

JAGUAR LAND ROVER SINGAPORE PTE. LTD.
(Registration No. 201541482M)

**DIRECTORS' STATEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED MARCH 31, 2017

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

	<u>PAGE</u>
Directors' statement	1 - 2
Independent auditor's report	3 - 5
Statement of financial position	6
Statement of profit or loss and other comprehensive income	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to financial statements	10 - 26

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the company for the financial year ended March 31, 2017.

In the opinion of the directors, the financial statements of the company as set out on pages 6 to 5 are drawn up so as to give a true and fair view of the financial position of the company as at March 31, 2017 and the financial performance, changes in equity and the cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the company in office at the date of this statement are:

Colgan Robin Michael	(Appointed on October 31, 2016)
Yong Ee Fong Fiona	(Appointed on August 5, 2016)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the financial period had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

DIRECTORS' STATEMENT

4 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, no option to take up unissued shares of the company was granted.

(b) Options exercised

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the company under option.

5 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

.....
Colgan Robin Michael

.....
Yong Ee Fong Fiona

Date:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
JAGUAR LAND ROVER SINGAPORE PTE. LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jaguar Land Rover Singapore Pte. Ltd. (the "company"), which comprise the statement of financial position of the company as at March 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 26.

In our opinion, the accompanying financial statements of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the financial position of the company as at March 31, 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conduct our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
JAGUAR LAND ROVER SINGAPORE PTE. LTD.**

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude 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 to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
JAGUAR LAND ROVER SINGAPORE PTE. LTD.**

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Public Accountants and
Chartered Accountants
Singapore

Date:

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

STATEMENT OF FINANCIAL POSITION
March 31, 2017

	Note	2017 \$	2016 \$
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents		13,662,907	744,909
Other receivables		16,510,780	459
Inventories	7	3,781,278	5,386,764
Total current assets		33,954,965	6,132,132
Property, plant and equipment	8	3,979,182	-
Total assets		37,934,147	6,132,132
<u>LIABILITIES AND EQUITY</u>			
Current liabilities			
Trade payable to holding company	5	8,254,598	4,520,975
Trade and other payables	9	18,821,913	879,998
Deferred income	10	1,279,470	-
Warranty provision	11	811,189	-
Loan payable to holding company	5	757,456	-
Tax payable		278,784	-
Total current liabilities		30,203,410	5,400,973
Non-current liabilities			
Deferred income	10	2,847,898	-
Warranty provision	11	1,768,956	-
Provision for reinstatement costs	12	764,270	-
Deferred tax liabilities	13	35,148	-
Total non-current liabilities		5,416,272	-
Capital and reserves			
Share capital	14	750,000	750,000
Accumulated profits (losses)		1,564,465	(18,841)
Total equity		2,314,465	731,159
Total liabilities and equity		37,934,147	6,132,132

See accompanying notes to financial statements.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended March 31, 2017

	<u>Note</u>	Financial year from April 1, 2016 to March 31, 2017 \$	Financial period from November 25, 2016 (date of incorporation) to March 31, 2016 \$
Revenue	15	96,056,433	-
Cost of sales		<u>(86,748,527)</u>	<u>-</u>
Gross profit		9,307,906	-
Administrative expenses		(7,237,816)	(18,841)
Finance expense		<u>(172,852)</u>	<u>-</u>
Profit (Loss) before tax		1,897,238	(18,841)
Income tax expense	16	<u>(313,932)</u>	<u>-</u>
Profit (Loss) for the year/period, representing total comprehensive loss for the year/period	17	<u><u>1,583,306</u></u>	<u><u>(18,841)</u></u>

See accompanying notes to financial statements.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.**STATEMENT OF CHANGES IN EQUITY**
Year ended March 31, 2017

	<u>Note</u>	<u>Share capital</u> \$	<u>Accumulated profits / (losses)</u> \$	<u>Total</u> \$
Transactions with owners, recognised directly in equity				
Issuance of ordinary shares on November 25, 2015 (date of incorporation)	9	200,000	-	200,000
Issuance of ordinary shares	9	550,000	-	550,000
Total		750,000	-	750,000
Loss for the period, representing total comprehensive loss for the financial period		-	(18,841)	(18,841)
Balance at March 31, 2016		750,000	(18,841)	731,159
Profit for the year, representing total comprehensive income for the financial year		-	1,583,306	1,583,306
Balance at March 31, 2017		750,000	1,564,465	2,314,465

