



Jaguar Land Rover Automotive plc Interim Report

For the three-month period ended
30 June 2024

Company registered number: 06477691

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Group, Company, Jaguar Land Rover, JLR plc and JLR refers to Jaguar Land Rover Automotive plc and its subsidiaries. Note 2 to the Condensed consolidated interim financial statements defines a series of alternative performance measures some of which are stated below, along with certain abbreviations.

Adjusted EBITDA margin	measured as adjusted EBITDA as a percentage of revenue.
Adjusted EBIT margin	measured as adjusted EBIT as a percentage of revenue.
Net debt/cash	defined by the Company as cash and cash equivalents plus short-term deposits and other investments less total balance sheet borrowings including lease liabilities.
Q1 FY25	3 months ended 30 June 2024
Q4 FY24	3 months ended 31 March 2024
Q1 FY24	3 months ended 30 June 2023
China Joint Venture	Chery Jaguar Land Rover Automotive Co., Ltd.

Management's discussion and analysis of financial condition and results of operations

Revenue was £7.3 billion in Q1 FY25, up 5% year-on-year from Q1 FY24. Increased revenue in comparison to the prior year was driven by higher wholesale volumes, favourable pricing and investment in demand generation. Wholesale volumes (excluding China Joint Venture) of 97,755 were up 5% year-on-year and down (11)% on the prior quarter. The mix of our most profitable vehicles Range Rover, Range Rover Sport and Defender has increased from 61% to 68% of total wholesales.

Market environment and business developments

- Wholesale volumes increased year-on-year reflecting sustained global demand JLR vehicles.
- Investment spend has increased from £15 billion to £18 billion over five years to accelerate the delivery of the Reimagine Strategy.
- Our flexible MLA architecture is a key strength for JLR as BEV adoption rates vary across the world.
- Financial markets are generally stable with interest rates being high but flat. In terms of foreign exchange markets, GBP has seen some strengthening over the quarter and compared to the prior year, and commodities are a mixed bag of higher and lower prices.

Revenue and profits, quarter ending 30 June 2024

- Revenue was £7.3 billion in Q1 FY25, up 5% from Q1 FY24 reflecting favourable volumes, model mix, pricing and FX.
- Adjusted EBITDA¹ was £1,149 million (EBITDA margin: 15.8% in Q1 FY25), up from £1,123 million (EBITDA margin: 16.3%) in Q1 FY24.
- Adjusted EBIT¹ was £645 million (8.9%) up from £595 million (8.6%) in Q1 FY24.
- The profit before tax and exceptional items was £693 million in Q1 FY25 up from £435 million in Q1 FY24.
- Profit after tax was £502 million (after a tax charge of £(199) million) for the three month period to 30 June 2024, an improvement from a profit of £323 million in Q1 FY24 (including a tax charge of £(112) million).

Q1 FY25 | IFRS, £m

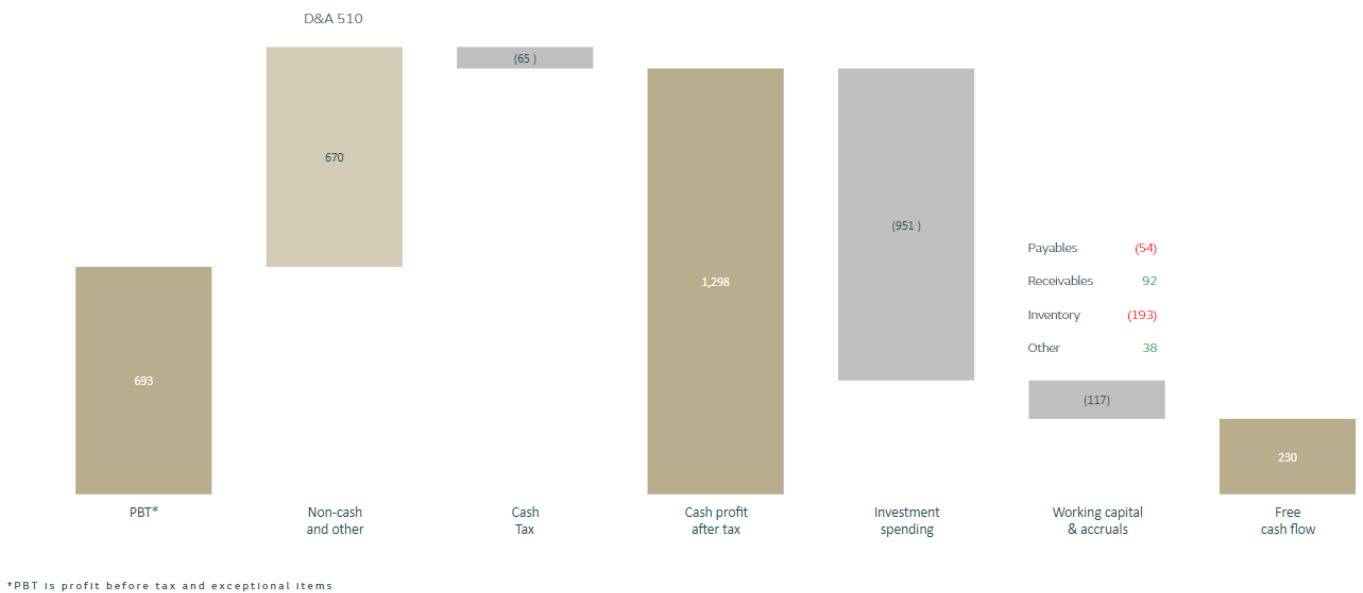


¹ Please see note 2 of the financial statements for alternative performance measures.

Cash flow

- Free cash flow¹ was £230 million in Q1 FY25 compared to free cash flow of £451 million in Q1 FY24.
- Working capital movements in the quarter were £(117) million (vs £13 million in Q1 FY24) with increases in inventories of £(193) million and decreases in payables £(54) million, partially offset by receivables of £92 million and other of £38 million since 31 March 2024.
- Investment spend of £951 million in the quarter was up from £697 million in Q1 FY24 and includes £678 million of engineering spend, of which 66% was capitalised, and £273 million of capital investments.

Q1 FY25 | IFRS, £m



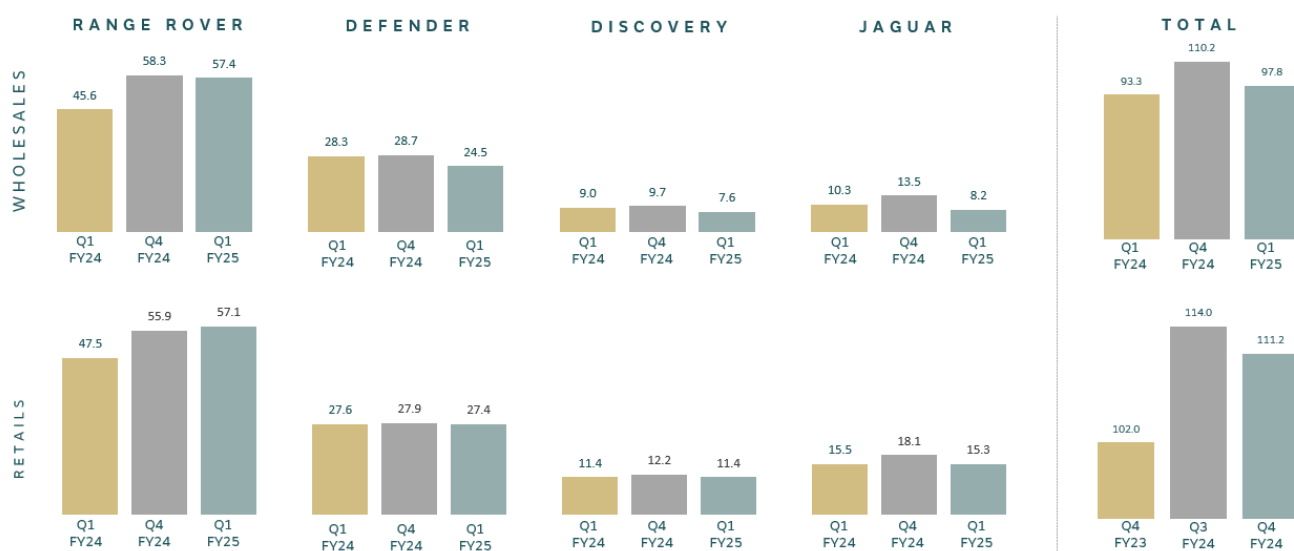
¹ Please see note 2 of the financial statements for alternative performance measures.

