

Jaguar Land Rover Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

(Company registered number: 01672070)

For the year ended 31 March 2025

COMPANY INFORMATION

Directors

N. Blenkinsop
L. P. J. Hoornik
R. S. Leslie
A. J. Mardell
S. J. Marsh
Professor G. G. McGovern
R. J. Molyneux
T. Müller
Q. Pan
H. B. B. Sorensen
D. M. Williams

Company Secretary

D. A. R. Berry
N. H. Wilkinson

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STRATEGIC REPORT

The directors present their Strategic Report for Jaguar Land Rover Limited (the 'Company') for the year ended 31 March 2025.

Principal activity

The Company's principal activity during the year was the design, development, manufacture and marketing of premium all-terrain vehicles and luxury performance cars.

Review of business and future developments

The Company continued to deliver a strong financial performance this year despite the headwinds and challenges across the automotive industry as a whole. Wholesales were broadly consistent with the prior year, despite supply chain disruptions impacting the first half of the year, and the wind down of the production of legacy Jaguar products ahead of the launch of all-new Jaguar in 2026.

Revenues for the year were £25,238 million (2024: £25,726 million), as the Company continued to optimise its product mix with the prioritisation of higher margin vehicles. The Company focused on driving brand profitability and elevating product offering through bespoke and personalised products. The Company's rich mix of Range Rover, Range Rover Sport and Defender have enjoyed strong demand throughout the year with minimal levels of variable marketing expense, although these costs are starting to increase across the product portfolio.

The Company introduced new vehicle variants, including the launch of the Defender OCTA, Range Rover SV models, and continued development of the Range Rover Electric. These efforts aim to elevate the Company's brands into new realms of luxury, improve margins, and demonstrate commitment to achieving the highest levels of quality, durability, and sustainability.

Core to the Reimagine strategy is the complete reimagining of Jaguar, returning it to its luxury position where it was most successful in the past. Jaguar took its first public steps into this reimagined future with the unveiling of its new brand, and the exuberant Type 00 design vision concept vehicle at Miami Art Week in December 2024, ahead of the first new Jaguar model, to be revealed later in 2025.

The Company is continuing the transformation of the business to become carbon net zero across our supply chain, products, and operations by 2039. This includes advancing electric vehicle preparations, expanding bespoke paint facilities with energy-efficient technology and filtration techniques, and partnering with Pirelli for sustainably sourced, FSC®-certified natural rubber tyres. All brands will be electrified by 2030, enabled by the new Electrified Modular Architecture and Jaguar Electrified Architecture.

Nothing is more important than the Company's people and their experiences. The Company has made incredible strides in nurturing a workplace that is welcoming and rewarding for everyone, where training, coaching and new policies support people with opportunities to grow and thrive. The Company is committed to its cultural transformation to create a positive, inclusive environment where everyone feels respected, valued and cared for.

Looking ahead, the Company remains vigilant to worldwide volatility, including the impact of changes in global trade conditions and the varying degrees of adoption of electric vehicles across different markets and evolving technologies. The Company is well positioned to be able to react to challenging market conditions and remains vigilant and resilient to headwinds.

While the Company has not observed any direct impacts from geopolitical instability over the past year due to specific events, the Company proactively scenario plans against a range of outcomes to ensure it's able to effectively respond as a business. In particular, the Company continues to monitor and assess the global tariffs environment to manage the implications as effectively as possible.

The Company ends this financial year in a strong position, with a portfolio of desirable products. The Company's luxury brands have global appeal and the business is resilient, being accustomed to changing market conditions. The Company plans to continue the strong momentum from this year and successfully reimagine its exciting future in the year ahead and beyond.

Further information on the purpose, strategy and sustainability initiatives of Jaguar Land Rover Automotive PLC and its subsidiaries (the 'Group'), of which the Company is a part, can be found in the Strategic Report of the Jaguar Land Rover Automotive PLC ('JLRA PLC') Annual Report for the year ended 31 March 2025. This report can be obtained from the Company's registered office.

STRATEGIC REPORT (CONTINUED)

Key performance indicators

The key performance indicators (KPIs) used are set out below:

KPI	2025	2024	Commentary
Revenue	£25,238 million	£25,726 million	Broadly consistent total wholesales year on year with increased variable marketing expense exceeding the impact of product mix optimisation.
Profit before tax	£1,644 million	£1,679 million	Broadly consistent profit before tax year on year as the impact of increased employee costs and other expenses were offset by a reduction in depreciation and amortisation charge arising from the cessation of production of legacy Jaguar products and favourable external factors such as foreign exchange rate movements and reduced interest rates.
Net assets	£5,999 million	£4,456 million	Increase in net assets is primarily driven by the impact of the profit for the year of £1,259 million (2024: £2,331 million) and net gains on cash flow hedges. Strong cash generation in the year has been utilised to reduce borrowings and further invest in tangible and intangible assets.
Headcount (average)	35,172 employees	33,257 employees	Increase in headcount due to growth in product development to support the continued expansion of the Company.

STRATEGIC REPORT (CONTINUED)

Principal risks and uncertainties

The principal risks and uncertainties of the Group, of which the Company is part, are included in the JLRA PLC Annual Report for the year ended 31 March 2025 on pages 71 to 73. The principal risks and uncertainties are considered at a Group level and are considered to be similar to those of the Company.

The risks outlined on pages 71 to 73 of the JLRA PLC Annual Report for the year ended 31 March 2025 that are relevant to the Company are as follows:

- Competitive business efficiency;
- Global economic and geopolitical environment;
- Brand positioning;
- Rapid technology change;
- Electrification transition;
- Supply chain disruptions;
- Information security;
- Client service delivery;
- People capability and capacity;
- Data management;
- IT infrastructure;
- Environmental regulations and compliance; and
- Litigation / Regulatory.

Outlined below is further detail regarding the new principal risk introduced during the year ended 31 March 2025:

Operational	Consequences	Management of risk
Electrification transition		
Under the Group's Reimagine strategy, the Company is enacting a progressive transition from internal combustion engine (ICE) vehicles to battery electric vehicles (BEVs). Delivering a smooth, efficient, and cost-effective shift that minimises disruptions, meets regulatory requirements, satisfies consumer demand and supports environmental sustainability is paramount. This involves managing financial, technological, supply chain and workforce transitions to maintain competitiveness and achieve long-term success in the evolving automotive market.	<p>If the transition is not carefully managed it could lead to multiple inefficiencies resulting in financial losses for the Company.</p> <p>Examples include, but not limited to:</p> <ul style="list-style-type: none"> ▪ Supply Chain Disruptions: Unmanaged supply chain issues could lead to production delays and shortages. ▪ Market Share Decline: Inability to meet consumer demand for BEVs could result in a loss of market share to more agile competitors. ▪ Regulatory Penalties: Non-compliance with evolving regulations could lead to fines and legal challenges. ▪ Reputation Damage: Failure to transition effectively could harm JLR's reputation and brand value. 	The Company is making a significant transition from ICE to BEV as part the Reimagine strategy. This shift includes the launch of the first pure-electric Range Rover and a new all-electric, four door GT Jaguar in 2026. To support this electrification, Tata Group's Agratas is to construct the UK's largest battery cell facility in Somerset, which will provide high-performance battery cells for our new electric models. Additionally, the Company is making significant continued investment in upgrading core facilities and supply chain for electrification.

STRATEGIC REPORT (CONTINUED)

Statement of Corporate Governance Arrangement

For the year ended 31 March 2025, under the Companies (Miscellaneous Reporting) Regulations 2018, the Company has continued to apply the Wates Corporate Governance Principles for Large Private Companies ('Wates Principles') (published by the Financial Reporting Council ('FRC') in December 2018 and available on the FRC website).

The Company has applied the Wates Principles as an appropriate framework when making a disclosure regarding corporate governance arrangements. The Company's reporting against the Wates Principles has been included below. The Company remains committed to ensuring effective governance is in place to deliver its core values, as this is the foundation on which it manages and controls its business and provides the platform for sustainable profitability.

Section 172 Companies Act 2006

The Wates Principles provide a framework for the Company to not only demonstrate how the board of directors (the 'Board') makes decisions for the long-term success of the Company and its stakeholders, but also having regard to how the Board ensures the Company complies with the requirements of Section 172 (1)(a) to (f) of the Companies Act 2006.

The Board provides supervision and guidance to management, particularly with respect to corporate governance, business strategies and growth plans. It also considers the identification of risks and their mitigation strategies, entry into new businesses, product launches, demand fulfilment and capital expenditure requirements, as well as the review of business plans and targets.

Examples of actions taken by the Board are reviewing and making decisions concerning operational planning associated with the latest five-year business plan of JLR and evaluating the performance against budget and forecast. The Board is also responsible for overseeing the implementation of appropriate risk assessment processes and controls to identify, manage and mitigate the principal risks to the Company. This includes the review, approval and communication of the risk management policy and framework.

Reporting against the Wates Principles for JLRA PLC has been included below in these financial statements as the Board considers the key decisions made are consistent with those included within the JLRA PLC accounts.

The details on how Section 172 of the Companies Act 2006 has been addressed are summarised as follows:

a) The likely consequences of any decision in the long term

The Board annually approve the five-year business plan and monitors its implementation throughout the year.

External factors are also considered such as economic, political and ongoing challenges within the market as a part of the five-year plan to ensure both financial and operating strategy is set at sustaining and achieving the long-term success of the Company.

To further enhance and support the long-term strategy, the Company continues to review debt funding arrangements during the financial year.

b) The interests of the Company's employees

The Board understand the importance of the Company's colleagues to the long-term success of the business. The Company regularly communicates to its employees through presentations, internal group-wide emails and newsletters. A pulse survey undertaken annually allows colleagues to formally provide feedback to further support the long-term plans of the Company in addition to informal feedback sessions held during the year with various members of the Board.

Investment in and development of colleagues continues to be an important area of focus for the Company, which continues to provide support to colleagues across a range of initiatives, including through training days, e-learning modules and internal networks which have been created to support wellbeing create communities for our colleagues to discuss and share support on mental health initiatives and general wellbeing. The Company also proudly supports the growing number of active diversity and inclusion employee-led networks. These include Pride, REACH, RISE, Armed Forces, Gender Equality, Women in Engineering, Shine, Disability and a number of religious groups.

c) The need to foster the Company's business relationships with suppliers, customers and others

The Board understand the importance of the Company's supply chain in delivering the long-term plans of the Company. The Company's principal risks and uncertainties set out risks that can impact the long-term success of the Company and how these risks interact with stakeholders. The Company's suppliers of production and non-production goods, works and services play an integral role in the business and help the Company to operate globally, and the Company continues to actively engage and collaborate with suppliers to mitigate potential disruption to the supply chain.

STRATEGIC REPORT (CONTINUED)

The Company has key objectives and principles which are set out clearly in the Global Supplier Management policy. Ensuring this policy is followed and suppliers conduct their business in a manner which supports the Company's high level principles and behaviours framework, including in relation to ensuring ethical behaviour, sustainability and health and safety, is considered critical to the continued success of business relationships.

The Board monitor the Company's engagement with customers through the use of various Customer Experience Insight tools which helps collate feedback from customers and prospective customers about the Company's brands, products, services and experiences. This process is run internally and enables both the Company and retailers globally to help improve customer experience and engagement. Other regular customer feedback mechanisms exist through a variety of syndicated surveys to provide and offer external and independent feedback.

The Board actively seek information on the interaction with stakeholders and colleagues to ensure that they have sufficient information to reach appropriate conclusions about the risks faced by the Company.

d) The impact of the Company's operations on the community and environment

The Company remains committed to its sustainability rich vision of luxury which delivers a more equitable future. It continues to encourage fundraising and charitable initiatives, and during the year the Group launched the JLR Foundation, a charitable foundation with a mission to provide the resources, education and opportunities to enable disadvantaged young people to reach their full potential.

As part of their corporate decision making, the Board also have regard to ensuring dialogue and safeguarding is in place with investors, stakeholders and colleagues, thereby creating a positive social and environmental impact. This is demonstrated through both financial and non-financial reporting.

The key governance issues around conflicts of interest, oversight, accountability, transparency and ethics violations are considered to be a critical and core aspect to the Company's ESG approach.

e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Company is committed to fostering a more diverse, inclusive and unified culture that is representative of its clients and society; a culture where every colleague can bring their authentic self to work and feel empowered to reach their full potential.

Through the Reimagine strategy, the Company has set a clear vision and pathway to become the proud creators of modern luxury. Colleagues are unified under this shared Purpose and collectively drive the business forward to create an environment where everyone can thrive as individuals.

The Company's Purpose is guided by its Creators' Code, employee Code of Conduct and other supporting corporate policies, which together support its mission to do the right thing at all times, in any circumstance. The Company expects its business partners to hold the same high ethical standards, and this expectation is passed on through the Supplier Code of Conduct.

The Company has a mature compliance and ethics programme which embeds its standards throughout the Group, and the Company works with the Tata Group to benchmark its programme and share best practice.

The Board has total oversight over the compliance and ethics risk management programme, and receives regular updates on programme performance.

f) The need to act fairly between members of the Company

The Company is ultimately owned by Tata Motors Limited and they are collectively committed to continuing to build future growth through new models and a roadmap that provides a clear direction for the business and the Group's House of Brands.

Partnerships with Tata Group companies strengthen as the Company continues to leverage synergies within the Tata ecosystem to support the development of our next-generation electric vehicles.

Wates principle 1 – Purpose and leadership

The Board continues to meticulously develop and promote the purpose of the Company through a diligent review of strategy, performance, responsibility and accountability so that every decision made is in the best interest of the Company. The foundation of these decisions is made by taking into account the business model and processes in place.

STRATEGIC REPORT (CONTINUED)

The Board actively ensures through committee meetings and wider input from the relevant stakeholders within the business that there is careful consideration of all economic, geopolitical and environmental factors including the impact of changes in global trade conditions. This is to ensure that the appropriate strategy and decisions are made. Ongoing and healthy dialogue with stakeholders continues, including discussions with trade unions and employee representatives to support the business model and growth of the Company. Empowering stakeholders to make key and critical decisions to ensure objectives are met successfully is at the core of the Company.

Wates principle 2 – Board composition

The Company regularly evaluate the balance of skills, experience, knowledge and independence of the directors. The size and composition of the Board is considered to be appropriate with all members contributing to a wide variety of experience.

During the year, François Dossa and Barbara Bergmeier resigned as Executive Director for Strategy and Sustainability and Executive Director for Industrial Operations respectively. Nigel Blenkinsop moved to the position of Director of Industrial Operations and Steve Marsh and Russell Leslie were appointed as Executive Director of Vehicle Programmes and Executive Director of Enterprise Quality and Customer Satisfaction respectively. Alongside this, the Company appointed Swarna Ramanathan as Chief Strategy Officer, John Beswick as Chief Transformation and Performance Officer and Andrea Debbane as Chief Sustainability Officer.