See accompanying notes to financial statements.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

STATEMENT OF CASH FLOWS
Year ended March 31, 2017

	Financial year from April 1, 2016 to March 31, 2017	Financial period from November 25, 2016 (date of incorporation) to March 31, 2016
	\$	\$
Operating activities		
Profit (Loss) before income tax	1,897,238	(18,841)
Adjustments for:		
Depreciation expense	273,794	-
Deferred income	4,127,368	-
Warranty provision	4,186,350	-
Interest expense	172,852	-
Operating cash flows before movements in working capital	10,657,602	(18,841)
Other receivables	(16,510,321)	(459)
Inventories	1,605,486	(5,386,764)
Trade payable to holding company	3,733,623	4,520,975
Trade and other payables	17,941,915	879,998
Warranty provision	(1,606,205)	-
Net cash generated from (used in) operating activities	15,822,100	(5,091)
Investing activity		
Purchases of property, plant and equipment, representing net cash used in investing activity	(3,488,706)	-
Financing activity		
Loan payable to holding company	757,456	-
Interest paid	(172,852)	-
Proceeds from issue of shares	-	750,000
Net cash from financing activities	584,604	750,000
Net increase in cash and cash equivalents	12,917,998	744,909
Cash and cash equivalents at beginning of year/period	744,909	-
Cash and cash equivalents at end of year/period	13,662,907	744,909

See accompanying notes to financial statements.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1 GENERAL

The company (Registration No. 201541482M) is incorporated in Singapore with its principal place of business and registered office at 138 Market Street, #36-01/02, CapitaGreen, Singapore 048946. The financial statements are expressed in Singapore dollars.

The principal activities of the company are as wholesale of motor vehicles and spare parts (except motorcycles and scooters) and to manage Asia Pacific's importers on behalf of its holding company.

The financial statements of the company for the year ended March 31, 2017 were authorised for issue by the Board of Directors on [Date].

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2016, the company adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRS and amendments/improvements to FRSs that are relevant to the company were issued but not effective:

- FRS 109 *Financial Instruments*
(Applies to annual periods beginning on or after January 1, 2018, with early application permitted)
- FRS 115 *Revenue from Contracts with Customers* (with clarifications issued)
(Applies to annual periods beginning on or after January 1, 2018, with early application permitted)
- (a) FRS 116 *Leases*
(Applies to annual periods beginning on or after January 1, 2019, with earlier application permitted if FRS 115 is adopted)
- (b) Amendments to FRS 7 *Statement of Cash Flows: Disclosure Initiative*
(Applies to annual periods beginning on or after January 1, 2017, with early application permitted)

Consequential amendments were also made to various standards as a result of these new/revised standards.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their adoption except for the following:

FRS 109 *Financial Instruments*

FRS 109 was issued in December 2014 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities and (ii) impairment requirements for financial assets.

Key requirements of FRS 109:

- Financial liabilities are generally subsequently measured at amortised cost. With regard to the measurement of financial liabilities designated as at FVTPL, FRS 109 requires that the amount of change in fair value of such financial liability that is attributable to changes in the credit risk be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch to profit or loss. Changes in fair value attributable to the financial liability's credit risk are not subsequently reclassified to profit or loss.
- In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management anticipates that the initial application of the new FRS 109 may not result in any material changes to the accounting policies relating to the impairment provision of financial assets. Additional disclosures may be made with respect to trade and other receivables, including any significant judgement and estimation made. Management has commenced an assessment of the possible impact of implementing FRS 109. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 109.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

FRS 115 Revenue from Contracts with Customers

In November 2014, FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective. Further clarifications to FRS 115 were also issued in June 2016.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in FRS 115 to deal with specific scenarios. Furthermore, extensive disclosures are required by FRS 115.