Sales volumes

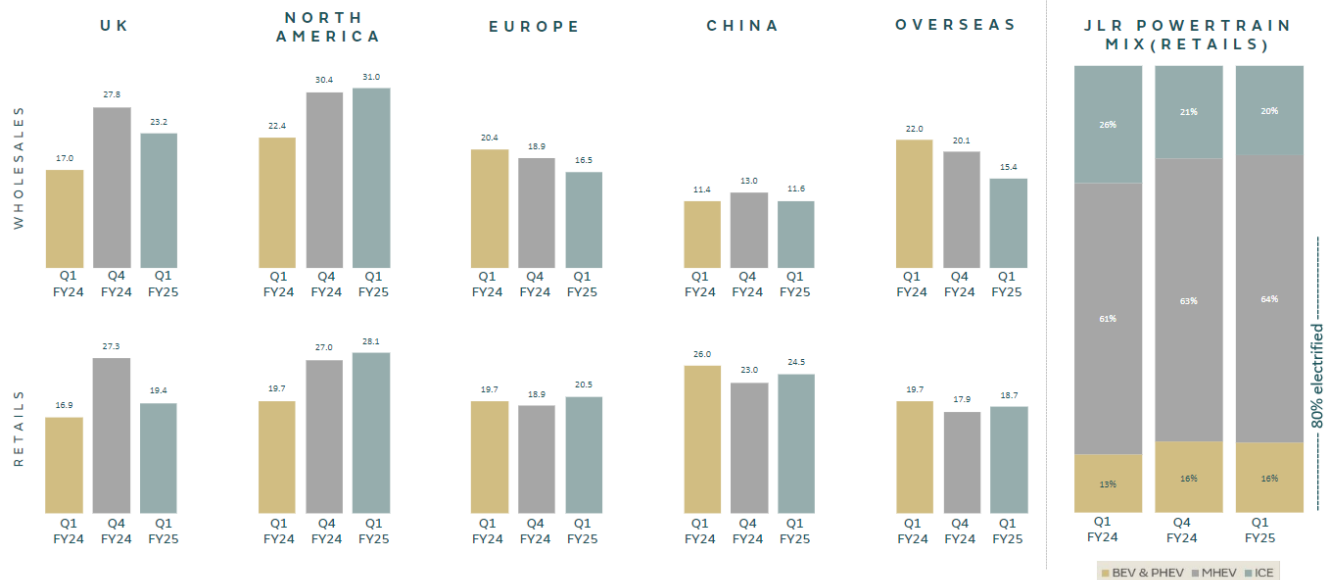
Retail sales¹ for the first quarter were 111,180 units, up 9% compared to the same quarter a year ago and down 3% from the prior quarter ending 31 March 2024.

Wholesale volumes in Q1 FY25 were 97,755 units in the period (excluding our China Joint Venture), up 5% compared to the same quarter a year ago ending 30 June 2023 and down 11% compared to the quarter ending 31 March 2024 reflecting the cyclical fluctuation in volumes between Q4 and Q1.

FY25 | Brands | Units in 000's



FY25 | Regions | Units in 000's



*Wholesale volumes exclude sales from unconsolidated Chinese joint venture

¹ Retail sales represent vehicle sales made by dealers to end customers. Please see note 2 of the financial statements for definition of alternative performance measures.

Funding and liquidity

Total cash and cash equivalents, deposits and investments at 30 June 2024 were £3.8 billion (31 March 2024: £4.2 billion) comprising £3.7 billion of cash and cash equivalents and £103 million of short-term deposits and other investments. The cash and financial deposits include an amount of £382 million held in subsidiaries of Jaguar Land Rover outside of the UK. The cash in some of these jurisdictions may be subject to impediments to remitting cash to the UK other than through annual dividends.

The following table shows details of the Company's financing arrangements at 30 June 2024:

£ millions	Facility amount	Amount outstanding	Undrawn amount
€500m 5.875% Senior Notes due Nov 2024	423	423	-
\$700m 7.750% Senior Notes due Oct 2025	554	554	-
€500m 4.500% Senior Notes due Jan 2026	423	423	-
€500m 6.875% Senior Notes due Nov 2026	252	252	-
\$500m 4.500% Senior Notes due Oct 2027	395	395	-
\$650m 5.875% Senior Notes due Jan 2028	438	438	-
€500m 4.500% Senior Notes due Jul 2028	423	423	-
\$500m 5.500% Senior Notes due Jul 2029	323	323	-
\$800m Syndicated Loan due Jan 2025	631	631	-
UKEF amortising loan due Oct 2024	42	42	-
UKEF amortising loan due Dec 2026	313	313	-
Subtotal	4,217	4,217	-
Lease obligations	707	707	-
Other	40	40	-
Prepaid costs	(13)	(13)	-
Fair value adjustments	(133)	(133)	-
Total	4,818	4,818	-
Undrawn RCF	1,520	-	1,520
Total	6,338	4,818	1,520

Risks and mitigating factors

There are a number of potential risks which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and/or historical results, discussed on pages 52-54 of the Annual Report 2023/24 of the Group (available at <https://www.jaguarlandrover.com/annual-report-2024>) along with mitigating factors. The principal risks discussed in the Group's Annual Report FY24 are competitive business efficiency, global economic and geopolitical environment, brand positioning, rapid technology change, supply chain disruptions, information security, client service delivery, people capability and capacity, data management, IT infrastructure, environmental regulations and compliance, and litigation / regulatory.

Off-balance sheet financial arrangements

At 30 June 2024, Jaguar Land Rover Limited (a subsidiary of the Company) sold £361 million equivalent of receivables under a \$900 million invoice discounting facility signed in March 2023.

Personnel

At 30 June 2024, Jaguar Land Rover employed 43,659 people worldwide, including agency personnel, compared to 40,800 at 30 June 2023.

Board of directors

The following table provides information with respect to the members of the Board of Directors of Jaguar Land Rover Automotive plc as at 30 June 2024:

Name	Position	Year appointed
Natarajan Chandrasekaran	Chairman and Director	2017
Adrian Mardell	Chief Executive Officer and Director	2022
Prof Sir Ralf D Speth	Vice Chairman and Director	2020
Mr P B Balaji	Director	2017
Hanne Sorensen	Director	2018
Charles Nichols	Director	2022
Al-Noor Ramji	Director	2022

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Condensed Consolidated Income Statement

£ millions	Note	Three months ended	
		30 June 2024	30 June 2023
Revenue	3	7,273	6,903
Material and other cost of sales*	4	(4,228)	(4,026)
Employee costs		(848)	(716)
Other expenses*	4, 9	(1,570)	(1,376)
Exceptional items	4	8	-
Engineering costs capitalised	5	449	320
Other income	6	90	74
Depreciation and amortisation		(510)	(538)
Foreign exchange gain/(loss) and fair value adjustments	7	74	(118)
Finance income	8	44	33
Finance expense (net)	8	(87)	(131)
Share of profit of equity accounted investments		6	10
Profit before tax		701	435
Income tax expense	17	(199)	(112)
Profit for the period		502	323

*Material and other cost of sales' and 'Other expenses' exclude the exceptional items explained in note 4.

The notes on pages 14 to 37 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statement of Comprehensive Income and Expense

£ millions	Three months ended	
	30 June 2024	30 June 2023
Profit for the period	502	323
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of net defined benefit obligation	(62)	(130)
Income tax related to items that will not be reclassified	16	33
	(46)	(97)
Items that may be reclassified subsequently to profit or loss:		
Gain on cash flow hedges (net)	46	651
Currency translation differences	(11)	(42)
Income tax related to items that may be reclassified	(11)	(23)
	24	586
Other comprehensive (expense)/income net of tax	(22)	489
Total comprehensive income attributable to shareholders	480	812

The notes on pages 14 to 37 are an integral part of these condensed consolidated financial statements.