Wates principle 3 – Director responsibilities

Effective risk management is central to achieving the Company's strategic objectives and is a core responsibility of the Board. The governance structure of the Group, of which the Company is a subsidiary, ensures good governance is achieved through effective committees tackling core areas of focus for the members of the Group on a regular basis.

The work of the Board executes the strategy of the Group and ensures the governance principles align with the JLRA PLC board of directors, with the Board operating under the direction and authority of the Chief Executive Officer to support in the execution of the Group's strategy, including evaluating the Group's performance against budget and forecast.

The Board is also responsible for overseeing the implementation of appropriate risk assessment processes and controls to identify, manage and mitigate the principal risks to the Group, and in doing so, provide support to the boards of directors of other Group companies.

Details of the other committees and governance structures of the Group are contained on pages 81 to 85 in the JLRA PLC Annual Report for the year ended 31 March 2025.

Wates principle 4 – Opportunity and risk

The Board have oversight of the identification and mitigation of risks for the Company and in the context of the Company as a subsidiary of JLRA PLC. The principal risks of the Company are set out in the JLRA PLC Annual Report for the year ended 31 March 2025 on pages 71 to 73. A summary of these risks and details of new risks arising in the year are outlined in the Strategic Report on page 3.

Wates principle 5 – Remuneration

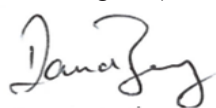
The Nominations and Remuneration Committee of JLRA PLC ensures that appropriate senior management is recruited to deliver on the Group's objectives. The Nominations and Remuneration Committee has clearly defined Terms of Reference and is responsible for remuneration strategy, recruitment and long-term incentive plans for senior executives. The composition and role of the Nominations and Remuneration Committee and policies are included in the JLRA PLC Annual Report for the year ended 31 March 2025.

Wates principle 6 – Stakeholder relationship and engagement

The JLRA PLC board of directors continues to promote accountability and transparency with all stakeholders and shareholders and effectively communicates the Company's strategic direction. Interaction and communication with customers and suppliers are set out in the Strategic Report of the JLRA PLC Annual Report for the year ended 31 March 2025.

Maintaining strong relationships with shareholder and bond investors is crucial to achieving the Company's aims.

The Strategic Report has been approved by the Board and signed on its behalf by:



D. A. R. Berry
Company Secretary
3 June 2025

DIRECTORS' REPORT

The directors present their Directors' Report for Jaguar Land Rover Limited ('the Company') for the year ended 31 March 2025. The Company is a private company limited by shares.

Results and dividends

The income statement shows a profit after tax for the financial year of £1,259 million (2024: £2,331 million).

Dividends

No interim dividends were paid during the year (2024: £nil) and the directors do not recommend payment of a dividend in respect of the financial results for the year ended 31 March 2025 (2024: £nil).

Directors

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

B. R. Bergmeier	(resigned 31 January 2025)
N. Blenkinsop	
F. A. Dossa	(resigned 30 August 2024)
L. P. J. Hoornik	
R. S. Leslie	(appointed 1 February 2025)
A. J. Mardell	
S. J. Marsh	(appointed 21 October 2024)
Professor G. G. McGovern	
R. J. Molyneux	
T. Müller	
Q. Pan	
H. B. B. Sorensen	
D. M. Williams	

Directors' indemnities

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

Branches

The Company has two branches which exist and operate outside of the UK based in the United Arab Emirates.

Going concern

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

The directors have performed a going concern assessment for the Company for a period of at least 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, JLRA PLC, to meet its liabilities as they fall due for that period.

The going concern assessment for the Company is dependent on JLRA PLC not seeking repayment of the amounts currently due directly or indirectly to the Group, except in instances where the Company has sufficient liquidity to make such payments, and providing additional financial support during that period. See note 25 for the liability positions with fellow Group undertakings at 31 March 2025.

JLRA 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 during the going concern assessment period, except in instances where the Company has sufficient liquidity to make such payments. 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.

DIRECTORS' REPORT (CONTINUED)

In recent years, the Company has demonstrated its operational and financial resilience and ability to manage business risks successfully, responding to challenges arising including the global shortage of semiconductors and prevailing financial conditions including inflationary pressures on material and other costs. The Company's directors have challenged the Company's forecasts and also concluded that JLRA PLC has both the ability and intent to provide financial support to the Company, even in a severe but plausible downside scenario and considering the forecast impact that the changes made to US tariffs will have on the Group. Details pertaining to the most recent going concern assessment performed for JLRA PLC are disclosed in its annual report for the year ended 31 March 2025, which is available from its registered office.

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.

Business review and future developments

A business review and future developments impacting the Company are disclosed in the 'Review of business and future developments' section of the Strategic Report on page 1.

Financial instruments

The disclosures required in relation to the use of financial instruments by the Company, together with details of the Company's treasury policy and management are set out in note 34 to the financial statements.

Research and development

The Company has incurred £2,661 million (2024: £2,333 million) of research and development costs during the financial year. The Company is committed to a continuing programme of major expenditure on research and development as disclosed in note 11 to the financial statements.

Colleague information and involvement

The average number of colleagues within the Company is disclosed in note 6 to the financial statements. Apart from determining that an individual has the ability to carry out a particular role, the Company does not discriminate in any way. It endeavours to retain colleagues if they become disabled, making reasonable adjustments to their role and, if necessary, looking for redeployment opportunities within the Company. The Company also ensures that training, career development and promotion opportunities are available to all colleagues irrespective of gender, race, age or disability.

The Company is committed to creating a workplace where every colleague feels respected and valued and the Company wants its workplace to reflect society and the clients we serve, because it delivers better outcomes and business performance.

Details of how the Company involves its colleagues are contained in the 'People' section of the corporate website at www.jaguarlandrover.com.

Political involvement and contributions

The Company respects an employee's right to use their own time and resources to participate as individual citizens in political and governmental activities of their choice. The Company itself operates under legal limitations on its ability to engage in political activities, and even where there are no legal restrictions, the Company does not typically make contributions to political candidates or political parties or permit campaigning on its property by political candidates (including those who work for the Company) or persons working on their behalf. There have not been any political donations in any of the periods covered by these financial statements.

Slavery and human trafficking statement

Pursuant to Section 54 of the Modern Slavery Act 2015, JLR has published a Slavery and Human Trafficking Statement. The statement sets out the steps that JLR has taken to address the risk of slavery and human trafficking occurring within its own operations and its supply chains. The latest statement can be found on the corporate website at www.jaguarlandrover.com.

Streamlined energy and carbon reporting

Disclosures relating to energy and carbon emissions as required by 'The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155)' are included on page 68 of the JLRA PLC Annual Report for the year ended 31 March 2025.

DIRECTORS' REPORT (CONTINUED)

Events after the balance sheet date

Full details of significant events since the balance sheet date are disclosed in note 38 to the financial statements.

Independent auditor

During the year ended 31 March 2025, KPMG LLP were re-appointed as the Company's auditor.

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

Statement of disclosure of information to auditor

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

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

The Directors' Report was approved by the Board and signed on its behalf by:



D. A. R. Berry
Company Secretary
3 June 2025

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

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

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

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

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

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

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report and a Directors' report that complies with that law and those regulations.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAGUAR LAND ROVER LIMITED

Opinion

We have audited the financial statements of Jaguar Land Rover Limited ("the Company") for the year ended 31 March 2025, which comprise the Income Statement, Statement of Comprehensive Income and Expense, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of Directors, the audit committee, internal audit and certain senior managers as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board committee minutes.
- Considering remuneration incentive schemes and performance targets for management and Directors.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that Group and component management may be in a position to make inappropriate accounting entries;
- the risk of bias in accounting estimates and judgments; and
- the risk that new vehicle revenue is overstated through recording revenues in the wrong period.

We also identified fraud risks related to inappropriate capitalisation of development costs and inappropriate assumptions in relation to the warranty provision estimate, in response to possible pressures to meet profit targets. In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of some of the Company-wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test for all relevant full scope components based on risk criteria tailored for the risks at each component and comparing the identified entries to supporting documentation. Examples of the criteria applied include those posted by senior finance management, those posted and approved by the same user, those posted to unusual accounts specific to revenue and the warranty provision, and those in relation to inappropriate capitalisation
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.
- Assessing when revenue was recognised, particularly focusing on revenue recognised in the days before the year end date, and whether it was recognised in the correct year.
- Critically assessing the directors' judgements regarding identified product engineering development costs capitalised in relation to both the accounting standards and our experience of practical application of these standards in other companies.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: product compliance, environmental, health and safety, data protection laws, bribery and corruption, employment law, competition laws and export controls.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports 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 Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 10, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

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



Craig Parkin BA ACA (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
Birmingham
B46GH

Date: 3 June 2025

FINANCIAL STATEMENTS

INCOME STATEMENT

Year ended 31 March (£ millions)	Note	2025	2024
Revenue	4	25,238	25,726
Material and other cost of sales	5	(15,342)	(15,349)
Employee costs	6	(2,981)	(2,670)
Other expenses	10	(5,795)	(5,366)
Exceptional items	3	(44)	-
Other income	9	244	212
Engineering costs capitalised	11	1,792	1,453
Depreciation and amortisation	14	(1,512)	(2,057)
Foreign exchange gain/(loss) and fair value adjustments	12	77	(96)
Finance income	13	390	447
Finance expense	13	(423)	(621)
Profit before tax		1,644	1,679
Income tax excluding impact of deferred tax asset recognition		(385)	(386)
Impact of deferred tax asset recognition		-	1,038
Income tax (expense)/credit	15	(385)	652
Profit for the year		1,259	2,331

'Material and other cost of sales', 'Employee costs' and 'Other expenses' exclude the exceptional items explained in note 3.

All activities of the Company are from continuing operations.

The notes on pages 18 to 52 are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE

Year ended 31 March (£ millions)	Note	2025	2024
Profit for the year		1,259	2,331
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit obligation	32	(8)	(328)
Income tax related to items that will not be reclassified	15	2	82
		(6)	(246)
Items that may be reclassified subsequently to profit or loss:			
Gain on cash flow hedges (net)		351	895
Income tax related to items that may be reclassified	15	(88)	(86)
		263	809
Other comprehensive income net of tax		257	563
Total comprehensive income attributable to shareholder		1,516	2,894

The notes on pages 18 to 52 are an integral part of these financial statements.

BALANCE SHEET

As at 31 March (£ millions)	Note	2025	2024
Non-current assets			
Investments	16	1,087	1,080
Other financial assets	17	500	339
Property, plant and equipment	18	5,141	4,854
Intangible assets	19	6,492	5,188
Right-of-use assets	20	384	417
Pension asset	32	313	300
Other non-current assets	21	189	145
Deferred tax assets	15	348	730
Total non-current assets		14,454	13,053
Current assets			
Cash and cash equivalents		4,260	3,670
Short-term deposits and other investments		23	103
Trade receivables	22	2,153	2,450
Other financial assets	17	903	665
Inventories	23	2,184	2,354
Other current assets	21	590	513
Assets classified as held for sale		46	24
Total current assets		10,159	9,779
Total assets		24,613	22,832
Current liabilities			
Accounts payable	24	5,771	5,744
Short-term borrowings	25	8,122	8,364
Other financial liabilities	26	808	911
Provisions	27	1,089	907
Other current liabilities	28	154	164
Current tax liabilities		1	-
Total current liabilities		15,945	16,090
Non-current liabilities			
Long-term borrowings	25	37	36
Other financial liabilities	26	447	540
Provisions	27	1,480	1,204
Other non-current liabilities	28	705	506
Total non-current liabilities		2,669	2,286
Total liabilities		18,614	18,376
Equity attributable to shareholders			
Ordinary share capital	29	3,561	3,561
Other reserves	30	2,438	895
Equity attributable to shareholders		5,999	4,456
Total liabilities and equity		24,613	22,832

The notes on pages 18 to 52 are an integral part of these financial statements.

These financial statements were approved by the Board and authorised for issue on 3 June 2025. They were signed on its behalf by:



Richard Molyneux

Director

Company registered number: 01672070

STATEMENT OF CHANGES IN EQUITY

£ millions	Ordinary share capital	Reserves	Total equity
Balance at 1 April 2023	3,561	(2,001)	1,560
Profit for the year	-	2,331	2,331
Other comprehensive income for the year	-	563	563
Total comprehensive income	-	2,894	2,894
Amounts removed from hedge reserve and recognised in inventory	-	3	3
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(1)	(1)
Balance at 31 March 2024	3,561	895	4,456
Profit for the year	-	1,259	1,259
Other comprehensive income for the year	-	257	257
Total comprehensive income	-	1,516	1,516
Amounts removed from hedge reserve and recognised in inventory	-	30	30
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(7)	(7)
Capital contribution from immediate parent	-	4	4
Balance at 31 March 2025	3,561	2,438	5,999

The notes on pages 18 to 52 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BACKGROUND AND OPERATIONS

The Company's principal activity during the year was the design, development, manufacture and marketing of premium all-terrain vehicles and luxury performance cars.

The Company is limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Abbey Road, Whitley, Coventry, CV3 4LF, United Kingdom. The Company is an indirect subsidiary of Tata Motors Limited, India.

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

2 ACCOUNTING INFORMATION AND POLICIES

Statement of compliance

The Company meets the definition of a qualifying entity under FRS 101 (Financial Reporting Standard 101) issued by the Financial Reporting Council.

These financial statements were 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 the International Financial Reporting Standards as adopted by the UK (IFRS), amended where necessary to comply with the Companies Act 2006. It has been set out below where advantage of the FRS 101 disclosure exemptions have been taken.

The Company is exempt from preparing consolidated group financial statements under Section 400 of the Companies Act 2006 and therefore these financial statements contain information about the Company and not its group. The Company is included in the consolidated financial statements of JLRA PLC which are available from the Company's registered office.

Basis of preparation

The financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value at the end of each reporting period as explained in the principal accounting policies set out below.

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

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 731 of IAS 16, 'Property, plant and equipment'; and
 - Paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period).
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B–D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134–136 (capital management disclosures).
- IAS 7, Statement of cash flows.
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The following paragraphs of IAS 24 'Related party disclosures':
 - Paragraph 17, 'Related party disclosures' (key management compensation); and
 - The requirements to disclose related party transactions entered into between two or more members of a group.
- The following paragraphs of IFRS 15 'Revenue from contracts with customers':
 - 113(a), 114 and 115 (disaggregated and total revenue from contracts with customers);
 - 118 (explanation of significant changes in contract assets and liabilities);
 - 119(a) – (c) (description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred)
 - 120 – 122 (aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised);
 - 123, 125 and 127(a) (significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract); and
 - 124, 126 and 127(b) (methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract).

