUR 100,000). The annual employer-paid contribution is at least 4% and capped at 4% of the pensionable salary.

The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.
Based on the administrative regulations the group has no other obligations than the annual contribution payments.

3.7 Depreciation

Tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Land and investment property are not depreciated. Future depreciation is adjusted if there is a change in estimated useful life.

3.8 *Financial income and expense*

Interest income and expense

Interest income and expense are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received takes account of any transaction costs.

3.9 *Taxation*

Profits tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates. Also taken into account are changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognised in the profit and loss account.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognised.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognised, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realise or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

3.10 *Related parties*

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions. In the year 2017/18 there have been no transaction with related parties which have not been entered at arm's length.

3.11 *Subsequent events*

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognised in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognised in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

1 Tangible fixed assets

	Equipment	Other fixed assets	Total
	EUR000	EUR000	EUR000
April 1 2017			
Acquisition costs	129	44	173
Accumulated impairments and depreciation	-106	-39	-145
Book value	23	5	28
Movements 2017/18			
Additions	-	21	21
Desinvestments			
Depreciation	-10	-3	-13
Depreciation Desinvestments			
	-10	18	8
31 March 2018			
Acquisition costs	129	65	194
Accumulated impairments and depreciation	-116	-42	-158
Book value	13	23	36
Depreciation rates	25,00%	25,00%	

2 Financial fixed assets

The Other participating interests exist of a certificate of EUR 13,613 in a golf club.
The Other receivables exist mostly of a deposit payment for the Luxury tax of EUR 500,000. As at balance sheet date the total deposits presented under the Other receivables amounted to EUR 567,360 (2016/2017: EUR 567,360).

	Other participating interests	Other receivables	Total financial fixed assets
	EUR000	EUR000	EUR000
April 1 2017	14	567	581
Movements 2017/18	-	-	-
March 31 2018	14	567	581

3 Inventories

	Inventories	Inventories impairment	Luxury tax	Total inventories
	EUR000	EUR000	EUR000	EUR000
April 1 2017				
Book value	32.513	1.491-	4.575	35.597
Movements 2017/18	1.473-	1.535-	1.999-	5.007-
March 31 2018				
Book value	31.040	3.026-	2.576	30.590

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are devaluated according to regular inventories valuation and have an average duration of 9 months. These vehicles are presented under inventories and represent a value of EUR 15,404,666 (FY 2016/17: EUR 8,388,939). The buyback liability is presented under the Current liabilities and represents a value of EUR 14,723,763 (FY 2016/17: EUR 8,298,303).

4 Receivables

	March 31 2018		March 31 2017	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	37.162	0	18.994	0
Prepaid pension costs	488	0	359	0
Amounts to be invoiced	-	0	5.259	0
Other receivables	1.638	0	3.241	0
	39.288	0	27.853	0

Provisions on doubtful debtors 2017/18 exist of EUR 308.840, 2016/17 EUR 308.840.

Netting receivables and liabilities from group companies Jaguar Land Rover Nederland B.V. is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies of Jaguar Land Rover Nederland B.V.

5 Cash and cash equivalents

All cash at banks and in hand is available on demand.

6 Shareholders' equity

Issued capital

The authorised share capital of the Company as at 31 March 2018 amounts to EUR 227,000 and consists of 500 ordinary shares of EUR 454 each.
Issued and paid in share capital amounts to EUR 45,400 and consists of 100 ordinary shares with a nominal value of EUR 454 each.

Other Reserves

	March 31 2018	**March 31 2017**
	EUR000	EUR000
Balance as at 1 April	4.579	2.049
Added to other reserves	1.463	2.530
Balance as at 31 March	6.042	4.579

Result financial year

Balance sheet as at 1 April	1.463	2.530
Result financial year	1.151	1.463
Added to other reserves	1.463-	2.530-
Balance as at 31 March	1.151	1.463

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

7 Current liabilities

	March 31 2018	March 31 2017
	EUR000	EUR000
Trade creditors	2.290	1.971
Tax payable	22.565	16.441
Affiliated companies	14.730	21.338
Corporate income tax payable	312	781
Buyback	14.724	8.298
Sales accrual	8.999	8.845
Deferred Revenue	3.546	2.536
Other liabilities	2.458	1.434
	69.624	61.644

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are presented under inventories and represent a value of EUR 15,404,666 (FY 2016/17: EUR 8,388,939). There are no liabilities with a term > 1 year.

