

Jaguar Racing Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 09983877

For the year ended 31 March 2021

Directors and Advisors

Directors

K. J. Benjamin
B. J. Carsley (resigned on 9 June 2021)
M. Cox (appointed on 9 June 2021)
G. E. Mauser
N. M. Rogers
T.Y.H. Bollore (appointed on 10 September 2020)
Prof. Sir R. D. Speth (resigned on 10 September 2020)

Company Secretary

H. S. Cairns

Registered office

Abbey Road
Whitley
Coventry
CV3 4LF
United Kingdom

Auditor

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

CONTENTS

DIRECTORS' REPORT	4
STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS	6
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR RACING LIMITED	7
INCOME STATEMENT	10
BALANCE SHEET	11
STATEMENT OF CHANGES IN EQUITY	12
NOTES TO THE FINANCIAL STATEMENTS	13

DIRECTORS' REPORT

The directors present their Directors' Report for Jaguar Racing Limited ('the company') for the year ended 31 March 2021.

Financial result

The income statement shows a profit after tax for the financial year of £904,000 (2020: £383,000).

Dividends

The directors do not propose a dividend for the year ended 31 March 2021 (2020: £nil).

Directors

The directors who held office during the year and subsequently to the date of this report unless otherwise stated are as follows:

K. J. Benjamin

B. J. Carsley (resigned on 9 June 2021)

M. Cox (appointed on 9 June 2021)

G. E. Mauser

N. M. Rogers

T.Y.H. Bollore (appointed on 10 September 2020)

Prof. Sir R. D. Speth (resigned on 10 September 2020)

Strategic report exemption

The Company has elected not to prepare a Strategic report. Under section 414B of the Companies Act 2006, the Company which, despite being part of ineligible group, otherwise qualifies as small and as such seeks to take advantage of the exemption available with regard to including a Strategic report in the Directors' report.

Directors' indemnities

The company's intermediate parent, Jaguar Land Rover Automotive plc, maintained director's liability insurance for all directors during the financial year and subsequent to the year end.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have completed a going concern assessment for the company for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its intermediate parent company, Jaguar Land Rover Automotive plc, to meet its liabilities as they fall due for that period.

The going concern assessment for the company is dependent on Jaguar Land Rover Automotive providing additional financial support during that period. Jaguar Land Rover Automotive plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Research and development activities

The company has not incurred research and development costs during the financial year (2020: £nil). Research and development activity in relation to the company's activities is undertaken by the immediate parent company alongside its broader research and development activity.

Independent auditor

In accordance with Section 487 of the Companies Act 2006, the company has elected to dispense with laying financial statements before the general meeting, holding annual general meetings and the annual appointment of the auditor. With such an election in force the company's auditor shall be deemed to be re-appointed for each succeeding financial year in accordance with Section 485 of the Act.

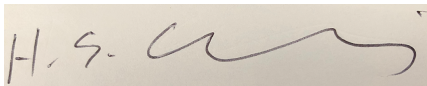
DIRECTORS' REPORT (CONTINUED)

Statement of disclosure of information to auditor

In the case of each of the persons who are directors at the time when the report is approved under Section 418 of the Companies Act, 2006 the following applies:

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

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

A handwritten signature in dark ink, appearing to read 'H.S. Cairns', on a light-colored background.

Helen Suzanne Cairns
Company Secretary
09 June 2021

Registered Address

Abbey Road
Whitley
Coventry
CV3 4LF
United Kingdom

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR RACING LIMITED

Opinion

We have audited the financial statements of Jaguar Racing Limited ("the Company") for the year ended 31 March 2021 which comprise the Income statement, the Balance sheet, the Statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- we have not identified and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management / directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR RACING LIMITED (CONTINUED)

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because of the existence of limited incentives and opportunities to make inappropriate accounting entries in relation to revenue. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related company legislation), distributable profits legislation, taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified Fédération Internationale de l'Automobile ("FIA") regulations as the area as most likely to have an effect recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR RACING LIMITED (CONTINUED)

- we have not identified material misstatements in the directors' report
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Hughes (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
United Kingdom
B4 6GH

Date: 15 June 2021

INCOME STATEMENT

Year ended 31 March (£ thousands)	Note	2021	2020
Revenue	3	14,065	13,962
Racing operating costs	4	(11,770)	(11,670)
Operating Profit for the year		2,295	2,292
Other expenses	7	(40)	(252)
Foreign exchange Gain/(Loss)		73	(226)
Depreciation and amortisation	10, 11, 19	(1,185)	(1,276)
Finance Income	8	14	15
Finance Expense	8a	(40)	(80)
Profit before tax		1,117	473
Income tax expense	9	(213)	(90)
Profit for the year		904	383

All the activities of the company are from continuing operations.

