

# **FINANCIAL STATEMENTS FOR 2016**

**(Period from 1<sup>st</sup> January 2015 to 31 March 2016)**

## **JAGUAR LAND ROVER FRANCE**

A French limited company in the form of a *Société par Actions Simplifiée*

165 boulevard de Valmy

ZA Kléber, Bâtiment Ellington, CS

92700 COLOMBES

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## **Auditor's Report on the Financial Statements**

Period of 15 months ended 31 March 2016

To the sole shareholder,

In compliance with the assignment entrusted to us by you, we hereby report to you, for the period of 15 months ended 31 March 2016, on:

- ◀ The audit of the accompanying financial statements of Jaguar Land Rover France;
- ◀ The justification of our assessments;
- ◀ The specific verifications and information required by law.

These financial statements have been approved by the Chairman. Our responsibility is to express an opinion on the financial statements, based on our audit.

### **I – Opinion on the financial statements**

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made in the preparation of the financial statements, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and financial position of the company at 31 March 2016 and the results of operations for the 15 months then ended in accordance with French generally accepted accounting principles.

Without qualifying the opinion expressed above, we draw your attention to the notes entitled “Change of basis of estimation for Jaguar spare parts impairment”, setting out a change in the basis of estimation of spare parts impairment, and “Change of year-end”, noting the lack of comparability of the current period with the previous period which lasted 12 months.

### **II – Justification of assessments**

In accordance with the requirements of article L.823-9 of the French Commercial Code relating to the justification of our assessments, we inform you that the assessments we made were related to the appropriateness of the company's accounting policies and significant accounting estimates.

The assessments were thus made in the context of the performance of our audit of the financial statements, taken as a whole, and therefore contributed to the formation of our audit opinion expressed in the first part of this report.

### **III – Specific verifications and information**

We have also performed the specific verifications required by law, in accordance with professional standards applied in France.

We have no matters to report regarding the fair presentation and the conformity with the financial statements of the information given in the Chairman's report and in the documents addressed to the sole shareholder with respect to the financial position and the financial statements.

Neuilly-sur-Seine, 27 May 2016

The Statutory Auditor

Deloitte & Associés

R J Alex Legon

## BALANCE SHEET – ASSETS

(in euro)	Accounting period ended 31 March 2016 (15 months)			31-Dec-14 (12 months)
	GROSS	DEPRECIATION, AMORTIZATION, PROVISIONS	NET	NET
<b>NON-CURRENT ASSETS</b>				
<b>INTANGIBLE ASSETS</b>				
Concessions, patents, licenses, software, and similar rights				
Goodwill	5,858,846		5,858,846	5,858,846
<b>PROPERTY, PLANT AND EQUIPMENT</b>				
Buildings	44,209	11,318	32,891	36,579
Industrial and technical plant	610,557	389,350	221,207	217,057
Other plant and equipment	507,432	268,043	239,389	270,566
PP&E under construction	6,490		6,490	
<b>FINANCIAL ASSETS</b>				
Guarantee deposits	158,665		158,665	155,280
<b>TOTAL</b>	<b>7,186,200</b>	<b>668,711</b>	<b>6,517,488</b>	<b>6,538,329</b>
<b>CURRENT ASSETS</b>				
<b>INVENTORIES AND WORK-IN-PROGRESS</b>				
Bought-in goods	48,278,533	1,331,100	46,947,433	36,040,467
Payments on account – inventories	180,537		180,537	17,579
<b>ACCOUNTS RECEIVABLE</b>				
Trade receivables and related accounts	36,324,196	276,660	36,047,535	16,500,512
Other receivables	88,350,770		88,350,770	64,305,317
<b>OTHER CURRENT ASSETS</b>				
Cash and cash equivalents	1,882,528		1,882,528	2,032,088
Prepayments	378,383		378,383	403,622
<b>TOTAL</b>	<b>175,394,946</b>	<b>1,607,760</b>	<b>173,787,186</b>	<b>119,299,585</b>
Deferred charges				
Bond redemption premiums				
Unrealized foreign exchange losses				
<b>GRAND TOTAL</b>	<b>182,581,146</b>	<b>2,276,471</b>	<b>180,304,675</b>	<b>125,837,913</b>