Condensed Consolidated Balance Sheet

As at (£ millions)	Note	30 June 2024	31 March 2024	30 June 2023
Non-current assets				
Investments in equity accounted investees		330	328	317
Other non-current investments		54	52	48
Other financial assets	14	386	355	219
Property, plant and equipment	11	5,728	5,724	5,780
Intangible assets	12	5,719	5,406	4,942
Right-of-use assets	13	617	608	626
Pension asset	25	242	300	542
Other non-current assets	16	212	143	116
Deferred tax assets		1,058	1,157	381
Total non-current assets		14,346	14,073	12,971
Current assets				
Cash and cash equivalents		3,714	4,051	3,829
Short-term deposits and other investments		103	103	180
Trade receivables		925	1,236	1,028
Other financial assets	14	594	543	507
Inventories	15	3,951	3,751	3,692
Other current assets	16	818	657	655
Current tax assets		5	2	3
Assets classified as held for sale		105	54	60
Total current assets		10,215	10,397	9,954
Total assets		24,561	24,470	22,925
Current liabilities				
Accounts payable		6,885	7,113	6,130
Short-term borrowings	21	1,221	1,256	1,352
Other financial liabilities	18	896	885	870
Provisions	19	958	1,026	1,133
Other current liabilities	20	866	711	847
Current tax liabilities		146	125	103
Liabilities directly associated with assets classified as held for sale		48	-	-
Total current liabilities		11,020	11,116	10,435
Non-current liabilities				
Long-term borrowings	21	2,890	2,936	4,441
Other financial liabilities	18	762	758	909
Provisions	19	1,384	1,311	1,110
Retirement benefit obligation	25	22	22	21
Other non-current liabilities	20	1,016	957	810
Deferred tax liabilities		93	91	147
Total non-current liabilities		6,167	6,075	7,438
Total liabilities		17,187	17,191	17,873
Equity attributable to shareholders				
Ordinary shares		1,501	1,501	1,501
Capital redemption reserve		167	167	167
Other reserves	23	5,706	5,611	3,384
Equity attributable to shareholders		7,374	7,279	5,052
Total liabilities and equity		24,561	24,470	22,925

The notes on pages 14 to 37 are an integral part of these condensed consolidated financial statements.

These condensed consolidated interim financial statements were approved by the JLR plc Board and authorised for issue on 1 August 2024.

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Condensed Consolidated Statement of Changes in Equity

£ millions	Ordinary shares	Capital redemption reserve	Other reserves	Total equity
Balance at 1 April 2024	1,501	167	5,611	7,279
Profit for the period	-	-	502	502
Other comprehensive expense for the period	-	-	(22)	(22)
Total comprehensive income	-	-	480	480
Amounts removed from hedge reserve and recognised in inventory	-	-	2	2
Dividends paid	-	-	(387)	(387)
Balance at 30 June 2024	1,501	167	5,706	7,374

£ millions	Ordinary shares	Capital redemption reserve	Other reserves	Total equity
Balance at 1 April 2023	1,501	167	2,571	4,239
Profit for the period	-	-	323	323
Other comprehensive income for the period	-	-	489	489
Total comprehensive income	-	-	812	812
Amounts removed from hedge reserve and recognised in inventory	-	-	1	1
Balance at 30 June 2023	1,501	167	3,384	5,052

The notes on pages 14 to 37 are an integral part of these condensed consolidated financial statement

Condensed Consolidated Cash Flow Statement

£ millions	Note	Three months ended	
		30 June 2024	30 June 2023*
Cash flows from operating activities			
Cash generated from operations	28	1,037	1,144
Income tax paid		(65)	(100)
Net cash generated from operating activities		972	1,044
Cash flows from investing activities			
Purchases of other investments		(2)	(2)
Investment in other restricted deposits		(4)	(2)
Redemption of other restricted deposits		12	11
Movements in other restricted deposits		8	9
Investment in short-term deposits and other investments		-	(142)
Redemption of short-term deposits and other investments		-	64
Movements in short-term deposits and other investments		-	(78)
Purchases of property, plant and equipment		(257)	(160)
Proceeds from sale of fixed assets and assets held for sale		37	-
Cash outflow relating to intangible asset expenditure		(463)	(332)
Issuance of loans to related parties		-	(20)
Acquisition of subsidiary (net of cash acquired)		(60)	-
Finance income received		45	30
Dividends received		2	2
Net cash used in investing activities		(690)	(551)
Cash flows from financing activities			
Finance expenses and fees paid		(106)	(113)
Repayment of borrowings		(63)	(133)
Payments of lease obligations		(19)	(17)
Dividends paid		(387)	-
Net cash used in financing activities		(575)	(263)
Net (decrease)/increase in cash and cash equivalents		(293)	230
Cash and cash equivalents at beginning of period		4,051	3,687
Cash and cash equivalents reclassified as held for sale		(22)	-
Effect of foreign exchange on cash and cash equivalents		(22)	(88)
Cash and cash equivalents at end of period		3,714	3,829

*The comparatives for the period ended 30 June 2023 have been re-presented to align with presentation changes made during the year ended 31 March 2024. Dividends received have been reclassified to investing activities from operating activities.

The notes on pages 14 to 37 are an integral part of these condensed consolidated financial statements.

Notes (forming part of the condensed consolidated interim financial statements)

1 Accounting policies

Basis of preparation

The financial information in these interim financial statements is unaudited and does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The condensed consolidated interim financial statements of Jaguar Land Rover Automotive plc have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' in accordance with the requirements of UK-adopted international accounting standards. The balance sheet and accompanying notes as at 30 June 2023 have been disclosed solely for the information of the users.

The comparative figures for the financial year ended 31 March 2024 are not the Company's statutory accounts for that financial year but are derived from those accounts. Those accounts have been reported on by the company's auditor and delivered to the registrar of companies. The report of the auditor was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report; and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments held at fair value as highlighted in note 22.

The condensed consolidated interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2024, which were prepared in accordance with UK-adopted international accounting standards.

The condensed consolidated interim financial statements have been prepared on the going concern basis as set out within the directors' report of the Group's Annual Report for the year ended 31 March 2024.

The accounting policies applied are consistent with those of the annual consolidated financial statements for the year ended 31 March 2024, as described in those financial statements.

Estimates and judgements

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 March 2024.

Notes (forming part of the condensed consolidated interim financial statements)

1 Accounting policies (continued)

Going concern

The condensed consolidated interim financial statements have been prepared on a going concern basis, which the Directors consider appropriate for the reasons set out below.

The Directors have assessed the financial position of the Group as at 30 June 2024, and the projected cash flows of the Group for the twelve-month period from the date of authorisation of the condensed consolidated interim financial statements (the 'going concern assessment period').

The Group has available liquidity of £5.3 billion at 30 June 2024, £3.8 billion of which is cash, short term deposits and other investments, with the remainder £1.5 billion being the undrawn RCF facility. Within the going concern assessment period there is a £1 billion minimum quarter-end liquidity covenant attached to the Group's UKEF loans and forward start RCF facility. There is £1.2 billion of maturing debt in the going concern assessment period, and no new funding is assumed. Net debt increased by £0.3 billion in the quarter ended 30 June 2024, primarily due to the dividend paid in the period. The Group will continue to monitor and take action to reduce net debt in the future. Further details of the Group's available financing facilities and the maturity of facilities are described in note 21.

The Group has assessed its projected cash flows over the going concern assessment period. This base case uses the most recent Board-approved forecasts that include the going concern assessment period. The base case assumes a steady improvement in wholesale volumes, with associated increases in EBIT in the going concern assessment period compared to the previous 12 months reflecting the continued implementation of the Reimagine strategy, increased demand and a reduction in supply constraints.

The Group has carried out a reverse stress test against the base case to determine the decline in wholesale volumes over a twelve-month period that would result in a liquidity level that breaches the £1 billion liquidity financing covenant. The reverse stress test models an appropriate assumption in reduction in demand across the Group's product portfolio rather than the previous optimisation of production to maximise production of higher margin products as the primary risk on wholesale volumes is now deemed to be more likely to arise from demand rather than supply given resolution of previously noted supply constraints.

In order to reach a liquidity level that breaches covenants, it would require a sustained decline in wholesale volumes of 62% compared to the base case over a 12-month period. The reverse stress test reflects the variable profit impact of the wholesale volume decline, and assumes all other assumptions are held in line with the base case. It does not reflect other potential upside measures that could be taken in such a reduced volume scenario; nor any new funding.

The Group does not consider this scenario to be plausible given that the stress test volumes are significantly lower than demand forecasts and the volumes achieved during previous component supply constraint periods. The Group has a strong order bank and is confident that it can significantly exceed reverse stress test volumes.

The Group has considered the impact of severe but plausible downside scenarios, including scenarios that reflect a decrease in variable profit per unit compared with the base case to include additional increases in material and other related production costs. The expected wholesale volumes under all of these scenarios is higher than under the reverse stress test.

