

Jaguar Land Rover Ireland (Services) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

Registered number: 608696

For the year ended 31 March 2021

Directors and Advisors

Directors

R. J. Molyneux

P. M. Girr

J. Cormican

R. Jones (Appointed on 31 July 2020)

Company secretary

LK Shields

40 Upper Mount Street

Dublin 2

Registered office

39/40 Upper Mount Street,

Dublin 2

D02 PR89

Republic of Ireland

Auditor

KPMG

Chartered Accountants

1 Stokes Place

St. Stephen's Green

Dublin 2

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DIRECTORS' REPORT

The directors present their directors' report for Jaguar Land Rover Ireland (Services) Limited ('the Company' or 'JLR Ireland') for the year ended 31 March 2021.

Results and dividends

The income statement shows a profit after tax for the financial period of €8,816 Thousands (2020: €925 Thousands)

The directors do not recommend payment of a dividend in respect of the financial results for the year ended 31 March 2021 (2020: Nil).

Principal activity

The company's principal activity during the year under review was research and development activity related to the delivery of key components that enable the next generation of Jaguar Land Rover ("JLR") Electrical Vehicle Architecture to support Connected Car, Advanced Driver Assistance System ("ADAS") technologies and future Automated Driving features.

Review of the business and future developments

The company is utilising a senior leadership team of experienced software developers to help develop roadmaps and architectures for ongoing R&D activity. This team bring a wealth of directly relevant automotive and software architecture/development experience and an established engineering network to support initial scale growth. With ongoing recruitment and this established team, JLR Ireland can become a central hub for the overall JLR global software strategy.

JLR Ireland collaborates with other JLR development teams worldwide to support the delivery of key technologies maintain its recognised position of innovative excellence.

Future developments

The company's objective is to bring certain software expertise and development capability in-house so that we can suitably cost optimise and scale solutions for next generation architectures. The Digital Development Centre hub will be part of a global team in JLR to deliver these solutions and to advance JLR's Autonomous Driving capabilities.

JLR Ireland will continue to explore further opportunities to deliver innovative technology advancements that contribute to the overall JLR global software and R&D strategy.

Key performance indicators

The key performance indicators used are set out below:

KPI	2020/2021	Commentary
Number of employees	251	Number of employees as at 31 March 2021, reflecting the growth of the company.
Cost base - total of employee costs and other expenses (€ thousands)	20,141	Costs are in line with the directors' expectations.

DIRECTORS' REPORT (continued)

Risks and uncertainties

The key risks and uncertainties faced by the business are:

- Being unable to keep pace with development due to rapidly evolving technology areas and multiple possible technology and strategy approaches; and
- The Ireland site is fledgling and staff recruitment to required numbers will be a challenge. Longer term retention of key staff and remuneration in line with the tech industry eco-system; and
- Exposure to changes in the global economic and geopolitical environment, as well as other external factors through trade with the immediate parent company Jaguar Land Rover Limited. Trade tensions, protectionism, wars, terrorism, natural disasters and humanitarian challenges may adversely impact the Jaguar Land Rover Group, and more recently the COVID-19.

Directors and secretary

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

Directors

I. J. Harnett (Resigned on 31 July 2020)

R. J. Molyneux

P. M. Girr

J. Cormican

Robert Jones (Appointed on 31 July 2020)

Secretary

LK Shields

The directors are not required to retire by rotation.

Directors' and secretary's interests

The directors and secretary in office at 31 March 2021 did not have any interest in the share capital of the company or any group undertaking as at 31 March 2020 and 31 March 2021.

Events subsequent to the financial year end

In response to the global Covid-19 pandemic, all employees of the Company have continued to work on critical delivery vehicle programs. Further information regarding the impact of Covid-19 to the Jaguar Land Rover group, of which the company is part, are included in the Jaguar Land Rover Automotive PLC Annual Report 2020/21.

There have been no other significant events since the end of the financial year.

