Financial Statements Force India Formula One Team Limited

For the Year ended 31 December 2008

Company No. 02417588

Officers and professional advisers

Company registration number	02417588
Registered office	Force India Formula One Team Dadford Road Silverstone Northamptonshire NN12 8TJ
Directors	Dr Vijay Mallya Michiel Mol A K Ravindranath Nedungadi T V Lakshmi Kanthan
Secretary	Sankaranarayanan Ramamurthy
Bankers	Fortis Bank Bank House 18 Cherry Street Birmingham B2 5AL Investec Bank 2 Gresham Street London EC2V 7QP
Solicitors	Fladgate LLP 25 North Row London W1K 6DJ Travers Smith LLP 10 Snow Hill London EC1A 2AL
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor Grant Thornton House 202 Silbury Boulevard Central Milton Keynes MK9 1LW

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2008

Results and dividends

The loss for the period after taxation amounted to £33,403,000 (2007 £12,496,000) The directors do not recommend the payment of a dividend (2007 £nil)

Principal activities and review of the business

The principal activity of the company during the year continued to be the operation of a Formula 1 team

The results for the year under review reflect a period of transition following the acquisition by Orange India Holdings Sarl in October 2007 On 31 October 2007 the company changed its name from Spyker F1 Team Limited to Force India Formula One Team Limited

Under the new management, the Team continued to restructure its internal operations and aerodynamic capabilities The Team is currently progressing towards 24/7 wind tunnel operations for 2010 season Force India further built on its technical partnerships with McLaren Applied Technologies and Mercedes-Benz High Performance Engines resulting in significant success during the 2009 season This resulted in Force India finishing in 9th position in the Formula One Constructors Championship, the best performance since 2003 when the team was owned by Jordan

During 2009 Force India became the 8th fastest team, the second most improved team in the second half of 2009, behind only to McLaren The level of improvement by Force India was further evidenced by the podium position achieved at the Belgium Grand Prix in Spa, with the fastest lap achieved at the Italian Grand Prix in Monza Force India achieved six Q3 qualifying performances and ten Q2 qualifying performances during 2009 The team achieved a Q2 qualifying position 75% of the time during the season, with an average qualifying position of 15th/16th in 2009 when compared to 19th/20th in 2008

The directors believe that there are good prospects for 2010 season and beyond for the team based on its success during 2009 The Team continues its development programs and opportunities based on the success during 2009 Season Force India further strengthened its partnership program, with the introduction of a three-year deal with Computational Research Laboratories (CRL), to enhance the design capabilities of the Team's next generation race cars as well improving the aerodynamic efficiencies This partnership accelerates the teams computational simulations to yield better on-track results, and enable Force India to reduce its design cycle times, improving its chances of a strong result

From January 2010 FOTA introduced the Resources Restriction Agreement in place with all teams, new and existing, agreeing upon reduced operational costs from 2010 season Force India currently operates below the restricted levels, and feels confident that given their experience in operating within such constraints, the Team is best placed to align its business to these operational levels going forward

The company continues to build on the team successes of 2009, with clear vision and ambitions for podium finishes before the proposed Indian Grand Prix in 2011 The sponsorship markets within the Far East sector appears to be more buoyant, with many more interested sponsors than there have been during the previous 12 months Force India is aiming to translate the success of the 2009 season, and believes that there are more financial and on-track opportunities for the team

The directors continue to work to do everything necessary to ensure the future and long-term success of the Team, its staff, suppliers and customers

Report of the directors (continued)

Directors

The directors who served the company during the period were as follows

Richard Borsboom (resigned 19 March 2009)
Dr Colin Kolles (resigned 31 October 2009)
Michiel Mol

Dr Vijay Mallya was appointed director on 2 November 2009
A K Ravindranath Nedungadi was appointed director on 2 November 2009
T V Lakshmi Kanthan was appointed director on 9 January 2009

Sankaranarayanan Ramamurthy was appointed company secretary on 2 November 2009

Going concern

The accounts have been prepared on the going concern basis as it is anticipated that the owners will continue to support the operation of the company as a Formula 1 team for the foreseeable future