The notes on pages 13 to 24 form an integral part of these financial statements.

There were no other gains or losses other than the results for the current financial year. Accordingly, no Statement of Comprehensive Income has been presented.

BALANCE SHEET

As at 31 March (£ thousands)	Note	2021	2020
Non-current assets			
Property, plant and equipment	10	429	860
Intangible assets	11	-	1
Right-of-use assets	19	328	1,083
Deferred tax assets	12	159	39
Total non-current assets		916	1,983
Current assets			
Cash and cash equivalents	13	-	23
Inventories	14	1,500	1,719
Other current assets	15	658	443
Other financial assets	16	1,909	545
Total current assets		4,067	2,730
Total assets		4,983	4,713
Current liabilities			
Accounts payable	17	1,336	1,485
Other financial liabilities	18, 19	1,127	1,297
Total current liabilities		2,463	2,782
Non-current liabilities			
Other financial liabilities	18, 19	21	336
Total non-current liabilities		21	336
Total liabilities		2,484	3,118
Equity attributable to shareholders			
Ordinary share capital	20	-	-
Reserves		2,499	1,595
Equity attributable to shareholders		2,499	1,595
Total liabilities and equity		4,983	4,713

The notes on pages 13 to 24 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 09 June 2021. They were signed on its behalf by:



Keith John Benjamin

Director

Company registered number: 09983877

STATEMENT OF CHANGES IN EQUITY

(£ thousands)	Ordinary Share Capital	Reserves	Total Equity
Balance at 31 March 2020	-	1,595	1,595
Profit for the year ended 31 March 2021	-	904	904
Total comprehensive income for the year	-	904	904
Balance at 31 March 2021	-	2,499	2,499

(£ thousands)	Ordinary Share Capital	Reserves	Total Equity
Balance at 31 March 2019	-	1,212	1,212
Profit for the year ended 31 March 2020	-	383	383
Total comprehensive income for the year	-	383	383
Balance at 31 March 2020	-	1,595	1,595

The notes on pages 13 to 24 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

The company is an indirect subsidiary of Tata Motors Limited, India ('Tata Motors Limited'). The company's principal activity during the year was participation in the ABB FIA Formula E Championship. The company is a private limited company incorporated and domiciled in England and Wales. The address of its registered office is Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom.

These financial statements have been prepared in GBP and rounded to the nearest thousand GBP (£ thousand) unless otherwise stated.

2 ACCOUNTING POLICIES STATEMENT OF COMPLIANCE

The financial statements of Jaguar Racing Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). For all periods up to and including the period ended 31 March 2020, the company prepared its financial statements in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee interpretations as adopted by the European Union ("EU-Adopted IFRS"). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken. This transition is not considered to have had a material effect on the financial statements, having no impact on profit before tax, profit after tax or the net assets of the company in any year."

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The requirements of IFRS 7 '*Financial Instruments: Disclosures*'
- The requirements of paragraphs 10(d), 10(f), 16, 38A-38D, 111, and 134-136 of IAS '*Presentation of Financial Statements*'
- The requirements of IAS 7 '*Statement of Cashflows*'
- The requirements of paragraphs 30 and 31 of IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*' – to disclose new standards and interpretations that have been issued but which are not yet effective
- The requirement of paragraph 17 of IAS 24 '*Related Party Disclosures*' in respect of the compensation of Key Management Personnel
- The requirement in IAS 24 '*Related Party Disclosures*', to disclose related party transactions entered into between wholly owned subsidiaries or between the parent and wholly owned subsidiaries
- The requirements of paragraphs 91-99 of IFRS 13 '*Fair Value Measurement*'
- The following paragraphs of IFRS 15 Revenue:
 - 113(a), 114 and 115 (disaggregated and total revenue from contracts with customers);
 - 118 (explanation of significant changes in contract assets and liabilities);
 - 119(a) – (c) (description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred)
 - 120 – 122 (aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised);
 - 123, 125 and 127(a) (significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract); and
 - 124, 126 and 127(b) (methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract)

The Company's holding undertaking, Jaguar Land Rover Automotive plc includes the Company in its consolidated financial statements. The consolidated financial statements of Jaguar Land Rover Automotive plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Abbey Road, Whitley, Coventry CV3 4LF, England, United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

GOING CONCERN

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have completed a going concern assessment for the company for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its intermediate parent company, Jaguar Land Rover Automotive plc, to meet its liabilities as they fall due for that period.