Going concern

Notwithstanding net current liabilities currently due as per notes 11, 14, 16 as at 31 March 2021 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 plc not seeking repayment of the amounts currently due, directly or indirectly, to the group and 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, and that it does not intend to seek repayment of the amounts due at the balance

DIRECTORS' REPORT (continued)

Going concern (continued)

sheet date where the entity has insufficient liquidity to make such payments, 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.

Accounting records

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records, are the employment of appropriately qualified accounting personnel and the maintenance of computerized accounting systems. The company's accounting records are maintained at the company's registered office at 39/40 Upper Mount Street, Dublin 2.

Relevant audit information

Each of the persons who is a director at the date of approval of this report confirms that:

- a) So far as the director is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- b) the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 330 of the Companies Act 2014.

Independent auditor

KPMG, Chartered Accountants and Statutory Audit Firm, were appointed as auditors during the year. KPMG continues in office in accordance with Section 383(2) of the Companies Act 2014.

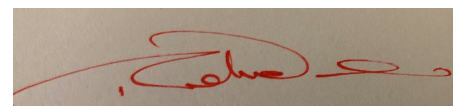
Approved by the Board and signed on its behalf by:



J. Cormican

Director

09 June 2021



Richard John Molyneux

Director

09 June 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the directors' 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 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 assets, liabilities and financial position of the Company and of its profit or loss for that year. 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 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 which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls 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. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

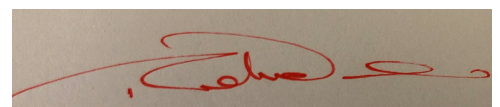
Approved by the Board and signed on its behalf by:



J. Cormican

Director

09 June 2021



Richard John Molyneux

Director

09 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER IRELAND (SERVICES) LIMITED

Report on audit of the financial statements

Opinion

We have audited the financial statements of Jaguar Land Rover Ireland (Services) 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 summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 101 Reduced Disclosure Framework issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2021 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 101 Reduced Disclosure Framework; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information 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 we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER IRELAND (SERVICES) LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for: the preparation of the financial statements including 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.

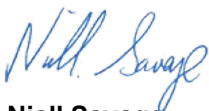
Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for->

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

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.



Niall Savage
for and on behalf KPMG
Chartered Accountants, Statutory Audit Firm
1 Stoke Place
St. Stephens Green
Dublin 2

Date: 11 June 2021

INCOME STATEMENT

(€ thousands)	Note	Year ended 31 March 2021	Year ended 31 March 2020
Revenue	3	24,988	24,116
Employee cost	4	(17,423)	(16,374)
Other expenses	7	(2,718)	(3,444)
Other Income	7a	9,015	-
Depreciation and amortisation	9, 10, 17	(2,294)	(1,893)
Finance Expense	7b	(1,453)	(1,350)
Profit before tax		10,115	1,055
Income tax expense	8	(1,299)	(130)
Profit for the year		8,816	925

All the activities of the company are from continuing operations.

There were no other gains or losses other than the results for the current financial year and prior financial period. Accordingly, no statement of comprehensive income has been presented.

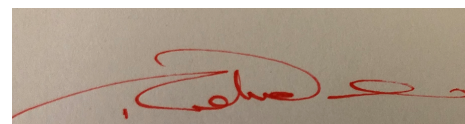
BALANCE SHEET

As at 31 March (€ thousands)	Note	2021	2020
Non-current assets			
Property, plant and equipment	9	14,288	13,181
Intangible assets	10	488	545
Right-of-use assets	17	14,800	17,353
Other Non-Current Assets	12	4,302	-
Deferred tax asset	8	319	327
Total non-current assets		34,197	31,406
Current assets			
Trade receivables	11	8,934	5,516
Other current assets	12	1,474	91
Cash and cash equivalents	13	518	279
Total current assets		10,926	5,886
Total assets		45,123	37,292
Current liabilities			
Accounts payable	14	6,258	3,418
Other current liabilities	15	-	70
Current tax liabilities	8	1,291	495
Other financial liabilities	16	9,308	12,565
Total current liabilities		16,857	16,548
Non-current liabilities			
Other financial liabilities	16	17,739	19,033
Total non-current liabilities		17,739	19,033
Total liabilities		34,596	35,581
Equity attributable to shareholders			
Ordinary share capital	18	-	-
Reserves		10,527	1,711
Equity attributable to shareholders		10,527	1,711
Total liabilities and equity		45,123	37,292