Going concern

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

The directors have performed a going concern assessment for the Company for a period of at least 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, JLRA PLC, to meet its liabilities as they fall due for that period.

The going concern assessment for the Company is dependent on JLRA PLC not seeking repayment of the amounts currently due directly or indirectly to the Group, except in instances where the Company has sufficient liquidity to make such payments, and providing additional financial support during that period. See note 25 for the liability positions with fellow Group undertakings at 31 March 2025.

JLRA 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 during the going concern assessment period, except in instances where the Company has sufficient liquidity to make such payments. 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.

In recent years, the Company has demonstrated its operational and financial resilience and ability to manage business risks successfully, responding to challenges arising including the global shortage of semiconductors and prevailing financial conditions including inflationary pressures on material and other costs. The Company's directors have challenged the Company's forecasts and also concluded that JLRA PLC has both the ability and intent to provide financial support to the Company, even in a severe but plausible downside scenario and considering the forecast impact that the changes made to US tariffs will have on the Group. Details pertaining to the most recent going concern assessment performed for JLRA PLC are disclosed in its annual report for the year ended 31 March 2025, which is available from its registered office.

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 policies

Accounting policies are included in the relevant notes to the financial statements. The accounting policies below are applied throughout the financial statements.

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 that are subject to an insignificant risk of changes in value.

Climate change

In the preparation of these financial statements, the Company has considered the potential effects of climate change, related regulatory requirements and of the targets set out in the Company's Strategic report. Where relevant, these are included within assumptions and estimates used to determine the carrying value of assets and liabilities at 31 March 2025. In particular, the Company has considered the impact on the future cash flows used in the impairment assessment of its cash-generating unit (see note 19); and on its provisions for the costs of compliance with emission regulations (see note 27).

In addition, there are other areas of the financial statements that may be impacted by climate related risks. These are not considered to be key areas of judgement or to contain material estimation uncertainty and the impact of climate related matters is not material on any of these areas as at 31 March 2025. These areas are outlined below:

Recoverability of trade receivables

Climate related matters could impact the Company's customers and subsequently their ability to pay amounts owed to the Company. There have been no material climate related matters during the year that have impacted the recoverability of receivables, and the Company continues to monitor recoverability on an ongoing basis and does not deem this to be a material risk or judgement.

Useful lives of assets

Climate related matters could reduce the useful life of assets, for example due to physical or legal risks resulting in accelerated depreciation or amortisation recognised each financial year. From a review of the useful lives of assets, there is deemed to be no material impact from climate related matters.

Inventory valuation

The value of inventories could be impacted by climate related matters, resulting in obsolescence or the need to recognise additional provisions. After reviewing inventory valuation as at 31 March 2025, inventory is deemed appropriately valued when taking into consideration climate related matters.

Cost recognition

Costs and expenses are recognised when incurred and are classified according to their nature.

Expenditures are capitalised, where appropriate, in accordance with the policy for internally generated intangible assets and represent employee costs and other expenses incurred for product development undertaken by the Company.

Material and other cost of sales as reported in the income statement is presented net of the impact of realised foreign exchange relating to derivatives hedging cost exposures.

Foreign currency

The Company has a functional currency of GBP. The presentation currency of the financial statements is GBP.

Transactions in currencies other than the functional currency of the entity 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 recognised in the income statement as "Foreign exchange gain/(loss) and fair value adjustments".

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (non-GBP functional currency) are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

Impairment of property, plant and equipment 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 with finite lives 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.

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.

Recoverable amount is the higher value less costs of sale 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 (or cash generating unit) for which the estimates of future cash flows have 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.

An asset (or cash-generating unit) impaired in prior years is reviewed at each balance sheet date to determine whether there is any indication of a reversal of impairment loss recognised in prior years.

Assets classified as held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are measured in accordance with the Company's accounting policies. Thereafter, the assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment losses.

Use of estimates and judgements

The preparation of financial statements in conformity with FRS 101 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. Those that are significant to the Company are discussed separately below:

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have a significant effect on the amounts recognised in the financial statements.

- Revenue recognition: The Company uses judgement to determine when control of its goods, primarily vehicles and parts, pass to the customer. This is assessed with reference to indicators of control, including physical possession of the vehicles and parts, and the risks and rewards of ownership and legal title with reference to the underlying terms of the customer contract. Refer to note 4 for further information.
- Assessment of cash-generating units: The Company has determined that there is one cash-generating unit. This is on the basis that there are no smaller groups of assets that can be identified with certainty that generate specific cash inflows that are independent of the inflows generated by other assets or groups of assets. Refer to note 19 for further information.
- Exceptional items: The Company exercises judgement in determining the adjustments to apply to IFRS measurements in order to provide additional useful information on the underlying trends and in classifying items as exceptional items. Refer to note 3 for further information.
- Capitalisation of product engineering costs: The Company applies judgement in determining at what point in a vehicle programme's life cycle the recognition criteria under IAS 38 are satisfied, and in determining the nature of the cost capitalised. Refer to note 19 for further information.
- Deferred tax asset recognition: The extent to which deferred tax assets can be recognised is based on an assessment of the availability of future taxable income against which the deductible temporary differences and tax loss carry-forwards can be utilised. The Company has exercised judgement when considering the level of future taxable profits that will arise in order to support the recognition of assets related to deductible temporary differences and tax losses carried forward. Refer to note 15 for further information.

Estimates and assumptions

The areas where assumptions and estimates are significant to the financial statements are as described below. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next year.

Significant estimates

Retirement benefit obligation

The present value of the post-employment benefit obligations depends on a number of factors and assumptions, including discount rate, inflation and mortality assumptions. Refer to note 32 for details of these assumptions and sensitivities.

Product Warranties

The Company provides product warranties on all new vehicle sales in respect of manufacturing defects. These warranties are not separate performance obligations but are accounted for under IAS 37, which requires recognising a provision for warranty repairs.

The estimation process involves assessing historical warranty claim data, considering the nature and frequency of claims, and projecting future warranty costs. This provision is inherently uncertain and requires significant management estimation.

Given the complexity and uncertainty involved in estimating future costs, the warranty provision is a significant estimate that can materially affect our financial statements, we continuously review and adjust our estimates to reflect new information and trends, ensuring that our financial reporting remains accurate and reliable. Refer to note 27 for further detail.

Other estimates

Impairment of intangible and tangible fixed assets

The Company has intangible assets with indefinite lives and therefore tests annually whether intangible and tangible fixed assets have suffered any impairment. Refer to note 19 for further information on the key assumptions and sensitivities used in the testing of these assets for impairment.

New accounting policy pronouncements

The following new standards, amendments and interpretations have been adopted by the Company in the year ending 31 March 2025:

- Amendments to IAS 7 Statement of Cash Flow and IFRS 7 Financial Instruments: Disclosures - supplier finance arrangements;
- Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current;
- Amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants; and
- Amendments to IFRS 16 Leases - lease liability in a sale and leaseback.

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

3 EXCEPTIONAL ITEMS

Exceptional items are disclosed separately in the income statement to support the reader's understanding of the performance of the Company.

The Company considers qualitative and quantitative factors to determine whether a transaction or event is exceptional, including the expected size, nature and frequency of the transaction or event, and any precedent for similar items in previous years.

Items that are considered exceptional may include the following:

- Costs associated with significant restructuring events;
- Impairments or reversals of impairments arising from an impairment assessment of the Company's cash-generating unit in accordance with IAS 36;
- Defined benefit past service costs or credits arising from scheme amendments; and
- Costs associated with provisions and related reversals arising from a significant one-off event not in the normal course of business.

The exceptional items recognised during the year ended 31 March 2025 comprise:

- £(35) million in relation to acquisition and disposal of non-core subsidiaries, net of transaction costs;
- £(17) million in relation to separation payments made to employees; and
- £10 million update to the exceptional item recognised during the years ended 31 March 2022 and 2021 in relation to the impact of the Company's Reimagine strategy.

No exceptional items were recognised during the year ended 31 March 2024.

There are tax charges of £4 million (2024: £nil) and tax credits of £3 million (2024: £nil) arising from exceptional items.

The table below sets out the exceptional items recorded during the year ended 31 March 2025 and the impact on the income statement if these items were not disclosed separately as exceptional items.

Year ended 31 March 2025 (£ millions)	Other expenses	Employee costs	Material and other cost of sales
Excluding exceptional items	5,795	2,981	15,342
Acquisition and disposal of non-core subsidiaries, net of transaction costs	35	-	-
Restructuring costs - employee and third party obligations	-	17	(10)
Other	2	-	-
Including exceptional items	5,832	2,998	15,332

4 REVENUE

Revenue from ordinary activities, including sales of vehicles, parts and accessories and services, is recognised when the control of the goods or services is transferred to the customer. Revenue is measured based on the contract price, net of variable consideration and any amounts collected on behalf of third parties. Revenue is measured based on the contract price, which is the consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties, and net of settlement discounts, bonuses, rebates and sales incentives. The Company's primary clients from the sale of vehicles, parts and accessories are retailers, fleet and corporate clients, and other third-party distributors, including its fellow subsidiaries of the Group. The Company recognises revenue when it transfers control of a good or service to a customer, thus evidencing the satisfaction of the associated performance obligation under that contract.

The Company recognises revenue on the sale of vehicles, parts and accessories at the point of wholesale. The sale of the relevant good is generally recognised at the point of dispatch or the point of delivery to the customer, depending on individual contractual arrangements.

When agreed with clients on a case-by-case basis, revenue may be recognised on a bill-and-hold basis, where goods are sold to the customer but are retained in the Company's possession on behalf and at the request (usually due to the lack of available space at their own premises) of the client ahead of being physically transferred to them at a future time. The goods are identifiable as separately belonging to the customer, ready for physical transfer to the customer, and the Company does not have the ability to use the goods or direct them elsewhere.

The consideration arising from vehicle wholesales is usually settled immediately (within two working days). The consideration arising from sales of parts and accessories usually falls due for payment within 30 days.

The costs associated with providing sales incentives (variable marketing expense) are considered to be variable components of consideration, thus reducing the amount of revenue recognised by the Company.

Under IFRS 15, the Company ensures that variable consideration is recognised to the extent of the amount to which it expects to be entitled. To meet this principle, the Company constrains its estimate of variable consideration to include amounts only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty is subsequently resolved.

The Company estimates the expected sales incentive by market and considers uncertainties including competitor pricing, ageing of dealer stock and local market conditions. The constraint on variable consideration is estimated with reference to historical accuracy, current market conditions and a prospective assessment considering relevant geopolitical factors, including global stock positions for both the Company and its third-party dealer network reflecting the pipeline of vehicle inventory for sale to end clients.

Variable consideration received for contracts with multiple performance obligations is allocated to all such obligations only when applicable. For example, with the sale of a vehicle, the cost of the incentive provided is allocated entirely to the vehicle as its purpose is to incentivise the sale of the vehicle rather than support any additional obligations. Liabilities in relation to sales incentives are disclosed in note 24.

Revenue from services relates to scheduled maintenance contracts, vehicle connected service features and extended warranties. The Company typically receives payment relating to services at the same time as the proceeds from the vehicle sale, at which point the amount is recognised as a contract liability. This is measured at the stand-alone selling price of the service; which for scheduled maintenance contracts is estimated using a cost-plus approach. The stand-alone selling price for vehicle connected service features and extended warranties is the observable price of the service when the Company sells the service separately to customers.

Revenue for vehicle connected service features and extended warranties is recognised on a straight-line basis over the period to which the service relates, which generally ranges from 12 to 60 months. Revenue for scheduled maintenance contracts is recognised over the life of the plan based on the expected performance of the services from the point of a vehicle being retailed to an end customer and aligned to the expected profile of costs to fulfil those services based on historical information.

When a contract includes an option or obligation for the Company to repurchase the product sold (including repurchasing a product originally sold as part of an amended product), revenue is not recognised until the product is sold by the Company with no repurchase obligation or option attached. Such instances are common in the Company's arrangements with third-party fleet clients or in contract manufacturing arrangements that the Company is party to. The related inventory continues to be recognised on the Company's balance sheet.

Vehicle sales do not typically include allowances for returns or refunds, except where there is legislative requirement. Regarding other goods, where rights of return may be prevalent, the Company estimates the level of returns based on the historical data for specific products, adjusted as necessary to estimate returns for new products. Revenue is not recognised for expected returns - instead the Company recognises a refund liability and asset where required.

The Company's revenues are summarised as follows:

Year ended 31 March (£ millions)	2025	2024
Revenue recognised for sales of vehicles, parts and accessories	23,881	24,516
Revenue recognised for services transferred	195	175
Revenue - other	970	1,089
Total revenue from contracts with clients	25,046	25,780
Realised revenue hedges	192	(54)
Total revenue	25,238	25,726

'Revenue - other' relates primarily to materials acquired and controlled by the Company which are sold to suppliers. The revenue is recognised at a point in time when control of the goods is transferred.

Revenue disaggregation

The following table presents the Company's revenue, disaggregated by primary geographical market, timing of revenue recognition and major product categories. All revenue is generated from the Company's single automotive operating segment.

Year ended 31 March 2025 (£ millions)	UK	US	China	Rest of Europe	Rest of World	Total Revenue
Revenue recognised for sales of vehicles, parts and accessories	3,794	7,543	3,355	4,517	4,672	23,881
Revenue recognised for services transferred	123	45	-	-	27	195
Revenue - other	869	-	57	-	44	970
Total revenue from contracts with clients	4,786	7,588	3,412	4,517	4,743	25,046
Realised revenue hedges	-	(45)	159	-	78	192
Total revenue	4,786	7,543	3,571	4,517	4,821	25,238

Year ended 31 March 2024 (£ millions)	UK	US	China	Rest of Europe	Rest of World	Total Revenue
Revenue recognised for sales of vehicles, parts and accessories	4,001	6,067	3,875	5,126	5,447	24,516
Revenue recognised for services transferred	115	46	-	-	14	175
Revenue - other	931	-	89	-	69	1,089
Total revenue from contracts with clients	5,047	6,113	3,964	5,126	5,530	25,780
Realised revenue hedges	-	(156)	82	-	20	(54)
Total revenue	5,047	5,957	4,046	5,126	5,550	25,726

Contract assets

As at 31 March (£ millions)	2025	2024
Accrued income	21	53
Total contract assets	21	53

Contract liabilities

As at 31 March (£ millions)	2025	2024
Ongoing service obligations	359	284
Liabilities for advances received	11	25
Total contract liabilities	370	309

"Ongoing service obligations" mainly relate to long-term service and maintenance contracts, extended warranties and telematics services. "Liabilities for advances received" primarily relate to consideration received in advance from clients for products not yet wholesaled, at which point the revenue will be recognised. "Ongoing service obligations" and "Liabilities for advances received" are both presented within "Other liabilities" in the balance sheet.