# BALANCE SHEET – LIABILITIES & SHAREHOLDERS' EQUITY

(in euro)	Accounting period ended 31 March 2016 (15 months)	31-Dec-14 (12 months)
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	3,115,880	3,115,880
Additional paid-in capital	1,086,826	1,086,826
Legal reserve	311,588	311,588
Retained earnings	4,264,369	1,734,990
<b>Net income (loss) for the period</b>	<b>4,268,428</b>	<b>2,529,380</b>
Tax-driven provisions		
<b>TOTAL</b>	<b>13,047,091</b>	<b>8,778,664</b>
<b>PROVISIONS FOR CONTINGENCIES AND LOSSES</b>		
Provisions for contingencies	2,575,819	4,184,738
Provisions for losses	1,290,093	1,184,332
<b>TOTAL</b>	<b>3,865,912</b>	<b>5,369,070</b>
<b>LIABILITIES</b>		
<b>Operating liabilities</b>		
Trade payables and related accounts	91,038,705	66,911,756
Tax and employee-related liabilities	22,542,292	14,312,673
<b>Other liabilities</b>		
Other liabilities	49,308,232	30,175,421
<b>Deferred income and miscellaneous</b>		
Deferred income	502,443	290,330
<b>TOTAL</b>	<b>163,391,672</b>	<b>111,690,180</b>
Unrealized foreign exchange gains		
<b>GRAND TOTAL</b>	<b>180,304,675</b>	<b>125,837,913</b>



# INCOME STATEMENT FOR THE YEAR

(in euro)			Accounting period ended 31 March 2016 (12 months)	31-Dec-14 (12 months)
<b>OPERATING REVENUES</b>	France	Export		
Sales of bought-in goods	775,837,227	154,895,232	930,732,459	541,199,735
Sales of own services	5,062,004	13,031,317	18,093,321	11,769,279
<b>NET SALES</b>	<b>780,899,232</b>	<b>167,926,548</b>	<b>948,825,780</b>	<b>552,969,014</b>
Operating subsidies			5,000	1,542
Reversals of dep'n and provisions, reclassification of expenses			2,334,418	1,479,132
Other revenues			71	
		<b>TOTAL</b>	<b>951,165,269</b>	<b>554,449,687</b>
<b>OPERATING EXPENSES</b>				
Purchases of bought-in goods (including customs duties)			867,850,837	493,122,374
Change in inventories of bought-in goods			-12,079,488	681,940
Other purchases and external charges			69,057,368	42,408,294
Duties and taxes other than corporate income tax			3,624,974	2,734,125
Wages and salaries			6,234,915	4,455,710
Employee welfare contributions and similar charges			3,198,719	2,276,624
Depreciation and amortization			123,069	111,574
Impairment of current assets			1,333,187	118,534
Charges for provisions			631,741	1,758,319
Other charges			33,531	7,790
		<b>TOTAL</b>	<b>940,008,853</b>	<b>547,675,283</b>
<b>NET OPERATING INCOME</b>			<b>11,156,416</b>	<b>6,774,404</b>
Financial income			11,852	51,062
Financial expenses			2,564,780	1,610,789
<b>NET FINANCIAL EXPENSE</b>			<b>-2,552,929</b>	<b>-1,559,727</b>
<b>NET INCOME (LOSS) FROM ORDINARY ACTIVITIES BEFORE TAX</b>			<b>8,603,487</b>	<b>5,214,677</b>
Exceptional income - operating items			18,932	42,879
Exceptional income - capital items			387	160
Exceptional income - reversal of provisions and reclassification of expenses			519,953	69,820
<b>Exceptional income</b>			<b>539,272</b>	<b>112,859</b>
Exceptional charges - operating items			227,040	328,116
Exceptional charges - capital items			24,877	536
Exceptional charges for impairment and provisions			442,614	29,433
<b>Exceptional charges</b>			<b>694,531</b>	<b>358,086</b>
<b>NET EXCEPTIONAL ITEMS</b>			<b>-155,259</b>	<b>-245,227</b>
Statutory employee profit-sharing scheme			672,328	332,796
Corporate income tax			3,507,472	2,107,275
<b>NET INCOME (LOSS) FOR THE PERIOD</b>			<b>4,268,428</b>	<b>2,529,380</b>

## JAGUAR LAND ROVER FRANCE SAS – NOTES TO THE FINANCIAL STATEMENTS FOR 2016

Jaguar Land Rover France SAS was created on 10 November 2008 with share capital of €3,115,880 comprising 311,588 shares with a par value of €10 each.