Management has preliminarily assessed that there are no bundling of services in the contracts and revenue is only recognised as and when services are rendered and goods are sold. It is currently impracticable to disclose any further information on the known or reasonably estimate impact of the company’s financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 115.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

FRS 116 Leases

FRS 116 was issued in June 2016 and will supersede FRS 17 *Leases* and its associated interpretative guidance.

The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts, are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor FRS 17.

Management anticipates that the initial application of the new FRS 116 will result in changes to the accounting policies relating to operating leases, where the company is a lessee. A lease asset will be recognised on statement of financial position, representing the company's right to use the leased asset over the lease term and, recognise a corresponding liability to make lease payments. Additional disclosures may be made with respect of the company's exposure to asset risk and credit risk, where the company is the lessor. Management has commenced an assessment of the possible impact of implementing FRS 116. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the company's financial statements in the period of initial application as the management has yet to complete its detailed assessment. Management does not plan to early adopt the new FRS 116.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest rate basis for debt instruments.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

Financial assets

Other receivables

Other receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interests or principal payments; or
- it becoming probable that the counterparty will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, 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 and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities

Trade and other payables are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

INVENTORIES - Inventories are stated at the lower of cost and net realisable value. Cost comprises cost of purchase and other costs that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

FOREIGN CURRENCY TRANSACTIONS - The financial statements of the company are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the company operates (its functional currency).

Transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents in the statement of cash flows comprises cash at bank that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

(i) Critical judgements in applying the company's accounting policies

Management did not make any critical accounting judgements in the application of the company's accounting policies.

(ii) Key sources of estimation uncertainties

There is no key assumption made by management concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(c) Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	2017	2016
	\$	\$
Financial assets		
Receivables (including cash and cash equivalents)	29,353,934	745,368
Financial liabilities		
Amortised cost	27,076,511	5,400,973

(d) Financial risk management policies and objectives

The risks associated with the company's financial assets and liabilities are set out below. Management manages and monitors these exposures to ensure appropriate risk management measures are implemented on a timely and effective manner.

- Foreign currency risk management

The company's transactions are conducted mainly in Singapore dollars (its functional currency). At the end of the reporting period, there are no monetary assets and monetary liabilities denominated in currencies other than the company's functional currency. Hence, the company is not exposed foreign currency risk.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

- Interest rate risk management

No sensitivity analysis is performed as the interest rate risk exposure is insignificant to the company.

- Credit risk management

The carrying amount of cash represent the company's maximum exposure to credit risk.

The company has no significant concentration of credit risk with any customer or group of customers.

Cash at bank are placed with reputable financial institutions.

- Liquidity risk management

Liquidity risk refers to the risk in which the company has difficulties in meeting short-term obligations.

Liquidity risk is managed by matching the payment and receipt cycle. The company maintains sufficient cash and cash equivalents to finance its operations.

All financial assets and financial liabilities as at March 31, 2016 are either repayable on demand or due within 1 year from the end of the reporting period and are non-interest bearing.

- Fair values of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, other receivables, trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(e) Capital risk management policies and objectives

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises share capital net of accumulated losses.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

5 HOLDING COMPANY AND RELATED COMPANIES TRANSACTIONS

The company is a wholly-owned subsidiary of Jaguar Land Rover Limited, incorporated in United Kingdom. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Some of the company's transactions and arrangements are between members of the group and the effect of these on the basis determined between the parties are reflected in these financial statements.

The intercompany balances are unsecured, interest-free and repayable on demand unless otherwise stated. During the financial period, the company entered into the following significant intercompany transactions:

	2017	2016
	\$	\$
Purchase of vehicles	70,619,497	4,520,975
Sales	19,801,778	-

6 OTHER RELATED PARTY TRANSACTIONS

Compensation of directors

There are no key management personnel other than the directors. The directors are paid by the holding company in their capacity as directors of other intercompany.