Revenue that is expected to be recognised within five years related to performance obligations that are unsatisfied (or partially unsatisfied) at 31 March 2025 amounted to £370 million (2024: £309 million).

5 MATERIAL AND OTHER COST OF SALES

Year ended 31 March (£ millions)	2025	2024
Changes in inventories of finished goods and work-in-progress	224	(395)
Purchase of products for sale	1,314	1,300
Raw materials and consumables used	13,783	14,444
Realised purchase hedges	26	-
Realised commodity hedges	(5)	-
Total material and other cost of sales	15,342	15,349

6 EMPLOYEE NUMBERS AND COSTS

Year ended 31 March (£ millions)	2025	2024
Wages and salaries - employee costs	2,228	2,030
Wages and salaries - agency costs	250	193
Total wages and salaries	2,478	2,223
Social security costs and benefits	316	295
Pension costs	187	152
Total employee costs	2,981	2,670

Average employee numbers for the year ended 31 March 2025	Non-agency	Agency	Total
Manufacturing	13,459	2,184	15,643
Research and development	11,268	468	11,736
Other	7,460	333	7,793
Total employee numbers	32,187	2,985	35,172

Average employee numbers for the year ended 31 March 2024	Non-agency	Agency	Total
Manufacturing	14,198	1,661	15,859
Research and development	9,926	355	10,281
Other	6,824	293	7,117
Total employee numbers	30,948	2,309	33,257

7 DIRECTORS' EMOLUMENTS

All of the directors of the Company who held office during the year were also directors of other subsidiary undertakings of JLRA PLC. The total remuneration received by the directors of the Company in respect of their qualifying services to the Group is disclosed in the table below:

Year ended 31 March (£)	2025	2024
Directors' emoluments	16,618,341	20,603,962
Increase of long-term incentive scheme amounts receivable	919,148	-

Although a significant portion of the services provided by the Directors will be in relation to the Company, it is not practicable to allocate the directors remuneration between their services as directors of the Company and their services as directors of other subsidiary undertakings of JLRA PLC. Accordingly, the total remuneration in respect of their qualifying services to the Group is disclosed.

None (2024: one) of the executive directors who served office during the year were direct employees of the Company. The costs associated with directors employed by the Company are included within employee costs in the income statement.

Nine (2024: nine) of the executive directors who served office during the year were direct employees of Jaguar Land Rover Holdings Limited. The costs associated with these directors are recharged to Jaguar Land Rover Holdings Limited.

One (2024: one) of the executive directors who served office during the year was a direct employee of the Group's Chinese subsidiary. The costs associated with this director are recharged to Jaguar Land Rover Holdings Limited.

One (2024: one) of the executive directors who served office during the year was a direct employee of JLRA PLC. The costs associated with this director are recharged to the Company and are included within employee costs in the income statement.

One (2024: one) non-executive director served office during the year with their associated costs being borne by JLRA PLC.

The aggregate of emoluments received in the year and amounts accrued under the bonus schemes of the highest paid director was £3,615,306 (2024: £3,827,850), together with contributions to pension schemes of £nil (2024: £nil). During the year, the value of LTIP awards accrued has increased by £229,591 (2024: £nil), which will become payable in future periods.

There was one director who was a member of a defined benefit pension scheme or a defined contribution scheme during the years ended 31 March 2025 (2024: nil).

LTIP cash payments received by directors during the year ended 31 March 2025 were £nil (2024: £nil).

8 LONG-TERM INCENTIVE PLAN

During the year ended 31 March 2025, the Group introduced a cash-settled Long-Term Incentive Plan (LTIP) for certain employees with the associated expense being borne by the Company. The LTIP is based on the value of phantom shares, which mirror the value of the Tata Motors Limited's share price, but does confer any or voting rights. As the LTIP is cash-settled and based on phantom shares, it is non-dilutive to existing shareholders. The LTIP vests over a three-year period, effective from June 2024. The scheme will provide a cash payment to certain employees based on the Group's performance against long-term business metrics related to performance and strategic priorities and the share price of Tata Motors Limited over a period of three years. This new LTIP has been accounted for under IFRS 2 Share-based payments. The expense is recognised as an employee cost in income statement over the three year vesting period. The liability is remeasured at each reporting date and on settlement, with changes in fair value recognised in the income statement.

The following table presents the number of shares outstanding during the period.

Year ended (number)	2025	2024
At beginning of year	-	-
Granted in the year	3,092,216	-
Forfeited in the year	(53,972)	-
Outstanding at the end of the year	3,038,244	-

No phantom shares were exercisable at 31 March 2025. The fair value of the phantom shares granted under the LTIP is deemed to be materially equivalent to the market value of the Tata Motors Limited's share price at the current year end. At 31 March 2025, the fair value of the phantom shares was £6.11.

During the year ended 31 March 2025, £5 million (2024: £nil) was recorded as an expense in "Employee costs" in relation to the LTIP. The fair value of the balance sheet liability in respect of the LTIP at 31 March 2025 was £5 million (2024: £nil).

9 OTHER INCOME

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received.

Government grants are recognised in the income statement, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or immediately, if the costs have already been incurred.

Government grants related to income are presented as an offset against the related expenditure except in cases where there are no ongoing performance obligations to the Company, in which case the government grant is recognised as other income in the period in which the Company becomes entitled to the grant.

Government grants related to assets are presented as gross as separate liabilities and unwound over the useful economic lives of the assets as other income.

The terms and treatment of each grant is assessed on a case by case basis.

Year ended 31 March (£ millions)	2025	2024
Grant income	170	153
Commissions	7	5
Other	67	54
Total other income	244	212

During the year ended 31 March 2025, £302 million (2024: £230 million) was recognised by a UK subsidiary as a Research and Development Expenditure Credit ("RDEC") incentive on qualifying expenditure. During the year ended 31 March 2025, £181 million (2024: £140 million) of the RDEC – the proportion relating to capitalised product development expenditure and other intangible assets – has been recognised as deferred grant income. The remaining £121 million (2024: £90 million) of the RDEC has been recognised as "Other income".

10 OTHER EXPENSES

Year ended 31 March (£ millions)	2025	2024
Stores, spare parts and tools	126	120
Freight cost	626	642
Works, operations and other costs	3,544	3,350
Power and fuel	115	112
Product warranty	1,040	829
Publicity	344	313
Total other expenses	5,795	5,366

11 ENGINEERING COSTS CAPITALISED

Year ended 31 March (£ millions)	2025	2024
Total engineering costs incurred	2,661	2,333
Engineering costs expensed	(869)	(880)
Engineering costs capitalised	1,792	1,453
Interest capitalised in relation to engineering costs	212	88
Total capitalised in property, plant and equipment and intangible assets	2,004	1,541

Engineering costs capitalised of £1,792 million (2024: £1,453 million) comprises £814 million (2024: £631 million) which would have otherwise been recognised in "Employee costs" and £978 million (2024: £822 million) included in "Other expenses" in the income statement.

12 FOREIGN EXCHANGE AND FAIR VALUE ADJUSTMENTS

Year ended 31 March (£ millions)	2025	2024
Foreign exchange and fair value adjustments on loans	193	237
Foreign exchange loss on economic hedges of loans	(44)	(119)
Foreign exchange gain on derivatives	4	1
Other foreign exchange loss	(78)	(82)
Realised loss on commodities	(38)	(74)
Unrealised gain/(loss) on commodities	46	(59)
Revaluation loss on hedged commodity derivatives	(6)	-
Total foreign exchange and fair value adjustments	77	(96)

13 FINANCE INCOME AND EXPENSE

Year ended 31 March (£ millions)	2025	2024
Finance income	143	165
Dividends received	247	282
Total finance income	390	447
Interest expense on lease liabilities	(32)	(33)
Total interest expense on financial liabilities measured at amortised cost other than lease liabilities measured at amortised cost	(490)	(583)
Interest expense on derivatives designated as a fair value hedge of financial liabilities	(29)	(27)
Unwind of discount on provisions	(86)	(69)
Interest capitalised	214	91
Total finance expense (net)	(423)	(621)

The capitalisation rate used to calculate borrowing costs eligible for capitalisation was 6.8 per cent (2024: 6.4 per cent).

14 PROFIT BEFORE TAX

Expense in profit before tax includes the following:

Year ended 31 March (£ millions)	2025	2024
Depreciation of property, plant and equipment	699	957
Amortisation of intangible assets (excluding internally generated development costs)	53	63
Amortisation of internally generated development costs	698	972
Depreciation of right-of-use assets	62	65
Expenses related to short-term leases	12	12
Expenses related to leases of low-value assets (excluding short-term leases of low-value assets)	13	13
Loss on disposal of fixed assets and assets held for sale	12	17
Exceptional items	44	-
Auditor remuneration	7	6

The following table sets out the auditor remuneration for the year (rounded to the nearest £0.1 million):

Year ended 31 March (£ millions)	2025	2024
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	5.5	5.0
Fees payable to the Company's auditor for amounts incurred on behalf of other Group companies	0.4	0.2
Total audit fees	5.9	5.2
Audit-related assurance services	0.5	0.5
Other assurance services	0.3	-
Total non-audit fees	0.8	0.5
Total audit and related fees	6.7	5.7

15 TAXATION

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement, except when related to items that are recognised outside of profit or loss (whether in other comprehensive income or directly in equity) 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 the 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 tax losses, depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. 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. The future profitability is based on the business plan for the Company. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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 the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Tax provisions are recognised for uncertain tax positions where a risk of an additional tax liability has been identified and it is probable that the Company will be required to settle that tax. Measurement is dependent on management's expectations of the outcome of decisions by tax authorities in the various tax jurisdictions in which the Company operates. This is assessed on a case-by-case basis using in-house experts, professional firms and previous experience. Where no provision is required the exposure is disclosed as a contingent liability in note 33 unless the likelihood of an outflow of economic benefits is remote.

Judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Amounts recognised in the income statement:

Year ended 31 March (£ millions)	2025	2024
Current tax expense		
Current year	96	83
Current tax expense	96	83
Deferred tax expense/(credit)		
Current year	299	303
Adjustments for prior years	(10)	-
Deferred tax recognition	-	(1,038)
Deferred tax expense/(credit)	289	(735)
Total income tax expense/(credit)	385	(652)

Amounts recognised in the statement of other comprehensive income:

Year ended 31 March (£ millions)	2025	2024
Deferred tax credit on actuarial gains on retirement benefits	(2)	(82)
Deferred tax expense on change in fair value of cash flow hedges	88	86
	86	4
Total tax expense/(credit)	471	(648)

Reconciliation of effective tax rate:

Year ended 31 March (£ millions)	2025	2024
Profit for the year	1,259	2,331
Total income tax expense/(credit)	385	(652)
Profit before tax	1,644	1,679
Income tax expense using the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	411	420
Non-deductible expenses	21	17
Non-taxable income	(63)	(74)
Withholding taxes suffered	11	23
Deferred tax asset recognition	-	(1,038)
Adjustments in respect of prior periods and other tax provisions	5	-
Total income tax expense/(credit)	385	(652)

Deferred tax asset recognition relates to recognition of previously unrecognised deferred tax assets.

Deferred tax assets and liabilities

Significant components of deferred tax assets and liabilities for the year ended 31 March 2025 are as follows:

£ millions	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassified from other equity reserves	Closing balance
Deferred tax assets					
Property, plant & equipment	865	(55)	-	-	810
Tax loss	866	(5)	-	-	861
Other	242	82	-	-	324
Total deferred tax asset	1,973	22	-	-	1,995
Deferred tax liabilities					
Intangible assets	1,138	308	-	-	1,446
Provisions, allowances for doubtful receivables	7	(7)	-	-	-
Derivative financial instruments	25	5	88	7	125
Compensated absence and retirement benefits	73	5	(2)	-	76
Total deferred tax liability	1,243	311	86	7	1,647
Net deferred tax asset	730				348

At 31 March 2025, deferred tax assets of £348 million (2024: £730 million) have been recognised in relation to deductible temporary differences, including unused tax losses, on the basis that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised.

At 31 March 2025, the Company had unused tax losses of £nil (2024: £nil) for which no deferred tax asset has been recognised. As explained above, deferred tax assets are recognised only to the extent that it is probable that they will be recovered through sufficient future taxable profits. When assessing the probable future taxable profits, the Company considers whether it has sufficient taxable temporary differences which will result in taxable amounts against which the unused tax losses can be utilised.

As at 31 March 2025 £nil (2024: £nil) of those tax losses are subject to expiry in future periods.

All deferred tax assets and deferred tax liabilities at 31 March 2025 and 31 March 2024 are presented as non-current.

Significant components of deferred tax assets and liabilities for the year ended 31 March 2024 are as follows:

£ millions	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Reclassified from other equity reserves	Closing balance
Deferred tax assets					
Property, plant & equipment	766	99	-	-	865
Derivative financial instruments	38	(38)	-	-	-
Tax loss	167	699	-	-	866
Other	203	39	-	-	242
Total deferred tax asset	1,174	799	-	-	1,973
Deferred tax liabilities					
Intangible assets	1,016	122	-	-	1,138
Provisions, allowances for doubtful receivables	7	-	-	-	7
Derivative financial instruments	-	(62)	86	1	25
Compensated absence and retirement benefits	151	4	(82)	-	73
Total deferred tax liability	1,174	64	4	1	1,243
Net deferred tax asset	-				730

16 INVESTMENTS

Investments in associates, joint ventures and subsidiaries are held at cost less accumulated impairment losses.

Investments consist of the following:

As at 31 March (£ millions)	2025	2024
Unquoted equity investments	1,087	1,080
Total investments	1,087	1,080

During the year ended 31 March 2025, the Company invested £10 million for 100 per cent of the share capital of JLR Insurance Company Limited.

During the year ended 31 March 2025, the Company disposed of its investment in Jaguar Land Rover Colombia S.A.S. The carrying value of the investment as at the date of disposal was £3 million.