The following notes apply to the company's financial statements including a balance sheet (before appropriation of net income) as at 31 March 2016 disclosing total assets of €180,304,675 and an income statement for the period disclosing net income of €4,268,428.

The financial year comprised fifteen months (as opposed to twelve the previous year) from 1<sup>st</sup> January 2015 to 31 March 2016.

The financial statements have been authorised for publication by the company's Chairman. The main events of the period have been commented on in the Chairman's Report to shareholders.

The notes and tables hereafter are an integral part of the financial statements for 2016. All amounts are in euro unless otherwise stated.

The main events of the period were as follows:

### 1/ Environment:

With 1,917,000 new cars registered in 2015, the automobile market renewed with growth of 6.8% compared with 2014 (itself stable over 2013 with +0.3%).

The two market segments applicable to Jaguar and Land Rover evolved favourably:

- Jaguar: the market for large luxury sedans increased by 7% over 2014 with 52,063 units. Jaguar achieved 1,530 new car registrations compared to 715 in 2014 (+114%), i.e. a performance significantly above that of the market, mainly generated by the new XE model 911 units of which were registered in 2015. A major development was the launch in March 2016 of Jaguar's first premium/luxury SUV, the F-Pace, expected to represent in excess of 40% of Jaguar's new car registrations in 2016/17;
- Land Rover: the premium/luxury 4x4/SUV market rose by 14.5% to 123,679 units after a rise of 7% in 2014. 11,437 new Land Rovers were registered in 2015, compared with 8,588 in 2014, so a rise of +33% and therefore equally a performance significantly above that of the market. Note that production of the mythical Defender model, 1,961 units of which were registered in 2015, ceased in March 2016.

Over the first quarter of 2016, the growth in the automobile market amounted to +8% compared with 2015; the outlook for 2016 as a whole is positive with an expectation of a total market approaching 2 million new vehicle registrations.

To date, Jaguar Land Rover France SAS has no knowledge of any events liable to compromise the Group's cash pooling arrangements and capacity to ensure adequate financing of its operations.

### 2/ Dividends:

No dividend has been distributed to our shareholder Jaguar Land Rover Automotive PLC.

### 3/ Change of basis of estimation for Jaguar spare parts impairment:

Due to a better information available, an impairment allowance for spare parts obsolescence has been recognised for parts:

- Purchased more than three years previously;
- Not ordered by customers in the last three years;
- Not included in the company's action service or all-time buy references.

### 4/ Change of year-end:

The company's year-end has been changed to 31 March, so the financial year ended 31 March 2016 lasted 15 months. The prior period ended 31 December 2014 lasted 12 months. The exercises are not comparable due to the change in closing date.



## **1. ACCOUNTING POLICIES**

The financial statements for the period ended 31 March 2016 have been prepared in accordance with French regulation ANC n° 2014-03 and with French generally accepted accounting principles.

The following accounting conventions have been applied:

- Going concern (cf. above);
- Consistency of accounting policies;
- Accrual basis.

Unless otherwise stated, the historical cost basis of valuation has also been applied.

The company's main accounting policies are as follows:

### **a/ Intangible assets and property, plant and equipment**

#### **a1. Intangible assets**

- . Intangible assets are recorded at acquisition cost.
- . Goodwill is not amortised but is subject to impairment depending on the economic environment
- . Computer software is amortised on a straight-line basis over five years.

#### **a2. Property, plant and equipment**

Property, plant and equipment are recorded at historical cost and depreciated on a straight-line basis using the following estimated useful lives:

- |                           |                |
|---------------------------|----------------|
| - Fixtures and fittings   | 10 to 20 years |
| - Equipment and tools     | 8 to 10 years  |
| - Technical installations | 1 to 3 years   |
| - Furniture               | 1 to 10 years  |

### **b/ Non-current financial assets**

Non-current financial assets comprise guarantee deposits, in particular for the company's leasehold premises in Colombes, and do not require the recognition of any impairment.

### **c/ Inventories**

Spare part inventories are measured at average cost. Impairment allowances are recognised when the estimated net realisable value is below cost (e.g. for slow-moving items based on recent sales or consumption). In particular, impairment is recognised for parts without movement over the past three years, with the exception of the company's action service or all-time buy references, as well as for parts subject at the year-end to very slow rotation.