The Directors, after making appropriate enquiries and taking into consideration the risks and uncertainties facing the Group, consider that the Group has adequate financial resources to continue operating throughout the going concern assessment period, meeting its liabilities as they fall due. Accordingly, the Directors continue to adopt the going concern basis in preparing these condensed consolidated interim financial statements.

Notes (forming part of the condensed consolidated interim financial statements)

2 Alternative performance measures

In reporting financial information, the Group presents alternative performance measures ('APMs') that are not defined or specified under the requirements of IFRS. The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business.

The APMs used by the Group are defined below:

Alternative performance measure	Definition
Adjusted EBITDA	Adjusted EBITDA is defined as profit/(loss) before: income tax expense; exceptional items; finance expense (net of capitalised interest) and finance income; gains/losses on debt and unrealised derivatives, realised derivatives entered into for the purpose of hedging debt, and equity or debt investments held at fair value; foreign exchange gains/losses on other assets and liabilities, including short-term deposits and cash and cash equivalents; share of profit/(loss) from equity accounted investments; depreciation and amortisation.
Adjusted EBIT	Adjusted EBIT is defined as for adjusted EBITDA but including share of profit/(loss) from equity accounted investments, depreciation and amortisation.
Profit before tax and exceptional items	Profit before tax excluding exceptional items.
Free cash flow	Net cash generated from operating activities less net cash used in automotive investing activities, excluding investments in joint ventures, associates and subsidiaries and movements in financial investments, and after finance expenses and fees paid. Financial investments are those reported as cash and cash equivalents, short-term deposits and other investments, and equity or debt investments held at fair value.
Total product and other investment	Cash used in the purchase of property, plant and equipment, intangible assets, investments in equity accounted investments and other trading investments, acquisition of subsidiaries and expensed research and development costs.
Working capital and accruals	Changes in assets and liabilities as presented in note 28. This comprises movements in assets and liabilities excluding movements relating to financing or investing cash flows or non-cash items that are not included in adjusted EBIT or adjusted EBITDA.
Total cash and cash equivalents, deposits and investments	Defined as cash and cash equivalents, short-term deposits and other investments, marketable securities and any other items defined as cash and cash equivalents in accordance with IFRS.
Available liquidity	Defined as total cash and cash equivalents, deposits and investments plus committed undrawn credit facilities.
Net debt	Total cash and cash equivalents, deposits and investments less total interest-bearing loans and borrowings including lease liabilities.
Retail sales	Jaguar Land Rover retail sales represent vehicle sales made by dealers to end customers and include the sale of vehicles produced by our Chinese joint venture, Chery Jaguar Land Rover Automotive Company Ltd.
Wholesales	Wholesales represent vehicle sales made to dealers. The Group recognises revenue on wholesales.

The Group uses adjusted EBITDA as an APM to review and measure the underlying profitability of the Group on an ongoing basis for comparability as it recognises that increased capital expenditure year-on-year will lead to a corresponding increase in depreciation and amortisation expense recognised within the consolidated income statement.

The Group uses adjusted EBIT as an APM to review and measure the underlying profitability of the Group on an ongoing basis as this excludes volatility on unrealised foreign exchange transactions. Due to the significant level of debt and currency derivatives, unrealised foreign exchange distorts the financial performance of the Group from one period to another.

Notes (forming part of the condensed consolidated interim financial statements)

2 Alternative performance measures (continued)

Free cash flow is considered by the Group to be a key measure in assessing and understanding the total operating performance of the Group and to identify underlying trends.

Total product and other investment is considered by the Group to be a key measure in assessing cash invested in the development of future new models and infrastructure supporting the growth of the Group.

Working capital is considered by the Group to be a key measure in assessing short-term assets and liabilities that are expected to be converted into cash within the next twelve-month period; as well as over the longer term.

Total cash and cash equivalents, deposits and investments and available liquidity are measures used by the Group to assess liquidity and the availability of funds for future spend and investment.

Exceptional items are defined in note 4.

Reconciliations between these alternative performance measures and statutory reported measures are shown below and on the next page.

Adjusted EBIT and Adjusted EBITDA

£ millions	Note	Three months ended	
		30 June 2024	30 June 2023
Adjusted EBITDA		1,149	1,123
Depreciation and amortisation		(510)	(538)
Share of profit of equity accounted investments		6	10
Adjusted EBIT		645	595
Foreign exchange on debt, derivatives and balance sheet revaluation	28	32	13
Unrealised gain/(loss) on commodity derivatives	28	59	(78)
Finance income	8	44	33
Finance expense (net)	8	(87)	(131)
Fair value gain on equity investments	28	-	3
Profit before tax and exceptional items		693	435
Exceptional items	4	8	-
Profit before tax		701	435

Free cash flow

£ millions	Three months ended	
	30 June 2024	30 June 2023*
Net cash generated from operating activities	972	1,044
Purchases of property, plant and equipment	(257)	(160)
Cash outflow relating to intangible asset expenditure	(463)	(332)
Proceeds from sale of fixed assets and assets held for sale	37	-
Issuance of loans to related parties	-	(20)
Dividends received	2	2
Finance expenses and fees paid	(106)	(113)
Finance income received	45	30
Free cash flow	230	451

*The comparatives for the period ended 30 June 2023 have been re-presented to align with presentation changes made during the year ended 31 March 2024. Dividends received have been included above following the reclassification from operating activity to investing activity.

Notes (forming part of the condensed consolidated interim financial statements)

2 Alternative performance measures (continued)

Total product and other investments

£ millions	Note	Three months ended	
		30 June 2024	30 June 2023
Purchases of property, plant and equipment		257	160
Cash outflow relating to intangible asset expenditure		463	332
Engineering costs expensed	5	229	203
Purchases of other investments		2	2
Total product and other investments		951	697

Total cash and cash equivalents, deposits and investments

As at (£ millions)	Note	30 June 2024	31 March 2024	30 June 2023
Cash and cash equivalents		3,714	4,051	3,829
Short-term deposits and other investments		103	103	180
Total cash and cash equivalents, deposits and investments		3,817	4,154	4,009

Available liquidity

As at (£ millions)	Note	30 June 2024	31 March 2024	30 June 2023
Cash and cash equivalents		3,714	4,051	3,829
Short-term deposits and other investments		103	103	180
Committed undrawn credit facilities	21	1,520	1,520	1,520
Available liquidity		5,337	5,674	5,529

Net debt

As at (£ millions)	Note	30 June 2024	31 March 2024	30 June 2023
Cash and cash equivalents		3,714	4,051	3,829
Short-term deposits and other investments		103	103	180
Interest-bearing loans and borrowings	21	(4,818)	(4,886)	(6,486)
Net debt		(1,001)	(732)	(2,477)

Retails and wholesales

Units	Three months ended	
	30 June 2024	30 June 2023
Retail sales	111,180	101,994
Wholesales	97,755	93,253

Notes (forming part of the condensed consolidated interim financial statements)

3 Revenue

£ millions	Three months ended	
	30 June 2024	30 June 2023
Revenue recognised for sales of vehicles, parts and accessories	6,920	6,621
Revenue recognised for services transferred	84	82
Revenue - other	252	259
Total revenue from contracts with clients	7,256	6,962
Realised revenue hedges	17	(59)
Total revenue	7,273	6,903

4 Exceptional items

£ millions	Three months ended 30 June 2024	
	Other expenses	Material and other cost of sales
Excluding exceptional items	(1,570)	(4,228)
Restructuring costs - third party obligations	4	6
Other	(2)	-
Including exceptional items	(1,568)	(4,222)

The exceptional items recognised during the period ended 30 June 2024 comprise:

- £10 million update to the exceptional item recognised during the years ended 31 March 2022 and 2021 in relation to the impact of the Group's Reimagine strategy;
- £(6) million in relation to transaction costs associated with the acquisition of a subsidiary in the current period; and
- £4 million update to the exceptional item recognised during the year ended 31 March 2022 in relation to customer liabilities arising from sanctions imposed against Russia.

No exceptional items were recognised during the period ended 30 June 2023.