7 INVENTORIES

	2017	2016
	\$	\$
Goods-in-transit	3,781,278	5,386,764

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

8 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fittings	Renovation	Total
	\$	\$	\$
Cost:			
At March 31, 2016	-	-	-
Additions	423,802	3,829,174	4,252,976
At March 31, 2017	423,802	3,829,174	4,252,976
Accumulated depreciation:			
At March 31, 2016	-	-	-
Depreciation	(19,784)	(254,010)	(273,794)
At March 31, 2017	(19,784)	(254,010)	(273,794)
Carrying amount:			
At March 31, 2017	404,018	3,575,164	3,979,182
At March 31, 2016	-	-	-

9 TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade payables:		
Import duty accruals	601,345	865,789
Other payables:		
Other accruals	18,220,568	14,209
	18,821,913	879,998

10 DEFERRED INCOME

	2017	2016
	\$	\$
Current		
Deferred income	1,279,470	-
Non-current		
Deferred income	2,847,898	-

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

11 WARRANTY PROVISION

	2017	2016
	\$	\$
Current		
Product warranty	811,189	-
Non-current		
Product warranty	1,768,956	-
	Product Warranty	
	\$	
Opening balance		-
Transfer from holding company for warranty premium collected for cars sold before incorporation		4,263,525
Utilisation		(1,606,205)
Impact of discounting		(77,175)
Closing balance		2,580,145

The company offers warranty cover in respect of manufacturing defects, which become apparent up to five years after purchase, dependent on the market in which the purchase occurred. The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation. The timing of outflows will vary as and when a warranty claim will arise, being typically up to five years.

12 PROVISION FOR REINSTATEMENT COSTS

	2017	2016
	\$	\$
Balance at beginning of year	-	-
Provision	764,270	-
Balance at end of year	764,270	-
Non-current	764,270	-

The provision for reinstatement costs is an estimation of costs to reinstate the company's office and training academy.

JAGUAR LAND ROVER SINGAPORE PTE. LTD.**NOTES TO FINANCIAL STATEMENTS****March 31, 2017****13 DEFERRED TAX LIABILITY**

As at 31 March 2017 the company has recognised a deferred tax liability of \$35,148 (2016 : \$Nil) in relation to tax benefits.

14 SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		\$	\$
Issued and paid up:				
At the beginning of year/period	200,000	200,000	200,000	200,000
Issued during the year/period	550,000	550,000	550,000	550,000
At end of year/period	750,000	750,000	750,000	750,000

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividends as and when declared by the company.

15 REVENUE

	2017	2016
	\$	\$
Sale of goods	96,056,433	-

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS
March 31, 2017

16 INCOME TAX EXPENSE

Income tax is calculated at 17% of the estimated assessable profit or loss for the year/period.

Income tax expense for the period can be reconciled to the accounting loss as follows:

	Financial year from April 1, 2016 to March 31, 2017	Financial period from November 25, 2016 (date of incorporation) to March 31, 2016
	\$	\$
Loss before income tax	1,899,002	(18,841)
Income tax expense / (credit) at the domestic tax rate of 17%	322,830	(3,202)
Effect of revenue that is exempt from taxation	(8,898)	-
Deferred tax benefits not recognised	-	3,202
	313,932	-

The company has tax losses carryforwards amounting to \$Nil (2016 : \$18,841) available for offsetting against future taxable income.

The realisation of the future income tax benefits from tax loss carryforwards is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

17 PROFIT / (LOSS) FOR THE YEAR/PERIOD

Loss for the year/period had been arrived at after charging:

	Financial year from April 1, 2016 to March 31, 2017	Financial period from November 25, 2016 (date of incorporation) to March 31, 2016
	\$	\$
Professional fees	116,354	8,273
Staff costs	5,774,958	-

JAGUAR LAND ROVER SINGAPORE PTE. LTD.

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

18 OPERATING LEASE ARRANGEMENTS

	2016	2015
	\$	\$
Minimum lease payments under operating leases recognised as expense in the year (net of reimbursement)	1,648,543	-

At the end of the reporting period, the company has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2016	2015
	\$	\$
Future minimum lease payments payable:		
Within one year	2,002,760	-
In the second to fifth year inclusive	6,635,468	-
	8,638,228	-

Operating lease payments represent rental payable by the company for rental of office premises and training academy. Leases are negotiated for five years and rentals are fixed for five years.

19 COMPARATIVE FIGURES

The financial statement covers the financial year from April 1, 2016 to March 31, 2017. The prior year financial statement covers the financial period since incorporation on November 25, 2015 to March 31, 2016.