Vehicles are measured on the basis of individual historical cost. Impairment allowances are recognised when the estimated net realisable value is below cost.

### **d/ Receivables and payables**

Trade receivables are measured on the basis of the applicable invoice amounts less any impairment based on the legal and financial appraisal of debtors as at the balance sheet date.

Receivables and payables are recognised inclusive of the applicable taxes.

Vehicles are billed to dealers when they leave the UK factory. Direct sales are billed on delivery. Spare parts despatched are billed at the end of each week.

### **e/ Sales incentive programmes**

The cost of sales incentive programmes is deducted from the applicable sales and accrued as appropriate. Occasionally, incentives may be decided on subsequent to sale (e.g. in the case of retail programmes designed to clear dealer inventories), in which case appropriate provision is made at the time of the decision. The corresponding liabilities are recognised as part of other liabilities.

#### **f/ Factoring**

Receivables arising from sales of vehicles to dealers are transferred on a daily basis to FCA France which is responsible for collection and assumes the applicable risks.

Receivables arising from sales of vehicles to public authorities and (in part) dealers in French overseas territories are transferred on a daily basis to Factocic which is responsible for collection and assumes the applicable risks up to a predefined contractual limit.

Receivables arising from sales of spare parts are transferred on a weekly basis to Factocic which is responsible for collection and assumes the applicable risks up to a predefined contractual limit.

#### **g/ Post-employment and long-service benefits**

Post-employment and long-service benefits are provided for over employees' expected working lives and recognised as part of provisions for contingencies.

The main actuarial assumptions applicable to post-employment benefits are as follows:

- Discount rate of 2%;
- Annual salary increases of 3%;
- Long-term inflation of 2% per annum;
- Mortality per the INSEE table for 2007-2009;
- Retirement at 65 for all managers and for employees/technicians born since 1967, and at 62 for employees/technicians born before 1967;
- Retirement assumed to be voluntary;
- Social contribution loading factors of 49.7% for senior executives, 49.9% for other managers and 50% for employees/technicians;
- Use of the projected unit credit method reflecting past service;
- Staff turnover rates by age band as follows and respectively for managerial/non-managerial personnel: 18-24 (18%, 10%), 25-29 (13%, 6%), 30-34 (9%, 4%), 35-39 (6%, 2%), 40-44 (3%, 1%), 45-49 (1%, 0.5%), and 50-65 (0%, 0%);
- Collective bargaining agreement applicable to the metallurgy industry.

#### **h/ Product warranty**

No warranty is provided for by Jaguar Land Rover France SAS since all warranty costs for vehicles and spare parts are borne by Jaguar Cars Limited and Land Rover Limited in the UK.

Dealers receive warranty credits from Jaguar Land Rover France SAS based on the amounts granted by Jaguar Land Rover Limited (UK). In parallel, Jaguar Land Rover France SAS recognises credits from its parent company net of its margin on the original sale of parts to the dealers.

#### **i/ Transactions denominated in foreign currencies**

Income and expenses denominated in foreign currencies are recognised at the exchange rates prevailing on the transaction dates. Receivables and payables are adjusted to the applicable closing rates at the year-end. Unrealised losses are charged to profit or loss.



## **ADDITIONAL INFORMATION IN RESPECT OF THE BALANCE SHEET**

### **SHARE CAPITAL AND RESERVES**

#### **2. Share capital**

The company's opening and closing share capital comprised 311,588 shares with a par value of €10 each.

#### **3. Statement of changes in equity**

	<b>31/03/2016</b>
Opening equity at 1st January 2015	
- Share capital	3.115.880
- Share premium	1.086.826
- Legal reserve (after appropriation of net income for 2014)	311.588
- Retained profits (after appropriation of net income for 2014)	4.264.369
Net income for the year	4.268.428
<b>Closing equity at 31 March 2016</b>	<b>13.047.091</b>

### **PROVISIONS**

#### **4. Breakdown of provisions**

	<b>Tax-driven provisions</b>	<b>Provisions for contingencies and losses</b>	<b>Impairment allowances</b>	<b>Total</b>
Opening balance		5 369 070	410 019	5 779 089
Charges for the period		1 074 355	1 333 187	2 407 542
Reversals for the period		-2 577 513	-135 446	-2 712 959
<b>Closing balance</b>		<b>3 865 912</b>	<b>1 607 760</b>	<b>5 473 672</b>

##### **4.1 Tax-driven provisions**

None

##### **4.2 Provisions for contingencies and losses**

The provision of €3,865,912 comprised:

- €1,128,042 for standard returns of spare parts;
- €1,202,580 for litigation;
- € 245,197 for maintenance commitments in respect of vehicles sold;
- €1,290,093 for post-employment and similar obligations.