5 Engineering costs capitalised

£ millions	Three months ended	
	30 June 2024	30 June 2023
Total engineering costs incurred	678	523
Engineering costs expensed	(229)	(203)
Engineering costs capitalised	449	320
Interest capitalised in relation to engineering costs	43	13
Total capitalised in property, plant and equipment and intangible assets	492	333

6 Other income

£ millions	Three months ended	
	30 June 2024	30 June 2023
Grant income	61	48
Commissions	5	3
Other	24	23
Total other income	90	74

Notes (forming part of the condensed consolidated interim financial statements)

7 Foreign exchange and fair value adjustments

£ millions	Three months ended	
	30 June 2024	30 June 2023
Foreign exchange and fair value adjustments on loans	29	106
Foreign exchange loss on economic hedges of loans	(14)	(112)
Foreign exchange gain on derivatives	1	-
Other foreign exchange gain/(loss)	12	(26)
Realised loss on commodity derivatives	(13)	(11)
Unrealised gain/(loss) on commodity derivatives	59	(78)
Fair value gain on equity investments	-	3
Foreign exchange and fair value adjustments	74	(118)

8 Finance income and expense

£ millions	Three months ended	
	30 June 2024	30 June 2023
Finance income	44	33
Total finance income	44	33
Interest expense on lease liabilities	(14)	(14)
Total interest expense on financial liabilities measured at amortised cost other than lease liabilities measured at amortised cost	(90)	(106)
Interest expense on derivatives designated as a fair value hedge of financial liabilities	(7)	(6)
Unwind of discount on provisions	(20)	(19)
Interest capitalised	44	14
Total finance expense (net)	(87)	(131)

The capitalisation rate used to calculate borrowing costs eligible for capitalisation during the three months period ended 30 June 2024 was 7.1% (three months period ended 30 June 2023: 6.1%).

9 Other expenses

£ millions	Three months ended	
	30 June 2024	30 June 2023
Stores, spare parts and tools	34	30
Freight cost	168	172
Works, operations and other costs	857	735
Power and fuel	29	32
Product warranty	267	223
Publicity	215	184
Total other expenses	1,570	1,376

10 Allowances for trade and other receivables

£ millions	Three months ended	
	30 June 2024	30 June 2023
At beginning of period	6	4
Charged during the period	-	4
At end of period	6	8

Notes (forming part of the condensed consolidated interim financial statements)

11 Property, plant and equipment

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2024	2,668	10,551	11	202	131	14	866	14,443
Additions	-	-	-	1	1	-	245	247
Transfers	1	3	-	-	-	-	(4)	-
Transfers from right-of-use assets	-	6	-	-	-	-	-	6
Disposals	(1)	(118)	-	(2)	(1)	-	-	(122)
Assets classified as held for sale	(6)	-	-	-	(1)	-	-	(7)
Acquisition of subsidiary	1	17	-	-	-	-	-	18
Foreign currency translation	(7)	(8)	-	-	-	-	-	(15)
Balance at 30 June 2024	2,656	10,451	11	201	130	14	1,107	14,570
Depreciation and impairment								
Balance at 1 April 2024	834	7,646	11	132	89	7	-	8,719
Depreciation charge for the period	31	206	-	4	2	-	-	243
Transfers from right-of-use assets	-	4	-	-	-	-	-	4
Disposals	-	(115)	-	(2)	(1)	-	-	(118)
Foreign currency translation	(2)	(4)	-	-	-	-	-	(6)
Balance at 30 June 2024	863	7,737	11	134	90	7	-	8,842
Net book value								
At 1 April 2024	1,834	2,905	-	70	42	7	866	5,724
At 30 June 2024	1,793	2,714	-	67	40	7	1,107	5,728

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2023	2,646	11,360	14	213	140	40	388	14,801
Additions	-	-	-	4	7	-	205	216
Transfers	53	43	-	-	-	-	(96)	-
Disposals	(6)	(82)	-	(2)	(4)	(25)	-	(119)
Foreign currency translation	(11)	(14)	-	-	-	-	-	(25)
Balance at 30 June 2023	2,682	11,307	14	215	143	15	497	14,873
Depreciation and impairment								
Balance at 1 April 2023	736	7,953	11	132	93	34	-	8,959
Depreciation charge for the period	30	211	-	4	2	-	-	247
Disposals	(6)	(71)	-	(2)	(4)	(25)	-	(108)
Foreign currency translation	(1)	(4)	-	-	-	-	-	(5)
Balance at 30 June 2023	759	8,089	11	134	91	9	-	9,093
Net book value								
At 1 April 2023	1,910	3,407	3	81	47	6	388	5,842
At 30 June 2023	1,923	3,218	3	81	52	6	497	5,780

Notes (forming part of the condensed consolidated interim financial statements)

12 Intangible assets

£ millions	Goodwill	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost								
Balance at 1 April 2024	-	772	147	61	650	9,078	2,184	12,892
Additions - externally purchased	-	14	-	-	-	-	-	14
Additions - internally developed	-	-	-	-	-	-	492	492
Disposals	-	(19)	(147)	-	-	(1,786)	-	(1,952)
Acquisition of subsidiary	40	-	-	-	11	-	-	51
Balance at 30 June 2024	40	767	-	61	661	7,292	2,676	11,497
Amortisation and impairment								
Balance at 1 April 2024	-	579	147	53	175	6,532	-	7,486
Amortisation charge for the period	-	15	-	-	1	227	-	243
Disposals	-	(18)	(147)	-	-	(1,786)	-	(1,951)
Balance at 30 June 2024	-	576	-	53	176	4,973	-	5,778
Net book value								
At 1 April 2024	-	193	-	8	475	2,546	2,184	5,406
At 30 June 2024	40	191	-	8	485	2,319	2,676	5,719

On 20 June 2024, JLR completed the acquisition of a non-core subsidiary for cash consideration of £72 million, resulting in goodwill of £40 million. Under IFRS 3 Business Combinations, the fair value of assets and liabilities acquired must be finalised within a 12-month "measurement period" from the date of acquisition. At the reporting date, the purchase price allocation and fair value adjustments are provisional. Acquisition-related costs of £6 million are included within exceptional items (see note 4).

£ millions	Software	Patents and technological know-how	Customer related	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost							
Balance at 1 April 2023	948	147	61	650	9,152	793	11,751
Additions - externally purchased	13	-	-	-	-	-	13
Additions - internally developed	-	-	-	-	-	333	333
Disposals	(3)	-	-	-	-	-	(3)
Balance at 30 June 2023	958	147	61	650	9,152	1,126	12,094
Amortisation and impairment							
Balance at 1 April 2023	743	147	48	173	5,776	-	6,887
Amortisation charge for the period	18	-	5	1	244	-	268
Disposals	(3)	-	-	-	-	-	(3)
Balance at 30 June 2023	758	147	53	174	6,020	-	7,152
Net book value							
At 1 April 2023	205	-	13	477	3,376	793	4,864
At 30 June 2023	200	-	8	476	3,132	1,126	4,942

Notes (forming part of the condensed consolidated interim financial statements)

13 Right-of-use assets

£ millions	Land and buildings	IT equipment	Plant and equipment	Vehicles	Fixtures and fittings	Other	Total
Cost							
Balance at 1 April 2024	795	22	92	9	16	3	937
Additions	1	2	4	1	-	-	8
Disposals	(6)	(1)	(3)	(1)	-	-	(11)
Transfers to property, plant and equipment	-	-	(6)	-	-	-	(6)
Acquisition of subsidiary	24	-	-	-	-	-	24
Other	1	-	-	-	-	-	1
Balance at 30 June 2024	815	23	87	9	16	3	953
Depreciation							
Balance at 1 April 2024	263	9	43	5	7	2	329
Depreciation charge for the period	17	2	4	1	-	-	24
Transfers to property, plant and equipment	-	-	(4)	-	-	-	(4)
Disposals	(6)	(1)	(3)	(1)	-	-	(11)
Other	(2)	-	-	-	-	-	(2)
Balance at 30 June 2024	272	10	40	5	7	2	336
Net book value							
At 1 April 2024	532	13	49	4	9	1	608
At 30 June 2024	543	13	47	4	9	1	617

£ millions	Land and buildings	IT equipment	Plant and equipment	Vehicles	Fixtures and fittings	Other	Total
Cost							
Balance at 1 April 2023	781	17	94	7	17	4	920
Additions	13	-	3	1	-	-	17
Disposals	(10)	(4)	(11)	-	-	(2)	(27)
Other	(1)	-	-	-	-	-	(1)
Balance at 30 June 2023	783	13	86	8	17	2	909
Depreciation							
Balance at 1 April 2023	208	9	57	3	5	3	285
Depreciation charge for the period	18	1	3	1	-	-	23
Disposals	(8)	(4)	(11)	-	-	(2)	(25)
Balance at 30 June 2023	218	6	49	4	5	1	283
Net book value							
At 1 April 2023	573	8	37	4	12	1	635
At 30 June 2023	565	7	37	4	12	1	626