Details of the direct and indirect subsidiary undertakings are as follows, each being a 100 per cent interest in the ordinary share capital of the company unless otherwise stated:

Name of company	Principal place of business and country of incorporation	Registered office address
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	Brazil	Avenida Ibirapuera 2332, Torre I - 10º andar- Moema 04028-002, São Paulo-SP- Brazil
Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	28 Victoria Link, Route 21 Corporate Park, Nellmapius Drive, Irene X30, Centurion, Tshwane, Gauteng, South Africa
Jaguar Land Rover Australia Pty Limited	Australia	Level 1, 189 O'Riordon Street, Mascot, 2020, NSW, Australia
Jaguar Land Rover Austria GmbH	Austria	Siezenheimer Strasse 39a, 5020 Salzburg Austria
Jaguar Land Rover Belux N.V.	Belgium	Generaal Lemanstraat 47, 2018 Antwerpen, Belgium
Jaguar Land Rover Canada, ULC	Canada	75 Courtneypark Drive West, Unit 3 Mississauga, ON L5W 0E3, Canada
Jaguar Land Rover Deutschland GmbH	Germany	Am Kronberger Hang 2a, 65824 Schwalbach/Ts, Germany
Jaguar Land Rover France SAS	France	Z.A. Kleber – Batiment Ellington, 165 Boulevard de Valmy, 92706 Colombes, Cedex, France
Jaguar Land Rover Espana SL	Spain	Torre Picasso, Plaza Pablo Ruiz Picasso, 1 – Planta 42, 28020 Madrid, Spain
Jaguar Land Rover India Limited	India	Nanavati Mahalaya, 3rd floor, 18, Homi Mody Street, Mumbai, Maharashtra, India 400001
Jaguar Land Rover Italia SpA	Italy	Via Alessandro Marchetti, 105 - 00148, Roma, Italy
Jaguar Land Rover Japan Limited	Japan	Garden City Shinagawa Gotenyama Bldg. 9F, 6-7-29 Kita-Shinagawa, Shinagawa-ku, Tokyo 141-0001, Japan
Jaguar Land Rover Korea Co. Ltd.	Korea	25F West Mirae Asset Center 1 Building 67 Suha-dong, Jung-gu Seoul 100-210, Korea
Jaguar Land Rover Nederland BV	Holland	Briggs Office, Van Deventerlaan 31-51, 3528 Utrecht, Netherlands
Jaguar Land Rover North America, LLC	USA	100 Jaguar Land Rover Way, Mahwah, NJ 07495, USA
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda	Portugal	Edificio Escritorios do Tejo, Rua do Polo Sul, Lote 1.01.1.1 – 3.º B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal
Jaguar Land Rover (Ningbo) Trading Co. Ltd	China	Office Building 12, No.1 Meishan Salt, Beilun District, Ningbo, Zhejiang Province, China
Jaguar Land Rover (South Africa) Holdings Ltd	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
JLR Nominee Company Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Land Rover Ireland Limited (non-trading)	Ireland	c/o LK Shields Solicitors 39/40 Upper Mount Street Dublin 2, Ireland
Daimler Transport Vehicles Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Cars South Africa (Pty) Ltd	South Africa	Simon Vermooten Road, Silverton, Pretoria 0184 South Africa
Jaguar Cars Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Land Rover Exports Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
S S Cars Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
The Daimler Motor Company Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
The Lanchester Motor Company Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover Pension Trustees Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover Slovakia s.r.o.	Slovakia	Horné Lúky, 4540/1, 949 01 Nitra, Slovakia
Jaguar Land Rover Singapore Pte. Ltd	Singapore	138 Market Street, CapitaGreen, Singapore
Jaguar Racing Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures 2 Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
InMotion Ventures 3 Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
Jaguar Land Rover México, S.A.P.I. de C.V.	Mexico	Av. Javier Barros Sierra No.540 Piso 7 Oficina 703, Col. Santa Fe la Fe Del., Alvaro Obregón, México, D.F. C.P. 01210
Jaguar Land Rover Servicios México, S.A. de C.V.	Mexico	Av. Javier Barros Sierra No.540 Piso 7 Oficina 703, Col. Santa Fe la Fe Del., Alvaro Obregón, México, D.F. C.P. 01210
Jaguar Land Rover Taiwan Company Ltd	Taiwan	12F, No. 40, Sec. 1, Chengde Road, Datong Dist., Taipei City 103, Taiwan (R.O.C.)
Jaguar Land Rover Ireland (Services) Limited	Ireland	c/o LK Shields Solicitors 39/40 Upper Mount Street Dublin 2, Ireland
Jaguar Land Rover Classic USA LLC	USA	251 Little Falls Drive, Wilmington, Delaware, USA
Jaguar Land Rover Classic Deutschland GmbH	Germany	Ringstraße 38, 45219 Essen, Germany
Jaguar Land Rover Hungary KFT	Hungary	1062 Budapest, Andrassy út 100, Hungary
Bowler Motors Limited	England and Wales	Abbey Road, Whitley, Coventry, CV3 4LF, England
JLR Insurance Company Limited	Guernsey	AON Guernsey Insurance Managers (Guernsey) Limited, Dorey Court, Guernsey, GY1 4AT, Guernsey

The Company has the following investments in joint ventures and associates at 31 March 2025:

Name of investment	Proportion of voting rights	Principal place of business and country of incorporation	Principal activity	Registered office address
Chery Jaguar Land Rover Automotive Co. Ltd.	25.0%	China	Manufacture and assembly of vehicles	Room 1102, Binjiang, International Plaza, No 88 Tonggang Road, Changshu Economic and Technical, Development Zone, Suzhou City, Jiangsu Province, China
Jaguar Cars Finance Limited	49.9%	England & Wales	Non-trading	280 Bishopsgate, London, EC2M 4RB, England
Synaptiv Limited	33.3%	England & Wales	Business and domestic software development	2 Leman Street, London, United Kingdom, E1W 9US
Jaguar Land Rover Schweiz AG	30.0%	Switzerland	Vehicle sales and distribution	Emil Frey Strasse, 5745 Stafenwill
Inchcape JLR Europe Limited	30.0%	England & Wales	Vehicle distribution	22a St James's Square, London, United Kingdom, SW1Y 5LP

Chery Jaguar Land Rover Automotive Company Ltd. is a limited liability company whose legal form confirms separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts or circumstances that indicate that the parties to the joint control of the arrangement have rights to the assets or obligations for the liabilities relating to the arrangement. Accordingly, Chery Jaguar Land Rover Automotive Company Ltd. is classified as a joint venture. Chery Jaguar Land Rover Automotive Company Ltd. is not publicly listed.

17 OTHER FINANCIAL ASSETS

As at 31 March (£ millions)	2025	2024
Non-current		
Restricted cash	1	1
Derivative financial instruments	337	223
Warranty reimbursement and other receivables	70	58
Other	92	57
Total non-current other financial assets	500	339
Current		
Restricted cash	9	9
Derivative financial instruments	354	239
Warranty reimbursement and other receivables	251	120
Accrued income	21	53
Amounts owed by Group undertakings	210	185
Other	58	59
Total current other financial assets	903	665

"Amounts owed by Group undertakings" are repayable on demand.

18 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost of acquisition or construction less accumulated depreciation and accumulated impairment, if any. Land is not depreciated.

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.

Interest cost incurred for constructed assets is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

Depreciation is charged 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	10 to 40
Plant and equipment	3 to 30
Vehicles	3 to 10
IT Equipment	3 to 10
Fixtures and Fittings	3 to 20

The depreciation period for property, plant and equipment with finite useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

Freehold land is measured at cost and is not depreciated. Residual values are reassessed on an annual basis.

Depreciation is not recorded on assets under construction until construction and installation are complete and the asset is ready for its intended use. Depreciation is not recorded on heritage assets as the Company considers their residual value to approximate their cost.

An item of property, plant and equipment is derecognised on disposal or when it is withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising from derecognition is included in the income statement.

An annual review of the carrying value of heritage assets is performed as the assets are held at cost and not depreciated. Any write-down in the carrying value of heritage assets is recognised immediately in the income statement.

£ millions	Land and buildings	Plant and equipment	Vehicles	IT equipment	Fixtures and fittings	Heritage vehicles	Under construction	Total
Cost								
Balance at 1 April 2024	2,025	9,785	5	155	85	14	854	12,923
Additions	-	-	-	2	2	-	1,008	1,012
Transfers	193	278	-	-	-	-	(471)	-
Disposals	(13)	(672)	-	(6)	(3)	-	-	(694)
Assets classified as held for sale	(1)	-	-	-	-	-	-	(1)
Balance at 31 March 2025	2,204	9,391	5	151	84	14	1,391	13,240
Depreciation and impairment								
Balance at 1 April 2024	661	7,238	5	100	58	7	-	8,069
Depreciation charge for the year	99	584	-	11	5	-	-	699
Disposals	(3)	(657)	-	(6)	(3)	-	-	(669)
Assets classified as held for sale	-	-	-	-	-	-	-	-
Balance at 31 March 2025	757	7,165	5	105	60	7	-	8,099
Net book value								
At 31 March 2024	1,364	2,547	-	55	27	7	854	4,854
At 31 March 2025	1,447	2,226	-	46	24	7	1,391	5,141

19 INTANGIBLE ASSETS

Intangible assets purchased, including those acquired in business combinations, are measured at acquisition cost, which is the fair value on the date of acquisition, where applicable, less accumulated amortisation and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether an indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. For intangible assets with finite lives, amortisation is provided on a straight-line basis over the estimated useful lives of the intangible assets as per the estimated amortisation periods below:

Class of intangible asset	Estimated amortisation period (years)
Goodwill	Indefinite
Software	2 to 8
Product development costs	2 to 12
Intellectual property rights and other intangibles	3 to indefinite

The amortisation for intangible assets with finite useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as changes in accounting estimates.

Customer-related intangibles acquired in a business combination consist of dealer networks. Intellectual property rights and other intangibles includes brand names, which are considered to have indefinite lives due to the longevity of the brands.

Goodwill, which represents the excess of the fair value of the consideration paid for subsidiaries and other businesses over the fair values of the net assets acquired and liabilities assumed, is capitalised and stated at historical cost less provisions for impairment. Goodwill is considered to have an indefinite useful life as it is considered that the operations of the acquired businesses will continue indefinitely.

Internally generated intangible assets

The Company undertakes significant levels of research and development activity. Product engineering costs incurred on new vehicle platforms, engines, transmission and new products are recognised as intangible assets - when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate future economic benefits.

Periodic reviews are undertaken and judgement is applied in determining at what point in a programme's life cycle the recognition criteria under IAS 38 are satisfied. During the year, £215 million (2024: £30 million) of development expenditure was capitalised for programmes that started capitalisation in the year. If a later capitalisation point had been used then this would have had the impact of reducing the amounts capitalised as product engineering costs.

The costs capitalised include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use. Interest cost incurred is capitalised up to the date the asset is ready for its intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

The Company applies judgement in determining which central and product development overhead costs are directly attributable and therefore meet the criteria for capitalisation. If these central and product development overheads were not classified as directly attributable, the total value capitalised would have been £359 million lower in the year ended 31 March 2025 (2024: £270 million).

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment loss, if any. Amortisation is not recorded on product engineering in progress until development is complete. Research costs are charged to the income statement in the year in which they are incurred.

As at (£ millions)	Goodwill	Software	Intellectual property rights and other intangibles	Product development - completed	Product development - in progress	Total
Cost						
Balance at 1 April 2024	382	729	419	9,137	2,185	12,852
Additions - externally purchased	-	56	-	-	-	56
Additions - internally developed	-	-	-	-	2,002	2,002
Transfers	-	-	-	92	(92)	-
Disposals	-	(76)	(169)	(2,676)	-	(2,921)
Balance at 31 March 2025	382	709	250	6,553	4,095	11,989
Amortisation and impairment						
Balance at 1 April 2024	382	545	109	6,628	-	7,664
Amortisation charge for the year	-	52	1	698	-	751
Disposals	-	(73)	(169)	(2,676)	-	(2,918)
Balance at 31 March 2025	382	524	(59)	4,650	-	5,497
Net book value						
At 31 March 2024	-	184	310	2,509	2,185	5,188
At 31 March 2025	-	185	309	1,903	4,095	6,492

Impairment testing

In accordance with prevailing accounting standards, management have performed an annual impairment assessment as at 31 March 2025, using the value in use ("VIU") approach to determine the recoverable value of the cash-generating unit ("CGU").

The directors are of the view that the operations of the Company, excluding equity accounted investments, represent a single CGU. This is because the degree of integrated development and manufacturing activities is such that no one group of assets has been determined to generate cash inflows that are independent of any other.

The impairment assessment determined that the CGU recoverable value exceeded the carrying amount by £3,357 million (2024: £3,279 million) and therefore no impairment was identified. The increase in headroom has largely been driven by improved performance projections forecast for future periods following cycle plan actions and other strategic changes. It was further determined that this increase did not require the reversal of the previously recorded impairment loss.

The Company has considered it appropriate to undertake the impairment assessment with reference to the Group business plan which was based on the Group approved Cycle Plan that was in effect as at the assessment date. The business plan includes a five-year cash flow forecast and contains growth rates that are primarily a function of the Cycle Plan assumptions, historical performance and management's expectation of future market developments through to 2029/30.

In estimating the future cash flows management have given due consideration to the inherent uncertainty of forecast information and have adjusted some of the assumptions in the business plan to take into account possible variations in the amount or timing of the cash flows. In doing so, management has incorporated execution risks associated with the 'Reimagine' strategy and the transition to electrified powertrain into the VIU, risks associated with tariffs that may be levied on the Group's products and other risks outlined on pages 71 to 73 in the JLRA PLC Annual Report for the year ended 31 March 2025, that may impact future cash flows.

Alongside the risk adjustments outlined above, the proportion of cash generated attributable to fellow Group entities is removed from the Group approved business plan to ensure only the cash flows attributable to the Company are used in calculating the VIU.

Climate risk

The Company recognises that the potential impact of climate risk to areas such as supply chain, operations, and material and compliance costs may result in variations to the timing and amounts of future cash flows. As such climate risk is incorporated into the development of our forecast cash flows in the VIU by reference to our climate change risk assessment. These risks are principally reflected by the risk adjustments related to the variable profit and volumes which would be most affected by climate change events, for example, scarcity of certain commodities driving up costs and therefore adversely impacting variable profit.

Key assumptions

The assessment of impairment is based on forecasts of future cash flows which are inherently uncertain and are developed using informed assumptions such as historical trends and market information. The directors consider the key assumptions that impact the value in use are those to which:

- (i) the recoverable amount is most sensitive;
- (ii) involve a significant amount of judgement and estimation; and
- (iii) drive significant changes to the recoverable amount when flexed under reasonably possible outcomes.

The directors' approach and key assumptions used to determine the Company's CGU VIU were as follows:

- **Variable profit per unit and volumes** – the approach to determining the forecast variable profit per unit and volumes is based on consideration of historical performance, the order book, profit optimisation efforts and Cycle Plan assumptions, along with the impact of risks on future cash flows discussed above. A small change in either assumption may have a significant impact to future cash flows and for this reason, as well as the impact of risks associated with supply and inflationary pressures on variable profit and volumes, the directors consider variable profit per unit and volumes to be key assumptions. Further, the variable profit per unit and volumes included in the business plan are largely driven by an updated portfolio, which includes estimates and judgements related to the transition to electrified powertrain, including the introduction of new Jaguar.
- **Terminal value capital expenditure** – the 5-year cash flows timing and amount are based on the latest Cycle Plan. The terminal value is based on the best estimate of a maintenance level of capital expenditure which has been derived from depreciation and amortisation expectations and funding requirements in response to longer-term industry trends and risks informed by those listed above and increases in execution risks in particular, which are anticipated in the VIU calculation. Due to the judgement and estimation involved in the calculation of terminal value capital expenditure, as well as the sensitivity of the recoverable amount to any change in the value, the directors consider this to be a key assumption.
- **Discount rate** – the approach to determining the discount rate is based on the Capital Asset Pricing Model and a market participant after tax cost of debt. These inputs are based on a typical build up approach, calculated using country specific premiums without size premium and with an unlevered equity Beta with reference to industry peers. The increase in the year has mainly been driven by increases in the equity risk premium. The discount rate is regarded as a key assumption as it is the rate which drives the discounted cash flows used to determine the VIU of the CGU primarily due to the level of judgement and estimation involved and the sensitivity of the recoverable amount to small changes in the percentage.