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:



J. Cormican
Director
09 June 2021



Richard John Molyneux
Director
09 June 2021

Company registered number: 608696

STATEMENT OF CHANGES IN EQUITY

(€ thousands)	Ordinary Share Capital	Reserves	Total Equity
Opening Balance	-	1,711	1,711
Profit for the year ended 31 March 2021	-	8,816	8,816
Total comprehensive income for the year	-	8,816	8,816
Balance at 31 March 2021	-	10,527	10,527

(€ thousands)	Ordinary Share Capital	Reserves	Total Equity
Opening Balance	-	721	721
IFRS16 adjustment	-	65	65
Adjusted Opening Balance	-	786	786
Profit for the year ended 31 March 2020	-	925	925
Total comprehensive income for the year	-	925	925
Balance at 31 March 2020	-	1,711	1,711

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

The company was incorporated on 28 July 2017.

The company is an indirect subsidiary of Tata Motors Limited, India ('Tata Motors Limited'). The company's principal activity during the year under review was research and development activity related to the delivery of key components that enable the next generation of Jaguar Land Rover ("JLR") Electrical Vehicle Architecture to support Connected Car, Advanced Driver Assistance System ("ADAS") technologies and future Automated Driving features.

The company is a private limited company incorporated and domiciled in Republic of Ireland. The address of its registered office is 39/40 Upper Mount Street, Dublin 2, D02 PR89.

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

2 ACCOUNTING POLICIES

STATEMENT OF COMPLIANCE

The financial statements of Jaguar Land Rover Ireland (Services) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2014 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has adopted FRS 101 for the first time.

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 the transition to FRS 101 from EU-Adopted IFRS, the company has made no measurement and recognition adjustments.

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 IAS 7 '*Statement of Cashflow*'
- The following paragraphs of IAS 1, '*Presentation of financial statements*':
 - 134–136 (capital management disclosures).
- The requirements of paragraphs 30 and 31 of IAS 8 '*Accounting Policies, Changes in Accounting Estimates and Errors*'
- The requirement of paragraph 17 of IAS 24 '*Related Party Disclosure*'
- The requirement in IAS 24 '*Related Party Disclosure*', to disclose related party transactions entered into between wholly owned subsidiaries or between the parent and wholly owned subsidiaries.

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.

MEASUREMENT CONVENTION

The financial statements have been prepared on a historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below

GOING CONCERN

Notwithstanding net current liabilities currently due as per notes 11, 14, 16 as at 31 March 2021 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Going Concern (Continued)

The going concern assessment for the company is dependent on Jaguar Land Rover Automotive plc not seeking repayment of the amounts currently due, directly or indirectly, to the group and 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, and that it does not intend to seek repayment of the amounts due at the balance sheet date where the entity has insufficient liquidity to make such payments, 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 judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

In the process of applying the company's accounting policies management has made no judgements that have a significant effect on the amounts recognised in the financial statements.

REVENUE RECOGNITION

Revenue from the provision of services comprises income received from the company's immediate parent company with respect to the research and development activities. The directors do not consider there to be more than one class of business or geographical segment and therefore no further analysis of results by class of business or geographical segment is presented.

GOVERNMENT GRANTS

Government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised on a systematic basis over the useful life of the asset.

Capital based government grants are included within deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate.

Amounts recognised in the profit and loss account are presented under the heading 'Other income' on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it is receivable.

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 recognised 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 EUR. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Income tax expense comprises current and deferred taxes. Income tax expense is recognized 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 realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

FIXED ASSETS

Property, Plant and equipment

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation and less 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.

Depreciation is recognised 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)
Buildings	20 to 40
Plant and equipment	3 to 30
Fixtures and fittings	12
Computers	3

Assets under construction are not depreciated. 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 amortisation 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.