Notes (forming part of the condensed consolidated interim financial statements)

14 Other financial assets

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Non-current			
Restricted cash	8	8	10
Derivative financial instruments	260	223	140
Warranty reimbursement and other receivables	55	58	54
Other	63	66	15
Total non-current other financial assets	386	355	219
Current			
Restricted cash	1	10	1
Derivative financial instruments	285	239	204
Warranty reimbursement and other receivables	122	121	100
Accrued income	57	53	53
Other	129	120	149
Total current other financial assets	594	543	507

15 Inventories

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Raw materials and consumables	156	109	179
Work-in-progress	562	538	474
Finished goods	3,231	3,103	3,037
Inventory basis adjustment	2	1	2
Total inventories	3,951	3,751	3,692

Inventories of finished goods include £428 million (31 March 2024: £429 million, 30 June 2023: £349 million) relating to vehicles sold to rental car companies, fleet clients and others with guaranteed repurchase arrangements.

During the three months period ending 30 June 2024, the Group recorded an inventory write-down expense of £6 million (three months period ended 30 June 2023: £4 million). The write-down is included in "Material and other cost of sales".

16 Other assets

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Non-current			
Prepaid expenses	146	131	65
Research and development expenditure credit	55	1	40
Other	11	11	11
Total non-current other assets	212	143	116
Current			
Recoverable VAT	237	158	249
Prepaid expenses	388	306	290
Research and development expenditure credit	178	178	100
Other	15	15	16
Total current other assets	818	657	655

17 Taxation

Recognised in the income statement

Income tax for the three month periods ending 30 June 2024 and 30 June 2023 is charged at the estimated effective tax rate expected to apply for the applicable financial year ends and adjusted for relevant deferred tax amounts where applicable.

A tax charge of £199 million was incurred in the three month period ending 30 June 2024. The effective tax rate of 28% reflects the mixture of corporate tax rates applied in the countries in which the group operates.

Notes (forming part of the condensed consolidated interim financial statements)

18 Other financial liabilities

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Current			
Lease obligations	78	73	70
Interest accrued	78	84	98
Derivative financial instruments	268	265	357
Liability for vehicles sold under a repurchase arrangement	472	455	345
Other	-	8	-
Total current other financial liabilities	896	885	870
Non-current			
Lease obligations	629	621	623
Derivative financial instruments	132	136	275
Other	1	1	11
Total non-current other financial liabilities	762	758	909

19 Provisions

As at (£ millions)	30 June 2024	31 March 2024*	30 June 2023*
Current			
Product warranty	707	720	698
Emissions compliance	51	41	18
Third party claims and obligations	171	197	345
Other provisions	29	68	72
Total current provisions	958	1,026	1,133
Non-current			
Product warranty	1,202	1,145	982
Emissions compliance	125	118	80
Other provisions	57	48	48
Total non-current provisions	1,384	1,311	1,110

*The comparatives as at 31 March 2024 and 30 June 2023 have been re-presented to align with presentation changes made during the quarter ended 30 June 2024. Amounts previously disclosed as 'Restructuring' have been presented in 'Third party claims and obligations' and 'Other provisions' as applicable. This has not resulted in any change to the reported 'Total current provisions' or 'Total non-current provisions'.

£ millions	Product warranty	Emissions compliance	Third party claims and obligations	Other provisions	Total
Balance at 1 April 2024	1,865	159	197	116	2,337
Provisions made during the period	262	39	58	9	368
Provisions used during the period	(238)	-	(45)	(3)	(286)
Unused amounts reversed in the period	-	(22)	(39)	(5)	(66)
Liabilities directly associated with assets classified as held for sale	-	-	-	(36)	(36)
Acquisition of subsidiary	-	-	-	5	5
Impact of unwind of discounting	20	-	-	-	20
Balance at 30 June 2024	1,909	176	171	86	2,342

Notes (forming part of the condensed consolidated interim financial statements)

20 Other liabilities

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Current			
Liabilities for advances received	108	102	106
Ongoing service obligations	347	324	306
VAT	102	104	117
Deferred grant income	69	70	71
Other taxes payable	228	100	236
Other	12	11	11
Total current other liabilities	866	711	847
Non-current			
Ongoing service obligations	637	605	513
Deferred grant income	375	348	294
Other	4	4	3
Total non-current other liabilities	1,016	957	810

21 Interest bearing loans and borrowings

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Short-term borrowings			
Bank loans	2	-	544
Current portion of long-term EURO MTF listed debt	423	427	558
Current portion of long-term bank loans	796	829	250
Total short-term borrowings	1,221	1,256	1,352
Long-term borrowings			
Bank loans	187	217	979
EURO MTF listed debt	2,666	2,683	3,427
Other unsecured	37	36	35
Total long-term borrowings	2,890	2,936	4,441
Lease obligations	707	694	693
Total debt	4,818	4,886	6,486

Undrawn facilities

As at 30 June 2024, the Group has a fully undrawn revolving credit facility of £1,520 million (31 March 2024: £1,520 million, 30 June 2023: £1,520 million). The facility has a maturity date of April 2026 and includes a covenant requiring the Group to maintain a minimum quarter-end liquidity of £1 billion.

Notes (forming part of the condensed consolidated interim financial statements)

22 Financial instruments

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial instruments held at fair value. These financial instruments are classified as either level 2 fair value measurements, as defined by IFRS 13, being those derived from inputs other than quoted prices which are observable, or level 3 fair value measurements, being those derived from significant unobservable inputs. There have been no changes in the valuation techniques used or transfers between fair value levels from those set out in note 37 to the annual consolidated financial statements for the year ended 31 March 2024.

The tables below show the carrying amounts and fair value of each category of financial assets and liabilities.

As at 30 June 2024 (£ millions)	Fair value through profit and loss				Total carrying value	Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Cash and cash equivalents	3,714	-	-	-	3,714	3,714
Short-term deposits and other investments	103	-	-	-	103	103
Trade receivables	925	-	-	-	925	925
Other non-current investments	-	54	-	-	54	54
Other financial assets - current	309	-	72	213	594	594
Other financial assets - non-current	126	-	14	246	386	386
Total financial assets	5,177	54	86	459	5,776	5,776
Accounts payable	6,885	-	-	-	6,885	6,885
Short-term borrowings	1,221	-	-	-	1,221	1,223
Long-term borrowings*	2,890	-	-	-	2,890	3,008
Other financial liabilities - current	628	-	79	189	896	896
Other financial liabilities - non-current	630	-	35	97	762	823
Total financial liabilities	12,254	-	114	286	12,654	12,835

*Included in long-term borrowings is £423 million that is designated as the hedged item in a fair value hedge relationship. Included within long-term borrowings is £(133) million of fair value adjustments of which £(114) million relates to the ongoing hedge relationship and £(19) million relates to hedge relationships that were discontinued during the year ended 31 March 2023. Included in long-term borrowings is £949 million that is designated as a hedging instrument in a cash flow hedge relationship.

As at 31 March 2024 (£ millions)	Fair value through profit and loss				Total carrying value	Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship		
Cash and cash equivalents	4,051	-	-	-	4,051	4,051
Short-term deposits and other investments	103	-	-	-	103	103
Trade receivables	1,236	-	-	-	1,236	1,236
Other non-current investments	-	52	-	-	52	52
Other financial assets - current	304	-	52	187	543	543
Other financial assets - non-current	132	-	4	219	355	355
Total financial assets	5,826	52	56	406	6,340	6,340
Accounts payable	7,113	-	-	-	7,113	7,113
Short-term borrowings	1,256	-	-	-	1,256	1,261
Long-term borrowings*	2,936	-	-	-	2,936	3,068
Other financial liabilities - current	620	-	74	191	885	885
Other financial liabilities - non-current	622	-	49	87	758	830
Total financial liabilities	12,547	-	123	278	12,948	13,157

*Included in long-term borrowings is £428 million that is designated as the hedged item in a fair value hedge relationship. Included within long-term borrowings is £(133) million of fair value adjustments of which £(112) million relates to the ongoing hedge relationship and £(21) million relates to hedge relationships that were discontinued during the year ended 31 March 2023. Included in long-term borrowings is £952 million that is designated as a hedging instrument in a cash flow hedge relationship.