The VIU assessment is sensitive to certain assumptions, such as Sales, General & Administration costs, where the cash flows are based on consideration of historical performance adjusted for future plans and expected cost savings. These are not considered to be key assumptions because they have less estimation uncertainty than those set out above. Similarly, certain assumptions which involve greater judgement and estimation, such as growth rate of 1.8 per cent (2024: 1.7 per cent) but for which even relatively significant changes have a limited impact on the assessment are not regarded as key assumptions. Management have outlined the key assumptions to which the VIU assessment is sensitive later in this disclosure.

The value of key assumptions used to calculate the recoverable amount are as follows, presented as a % of Gross Vehicle Revenues ("GVR") to demonstrate the relative value to the assessment where noted:

As at 31 March	2025	2024
Forecast period (Yr1-5) variable profit* (%GVR)	26.5%	26.8%
Terminal value variable profit * (%GVR)	25.5%	24.3%
Terminal value capital expenditure (%GVR)	8.1%	8.7%
Pre-tax discount rate	10.4%	11.0%

*Based on forecast variable profit per unit and volumes.

Sensitivity to reasonably possible changes to key assumptions

Given the inherent uncertainty about the timing and amount of any change in key assumptions, as well as the significant portion of the recoverable amount related to the VIU terminal value, management consider a net impact on terminal period cash flows to be the best means of indicating the sensitivity of key assumptions.

Management considers the variable profit and volumes assumptions to be interdependent as movement in one assumption will impact the other, impacting the overall variable profit. For example, the profit optimisation efforts discussed above will likely result in higher average variable profit per unit with lower volumes whereas a focus on volumes would likely see a reduction in the average variable profit per unit. Consequently, the terminal value variable profit sensitivity below incorporates sensitivity in volumes via the impact on variable profit.

The table below shows the amount by which the value assigned to the key assumptions must change for the recoverable amount of the CGU to be equal to its carrying amount. Management considers it reasonably possible that these individual assumptions could vary, which could have a material impact on the value in use calculation, but do not consider it to be reasonably possible that the individual assumptions could change by the quantum outlined below such that the carrying value of the CGU would materially change. Management have also performed analysis which considers the impact of reasonably possible variances on these assumptions in aggregate and that analysis did not result in a material change to the carrying value of the CGU.

As at 31 March	2025	2024
Forecast period (Yr1-5) variable profit	(11.8)%	(11.1)%
Terminal value variable profit	(5.6)%	(5.5)%
Terminal value capital expenditure	24.1%	19.4%
Pre-tax discount rate	29.7%	35.6%

In each of the four scenarios above, the sensitivity has been performed in isolation with all other assumptions remaining constant.

20 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
- 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 shorter of the useful life of the leased asset and the expected lease term. If ownership of the leased asset is automatically transferred at the end of the lease term or the exercise of a purchase option is reflected in the lease payments, the right-of-use asset is amortised on a straight-line basis over the expected useful life of the leased asset.

The lease liability is initially measured at the present value of the lease payments that are not paid at the 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 remeasured 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 recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Lease payments include fixed payments, i.e. amounts expected to be payable by the Company under residual value guarantee, the exercise price of purchase options and lease payments in relation to lease extension options, if the Company is reasonably certain to exercise purchase or extension options, and payment of penalties for terminating the lease if the lease term considered reflects that the Company shall exercise a termination option.

The Company leases a number of buildings, plant and equipment, IT hardware and software assets, certain of which have a renewal and/or purchase options in the normal course of the business. Extension and termination options are included in a number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operation. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement whether it is reasonably certain to exercise the extension or termination option. The Company reassesses whether it is reasonably certain to exercise options if there is a significant event or significant change in circumstances within its control.

The Company's leases mature between 2025 and 2051.

There are no leases with residual value guarantees.

Right-of-use assets

£ millions	Land and buildings	Plant and equipment	IT equipment	Other	Total
Balance at 31 March 2025	327	40	13	4	384
Balance at 31 March 2024	366	35	12	4	417
Depreciation charge for the year ended 31 March 2025	39	15	7	1	62
Depreciation charge for the year ended 31 March 2024	46	13	5	1	65

Additions to the right-of-use assets during the year ended 31 March 2025 were £28 million (2024: £51 million).

Remeasurements to the right-of-use assets during the year ended 31 March 2025 were £1 million (2024: £16 million).

The Company has not entered into any sale and leaseback transactions during the years ended 31 March 2025 or 31 March 2024.

Lease liabilities

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

As at 31 March (£ millions)	2025	2024
Less than one year	75	78
Between one and five years	195	206
More than five years	425	458
Total undiscounted lease liabilities	695	742

The following amounts are recognised in the balance sheet:

As at 31 March (£ millions)	2025	2024
Current lease liabilities	46	48
Non-current lease liabilities	381	402
Total lease liabilities	427	450

The following amounts are recognised in the income statement:

Year ended 31 March (£ millions)	2025	2024
Interest expense on lease liabilities	32	33
Expenses related to short-term leases	12	12
Expenses related to low-value assets, excluding short-term leases of low-value assets	13	13

The following amounts represent the total cash outflows for leases classified under IFRS 16:

Year ended 31 March (£ millions)	2025	2024
Cash payments for the principal portion of lease liabilities	52	48
Cash payment for interest expense related to lease liabilities	32	33
Total cash outflow for leases	84	81

Leases as a lessor

Leases where the Company is a lessor are predominantly in relation to vehicles and property. The Company classifies these as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

The maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, are as follows:

As at 31 March (£ millions)	2025	2024
Less than one year	4	7
Between one and five years	7	5
More than five years	16	8
Total undiscounted lease payments to be received	27	20

21 OTHER ASSETS

As at 31 March (£ millions)	2025	2024
Non-current		
Prepaid expenses	174	135
Other	15	10
Total non-current other assets	189	145
Current		
Recoverable VAT	106	105
Prepaid expenses	241	221
Research and development expenditure credit	225	176
Other	18	11
Total current other assets	590	513

22 TRADE RECEIVABLES

As at 31 March (£ millions)	2025	2024
Trade receivables	2,157	2,454
Less expected credit loss	(4)	(4)
Total trade receivables	2,153	2,450

Included within trade receivables as at 31 March 2025 is £1,573 million (2024: £1,589 million) in relation to amounts due from fellow Group undertakings.

The loss allowances for trade receivables as at 31 March 2025 and 31 March 2024 reconcile to the opening loss allowances as follows:

Year ended 31 March (£ millions)	2025	2024
At beginning of year	4	1
Charged during the period	1	4
Unused amounts reversed	(1)	(1)
At end of year	4	4

23 INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs of raw materials and consumables are ascertained on a first-in, first-out basis. Costs, including fixed and variable production overheads, are allocated to work-in-progress and finished goods, determined on a full absorption cost basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortised in changes in stocks and work-in-progress to their residual values (i.e. estimated second-hand sale value) over the term of the arrangement.

As at 31 March (£ millions)	2025	2024
Raw materials and consumables	140	89
Work-in-progress	493	538
Finished goods	1,546	1,726
Inventory basis adjustment	5	1
Total inventories	2,184	2,354

Inventories of finished goods include £503 million (2024: £461 million) relating to vehicles sold to rental car companies, fleet clients and others with guaranteed repurchase arrangements.

Cost of inventories (comprising the cost of purchased products and the costs of conversion) recognised as an expense during the year amounted to £17,844 million (2024: £18,029 million) including material and other cost of sales, employee costs, depreciation and production overheads recognised within "Other expenses".

During the year, the Company recorded an inventory write-down expense of £9 million (2024: £42 million). The write-down is included in "Material and other cost of sales".

24 ACCOUNTS PAYABLE

As at 31 March (£ millions)	2025	2024
Trade payables	4,643	4,600
Liabilities related to revenue reductions	292	313
Liabilities to employees	271	261
Liabilities for expenses	150	177
Capital creditors	415	393
Total accounts payable	5,771	5,744

25 INTEREST-BEARING LOANS AND BORROWINGS

As at 31 March (£ millions)	2025	2024
Short-term borrowings		
Loans	8,122	8,364
Total short-term borrowings	8,122	8,364
Long-term borrowings		
Other unsecured	37	36
Total long-term borrowings	37	36
Lease obligations	427	450
Total debt	8,586	8,850

£8,122 million (2024: £8,364 million) of short-term borrowings relate to amounts due to parent and subsidiary undertakings. The borrowings are subject to fixed or variable interest rates and certain borrowings are repayable on demand.

Included within short-term borrowings are amounts due to JLRA PLC, an intermediate parent undertaking, of £3,463 million (2024: £4,290 million) for which the timing of expected repayments, including interest payments, matches the repayment terms of corresponding loans issued by third parties and held by JLRA PLC. Despite the expected repayment profile, amounts outstanding as at 31 March 2025 are presented as short-term due to being repayable on demand.

The expected timing of cash outflows (including interest payments) in relation to these borrowings with JLRA PLC is set out below:

As at 31 March (£ millions)	2025	2024
Due in		
1 year or less	1,261	1,532
2nd and 3rd years	1,335	1,743
4th and 5th years	1,285	1,367
More than 5 years	-	332
Total contractual cash flows	3,881	4,974

In addition to the above, the amount of long-term loans contractually repayable after more than five years is £110 million (2024: £112 million).

Receivables facility

The Company has a factored receivables facility as at 31 March 2025 of \$900 million (2024: \$900 million). Under the terms of the facility, the Company derecognises factored receivables in accordance with IFRS 9 as there are no recourse arrangements. Included within loans at 31 March 2025 is £nil (2024: £nil) in relation to receivables that were repurchased during the year.

26 OTHER FINANCIAL LIABILITIES

As at 31 March (£ millions)	2025	2024
Current		
Lease obligations	46	48
Interest accrued	67	88
Derivative financial instruments	153	265
Liability for vehicles sold under a repurchase arrangement	542	502
Other	-	8
Total current other financial liabilities	808	911
Non-current		
Lease obligations	381	402
Derivative financial instruments	65	136
Other	1	2
Total non-current other financial liabilities	447	540

"Liability for vehicles sold under a repurchase arrangement" includes £341 million (2024: £282 million) related to vehicles for the management car scheme. Participants in the scheme make payments through deductions from salary.

27 PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

As at 31 March (£ millions)	2025	2024
Current		
Product warranty	798	675
Emissions compliance	131	36
Third party claims and obligations	130	177
Other provisions	30	19
Total current provisions	1,089	907
Non-current		
Product warranty	1,311	1,056
Emissions compliance	147	118
Other provisions	22	30
Total non-current provisions	1,480	1,204

The comparatives as at 31 March 2024 have been re-presented to align with presentation changes made during the year ended 31 March 2025. Amounts previously disclosed as 'Restructuring' have been presented in 'Third party claims and obligations'. This has not resulted in any change to the reported 'Total current provisions' or 'Total non-current provisions'.

Year ended 31 March 2025 (£ millions)	Product warranty	Emissions compliance	Third party claims and obligations	Other provisions	Total
Opening balance	1,731	154	177	49	2,111
Provisions made during the year	1,316	238	349	33	1,936
Provisions used during the year	(1,002)	(56)	(254)	(21)	(1,333)
Unused amounts reversed in the year	(14)	(58)	(144)	(9)	(225)
Impact of unwind of discounting	78	-	-	-	78
Foreign currency translation	-	-	2	-	2
Closing balance	2,109	278	130	52	2,569

Product warranty provision

The Company provides product warranties on all new vehicle sales in respect of manufacturing defects, which become apparent in the stipulated policy period dependent on the market in which the vehicle purchase occurred. The estimated liability for product warranty is recognised when products are sold or when new warranty programmes are initiated.

Provisions are recognised for the costs of repairing manufacturing defects, recall campaigns, customer goodwill (representing the Company's constructive obligation to its clients when managing those warranty claims) and the Company's other obligations under the warranty.

Assumptions are made on the type and extent of future warranty claims based on experience of the frequency and extent of vehicle faults and defects historically.

The estimates also include assumptions on the amounts of potential repair costs per vehicle and the effects of possible time or mileage limits and are regularly adjusted to reflect new information. The timing of outflows will vary as and when a warranty claim will arise.

The Company's calculation methodology uses detailed historical data corrected for experience as information becomes available as well as individual campaign assumptions (such as scope, uptake rates and repair costs). This can lead to changes in the carrying value of provisions as assumptions are updated over the life of each warranty to reflect where actual experience differs to past experience, for example due to higher inflation or timing of claims impacting disbursement curve analysis.

The Company notes that changes in the automotive environment regarding the increasing impact of battery electric vehicles presents its own significant challenges, particularly due to the lack of maturity and historical data available at this time to help inform estimates for future warranty claims, as well as any associated recoveries from suppliers due to such claims. The Company offers warranties of up to eight years on batteries in electric vehicles. The related provisions are made with the Company's best estimate at this time to settle such obligations in the future, but will be required to be continually refined as sufficient, real-world data becomes available.

The discount on the warranty provision is calculated using a risk-free discount rate as the risks specific to the liability, such as inflation, are included in the base calculation.

Estimates of the future costs of warranty actions are subject to numerous uncertainties, including the enactment of new laws and regulations, the number of vehicles affected by a service or recall action and the nature or final cost of the corrective action. Due to the uncertainty and potential volatility of the inputs to these assumptions, it is reasonably possible that the actual cost expenditure over an extended period of time could be materially different to the estimate in a range of amounts that cannot be reasonably estimated. The Company continues to monitor developments in global macroeconomic conditions, including the global tariff environment, and adjusts provisions if required.

The Company also has back-to-back contractual arrangements with its suppliers in the event that a vehicle fault is proven to be a supplier's fault. Estimates are made of the expected reimbursement claims based upon historical levels of recoveries by supplier, adjusted for inflation and applied to the population of vehicles under warranty at the balance sheet date. Supplier reimbursement claims are presented as separate assets within "Other financial assets" in note 17. Supplier recoveries are recognised only when the Group considers there to be virtual certainty over the reimbursement, which also requires historical evidence to support.