The €1,074,355 of charges for the period mainly comprised:

- € 36,941 for standard returns of spare parts;
- €923,230 of payments under litigation;
- €114,185 for post-employment and similar obligations.

The €2,577,513 of reversals for the period mainly comprised:

- € 751,169 relating to standard returns of spare parts (including €73,513 of surplus provision);
- €1,817,921 relating to litigation (including €1,074,400 of surplus provision);
- € 8,424 relating to post-employment and similar obligations (all equating with actual use).

### **4.3 Impairment allowances**

The total of €1,607,760 as at 31 March 2016 comprised:

- €1,331,100 in respect of inventories;
- € 276,660 in respect of trade receivables.

The €1,333,187 of charges for the period mainly comprised:

- €1,317,908 for spare parts including €1,218,853 in respect of second-hand vehicles;
- € 15,279 for trade receivables.

The €135,446 of reversals for the period mainly comprised:

- €101,931 for spare parts including €58,365 in respect of second-hand vehicles;
- € 33,515 for trade receivables.

## **NON-CURRENT ASSETS**

### **5. Breakdown of non-current assets**

	<b>Intangible assets</b>	<b>Tangible assets</b>	<b>Financial assets</b>	<b>Total</b>
Gross opening balance	5,872,247	1,148,609	155,280	7,176,136
Additions		121,649	3,385	125,035
Disposals	-13,401	-108,061		-121,461
Assets under construction		6,490		6,490
<b>Gross closing balance</b>	<b>5,858,846</b>	<b>1,168,688</b>	<b>158,665</b>	<b>7,186,200</b>

### **6. Depreciation and amortisation**

#### **a) For accounting purposes**

	<b>Intangible assets</b>	<b>Tangible assets</b>	<b>Financial assets</b>	<b>Total</b>
Opening balance	13,401	624,407		637,807
Straight-line charges		123,216		123,216
Eliminated for disposals	-13,401	-78,911		-92,312
<b>Closing balance</b>	<b>0</b>	<b>668,711</b>		<b>668,711</b>

#### **b) Tax-driven amounts**

None

## **PROPERTY, PLANT AND EQUIPMENT**

### **7. Measurement and depreciation**

Gross property, plant and equipment are measured at acquisition cost inclusive of directly attributable expenditure with the exception of borrowing costs.

Items contributed when the company was created have been recognised as second-hand.

Depreciation is charged on a straight-line basis.

## NON-CURRENT FINANCIAL ASSETS

### 8. Guarantee deposits

Jaguar Land Rover France does not hold any long-term investments. The total €158,665 of non-current financial assets comprises guarantee deposits.

## CURRENT ASSETS

### 9. Measurement of receivables and payables

Impairment allowances have been recognised against non-factored receivables to take account of any individual problems of recovery at the balance sheet date.

### 10. Breakdown of inventories

	Gross amount	Impairment	Net amount	Net N-1
<b>Goods purchased for resale:</b>				
- New vehicles	19,438,269		19,438,269	10,708,901
- Company vehicles	9,567,977	99,054	9,468,923	8,610,931
- Second-hand vehicles	138,893	11,441	127,452	16,292
	29,145,139	110,495	29,034,643	19,336,124
- Spare parts and accessories	18,809,385	1,213,963	17,595,422	16,078,548
- Advertising materials etc.	324,009	6,642	317,367	625,795
<b>Total inventories</b>	<b>48,278,533</b>	<b>1,331,100</b>	<b>46,947,433</b>	<b>36,040,467</b>