Notes (forming part of the condensed consolidated interim financial statements)

22 Financial instruments (continued)

As at 30 June 2023 (£ millions)	Fair value through profit and loss					Total fair value
	Amortised cost	Financial assets	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	
Cash and cash equivalents	3,829	-	-	-	3,829	3,829
Short-term deposits and other investments	180	-	-	-	180	180
Trade receivables	1,028	-	-	-	1,028	1,028
Other non-current investments	-	48	-	-	48	48
Other financial assets - current	303	-	50	154	507	506
Other financial assets - non-current	79	-	35	105	219	219
Total financial assets	5,419	48	85	259	5,811	5,810
Accounts payable	6,130	-	-	-	6,130	6,130
Short-term borrowings	1,352	-	-	-	1,352	1,344
Long-term borrowings*	4,441	-	-	-	4,441	4,371
Other financial liabilities - current	513	-	135	222	870	870
Other financial liabilities - non-current	634	-	51	224	909	834
Total financial liabilities	13,070	-	186	446	13,702	13,549

*Included in long-term borrowings is £430 million that is designated as the hedged item in a fair value hedge relationship. Included within long-term borrowings is £(137) million of fair value adjustments of which £(112) million relates to the ongoing hedge relationship and £(25) million relates to hedge relationships that were discontinued during the year ended 31 March 2023. Included in long-term borrowings is £949 million that is designated as a hedging instrument in a cash flow hedge relationship.

The following table shows the levels in the fair value hierarchy for financial assets and liabilities held at fair value and for financial liabilities that are not measured at fair value, where the carrying value is not a reasonable approximation of fair value:

£ millions	As at 30 June 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	54	54
Derivative assets	-	545	-	545
Total	-	545	54	599
Financial liabilities measured at fair value				
Derivative liabilities	-	400	-	400
Total	-	400	-	400
Financial liabilities not measured at fair value				
Borrowings	3,206	1,025	-	4,231
Total	3,206	1,025	-	4,231

£ millions	As at 31 March 2024			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	52	52
Derivative assets	-	462	-	462
Total	-	462	52	514
Financial liabilities measured at fair value				
Derivative liabilities	-	401	-	401
Total	-	401	-	401
Financial liabilities not measured at fair value				
Borrowings	3,243	1,086	-	4,329
Total	3,243	1,086	-	4,329

Notes (forming part of the condensed consolidated interim financial statements)

22 Financial instruments (continued)

£ millions	As at 30 June 2023			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Other non-current investments	-	-	48	48
Derivative assets	-	344	-	344
Total	-	344	48	392
Financial liabilities measured at fair value				
Derivative liabilities	-	632	-	632
Total	-	632	-	632
Financial liabilities not measured at fair value				
Borrowings	3,899	1,816	-	5,715
Total	3,899	1,816	-	5,715

Reconciliation of level 3 fair values

The following table gives a reconciliation of the movements in level 3 financial assets held at fair value:

£ millions	Three months ended	
	30 June 2024	30 June 2023
Balance at beginning of the period	52	43
Originated / purchased during the period	2	2
Fair value changes recognised in consolidated income statement	-	3
At end of period	54	48

Notes (forming part of the condensed consolidated interim financial statements)

23 Other reserves

The movement in reserves is as follows:

£ millions	Translation reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2024	(367)	177	(6)	5,807	5,611
Profit for the period	-	-	-	502	502
Remeasurement of defined benefit obligation	-	-	-	(62)	(62)
Gain/(loss) on effective cash flow hedges	-	127	(64)	-	63
Income tax related to items recognised in other comprehensive income	-	(32)	16	16	-
Cash flow hedges reclassified to profit and loss	-	(15)	(2)	-	(17)
Income tax related to items reclassified to profit or loss	-	4	1	-	5
Amounts removed from hedge reserve and recognised in inventory	-	1	1	-	2
Dividends paid	-	-	-	(387)	(387)
Foreign currency translation	(11)	-	-	-	(11)
Balance at 30 June 2024	(378)	262	(54)	5,876	5,706

£ millions	Translation reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2023	(320)	(608)	(34)	3,533	2,571
Profit for the period	-	-	-	323	323
Remeasurement of defined benefit obligation	-	-	-	(130)	(130)
Gain/(loss) on effective cash flow hedges	-	601	(7)	-	594
Income tax related to items recognised in other comprehensive income	-	(18)	9	33	24
Cash flow hedges reclassified to profit and loss	-	61	(4)	-	57
Income tax related to items reclassified to profit or loss	-	(15)	1	-	(14)
Amounts removed from hedge reserve and recognised in inventory	-	1	-	-	1
Foreign currency translation	(42)	-	-	-	(42)
Balance at 30 June 2023	(362)	22	(35)	3,759	3,384

24 Dividends

In May 2024, the Company paid an ordinary dividend of £387 million to its immediate parent company TML Holdings Pte. Ltd. (Singapore).

During the three month period ended 30 June 2023, no ordinary share dividends were proposed or paid.

Notes (forming part of the condensed consolidated interim financial statements)

25 Employee benefits

The Group has pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each scheme. The following tables set out disclosures pertaining to employee benefits of the JLR Automotive Group plc which operates defined benefit pension schemes:

Change in present value of defined benefit obligation

£ millions	Three months ended	
	30 June 2024	30 June 2023
Defined benefit obligation at beginning of period	5,104	5,089
Current service cost	16	15
Interest expense	63	59
Actuarial (gains)/losses arising from:		
Changes in demographic assumptions	(48)	(78)
Changes in financial assumptions	(49)	(268)
Experience adjustments	18	52
Exchange differences on foreign schemes	(1)	(1)
Benefits paid	(53)	(53)
Defined benefit obligation at end of period	5,050	4,815

Change in fair value of schemes' assets

£ millions	Three months ended	
	30 June 2024	30 June 2023
Fair value of schemes' assets at beginning of period	5,382	5,726
Interest income	67	68
Remeasurement loss on the return of plan assets, excluding amounts included in interest income	(141)	(424)
Administrative expenses	(3)	(3)
Employer contributions	18	22
Benefits paid	(53)	(53)
Fair value of schemes' assets at end of period	5,270	5,336

The principal assumptions used in accounting for the pension schemes are set out below:

As at	30 June 2024	30 June 2023
Discount rate	5.1%	4.8%
Expected rate of increase in benefit revaluation of covered employees	2.0%	1.9%
RPI inflation rate	3.0%	2.7%
CPI inflation rate (capped at 5% p.a.)	2.6%	2.5%
CPI inflation rate (capped at 2.5% p.a.)	1.8%	1.7%

Notes (forming part of the condensed consolidated interim financial statements)

25 Employee benefits (continued)

Amounts recognised in the condensed consolidated balance sheet consist of:

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Present value of defined benefit obligation	(5,050)	(5,104)	(4,815)
Fair value of schemes' assets	5,270	5,382	5,336
Net pension asset	220	278	521
Presented as non-current asset	242	300	542
Presented as non-current liability	(22)	(22)	(21)

For the valuations at 30 June 2024 the mortality assumptions used are the Self-Administered Pension Schemes ("SAPS") mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 97 per cent to 115 per cent have been used for male members and 104 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 109 per cent to 112 per cent have been used for male members and 100 per cent to 115 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 92 per cent to 99 per cent have been used for male members and 92 per cent to 97 per cent have been used for female members.

For the valuations at 31 March 2024 the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 95 per cent to 111 per cent have been used for male members and 99 per cent to 113 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 101 per cent to 109 per cent have been used for male members and 97 per cent to 111 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 87 per cent to 93 per cent have been used for male members and 86 per cent to 92 per cent have been used for female members.

For the valuations at 30 June 2023 the mortality assumptions used were the SAPS mortality base table, S3 tables ("Light" tables for members of the Jaguar Executive Pension Plan).

- For the Jaguar Pension Plan, scaling factors of 101 per cent to 115 per cent have been used for male members and 103 per cent to 118 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 105 per cent to 117 per cent have been used for male members and 100 per cent to 116 per cent have been used for female members.
- For the Jaguar Executive Pension Plan, scaling factors of 93 per cent to 97 per cent have been used for male members and 91 per cent to 96 per cent have been used for female members.