Emissions compliance

The Company maintains a provision for sales non-compliant with legal emissions requirements for certain jurisdictions. The best estimate of the expenditure required to settle the non-compliance at the balance sheet date is determined by considering the ways in which the Company can mitigate non-compliance with the emissions requirements. These include purchasing emission credits at the estimated market rate based on latest market information, or paying the legislated fine amount where a market indicative credit price cannot be estimated; and, subject to the terms of the relevant legislation, generating credits by producing and selling compliant vehicles in the future. Legislation is regularly monitored for changes to the emissions requirements across the various jurisdictions relevant to the Company and where changes or new legislation is virtually certain to be enacted, these are used as basis in determining the best estimate for the provision measurement. The measurement of the provision at the balance sheet date does not include the impact of credits forecast to be generated in the future via the production and sale of compliant vehicles.

The timing of outflows will vary and is not known with certainty. The actual cash outflow may differ to the estimate.

Third party claims and obligations

A provision is maintained in respect of legal and constructive obligations to third parties. This includes claims and obligations related to supplier claims, motor accident claims, consumer complaints, retailer terminations, employment cases and personal injury claims. The decrease in the year is driven predominantly by a reduction in supplier claims, including continued settlement of existing claims as well as lower levels of new claims.

The provision recognised is based on previous experience, which is considered as a reasonable assumption to estimate the final settlement, if any, at the time of the claim. The timing and amount of outflows will vary with decreasing uncertainty from the point at which each claim is received to when it is subsequently settled.

Other provisions

Other provisions predominantly include environmental provisions and residual risk provisions. The timing of outflows will vary and is not known with certainty.

28 OTHER LIABILITIES

As at 31 March (£ millions)	2025	2024
Current		
Liabilities for advances received	11	25
Ongoing service obligations	107	66
VAT	1	-
Deferred grant income	35	63
Other	-	10
Total current other liabilities	154	164
Non-current		
Ongoing service obligations	252	218
Deferred grant income	448	288
Other	5	-
Total non-current other liabilities	705	506

29 CAPITAL AND RESERVES

As at 31 March (£ millions)	2025	2024
3,560,542,073 ordinary shares of £1 each	3,561	3,561
Total ordinary share capital	3,561	3,561

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

30 OTHER RESERVES

The movement of reserves is as follows:

£ millions	Capital contribution reserve	Hedging reserve	Cost of hedging reserve	Retained earnings	Total other reserves
Balance at 1 April 2023	-	(612)	(32)	(1,357)	(2,001)
Profit for the year	-	-	-	2,331	2,331
Remeasurement of defined benefit obligation	-	-	-	(328)	(328)
Gain on effective cash flow hedges	-	803	41	-	844
Income tax related to items recognised in other comprehensive income	-	(68)	(3)	82	11
Cash flow hedges reclassified to profit and loss	-	66	(15)	-	51
Income tax related to items reclassified to profit or loss	-	(17)	2	-	(15)
Amounts removed from hedge reserve and recognised in inventory	-	2	1	-	3
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(1)	-	-	(1)
Balance at end 31 March 2024	-	173	(6)	728	895
Balance at 1 April 2024	-	173	(6)	728	895
Profit for the year	-	-	-	1,259	1,259
Remeasurement of defined benefit obligation	-	-	-	(8)	(8)
Gain on effective cash flow hedges	-	534	14	-	548
Income tax related to items recognised in other comprehensive income	-	(133)	(4)	2	(135)
Cash flow hedges reclassified to profit and loss	-	(184)	(13)	-	(197)
Income tax related to items reclassified to profit or loss	-	46	3	-	49
Amounts removed from hedge reserve and recognised in inventory	-	28	2	-	30
Income tax related to amounts removed from hedge reserve and recognised in inventory	-	(7)	-	-	(7)
Capital contribution from immediate parent	4	-	-	-	4
Balance at end 31 March 2025	4	457	(4)	1,981	2,438

Capital contribution reserve

The capital contribution reserve represents capital contributed by shareholders without the issuance of new shares.

Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss or direct inclusion in the initial cost or other carrying amount of a non-financial asset or non-financial liability.

Cost of hedging reserve

The cost of hedging reserve reflects the cumulative gain or loss on the portion excluded from the designated hedging instrument that relates to the forward element of forward contracts. It is initially recognised in other comprehensive income and accounted for similarly to gains or losses in the hedging reserve.

31 DIVIDENDS

No dividends were paid in the year ended 31 March 2025 (2024: £nil).

32 EMPLOYEE BENEFITS

Pension schemes

The Company operates several defined benefit ('DB') pension plans. The DB plans are administered by a separate trustee and the assets of the plans are generally held in separate funds selected and overseen by the trustee. These plans were contracted out of the state second pension (S2P) scheme until 5 April 2016. The plans provide benefits for members including a monthly pension after retirement based on salary and service as set out in the rules of each plan.

Contributions to the plans by the Company take into consideration the results of actuarial valuations. The UK defined benefit plans were closed to new joiners in April 2010.

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial updates being carried out at the end of each reporting period.

Defined benefit costs are split into four categories:

- Current service cost, past service cost and gains and losses on curtailments and settlements;
- Net interest cost;
- Administrative expenses; and
- Remeasurements.

Remeasurements comprising actuarial gains and losses and the return on plan assets (excluding interest) is recognised immediately in the balance sheet with a charge or credit to the statement of comprehensive income in the period in which they occur. Remeasurement recorded in the statement of comprehensive income is not recycled to profit or loss.

Past service cost, including curtailment gains and losses, is generally recognised in profit or loss in the period of plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability, adjusted for expected cash flows during the period. From the year ended 31 March 2020, at the point a past service cost is incurred, re-measurement of the income statement cost is considered and will be re-calculated if there is a material change.

The Company presents these defined benefit costs within "Employee costs" in the income statement (see note 6). Separate defined contribution plans are available to all other employees of the Company. Costs in respect of these plans are charged to the income statement as incurred.

Actuarial gains and losses

Actuarial gains and losses relating to retirement benefit plans are recognised in the statement of comprehensive income in the year in which they arise.

Measurement date

The measurement date of all retirement plans is 31 March.

The trustee of the pension schemes is required by law to act in the interest of the members and of all relevant stakeholders in the schemes and is responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of the trustee must be composed of representatives of the Company and scheme participants in accordance with each scheme's regulations.

Through its defined benefit pension schemes, the Company is exposed to a number of risks, the most significant of which are detailed below and on the next page.

Asset volatility

The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if the schemes' assets underperform against these corporate bonds, this will create or increase a deficit. The defined benefit schemes hold a significant proportion of equity-type assets, which are expected to outperform corporate bonds in the long-term although introduce volatility and risk in the short-term.

The schemes hold a substantial level of index-linked gilts and other inflation and interest rate hedging instruments, together with other bond type assets, in order to reduce the volatility of assets compared to the liability value, although these will lead to asset value volatility.

As the schemes mature, the Company intends to reduce the level of investment risk by investing more in assets for which expected income is a better match for the expected benefit obligations.

However, the Company believes that due to the long-term nature of the schemes' liabilities and the strength of the supporting group, a level of continuing equity-type investments is currently an appropriate element of the Company's long-term strategy to manage the schemes efficiently.

The trustees and the Company are engaged in ongoing discussions to control the impact of climate risk on the schemes' funding. The current diversified asset profile of the plans should reduce exposure to climate risks.

Changes in bond yields

A decrease in corporate bond yields will increase the schemes' liabilities, although this is expected to be partially offset by an increase in the value of the schemes' assets, specifically the bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against high inflation). As noted above, the schemes hold a significant proportion of assets in index-linked gilts, together with other inflation hedging instruments and also assets that are more closely correlated with inflation. However, an increase in inflation may still create a deficit or increase an existing deficit to some degree.

Life expectancy

The majority of the schemes' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the schemes' liabilities. This is particularly significant in the UK defined benefit schemes, where inflationary increases result in higher sensitivity to changes in life expectancy. Regular updates to the model underlying the mortality assumption incorporate new mortality data. The long-term impact of COVID-19 on future mortality trends remains uncertain and consequently no further adjustment has been made to the mortality assumptions in this regard.

Current global political and economic conditions have exacerbated the financial risks faced by the schemes leading to higher levels of liquidity being held.

The following tables set out the disclosures pertaining to the retirement benefit amounts recognised in the financial statements prepared in accordance with IAS 19:

Change in present value of defined benefit obligation

Year ended 31 March (£ millions)	2025	2024
Defined benefit obligation at beginning of year	5,072	5,057
Current service cost	61	61
Interest expense	255	236
Actuarial (gains)/losses arising from:		
Changes in demographic assumptions	(49)	(22)
Changes in financial assumptions	(499)	(148)
Experience adjustments	42	86
Member contributions	1	1
Benefits paid	(220)	(201)
Other	-	2
Defined benefit obligation at end of year	4,663	5,072

Change in present value of scheme assets

Year ended 31 March (£ millions)	2025	2024
Fair value of schemes' assets at beginning of year	5,372	5,638
Interest income	270	270
Remeasurement loss on the return of plan assets, excluding amounts included in interest income	(514)	(412)
Administrative expenses	(9)	(10)
Employer contributions	76	84
Member contributions	1	1
Benefits paid	(220)	(201)
Other	-	2
Fair value of schemes' assets at end of year	4,976	5,372

The actual return on the schemes' assets for the year ended 31 March 2025 was £(244) million (2024: £(142) million).

Amounts recognised in the income statement consist of:

Year ended 31 March (£ millions)	2025	2024
Current service cost	61	61
Administrative expenses	9	10
Net interest income (including onerous obligations)	(15)	(34)
Components of defined benefit cost recognised in the income statement	55	37

Amounts recognised in the statement of comprehensive income consist of:

Year ended 31 March (£ millions)	2025	2024
Actuarial gains/(losses) arising from:		
Changes in demographic assumptions	49	22
Changes in financial assumptions	499	148
Experience adjustments	(42)	(86)
Remeasurement loss on the return of schemes' assets, excluding amounts included in interest income	(514)	(412)
Remeasurement loss on net defined benefit obligation	(8)	(328)

Amounts recognised in the balance sheet consist of:

As at 31 March (£ millions)	2025	2024
Present value of defined benefit obligations	(4,663)	(5,072)
Fair value of schemes' assets	4,976	5,372
Net pension asset	313	300
Presented as non-current asset	313	300

The most recent valuations of the defined benefit schemes for accounting purposes were carried out at 31 March 2025 by a qualified independent actuary, based on membership data as at 1 April 2024. The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method. The asset valuations are taken from the asset custodian for each scheme together with the balance of the trustee bank accounts.

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

As at 31 March	2025	2024
Discount rate	5.8 %	5.1 %
Expected rate of increase in benefit revaluation of covered employees	1.9 %	2.0 %
RPI inflation	2.9 %	3.0 %
CPI Inflation rate (capped at 5% p.a.)	2.5 %	2.5 %
CPI Inflation rate (capped at 2.5% p.a.)	1.8 %	1.7 %

From 30 June 2024, the Company has adopted a updated methodology to derive the discount rate for pension accounting purposes. The updated method continues to derive a yield curve from UK AA rated corporate bonds, however the range of eligible bonds used has been broadened. The impact on the discount rate relative to the prior approach varies depending on financial conditions from a few basis points to c.20-30 basis points but may be larger. As at 31 March 2025 the discount rate was c.20 basis points lower than it would be under the previous approach. This results in an increase in the IAS19 liability of £110 million (c.2%) as compared to the prior approach. Similarly, the projected P&L charge for FY26 is higher than it would have been previously by c.£8 million. The ongoing impact will vary.

For the valuation at 31 March 2025, 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 scaling factors of 102 per cent to 116 per cent have been used for female members.
- For the Land Rover Pension Scheme, scaling factors of 103 per cent to 112 per cent have been used for male members and scaling factors of 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 scaling factors of 92 per cent to 98 per cent have been used for female members.

For the valuation 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 scaling factors of 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 scaling factors of 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 scaling factors of 86 per cent to 92 per cent have been used for female members.

For the 2025 year end calculation, there is an allowance for future improvements in line with the CMI (2023) with a long term rate of improvement of 1.25 per cent per annum, a smoothing parameter (s-kappa) of 7.0, core initial improvements parameter (A) of zero and annual weight parameter for both 2020 and 2021 of zero and 15 per cent weighting for 2022 and 2023 (2024: CMI (2022) projections with 1.25 per cent per annum improvements and a smoothing parameter of 7.0).

The assumed life expectancies on retirement at age 65 are:

As at 31 March (years)	2025	2024
Retiring today:		
Males	21.0	21.0
Females	23.4	23.5
Retiring in 20 years:		
Males	22.4	22.5
Females	25.3	25.4

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by c.£145 million	Decrease/increase by c.£2 million
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by c.£83 million	Increase/decrease by c.£1 million
Mortality	Increase/decrease in life expectancy by 1 year	Increase/decrease by c.£135 million	Increase/decrease by c.£1 million

The fair value of schemes' assets is represented by the following major categories:

As at 31 March (£ millions)	2025				2024			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
Equity instruments								
Information technology	-	52	52	1%	-	80	80	2%
Energy	-	8	8	-	-	11	11	-
Manufacturing	-	44	44	1%	-	60	60	1%
Financials	-	60	60	1%	-	26	26	-
Other	-	139	139	3%	-	109	109	2%
	-	303	303	6%	-	286	286	5%
Debt instruments								
Government	2,153	(861)	1,292	25%	2,049	(559)	1,490	28%
Corporate bonds (investment grade)	832	146	978	20%	911	147	1,058	20%
Corporate bonds (non-investment grade)	-	540	540	11%	-	519	519	9%
	2,985	(175)	2,810	56%	2,960	107	3,067	57%
Property funds								
UK	-	322	322	7%	-	335	335	6%
Other	-	220	220	4%	-	263	263	5%
	-	542	542	11%	-	598	598	11%
Cash and cash equivalents	346	-	346	7%	403	1	404	8%
Other								
Private markets	-	824	824	17%	-	865	865	16%
Alternatives	-	154	154	3%	-	151	151	3%
	-	978	978	20%	-	1,016	1,016	19%
Derivatives								
Foreign exchange contracts	-	-	-	-	-	(6)	(6)	-
Interest rate and inflation swaps	-	(3)	(3)	-	-	7	7	-
	-	(3)	(3)	-	-	1	1	-
Total	3,331	1,645	4,976	100%	3,363	2,009	5,372	100%

As at 31 March 2025, the schemes held Gilt Repos. The net value of these transactions is included in the value of government bonds in the table above. The gross value of the funding obligation for the Repo transactions is £965 million (2024: £698 million).