The going concern assessment for the company is dependent on Jaguar Land Rover Automotive providing additional financial support during that period. Jaguar Land Rover Automotive plc has indicated its intention to continue to make available such funds as are needed by the company for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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. The directors believe that no significant estimates or judgements were involved in the preparation of these financial statements.

REVENUE RECOGNITION

Revenue comprises the consideration earned by the company in respect of the output of its ordinary activities, which include participation in the Championship as well as promotion of the Jaguar and Land Rover brands. It is measured based on the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties, and net of settlement discounts, bonuses, rebates, and sales incentives. In respect of Championship prize money received, the company's revenue is presented net of contractual amounts attributable to its drivers and race partners.

The company considers its primary customers to be Formula E Operations (FEO) (with regards to Championship prize money) and its immediate parent company (in respect of brand promotional services). The company recognises revenue when it transfers control of a good or service to a customer, thus evidencing the satisfaction of the associated performance obligation under that contract.

With regards to prize money, as a form of variable consideration, the company recognises revenue at the point that it is guaranteed in accordance with the rules of the Championship. The company considers this to be consistent with the point at which uncertainty relating to the revenue earned is considered sufficiently resolved for it to be highly probable that a significant reversal of revenue will not occur. Payment terms in respect of prize money are 30 days with FEO. Revenue from the provision of services is recognised on a straight-line basis over the period in which the company performs its obligations under the contract and is managed on a regular periodic basis as agreed with the immediate parent company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (CONTINUED)

All revenue originates in the United Kingdom. The directors do not consider there to be more than one operating segment or geographical segment, therefore no further analysis of results is presented.

COST RECOGNITION

Costs and expenses are recognized when incurred and are classified according to their nature in the income statement.

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognized in profit or loss using the effective interest method, unwinding of the discount on provisions.

FOREIGN CURRENCY

The company has a functional and presentation currency of GBP.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are remeasured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the income statement as 'Foreign exchange gain or loss' when applicable.

INCOME TAXES

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity, whereby tax is also recognised outside profit or loss), or where related to the initial accounting for a business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilised business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilised.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. 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.

FIXED ASSETS

Property, plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Assets classified as plant & machinery, race vehicles & pit equipment are presented as plant & equipment assets in the notes to the accounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS (CONTINUED)

Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets. Estimated useful lives of the assets are as follows:

Class of property, plant and equipment	Estimated useful life (years)
Plant and Equipment	2 to 6

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Intangible assets

Intangible assets are stated at cost of acquisition or development less accumulated amortization and less accumulated impairment, if any.

Cost includes purchase price, non-recoverable taxes and duties, labour cost and direct overheads for self-developed intangible assets and other direct costs incurred up to the date the intangible asset is ready for its intended use.

Amortization is recognized on a straight-line basis over the estimated useful lives of the intangible asset. Estimated useful lives of the intangible assets are as follows:

Class of intangible assets	Estimated useful life (years)
Software	3 to 6

Amortization methods, useful lives and residual value are reviewed at each balance sheet date.

IMPAIRMENT

Fixed assets and other intangible assets

At each balance sheet date, the company assesses whether there is any indication that any property, plant and equipment and intangible assets may be impaired. If any such impairment indicator exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The estimated recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the income statement.

INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses. Cost is based on the first in first out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments with an original maturity of up to three months that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

RECEIVABLES

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Lifetime expected credit losses are calculated for assets that were deemed credit impaired at initial recognition or have subsequently become credit impaired as well as those where credit risk has increased significantly since initial recognition.

The company adopts the simplified approach to apply lifetime expected credit losses to trade receivables and contract assets. Where credit risk is deemed low at the reporting date or to have not increased significantly, credit losses for the next 12 months are calculated.

Credit risk has increased significantly when the probability of default has increased significantly. Such increases are relative and assessment includes external ratings (where available) or other information such as past due payments. Historic data and forward looking information are also considered. Objective evidence for a significant increase in credit risk may include where payment is overdue by 90 or more days as well as other information about significant financial difficulties of the borrower.

Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability weighted amount, takes into account the time value of money (values are discounted back using the applicable effective interest rate) and uses reasonable and supportable information.

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

CREDITORS

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received at the end of the reporting period.