### 11. Breakdown of receivables and payables by maturity

	Gross amount	≤ 1 year	> 1 year and ≤ 5 years	> 5 years
<b>A) RECEIVABLES</b>				
Non-current assets:				
- Guarantee deposits	158,665		158,665	
Current assets:				
- Trade receivables	36,324,196	36,324,196		
- Other receivables	88,350,770	88,350,770		
- Prepaid expenses	378,383	378,383		
<b>Total receivables</b>	<b>125,212,014</b>	<b>125,053,349</b>	<b>158,665</b>	
<b>B) PAYABLES</b>				
Trade payables	91,038,705	91,038,705		
Tax and payroll liabilities	22,542,292	22,542,292		
Other liabilities	49,308,232	49,308,232		
Deferred revenue	502,443	502,443		
<b>Total payables</b>	<b>163,391,672</b>	<b>163,391,672</b>		

## 12. Details of accrued expenses and accrued income

	2016	2014
<b>A) RECEIVABLES</b>		
- Valued added tax	7 343 648	5 461 589
- Retentions by Factocic	0	393 761
- Factocic current account	2 129 822	1 602 347
- Group cash pooling balance	76 875 894	52 851 173
- Taxes		
- Miscellaneous items	279 062	4 589
- Miscellaneous suppliers	1 722 344	3 991 858
<b>Total</b>	<b>88 350 770</b>	<b>64 305 317</b>

<b>B) PAYABLES</b>		
- Amounts due to customers	377 947	239 492
- Related company balance	297 805	137 386
- Customer rebates payable	48 632 480	29 798 543
<b>Total</b>	<b>49 308 232</b>	<b>30 175 421</b>

	2016	2014
<b>A) ACCRUED EXPENSES</b>		
<b>I. TRADE PAYABLES</b>		
1. Accrued invoices - 3rd party suppliers	5 784 836	3 845 898
2. Accrued invoices - Group suppliers	6 500 977	3 049 510
<b>II. OTHER PAYABLES</b>		
1. Credit notes payable to 3rd party customers	49 010 427	29 793 240
2. Credit notes payable to group customer	297 805	
<b>III. TAX AND PAYROLL LIABILITIES</b>		
1. Accrued holiday pay	503 030	407 365
2. Accrued profit-sharing bonus	671 544	337 509
3. Other payroll benefit accruals	134 289	85 006
4. Social contributions - accrued holiday pay	248 535	206 547
5. Other accrued social contributions	355 636	218 771
6. Accrued Organic sales tax	1 523 558	888 534
7. Accrued works committee funding		
8. Accrued apprenticeship tax	8 050	29 434
9. Accrued housing levy	27 237	20 080
10. Accrued training levy	11 881	36 398
11. Accrued advertising tax	19 051	12 101
12. Accrued TVTS tax	181 200	94 260
13. Accrued eco-contribution	27 861	22 498
14. Accrued CVAE and CFE taxes	111 286	22 158
15. Miscellaneous accrued taxes		4 320



**B) ACCRUED INCOME**

	<u>2016</u>	<u>2014</u>
<b>I. TRADE RECEIVABLES</b>		
1. Accrued 3rd party income	2 148 450	454 522
2. Accrued intragroup income	0	466 062

**ADJUSTMENT ACCOUNTS****13. Prepaid expenses and deferred income**

Prepaid expenses of €378,383 wholly comprised operating items including €87,952 of marketing expenses, €247,597 of rent and €42,834 of miscellaneous expenses.

Deferred income of €502,443 wholly comprised operating items namely in the form of marketing income.

**14. Directors' remuneration**

a) The Chairman of Jaguar Land Rover France SAS is not an employee of the company and so received no remuneration from Jaguar Land Rover France SAS.

b) As required by the French code of commercial law, no advances or loans have been made to executives of the company.

**15. Cash and cash equivalents**

Cash and cash equivalents amounted to €1,882,527 on the basis of their nominal amounts. No foreign currency liquidities exist.

**RELATED PARTIES****16. Related party receivables**

Related party receivables amounted to €89,225,065 including €10,626,827 of trade receivables and €78,598,238 of other receivables.

By "related parties" are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions. They do not include our dealer network since our dealers are not consolidated by our Group.

Jaguar Land Rover France SAS has a cash pooling agreement with other Group companies all of which provide funds to Land Rover UK. There is no risk of non-recovery. As at 31 March 2016 Jaguar Land Rover France SAS had a cash pooling balance of €76,875,336 in its favour.

Jaguar Land Rover France SAS has not undertaken any material related party transaction at other than arm's length conditions.