Amortisation is recognised 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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

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 recognised immediately in the income statement.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, or earlier if there is an indication that the asset may be impaired.

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.

EMPLOYEE BENEFITS

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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.

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:

- 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

- 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 recognises 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 amortised 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 recognise 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. This policy is applied to all contracts entered into, or changed, on or after 1 April 2019.

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.

3 REVENUE

(€ thousands)	2021	2020
Revenue from provision of services	24,988	24,116
Total revenue	24,988	24,116

4 EMPLOYEE NUMBERS AND COSTS

(€ thousands)	2021	2020
Wages, salaries and benefits	16,628	15,607
Pension costs	795	767
Total employee costs	17,423	16,374

The company employed an average of 251 (2020:235) employees for year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 DIRECTORS' EMOLUMENTS

For the year ended 31 March 2021, only two directors received remuneration for their qualifying services specifically to the company which has been paid by the company. The remaining directors did not receive a remuneration for this period in relation to their qualifying services specifically to the company and their remuneration are paid by the immediate parent company (Jaguar Land Rover Limited) and no recharges have been made to the company.

Year ended 31 March (€ thousands)	2021	2020
Directors' emoluments	367	331
Post-employment benefits	21	21
	388	352

There are two directors accruing retirement benefits €21,000 (2020: €21,000) under the defined contribution scheme.

6 AUDITOR'S REMUNERATION

Auditor's remuneration for the current financial period 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 €17,000 (2020: €17,000). The company incurred no non-audit fees in the current financial period.

7 OTHER EXPENSES

(€ thousands)	2021	2020
Works, operations and other costs	2,629	3,369
Rent	-	66
Insurance	-	32
Foreign exchange Gain/(Loss)	89	(23)
Total other Expenses	2,718	3,444

7a OTHER INCOME

(€ thousands)	2021	2020
R&D Tax Credit	6,828	-
IDA Grant Income	2,187	-
Total other Income	9,015	-

The R&D Tax Credit and IDA Grant Income received during the year from Government of Republic of Ireland and Irish Development Agency respectively towards Automotive Engineering Research & Development. There is no condition attached to it. The cost related to those grants have been booked under Works, operations and other costs.

7b FINANCE EXPENSES

(€ thousands)	2021	2020
Interest on Lease Liabilities	1,453	1,350
Total finance expenses	1,453	1,350

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 TAXATION

Recognised in the income statement

(€ thousands)	2021	2020
Current tax expense	1,291	372
Deferred tax	8	(242)
Total income tax expense	1,299	130

Reconciliation of effective tax rate

(€ thousands)	2021	2020
Profit for the period	8,816	925
Total income tax expense	1,299	130
Profit before tax	10,115	1,055
Income tax at 12.5%	1,265	132
Non-deductible expenses	85	-
Prior period adjustment	(51)	(2)
Total income tax expense	1,299	130

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	(76)	138	62
IFRS16 - Leases	(251)	(130)	(381)
Total deferred tax asset	(327)	8	(319)

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 PROPERTY, PLANT AND EQUIPMENT

(€ thousands)	Land and Buildings	Plant and Equipment	Computers	Fixtures & Fittings	Under Construction	Total
Cost						
Opening Balance	12,004	388	1,362	880	-	14,634
Additions	-	1,886	207	-	113	2,206
Balance at 31 March 2021	12,004	2,274	1,569	880	113	16,840

Accumulated depreciation						
Opening Balance	521	27	777	128	-	1,453
Depreciation expense for the period	606	53	374	66	-	1,099
Balance at 31 March 2021	1,127	80	1,151	194	-	2,552

Net book value						
At 31 March 2021	10,877	2,194	418	686	113	14,288

(€ thousands)	Land and Buildings	Plant and Equipment	Computers	Fixtures & Fittings	Under Construction	Total
Cost						
Opening Balance	-	17	642	140	6,707	7,506
Additions	12,004	371	720	740	(6,707)	7,128
Balance at 31 March 2020	12,004	388	1,362	880	-	14,634
Accumulated depreciation						
Opening Balance	-	1	419	59	-	479
Depreciation expense for the period	521	26	358	69	-	974
Balance at 31 March 2020	521	27	777	128	-	1,453
Net book value						
At 31 March 2020	11,483	361	585	752	-	13,181