INTEREST BEARING LOANS

Interest-bearing loans and borrowings are initially recognised at the present value of the future payments discounted at a market rate of interest for a similar loan. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

LEASES

At inception of a contract, the Company assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

LEASES (CONTINUED)

- The contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Company has the right to substantially all of the economic benefits from the use of the asset throughout the period of use; and
- The Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purposes the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- The Company has the right to operate the asset; or
- The Company designed the asset in a way that predetermines how and for what purposes it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is allocated, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method over the term of the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Generally, the Company uses its incremental borrowing rate as a discount rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company associates the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

NEW ACCOUNTING PRONOUNCEMENTS

(a) Standards, revisions and amendments to standards and interpretations not significant to the Company and applied for the year ending 31 March 2021:

The following amendments and interpretations have been adopted by the Company in the year ending 31 March 2021.

- Amendments to the references to the conceptual framework in IFRS standards.
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of material.
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Interest rate benchmark reform; and
- Amendments to IFRS 3 Business Combinations – Definition of business

The adoption of these amendments and interpretations has not had a significant impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3 REVENUE

Year ended 31 March (£ thousands)	2021	2020
Revenue from provision of services	14,065	13,962
Total revenue	14,065	13,962

4 RACING OPERATING COSTS

Year ended 31 March (£ thousands)	2021	2020
Race operating expenses	11,243	11,175
Race logistics costs	527	495
Total race operating costs	11,770	11,670

5 EMPLOYEE COSTS AND DIRECTORS' EMOLUMENTS

The company did not have any employees other than the directors in the current or prior financial year. For the year ended 31 March 2021, with the exception of one director, none of the directors received remuneration for their qualifying services specifically to the company. Emoluments for this period are paid by the immediate parent company (Jaguar Land Rover Limited).

One director received remuneration relating to his qualifying service as a director of the company totalling £178,204 (2020: £183,131). Retirement benefits accruing to the directors are included in the financial statements of Jaguar Land Rover Limited for the year ended 31 March 2021.

6 AUDITOR'S REMUNERATION

Auditor's remuneration for the current and prior financial years is borne by the immediate parent company, Jaguar Land Rover Limited, and is not recharged. The company's allocation for fees payable to the company's auditor for the audit of the annual financial statements is £15,000 (2020: £15,000). The company incurred no non-audit fees in either the current or prior financial year.

7 OTHER EXPENSES

Year ended 31 March (£ thousands)	2021	2020
Works, operations and other costs	40	252
Total other expenses	40	252

8 FINANCE INCOME

Year ended 31 March (£ thousands)	2021	2020
Interest on Inter Company Loan	14	15
Total Finance Income	14	15

8a FINANCE EXPENSES

Year ended 31 March (£ thousands)	2021	2020
Finance expense on financial liabilities measured at amortised cost	40	80
Total Finance Expense	40	80

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 TAXATION

Recognised in the income statement

Year ended 31 March (£ thousands)	2021	2020
Current tax expense	301	147
Prior period adjustment	32	(23)
Deferred tax	(89)	(57)
Deferred tax prior period adjustment	(31)	23
Total income tax expense	213	90

Reconciliation of effective tax rate

Year ended 31 March (£ thousands)	2021	2020
Profit for the year	904	383
Total income tax expense	213	90
Profit before tax	1,117	473
Income tax at 19% (2020: 19%)	212	90
Prior period adjustment	1	-
Total income tax expense	213	90

The company had a deferred tax asset of £159,000 at 31 March 2021 (2020: £39,000).

An increase in the UK corporation tax rate from 17% to 19% (effective from 1 April 2020) was substantively enacted on 17 March 2020. In the 3 March 2021 Budget, it was announced that the UK tax rate will increase to 25% from 1 April 2023 and this change was substantively enacted on 24 May 2021. There would have been an increase of £50,000 on the deferred tax asset recognised at 31 March 2021 had the rate change been substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

Year ended 31 March (£ thousands)	Plant and equipment
Cost	
Balance at 1 April 2019	1,792
Additions	90
Balance at 31 March 2020	1,882
Additions	39
Disposals	(40)
Balance at 31 March 2021	1,881
Accumulated depreciation	
Balance at 1 April 2019	556
Depreciation charge for the year	466
Balance at 31 March 2020	1,022
Depreciation charge for the year	439
Depreciation on Disposal	(9)
Balance at 31 March 2021	1,452
Net book value	
At 31 March 2021	429
At 31 March 2020	860

11 INTANGIBLE ASSETS

Year ended 31 March (£ thousands)	Software
Cost	
Balance at 1 April 2019	120
Additions	-
Balance at 31 March 2020	120
Additions	-
Balance at 31 March 2021	120
Accumulated amortisation	
Balance at 1 April 2019	90
Amortisation charge for the period	29
Balance at 31 March 2020	119
Amortisation charge for the year	1
Balance at 31 March 2021	120
Net book value	
At 31 March 2021	-
At 31 March 2020	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 DEFERRED TAX ASSETS

Components of the deferred tax asset are as follows:

(£ thousands)	Balance at 31 March 2020	Recognised in profit or loss	Balance at 31 March 2021
Deferred tax assets			
Property, plant & equipment	39	120	159
Total deferred tax asset	39	120	159

(£ thousands)	Balance at 31 March 2019	Recognised in profit or loss	Balance at 31 March 2020
Deferred tax assets			
Property, plant & equipment	5	34	39
Total deferred tax asset	5	34	39

All deferred tax assets are presented as non-current assets.