Principal risks and uncertainties

Running a Formula 1 team results in a number of specific risks and uncertainties Such risks and uncertainties include the fluctuation in revenue caused by the availability of major sponsors and the prize fund for distribution from Formula One Management between the various teams Coupled with this is the need to produce rule compliant and competitive cars, plus operate the team throughout the season, which requires significant investment Accordingly this can cause cash flow issues if sufficient revenue is not obtained This is managed through the active pursuit of all revenue opportunities underpinned by the support of the ultimate parent undertaking

Financial risk management objectives and policies

The company uses various financial instruments which include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below The main risks arising from the company's financial instruments are interest rate risk, credit risk and liquidity risk The directors review and agree policies for managing each of these risks These policies have remained unchanged from previous years

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and for future investment

The company finances its operations through a mixture of bank borrowings and inter-company loans The company is exposed to interest rate fluctuations on the bank borrowings Interest costs are routinely reviewed and available options assessed in order to manage the risk

The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk

Report of the directors (continued)

Research and development

The company continues its programme of research and development at the forefront of the automotive and aerodynamic fields We will invest in our own chassis to stay a constructor in the Formula 1 competition

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees

Employee involvement

The company maintains a policy of regularly providing all employees with information of the company's performance

Creditor payment policy

The company takes its opportunity to be an excellent business partner and in that perspective the company has the policy to keep in close contact with all partners and arrange payments schedules with all of them individually

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Report of the directors (continued)

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985

ON BEHALF OF THE BOARD

T V Lakshmi Kanthan
Director

23 February 2010

Grant Thornton

Report of the independent auditor to the members of Force India Formula One Team Limited

We have audited the financial statements of Force India Formula One Team Limited for the year ended 31 December 2008 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 20 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements This other information comprises only the Report of the Directors We consider the implications for our report it we become aware of any apparent misstatements or material inconsistencies with the financial statements Our responsibilities doe not extend to any other information

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Grant Thornton

Report of the independent auditor to the members of Force India Formula One Team Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of the company's loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Emphasis of matter

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in the accounting policies relating to the company's ability to continue as a going concern The company incurred a net loss of £33,403,000 during the year ended 31 December 2008 (2007 net loss of £12,496,000) and, at that date, the company's net current liabilities were £9,166,000 These conditions indicate that the continued support of the company's ultimate parent, Orange India Holdings Sarl is necessary if the business is to continue as a going concern Orange India Holdings Sarl is in turn dependant open continued financial support from its owners Orange India Holdings Sarl has confirmed that it will continue to provide financial support to the company However, the lack of publicly available information about these entities gives rise to a material uncertainty as to whether financial support is available and will be provided to Orange India Holdings which, in turn, is provided to this company This may cast significant doubt about the company's ability to continue as a going concern The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern

Grant Thornton UK LLP

GRANT THORNTON UK LLP
Registered Auditor
Central Milton Keynes

25 February 2010

Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards The particular accounting policies adopted are described below and remain unchanged from the previous period, except for the policy in respect of financial instruments

Going concern

The financial statements are prepared on a going concern basis, which assumes that the company will continue to operate for the foreseeable future

The company is dependent on expected and existing sponsorship contracts and TV revenues from Formula One Management ("FOM") The appropriateness of the going concern basis is dependent upon the company securing sufficient levels of sponsorship, or alternative sources of finance, to allow it to continue to operate

Orange India Holdings Sarl has confirmed that it will provide the company with sufficient funds to enable the company to meet its liabilities as they fall due for a period of at least 12 months from the date of signature of these financial statements Accordingly the directors consider it appropriate to prepare the financial statements on the going concern basis The financial statements do not include any adjustments that would result from this going concern basis of preparation being inappropriate

Cash flow statement

As the company is a wholly owned subsidiary of a parent company which produces consolidated financial statements in which the company is included and which are publicly available the company has taken advantage of the exemption in Financial Reporting Standard 1 not to prepare a cash flow statement