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 INTANGIBLE ASSETS

(€ thousands)	Software	Total
Cost		
Opening Balance	653	653
Additions	181	181
Balance at 31 March 2021	834	834
Accumulated amortisation		
Opening Balance	108	108
Amortisation expense for the period	238	238
Balance at 31 March 2021	346	346
Net book value		
At 31 March 2021	488	488

(€ thousands)	Software	Total
Cost		
Opening Balance	76	76
Additions	577	577
Balance at 31 March 2020	653	653
Accumulated amortisation		
Opening Balance	27	27
Amortisation expense for the period	81	81
Balance at 31 March 2020	108	108
Net book value		
At 31 March 2020	545	545

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 TRADE RECEIVABLES

As at 31 March (€ thousands)	2021	2020
Amount owed by group undertakings	8,934	5,516
Total trade receivables	8,934	5,516

Amounts owed by group undertakings don't generate interest and are repayable on demand.

12 OTHER CURRENT ASSETS

As at 31 March (€ thousands)	2021	2020
Recoverable VAT	393	91
Prepaid expense	8	-
Current R&D receivable	1,073	-
Total other current assets	1,474	91
Non-Current R&D receivable	4,302	-
Total other Non-Current assets	4,302	-

13 CASH AND CASH EQUIVALENTS

As at 31 March (€ thousands)	2021	2020
Cash and cash equivalents	518	279
Total cash and cash equivalents	518	279

14 ACCOUNTS PAYABLE

As at 31 March (€ thousands)	2021	2020
Amounts owed to Group undertakings	2,921	445
Liabilities for expenses	3,337	2,973
Total accounts payable	6,258	3,418

Amounts owed to group undertakings don't generate interest and are repayable on demand.

15 OTHER CURRENT LIABILITIES

As at 31 March (€ thousands)	2021	2020
VAT payable	-	70
Total other current liabilities	-	70

16 OTHER FINANCIAL LIABILITIES

As at 31 March (€ thousands)	2021	2020
Loans owed to group undertakings	8,812	12,234
Lease obligations	496	331
Total other current financial liabilities	9,308	12,565
Lease obligations	17,739	19,033
Total other non-current financial liabilities	17,739	19,033

Loans owed to group undertakings are payable to the company's immediate parent company, Jaguar Land Rover Limited. The loan is subject to a variable rate interest at the higher of 0.85% and 0.85% plus the 1 month Euro LIBOR interest rate, and is repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 LEASES

There were no finance leases in the period.

Lease as a Lessee

The Group leases many assets including land and buildings, vehicles, machinery and IT equipment. Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

€ thousands	Land and buildings	Total
Opening balance at 1 April 2020	17,353	17,353
Closing balance at 31 March 2021	14,800	14,800
Depreciation expense for the year	957	957

€ thousands	Land and buildings	Total
Opening balance at 1 April 2019	18,192	18,192
Closing balance at 31 March 2020	17,353	17,353
Depreciation expense for the year	838	838

Additions to the right-of-use assets during the year ended 31 March 2021 were Nil.
Remeasurement the right-of-use assets during the year ended 31 March 2021 were (€1,596.60)

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	1,751	1,738
Between one and five years	7,004	7,639
More than five years	22,214	26,289
Total undiscounted lease liabilities	30,969	35,666

The following amounts are included in the Balance Sheet as at 31 March 2021:

As at 31 March (€ thousands)	2021	2020
Current lease liabilities	496	331
Non-current lease liabilities	17,739	19,033
Total lease liabilities	18,235	19,364

The following amounts are recognised in the Income statement for the year ended 31 March 2021:

As at 31 March (£ millions)	2021	2020
Interest expense on lease liabilities	1,453	1,350
Expenses related to short-term leases	177	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 SHARE CAPITAL

The company has issued 100 shares at their nominal value of €100 (€1 per share). No new shares were issued in the period 31 March 2021

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.

19 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 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.