For the 30 June 2024 period end calculations there is an allowance for future improvements in line with the CMI (2023) projections with a long-term rate of improvement of 1.25 per cent per annum, a smoothing parameter of 7.0 (31 March 2024: CMI (2022) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.0, 30 June 2023: CMI (2021) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.5).

Notes (forming part of the condensed consolidated interim financial statements)

26 Commitments and contingencies

The following includes a description of contingencies and commitments. The Group assesses such commitments and claims as well as monitors the legal environment on an ongoing basis, with the assistance of external legal counsel wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in the financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability unless the loss becomes probable. Such potential losses may be of uncertain timing and/or amounts.

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023*
Contingencies:			
- Third party claims and obligations	414	332	530
- Taxes and duties	50	60	59
Commitments:			
- Plant and equipment	739	655	430
- Intangible assets	22	20	23
Pledged as collateral/security against the borrowings and commitments:			
- Other financial assets	28	27	20

*The comparatives at 30 June 2023 have been re-presented to align with presentation changes made during the year ended 31 March 2024. Other contingencies are now presented in Third party claims and obligations. This has not resulted in any change to total contingent liabilities and commitments disclosed.

Contingencies

Contingencies relate to legal and constructive obligations to third parties. There are claims and obligations against the Group which management has not recognised, as settlement is not considered probable. These claims and obligations relate primarily to the following:

- Third party claims and obligations (primarily supplier claims)
- Taxes and duties

The increase in the period is driven mainly by supplier claims related to ongoing negotiations.

There have been no material changes to regulatory, litigation and competition matters disclosed in the Group's Annual Report for the year ended 31 March 2024.

Commitments

The Group has entered into various contracts with vendors and contractors for the acquisition of plant and equipment and intangible assets.

Joint venture

Stipulated within the joint venture agreement for Chery Jaguar Land Rover Automotive Company Ltd., and subsequently amended by a change to the Articles of Association of Chery Jaguar Land Rover Automotive Company Ltd. is a commitment for the Group to contribute a total of CNY 5,000 million of capital. Of this amount, CNY 3,475 million has been contributed as at 30 June 2024. The outstanding commitment of CNY 1,525 million translates to £165 million at the 30 June 2024 exchange rate.

The Group's share of capital commitments of its joint venture at 30 June 2024 is £1 million (31 March 2024: £2 million, 30 June 2023: £7 million) and contingent liabilities of its joint venture 30 June 2024 is £6 million (31 March 2024: £6 million, 30 June 2023: £1 million).

Notes (forming part of the condensed consolidated interim financial statements)

27 Capital management

The Group's objectives when managing capital are to ensure the going concern operation of all subsidiary companies within the Group, to maintain an efficient capital structure to support ongoing and future operations of the Group and to meet shareholder expectations.

The Group issues debt, primarily in the form of bonds, to meet anticipated funding requirements and maintain sufficient liquidity. The Group also maintains certain undrawn committed credit facilities to provide additional liquidity. These borrowings, together with cash generated from operations, are loaned internally or contributed as equity to certain subsidiaries as required. Surplus cash in subsidiaries is pooled (where practicable) and invested to satisfy security, liquidity and yield requirements.

The capital structure and funding requirements are regularly monitored by the JLR plc Board to ensure sufficient liquidity is maintained by the Group. All debt issuances and capital distributions are approved by the JLR plc Board.

The following table summarises the capital of the Group:

As at (£ millions)	30 June 2024	31 March 2024	30 June 2023
Short-term debt	1,299	1,329	1,422
Long-term debt	3,519	3,557	5,064
Total debt*	4,818	4,886	6,486
Equity attributable to shareholders	7,374	7,279	5,052
Total capital	12,192	12,165	11,538

*Total debt includes lease obligations of £707 million (31 March 2024: £694 million, 30 June 2023: £693 million).

Notes (forming part of the condensed consolidated interim financial statements)

28 Notes to the consolidated cash flow statement

Reconciliation of profit for the period to cash generated from operations

£ millions	Three months ended	
	30 June 2024	30 June 2023
Cash flows from operating activities		
Profit for the period	502	323
Adjustments for:		
Depreciation and amortisation	510	538
Loss on disposal of assets	5	12
Income tax expense	199	112
Finance expense (net)	87	131
Finance income	(44)	(33)
Foreign exchange on debt, derivatives and balance sheet revaluation	(32)	(13)
Unrealised (gain)/loss on commodity derivatives	(59)	78
Share of profit of equity accounted investments	(6)	(10)
Fair value gain on equity investments	-	(3)
Exceptional items	(8)	-
Other non-cash adjustments	-	(4)
Cash flows from operating activities before changes in assets and liabilities	1,154	1,131
Trade receivables and other assets	55	(9)
Other financial assets	(10)	(20)
Inventories	(193)	(451)
Accounts payable, other liabilities and retirement benefit obligations	(17)	446
Other financial liabilities	26	(27)
Provisions	22	74
Cash generated from operations	1,037	1,144

Notes (forming part of the condensed consolidated interim financial statements)

28 Notes to the consolidated cash flow statement (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities

£ millions	Borrowings	Lease obligations	Interest accrued	Total
Balance at 1 April 2024	4,192	694	84	4,970
Cash flows				
Repayment of financing	(63)	(19)	-	(82)
Interest paid	-	(14)	(80)	(94)
Non-cash movements				
Issue of new leases	-	8	-	8
Interest accrued	-	14	74	88
Foreign currency translation	(30)	(1)	-	(31)
Acquisition of subsidiary	4	23	-	27
Fee amortisation	2	-	-	2
Long-term borrowings revaluation in hedge reserve	6	-	-	6
Other	-	2	-	2
Balance at 30 June 2024	4,111	707	78	4,896
Balance at 1 April 2023	6,078	710	95	6,883
Cash flows				
Repayment of financing	(133)	(17)	-	(150)
Interest paid	-	(15)	(86)	(101)
Non-cash movements				
Issue of new leases	-	17	-	17
Interest accrued	-	14	91	105
Foreign currency translation	(110)	(14)	(2)	(126)
Lease terminations	-	(2)	-	(2)
Fee amortisation	2	-	-	2
Long-term borrowings revaluation in hedge reserve	(40)	-	-	(40)
Fair value adjustment on borrowings	(4)	-	-	(4)
Balance at 30 June 2023	5,793	693	98	6,584

Included within 'finance expenses and fees paid' in the condensed consolidated cash flow statement for the three months ended 30 June 2024 is £12 million (three months ended 30 June 2023: £13 million) of cash interest paid relating to other assets and liabilities not included in the reconciliation above.

Notes (forming part of the condensed consolidated interim financial statements)

29 Related party transactions

Tata Sons Private Limited is a company with significant influence over the Group's ultimate parent company Tata Motors Limited. The Group's related parties therefore include Tata Sons Private Limited, subsidiaries and joint ventures of Tata Sons Private Limited and subsidiaries, joint ventures and associates of Tata Motors Limited. The Group routinely enters into transactions with its related parties in the ordinary course of business, including transactions for the sale and purchase of products with its joint ventures, and IT and consultancy services received from subsidiaries of Tata Sons Private Limited.

All transactions with related parties are conducted under normal terms of business and all amounts outstanding are unsecured and will be settled in cash. Transactions and balances with the Group's own subsidiaries are eliminated on consolidation.

The following tables summarise related party transactions and balances not eliminated in the condensed consolidated interim financial statements:

Three months ended 30 June 2024 (£ millions)	With joint ventures of the Group	With associates of the Group and their subsidiaries	With Tata Sons Private Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates
Sale of products	68	-	-	37
Purchase of goods	13	41	-	48
Services received	-	-	99	42
Services rendered	2	-	-	-
Dividends received	2	-	-	-
Trade and other receivables	47	-	-	120
Accounts payable	4	5	65	94

Three months ended 30 June 2023 (£ millions)	With joint ventures of the Group	With associates of the Group and their subsidiaries	With Tata Sons Private Limited and its subsidiaries and joint ventures	With immediate or ultimate parent and its subsidiaries, joint ventures and associates
Sale of products	57	-	-	10
Purchase of goods	7	36	-	26
Services received	-	-	67	32
Services rendered	4	-	-	1
Dividends received	2	-	-	-
Trade and other receivables	41	-	24	45
Accounts payable	1	3	24	35

Compensation of key management personnel

£ millions	Three months ended	
	30 June 2024	30 June 2023
Key management personnel remuneration	6	5