8 Financial Instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed.

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

Currency risks
There are no currency risks. All invoices for purchasing and selling vehicles and parts are in euro.

Interest risks
There are no interest risks. All transactions, including funding, are managed through a cash pool agreement with the parent company.

Credit risks
Credit risks are decreased by the fact that the majority of the vehicles is paid on behalf of the dealer by FGAC at the moment of invoicing. The risk on parts is reduced by the fact that the outstandings are collected through direct debit once a week.

9 Off-balance sheet assets and liabilities

Financial obligations

- The Company issued a guarantee to the Dutch tax authorities of EUR 500,000 associated with Luxury tax. This guarantee has been deposited to the Dutch tax authorities.
- The commitment for renting the building amounts to EUR 174,369 on a yearly basis. The contract expires in 2020. The commitment with due in 1 year amounts to EUR 174,369, the commitment due within 5 years but no earlier than 1 year amounts to EUR 192,507 the commitment that is due no earlier than 5 years amounts up to EUR 0. The figures as stated do not include the yearly indexation.

10 Net turnover

Net turnover can be split into the following major categories:

	2017/18	2016/17
	EUR000	EUR000
Cars	173.950	169.849
Parts	23.703	23.244
Other	1.324	1.318
	198.977	194.411

The total of the Net turnover has been realized in the Netherlands. In FY 2017/18 a total amount of EUR 48,771,452 (FY 2016/17: EUR 44,023,815 Luxury tax ('BPM') recorded relating to cars which have been registered for the first time in The Netherlands.

11 Cost of outsourced work and other external costs

	2017/18	2016/17
	EUR000	EUR000
Cars	149.587	150.774
Parts	23.371	22.643
Sales expenses network	3.708	5.214
Sales expenses marketing	6.478	4.376
Sales expenses events	1.546	1.053
Sales expenses Other	1.705	2.123
Local variable costs	660	223
Rent / heating / light utilities	223	212
Cost of company vehicles	3.021	739
Consultancy costs	1.521	948
Legal costs	199	64
Cost of computers	232	321
Other	1.595	828
	193.846	189.518

The fees mentioned in the table for the audit of the financial statements 2017/18: EUR 53,425 (2016/17: EUR 59,000) relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

12 Wages and salaries

	2017/18	2016/17
	EUR000	EUR000
Wages and salaries	2.335	2.100
Pension costs	556	148
Other salary costs	307	329
	3.198	2.577

During the 2017/18 financial year, the average number of staff employed converted into full-time equivalents, amounted to 27 people (2016/17: 24 people).

13 Depreciation of fixed assets

	2017/18	2016/17
	EUR000	EUR000
Tangible fixed assets	13	13
	13	13

14 Other operating expenses

	2017/18	2016/17
	EUR000	EUR000
Bad debt	311	301
	311	301

15 Financial income and expenses

	March 31 2018	March 31 2017
	EUR000	EUR000
Interest cost Land Rover Exports Ltd.	-71	-26
Interest income Land Rover Exports Ltd.	1	2
Bank charges	0	-1
Other	-15	-46
	-85	-71

16 Tax on result

The taxation on result on ordinary activities amounting to EUR 373,000 can be specified as follows:

	2017/18	2016/17
	EUR000	EUR000
Result from ordinary activities before taxation	1.524	1.931
	1.524	1.931
Taxation previous years	0	-
Taxation on result on ordinary activities	373-	469-
Taxation according to the profit and loss account	373-	469-
Effective tax rate	24,5%	24,3%
Applicable tax rate	24,5%	24,5%

The applicable tax rate for the Netherlands is 20% for the first EUR 200,000 profit, and 25% for the profit above EUR 200,000. This also applies to 2016/17.

Besides the regular tax calculation on result from ordinary activities, an amount has been accrued as result of an assessment of the outcome of an on-going discussion regarding transfer pricing with the Dutch tax authorities.

17 Related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its shareholders and subsidiaries, directors and key management personnel. Transactions are transfers of resources, goods and services or obligations, regardless whether anything has been charged.

There have been no transactions with related parties that were not on a commercial basis. The remuneration of the managing and supervisory directors is included in note 19.

18 Remuneration Directors

The Company applies Article 2:383, Paragraph 1 of the Dutch Civil Code. In accordance with this, charges regarding remuneration, including pensions, of the director are not disclosed.

19 Subsequent events

There are no events after balance sheet date that are relevant for the economic decisions of users of the financial statements.

Beesd, June 1 2018

M.A.M. Bienemann
Managing Director