Turnover

Turnover represents the amounts (excluding value added tax) derived from sponsorship and promotional income, prize money and bonus payments Turnover is included on an invoiced basis apportioned to the relevant race season

Barter transactions

Where sponsorship is paid for by the provision of goods or services, turnover and costs are recognised in the financial statements where the market value of the goods or services may be readily ascertained Where a value cannot be readily ascertained, neither turnover nor costs are recognised

Research and development expenditure

Development costs are written off against profits in the year in which they are incurred

Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses Such cost includes costs directly attributable to making the asset capable of operating as intended Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal installments over their estimated useful economic lives as follows

Freehold buildings	2% per annum
Leasehold land and buildings	life of lease
Leasehold improvements	4-20% per annum reducing balance
Plant and equipment	10-30% per annum reducing balance
Road vehicles	20% per annum reducing balance
Computer equipment	4 years

Freehold land is not depreciated

Leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the balance sheet The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term Lease incentives are recognised over the shorter of the lease term and the date of the next rent review

Stocks

Stocks are stated at the lower of cost and net realisable value

Pension costs

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the company in an independently administered fund The amount charged against profit represents the contributions payable to the scheme in respect of the accounting year

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Accounting policies (continued)

Financial instruments

Derivative instruments utilised by the company are forward exchange contracts The company does not enter into speculative derivative contracts All such instruments are used for hedging purposes to alter the risk profile of an existing underlying exposure of the company in line with the company's risk management polices

In accordance with FRS 25 the loans from Orange India Holdings Sarl, the ultimate parent undertaking, are shown as compound financial instruments In line with the standard the equity element of this loan is presented as equity within "Other reserves"

A prior year adjustment has been made to correct the treatment of the Orange India Holdings Sarl loans, noted above In the year ended December 2007 the adjustment has reduced net liabilities by £48,000,000 and increased equity by the same amount This prior year adjustment has no effect on the profit before tax for the year ended 31 December 2007 or 31 December 2008

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Profit and loss account

	Note	2008 £000	2007 £000
Turnover	1	**37,023**	29,079
Cost of sales		**(60,126)**	(32,213)
Gross loss		**(23,103)**	(3,134)
Administrative expenses		**(9,427)**	(7,666)
Operating loss	2	**(32,530)**	(10,800)
Interest receivable		**120**	-
Interest payable and similar charges	5	**(993)**	(1,696)
Loss on ordinary activities before taxation		**(33,403)**	(12,496)
Tax on loss on ordinary activities	6	**-**	-
Loss for the financial year	16	**(33,403)**	(12,496)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The accompanying accounting policies and notes form part of these financial statements.

Balance sheet

	Note	2008 £000	2007 £000 (restated)
Fixed assets			
Tangible assets	7	**11,886**	11,188
Current assets			
Stocks	8	**688**	116
Debtors	9	**10,962**	6,181
Cash at bank		**6,922**	509
		18,572	6,806
Creditors. amounts falling due within one year	10	**(27,738)**	(13,831)
Net current liabilities		**(9,166)**	(7,025)
Total assets less current liabilities		**2,720**	4,163
Creditors amounts falling due after more than one year	11	**(7,550)**	(3,195)
		(4,830)	968
Capital and reserves			
Called up share capital	15	**10**	10
Other reserves	16	**75,605**	48,000
Profit and loss account	16	**(80,445)**	(47,042)
Shareholders' funds		**(4,830)**	968

These financial statements were approved by the directors and authorised for issue on 23 February 2010, and are signed on their behalf by

T V Lakshmi Kanthan
Director

Notes to the financial statements

1 Turnover

Turnover and loss on ordinary activities were derived from the principal activity of the company All turnover arose in the UK and relates to continuing activities

Turnover includes barter transactions amounting to £127,000 (2007 £190,000)

2 Operating loss

Operating loss is stated after charging/(crediting)