13 CASH AND CASH EQUIVALENTS

As at 31 March (£ thousands)	2021	2020
Cash and cash equivalents	-	23
Total cash and cash equivalents	-	23

14 INVENTORIES

As at 31 March (£ thousands)	2021	2020
Raw materials and consumables	1,500	1,719
Total inventories	1,500	1,719

During the financial year, the company has written-down Inventory of £539,000 (2020: £Nil). Cost of inventories recognised as an expense during the year amounted to £2,988,000 (2020: £1,813,000).

15 OTHER CURRENT ASSETS

As at 31 March (£ thousands)	2021	2020
Prepaid expenses	462	137
VAT	196	306
Total other current assets	658	443

16 OTHER CURRENT FINANCIAL ASSETS

As at 31 March (£ thousands)	2021	2020
Amounts owed by Group undertakings	1,909	545
Total other current financial assets	1,909	545

Amounts owed by Group undertakings are unsecured, subject to an interest rate based on ICE LIBOR GBP 1 month rate + 0.55% and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 ACCOUNTS PAYABLE

As at 31 March (£ thousands)	2021	2020
Trade payables	1,032	1,276
Accrued Expenses	304	209
Total accounts payable	1,336	1,485

18 OTHER FINANCIAL LIABILITIES

As at 31 March (£ thousands)	2021	2020
Group tax relief offset	820	486
Current lease obligations	303	807
Interest accrued	4	4
Total other current financial liabilities	1,127	1,297
Non-current lease obligations	21	336
Total other non-current financial liabilities	21	336

Amounts owed to Group undertakings (i.e. Group tax relief offset) are unsecured, subject to an interest rate based on ICE LIBOR GBP 1 month rate + 0.55% and are repayable on demand.

19 LEASES

Leases as a lessee

Information about leases for which the Company is a lessee is presented below:

Right-of-use assets

As at 31 March (£ thousands)	Land and buildings	Property, plant and equipment	Total
Opening balance at 1 April 2020	145	938	1,083
Depreciation charge for the year	(60)	(695)	(755)
Closing balance at 31 March 2021	85	243	328

As at 31 March (£ thousands)	Land and buildings	Property, plant and equipment	Total
Opening balance at 1 April 2019	210	1,654	1,864
Depreciation charge for the year	(65)	(716)	(781)
Closing balance at 31 March 2020	145	938	1,083

Additions to the right-of-use assets during the year ended 31 March 2021 were £nil (2020: £nil). Remeasurement/Rectification to the right-of-use assets during the year ended 31 March 2021 were £53.00 (2020: £nil).

Lease liabilities

The maturity analysis of the contractual undiscounted cash flows are as follows:

As at 31 March (£ thousands)	2021	2020
Less than one year	305	826
Between one and five years	21	316
More than five years	-	21
Total undiscounted lease liabilities	326	1,163

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 LEASES(CONTINUED)

As at 31 March (£ thousands)	2021	2020
Current lease liabilities	303	807
Non-current lease liabilities	21	336
Total lease liabilities	324	1,143

As at 31 March (£ thousands)	2021	2020
Interest expense on lease liabilities	19	54

20 SHARE CAPITAL

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

As at 31 March	2021	2020
Allotted, called up and fully paid		
1.00 (2020: 1.00) ordinary share of £1	1	1
Share capital presented as equity	1	1

21 COMMITMENTS AND CONTINGENCIES

Commitment and contingencies include contingent liabilities of £Nil (2020: 1.1million). The timings of any outflow will vary as and when the future events occur.

22 IMMEDIATE AND ULTIMATE PARENT COMPANY AND PARENT COMPANY OF LARGER GROUP

The immediate parent undertaking is Jaguar Land Rover Limited and the ultimate parent undertaking and controlling party is Tata Motors Limited, India which is the parent of the largest group to consolidate these financial statements. The smallest group which consolidates these financial statements is Jaguar Land Rover Automotive plc.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from Jaguar Racing the Group Secretary, Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai – 400001, India. Copies of the Jaguar Land Rover Automotive plc consolidated financial statements can be obtained from the company's registered office.