**17. Related party payables**

Related party payables amounted to €82,939,000 including €82,641,195 of trade payables (of which €6,500,977 of accruals) and €297,805 of other payables (credit notes payable).

By "related parties" are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions. They do not include our dealer network since our dealers are not consolidated by our Group.

Jaguar Land Rover France SAS has not undertaken any material related party transaction at other than arm's length conditions.

## **ADDITIONAL INFORMATION IN RESPECT OF THE INCOME STATEMENT**

### **18. Breakdown of net sales by activity**

	2016	2014
- Vehicles	715,190,612	398,754,650
- Spare parts	62,592,110	45,590,474
- Services	5,625,500	2,856,555
<b>Total France</b>	<b>783,408,222</b>	<b>447,201,679</b>
- Vehicles	14,670,763	11,257,026
- Spare parts	137,715,478	85,675,409
- Services	13,031,317	8,834,900
<b>Total Export</b>	<b>165,417,558</b>	<b>105,767,335</b>
<b>Grand total</b>	<b>948,825,780</b>	<b>552,969,014</b>

### **19 Financial income and expense involving related parties**

The company had no financial expense involving related parties in either 2016 or 2014. It received €11,270 of related party financial income in 2016 and €46,874 in 2014.

### **20. Exceptional income and expense**

	Expense	Income
Provisions for contingencies and losses (payroll costs)	442,614	519,953
Costs of litigation	172,160	
Vehicle late delivery penalties	2,223	
Miscellaneous items	52,656	19,319
Carrying amount of assets disposed of	24,877	
<b>Total</b>	<b>694,531</b>	<b>539,272</b>

### **21. Reclassification of expenses**

Compensation for spare parts damaged in transit	79,071
Compensation for damaged vehicles	62,342
<b>Total</b>	<b>141,413</b>

### **22. Breakdown of average employees**

	2016	2014
Employees:		
- Managers	55	49
- Employees and technicians	4	5
- Apprentices		2
<b>Total</b>	<b>59</b>	<b>56</b>

Average employees have been computed on the basis of headcount at the end of each month (rounded upwards).

### **23. Corporate income tax**

The corporate income tax charge amounted to €3,507,472 breaking down as follows:

	Total	Current items	Exceptional items
- Basic rate corporate income tax	3,125,916	3,177,669	-51,753
- Social surcharge	77,976	79,684	-1,708
- Exceptional surcharge	334,473	340,011	-5,538
Sub-total	3,538,365	3,597,364	-58,999
- Competitiveness tax credit	-28,980	-28,980	
- Family tax credit	-1,913	-1,913	
Sub-total	-30,893	-30,893	
<b>Total</b>	<b>3,507,472</b>	<b>3,566,471</b>	<b>-58,999</b>

Competitiveness tax credit was also received in 2014.

### **24. Secured liabilities (nil)**

### **25. Third party contingent assets and liabilities not including finance lease obligations**

#### **a) Commitments given**

Commitments towards:

- Colombes landlord	2,901,263
- Suppliers	6,880,691

<b>Total</b>	<b>9,781,953</b>
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#### **b) Commitments received**

Guarantees provided by dealers and authorised repairers	23,368,938
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<b>Total</b>	<b>23,368,938</b>
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By “related parties” are meant all Jaguar and Land Rover entities with which Jaguar Land Rover France SAS concludes transactions.

### **26. Finance lease obligations**

The company is not a party to any finance leases.

### **27. Deferred tax**

The company’s deferred tax position was as follows:

	Assets/ (liabilities) at 1/1/2015	Income/ (expense) for the year	Impact of tax rate changes	Assets/ (liabilities) at 31/3/2016
Temporary differences	1,023,609	435,281	5,948	1,464,838
<b>Total</b>	<b>1,023,609</b>	<b>435,281</b>	<b>5,948</b>	<b>1,464,838</b>

The applicable effective tax rates amounted to 37.7315% at 31 March 2016 and 37.5135% at the end of 2014.

### **28. Events after the reporting date (none)**

### **29. Impact of tax-driven items**

None

### **30. Identity of the consolidating entity**

The financial statements of Jaguar Land Rover France SAS are fully consolidated by Jaguar Land Rover Automotive Plc, registered under N° 06477691 and located in Banbury Road, Gaydon, Warwickshire, CV35 0RG, UK.