	2008 £000	2007 £000
Depreciation of fixed assets - owned	**1,763**	1,323
Depreciation of fixed assets - leased	**365**	398
Hire of plant and machinery	**531**	85
Research and development expenditure	**17,913**	19,223
Write off of amounts due to group undertakings	**-**	(13,101)
Auditors' remuneration		
- Audit of financial statements	**25**	25
- Other services relating to taxation	**2**	2
Net gain on foreign currency translation	**(1,385)**	(561)

During the year amounts due to entities previously deemed as group undertakings of £nil (2007 £13,101,000) were forgiven These amounts were credited to cost of sales

3 Employee remuneration

	2008 £000	2007 £000
Wages and salaries	**10,015**	7,855
Social security costs	**1,090**	911
Pension costs	**372**	250
	11,477	9,016

The average number of persons employed by the company (including directors) during the year was as follows

	2008 £000	2007 £000
Production	**80**	88
Design	**120**	83
Race team and testing	**48**	43
Administration	**40**	40
	288	254

4 Directors

Remuneration in respect of directors was as follow

	2008 £000	2007 £000
Emoluments	**71**	41

Emoluments of highest paid director

	2008 £000	2007 £000
Total emoluments (excluding pension contributions)	**71**	41

No directors accrued benefits under company pension schemes (2007 none)

5 Interest payable and similar charges

	2008 £000	2007 £000
Interest payable on bank borrowings	**737**	844
Interest on inter-company loans and other loans	**-**	618
Finance lease and hire purchase interest	**149**	234
Other similar charges payable	**107**	-
	993	1,696

6 Taxation

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28 5% (2007 30%)

The differences are explained as follows

	2008 £000	2007 £000
Loss on ordinary activities before taxation	**(33,403)**	(12,496)
Loss on ordinary activities by rate of tax	**(9,520)**	(3,748)
Expenses not deductible for tax purposes	**2,189**	875
Depreciation in excess of capital allowances	**1,291**	516
Enhance R&D qualifying expenditure	**(1,782)**	(712)
Unrelieved tax losses	**7,822**	3,069
Total current tax	**-**	-

The company has unprovided deferred tax assets of approximately £21 2m (2007 £13 4m) relating to trading losses that are available for carry forward against future trading profits Given the uncertainty as to the company's ability to utilise these losses the directors have not recognised any related deferred tax asset

7 Tangible fixed assets

	Freehold land & buildings £000	Plant, equipment, fixtures and road vehicles £000	Computer equipment £000	Total £000
Cost				
At 1 January 2008	6,853	12,834	5,478	25,165
Additions	654	1,425	747	2,826
At 31 December 2008	7,507	14,259	6,225	27,991
Depreciation				
At 1 January 2008	2,797	6,510	4,670	13,977
Charge for the period	279	1,444	405	2,128
At 31 December 2008	3,076	7,954	5,075	16,105
Net book value				
At 31 December 2008	**4,431**	**6,305**	**1,150**	**11,886**
At 31 December 2007	4,056	6,324	808	11,188

Included within the net book value of £11,886,000 is £1,533,000 (2007 £1,898,000) relating to assets held under finance leases and hire purchase agreements The depreciation charged to the financial statements in the period in respect of such assets amounted to £365,000 (2007 £398,000)

Freehold land and buildings includes £2,062,000 (2007 £2,062,000) of land which is not depreciated

8 Stocks

	2008 £000	2007 £000
Spares and parts	**688**	116

9 Debtors

	2008 £000	2007 £000
Trade debtors	**569**	459
Other debtors	**460**	3,084
Prepayments and accrued income	**9,933**	2,638
	10,962	6,181

10 Creditors: amounts falling due within one year

	2008 £000	2007 £000
Bank loans	**8,714**	-
Trade creditors	**7,029**	5,313
Other taxation and social security	**2,128**	2,689
Amounts due under finance leases	**317**	363
Other creditors	**2,226**	842
Accruals and deferred income	**7,324**	4,624
	27,738	13,831

11 Creditors: amounts falling due after more than one year

	2008 £000	(restated) 2007 £000
Amounts due under finance leases	**1,326**	1,647
Other creditors	**-**	1,548
Banks loans	**6,224**	-
	7,550	3,195

The bank loans are guaranteed by Watson Limited and personally guaranteed by Dr Vijay Mallya

The bank loans are secured against the company's freehold property Interest is charged on the bank loans at a margin of 3% above the prevailing LIBOR rate

12 Capital commitments

Future capital commitments are repayable as follows

	2008 £	2007 £
Amounts payable within 1 year	**8,714**	-
Amounts payable between 1 and 2 years	**6,224**	-
	14,938	-

13 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements net of future finance lease charges are as follows

	2008 £000	2007 £000
Finance leases and hire purchase agreements are analysed as follows		
Due within 1 year	**426**	468
Due within 2 - 5 years	**1,543**	1,827
Due in more than 5 years	**-**	309
	1,969	2,604
Less finance charges allocated to future period	**(326)**	(593)
	1,643	2,011

14 Commitments under operating leases

The annual commitments under non-cancellable operating leases are as follows

	2008		2007	
	Land and buildings £000	**Other £000**	Land and buildings £000	Other £000
Leases which expire				
Within one year	**2,967**	**52**	-	42
Within two to five years	**60**	**-**	-	-
	3,027	**52**	-	42

15 Share capital

	2008 £000	2007 £000
Authorised		
10,000 ordinary shares of £1 each	**10**	10
Allotted and called up		
10,000 ordinary shares of £1 each	**10**	10

16 Reconciliation of movements in shareholders' funds

	Share Capital	Other reserves	Profit and Loss account	Total
	£000	£000	£000	£000
As at 1 January 2008 (before adjustment)	10	-	(47,042)	(47,032)
Effect of prior year adjustment		48,000	-	48,000
Adjusted 1 January 2008 Balance	10	48,000	(47,042)	968
Loss for the financial year	-	-	(33,403)	(33,403)
Increase in equity component of financial instrument	-	27,605	-	27,605
As at 31 December 2008	10	75,605	(80,445)	(4,830)

17 Pensions

The company contributed to defined contribution schemes for the benefit of some employees The assets of the scheme are administered by trustees in funds independent from those of the company Contributions paid during the year amounted to £291,000 (2007 250,000)

18 Related party transactions

Kodewa GmbH & Co is a company in which Dr C Kolles, who served as a director in the year, may be considered interested During the year invoices were raised from Kodewa GmbH & Co totalling £191,000 (2007 £644,000) in respect of the services of Dr C Kolles and recharges from Kodewa of expenses incurred on behalf of the company

During the year, the company received sponsorship income of £2,526,475 from Kingfisher Airlines Limited The company also charged £266,173 to Kingfisher Airlines Limited in respect of other services At 31 December 2008 £nil (2007 £nil) was due to the company from Kingfisher Airlines Limited

During the year, the company received sponsorship income of £1,000,000 from Whyte & Mackay Limited The company also charged £11,202 to Whyte & Mackay Limited in respect of other management services At 31 December 2008 £11,202 (2007 £nil) was due to the company from Whyte & Mackay Limited

During the year, the company charged £69,605 to United Spirits Limited in respect of other management services At 31 December 2008 £13,000 (2007 £nil) was due to the company from United Spirits Limited

The companies listed above are related to Force India Formula One Limited by virtue of common directorships

19 Ultimate controlling party

The ultimate parent undertaking and controlling party is Orange India Holdings Sarl, a company incorporated in Luxembourg

20 Contingent liabilities

The company has received certain invoices for commission from Kodewa GmbH & Co, a company in which Dr C Kolles, a director, may be considered interested The total value of the invoices is US$578,310 and €834,447 Payment of these invoices is disputed by the company because the board have been informed by the previous owner of the company, Spyker Cars N V and a previous director of the company that the company had no agreement to pay Kodewa GmbH & Co the amounts claimed in the invoices at the time they are alleged to have been earned Spyker Cars N V has given an indemnity in respect of losses incurred by the company if a claim is brought in relation to these invoices Further, the claim has been novated by Kodewa GmbH & Co to Spyker Cars N V No amounts have been provided in the financial statements in relation to these invoices