JLR assigns an accounting level (1, 2 or 3) to asset holdings in order to reflect the level of judgement involved in the valuation of an asset. In assigning the level JLR balances consistency between asset holdings, consistency from year to year and manager/other assessments. JLR designates level 1 to direct holdings of liquid assets where an active market exists. Level 1 assets are reported as quoted, level 2 and 3 unquoted. Repo obligations are noted separately.

Custodian accounts where underlying assets are regularly traded or where comparable assets have traded values are designated level 2, such as equity instruments, derivatives (including net value of swaps), some debt instruments (such as corporate and Government bonds), and some other investments (such as private markets and alternatives). Assets which are not designated as level 1 or 2 are designated as level 3, such as property funds and the remaining debt instruments and other investments.

Certain assets using unobservable inputs have been measured using the most recent valuations, adjusted for cash and currency movements between the last valuation date and 31 March 2025. Movements in listed equity and other market valuations may be significant over the period therefore the valuation of these assets may also vary significantly. The value of these assets in the UK Plans, included above, is £1.2 billion (2024: £1.7 billion).

JLR contributes towards the UK defined benefit schemes. Statutory funding valuations are carried out every three years, the latest valuation as at 31 March 2024 was completed on 10 January 2025. The valuations resulted in revised schedules of contributions effective from 10 January 2025. At the effective date of the valuations each scheme was in surplus, therefore, there are no further deficit recovery contributions currently payable. The ongoing Company contribution rate for the defined benefit accrual during the year ended 31 March 2025 was c.10 per cent. The ongoing rate will vary to reflect prevailing financial conditions over time.

JLR has taken legal advice considering the documentation of the UK schemes and the regulatory environment. This confirmed the recoverability of any surplus in the scheme via reduced future contributions or gradual settlement and JLR has based its accounting judgement on this advice.

The average duration of the benefit obligations at 31 March 2025 is 12.8 years (2024: 14.2 years). Higher net discount rates have the effect of reducing the duration of the liabilities and vice versa.

The net defined benefit cost for the next financial year is expected to be £43 million. The Company expects to pay £36 million to its defined benefit schemes, in total, for the next financial year (excluding member contributions through salary sacrifice).

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans including JLR schemes. The Company and pension trustees are currently considering the implications of the case for the JLR UK defined benefit schemes. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case, however as further information emerges over the coming year the Company will review whether and to what extent there are changes in its liabilities.

Defined contribution schemes

The Company's contribution to defined contribution schemes for the year ended 31 March 2025 was £131 million (2024: £115 million).

33 COMMITMENTS AND CONTINGENCIES

The following includes a description of contingencies and commitments. The Company 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 Company 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 Company provides disclosure in the financial statements but does not record a liability unless the loss becomes probable. Such potential losses may be of an uncertain timing and/or amounts.

As at 31 March (£ millions)	2025	2024
Contingencies:		
- Third party claims and obligations	176	306
Commitments:		
- Plant and equipment	793	605
- Intangible assets	18	20
Pledged as collateral/security against the borrowings and commitments:		
- Other financial assets	8	27

Contingencies

Contingencies disclosed relate to legal and constructive obligations to third parties. There are claims and obligations against the Company which management has not recognised, as settlement is not considered probable.

The decrease in the period is driven mainly by supplier claims related to ongoing negotiations and lower levels of new claims.

Litigation/Regulatory

Various legal proceedings, claims and governmental investigations are pending against the Company on a range of topics. Adverse decisions in one or more of these proceedings could require the Company to pay substantial damages, or undertake service actions, recall campaigns or other costly actions.

Legal and regulatory proceedings are subject to many uncertainties, and the outcome of individual matters, or what remedies, if any, may be imposed, is not predictable with assurance. Moreover, the cases and claims against the Company are often derived from complex legal issues that are subject to differing degrees of uncertainty, for example, many of the proceedings are in evidence gathering stages, or the legal basis or nature of the claims is unclear. Therefore, the level of uncertainties can vary depending on the stage of the proceedings. The Company monitors the status of pending legal proceedings and consults with experts on legal and tax matters on a regular basis. A provision is established in connection with pending or threatened litigation if it is probable there would be an outflow of funds and when the amount can be reasonably estimated. Contingent liabilities are disclosed if there is a possible outflow, and the outflow can be measured. Since these provisions and disclosures represent estimates, provisions for legal proceedings and litigation may vary as the result of future developments in pending matters.

Whilst the Company may not be directly implicated in all ongoing Group legal matters, the Company typically bears liabilities that subsequently arise, if any, on behalf of Group subsidiaries. Accordingly, we disclose below matters which are pertinent to the Group and Company.

Litigation

The Group and Company face numerous individual claims relating to a varied range of topics seeking monetary damages, including product liability, contractual, IP, commercial, warranty, health and safety, employment and regulatory matters. In addition to individual claims, the Group is currently facing class actions in several jurisdictions including the US, the UK and Australia.

Some of these class actions relate to issues such as diesel vehicle emissions involving in some cases multiple OEMs. Other class actions relate to alleged deficiencies of the diesel particulate filters (DPF).

Adverse decisions or settlements in any of these proceedings can have negative financial, reputational and/or operational impact. At this stage, it is not practicable to estimate the probability, amount or timing of any liability.

Regulatory

Car manufacturers operate in an increasingly complex and rapidly changing regulatory environment including in relation to electric and alternative propulsion, emissions, automation and safety. The pace of change and complexity of regulation present an ongoing risk for the industry. In the event of non-compliance consequences could include fines and/or withdrawal of market access. JLR is constantly working to minimise this risk by identifying upcoming regulatory changes and implementing compliance at an early stage.

JLR has systems in place to ensure that any compliance issues which might arise are investigated and addressed appropriately.

We have received inquiries from and have engaged with governmental institutions, agencies and regulatory authorities in the U.K., Germany and France as they examine the on-road tailpipe emissions and emission control systems of several automakers' diesel vehicles. JLR continues to collaborate with the relevant authorities, including consideration of changes to relevant vehicles. At this stage, it is not practicable to estimate the probability, amount or timing of any liability.

Competition

The Group and Company have received requests for information and/or been the subject of inspections by competition authorities, including the European Commission and UK Competition and Markets Authority ('CMA') concerning possible infringements in relation to the collection, treatment and recovery of end-of-life cars and vans which are considered waste (ELVs). The Group and Company cooperated with the authorities throughout the process and has reached a settlement with both the European Commission and the CMA which includes payment of fines of €1.6 million and £4.6 million respectively.

Commitments

The Company 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 Company to contribute a total of CNY 2,500 million of capital. Of this amount, CNY 1,738 million has been contributed as at 31 March 2025. The outstanding commitment of CNY 762 million translates to £81 million at the 31 March 2025 exchange rate.

Financing arrangements

The Company provides certain guarantees for financing and other arrangements where the likelihood of demand on the guarantee is deemed remote. The financing arrangements covered by such guarantees are explained below.

The Company's intermediate parent, JLRA PLC, has issued Senior Notes that are listed on the Luxembourg Stock Exchange multilateral trading facility ('EURO MTF') market. The Company is a guarantor with Jaguar Land Rover Holdings Limited of certain of these Senior Notes. The tranches of Senior Notes outstanding at 31 March 2025 are as follows:

- \$500 million Senior Notes due 2027 at a coupon of 4.500 per cent per annum – issued October 2017
- €500 million Senior Notes due 2026 at a coupon of 4.500 per cent per annum – issued September 2018
- €298 million Senior Notes due 2026 at a coupon of 6.875 per cent per annum – issued November 2019
- \$700 million Senior Notes due 2025 at a coupon of 7.750 per cent per annum – issued October 2020
- \$553 million Senior Notes due 2028 at a coupon of 5.875 per cent per annum – issued December 2020
- €500 million Senior Notes due 2028 at a coupon of 4.500 per cent per annum – issued July 2021
- \$409 million Senior Notes due 2029 at a coupon of 5.500 per cent per annum – issued July 2021

The Company is a guarantor with Jaguar Land Rover Holdings Limited of the £1,038 million revolving credit facility maturing October 2029 and £622 million revolving credit facility maturing October 2027, held by the intermediate parent company, JLRA PLC. As at 31 March 2025 the facilities were fully undrawn.

The Company is a guarantor with Jaguar Land Rover Holdings Limited of the \$650 million syndicated loan held by the intermediate parent company, JLRA PLC. \$500 million of the loan was issued in January 2025 with an additional \$150 million issued through an accordion in March 2025. The loan is fully due in January 2029.

The Company is a guarantor with Jaguar Land Rover Holdings Limited of the £625 million five-year amortising loan facility backed by a £500 million guarantee from UK Export Finance ending December 2026. As at 31 March 2025, the remaining balance on the facility is £219 million (2024: £344 million).

34 FINANCIAL INSTRUMENTS

Recognition and derecognition

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. Any gain or loss arising on derecognition is recognised in profit or loss. When a financial instrument is derecognised, the cumulative gain or loss in equity (if any) is transferred to the income statement.

Financial assets are written off when there is no reasonable expectation of recovery. The Company reviews the facts and circumstances around each asset before making a determination. Financial assets that are written off could still be subject to enforcement activities.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or has expired.

Initial measurement

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Transaction costs of financial instruments carried at fair value through profit or loss are expensed in profit or loss.

Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and measurement – financial assets

Classification of financial assets is based on the business model in which the instruments are held as well as the characteristics of their contractual cash flows. The business model is based on management's intentions and past pattern of transactions. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. The Company reclassifies financial assets when and only when its business model for managing those assets changes.

Financial assets are classified into three categories:

Financial assets at amortised cost are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows. Subsequently, these are measured at amortised cost using the effective interest method less impairment losses, if any. These include cash and cash equivalents, contract assets and other financial assets.

Financial assets at fair value through other comprehensive income are non-derivative financial assets with contractual cash flows that consist solely of payments of principal and interest and which are held with the intention of collecting those contractual cash flows as well as to sell the financial asset. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in other comprehensive income apart from any expected credit losses or foreign exchange gains or losses, which are recognised in profit or loss. This category can also include financial assets that are equity instruments which have been irrevocably designated at initial recognition as fair value through other comprehensive income. For these assets, there is no expected credit loss recognised in profit or loss.

Financial assets at fair value through profit or loss are financial assets with contractual cash flows that do not consist solely of payments of principal and interest. This category includes derivatives, embedded derivatives separated from the host contract and investments in certain convertible loan notes. Subsequently, these are measured at fair value, with unrealised gains or losses being recognised in profit or loss, with the exception of derivative instruments designated in a hedging relationship, for which hedge accounting is applied.

Classification and measurement – financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost unless they meet the specific criteria to be recognised at fair value through profit or loss.

Other financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss include derivatives and embedded derivatives separated from the host contract as well as financial liabilities held for trading. Subsequent to initial recognition, these are measured at fair value with gains or losses being recognised in profit or loss. Embedded derivatives relating to prepayment options on senior notes are not considered as closely related and are separately accounted unless the exercise price of these options is approximately equal on each exercise date to either the amortised cost of the senior notes or the present value of the lost interest for the remaining term of the senior notes.

Impairment

The Company recognises a loss allowance in profit or loss for expected credit losses on financial assets held at amortised cost or at fair value through other comprehensive income. Expected credit losses are forward looking and are measured in a way that is unbiased and represents a probability-weighted amount, takes into account the time value of money (values are discounted using the applicable effective interest rate) and uses reasonable and supportable information.

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

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

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

Equity instruments

An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Investments in equity instruments are measured at fair value; however, where a quoted market price in an active market is not available, equity instruments are measured at cost (investments in equity instruments that are not held for trading). The Company has not elected to account for these investments at fair value through other comprehensive income.

Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of a financial instrument on initial recognition is normally the transaction price.

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include the discounted cash flow method and other valuation models.

Hedge accounting

The Company uses foreign currency forward contracts, foreign currency options and borrowings denominated in foreign currency to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these foreign currency forward contracts, foreign currency options and borrowings denominated in foreign currency in cash flow hedging relationships.

The Company uses cross-currency interest rate swaps to convert some of its foreign currency denominated fixed-rate borrowings to GBP floating-rate borrowings. Hedge accounting is applied using both fair value and cash flow hedging relationships. The designated risks are foreign currency and interest rate risks.

Derivative contracts are stated at fair value on the balance sheet at each reporting date.

At inception of the hedge relationship, the Company documents the economic relationship between the hedging instrument and the hedged item, including whether changes in the cash flows of the hedging instrument are expected to offset changes in the cash flows of the hedged item.

The Company documents its risk management objective and strategy for undertaking its hedging transactions. The Company designates only the intrinsic value of foreign exchange options in the hedging relationship. The Company designates amounts excluding foreign currency basis spread in the hedging relationship for both foreign exchange forward contracts and cross-currency interest rate swaps. Changes in the fair value of the derivative contracts that are designated and effective as hedges of future cash flows are recognised in the cash flow hedge reserve within other comprehensive income (net of tax), and any ineffective portion is recognised immediately in the income statement.

Changes in both the time value of foreign exchange options and foreign currency basis spread of foreign exchange forwards and cross-currency interest rate swaps are recognised in other comprehensive income (net of tax) in the cost of hedging reserve to the extent that they relate to the hedged item (the "aligned" value).

Changes in the fair value of contracts that are designated in a fair value hedge are taken to the income statement. They offset the change in fair value, attributable to the hedged risks, of the borrowings designated as the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. Amounts accumulated in equity are reclassified to the income statement in the periods in which the forecast transactions affect profit or loss or as an adjustment to a non-financial item (e.g. inventory) when that item is recognised on the balance sheet. These deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of goods sold).

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss in equity, including deferred costs of hedging, is immediately transferred and recognised in the income statement.

(A) Financial assets and liabilities

The following table shows the carrying amount and fair value of financial assets and liabilities measured at fair value through profit or loss as at 31 March 2025:

As at 31 March 2025 (£ millions)	Fair Value Through Profit and Loss		Total fair value
	Derivatives in hedging relationship	Derivatives other than in hedging relationship	
Other financial assets - current	347	7	354
Other financial assets - non-current	335	2	337
Total financial assets	682	9	691
Other financial liabilities - current	106	47	153
Other financial liabilities - non-current	44	21	65
Total financial liabilities	150	68	218

The following table shows the carrying amount and fair value of financial assets and liabilities measured at fair value through profit or loss as at 31 March 2024:

As at 31 March 2024 (£ millions)	Fair Value Through Profit and Loss		Total fair value
	Derivatives in hedging relationship	Derivatives other than in hedging relationship	
Other financial assets - current	187	52	239
Other financial assets - non-current	219	4	223
Total financial assets	406	56	462
Other financial liabilities - current	191	74	265
Other financial liabilities - non-current	87	49	136
Total financial liabilities	278	123	401

(B) Financial risk management

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company's policy on liquidity risk is to maintain sufficient liquidity in the form of cash and undrawn borrowing facilities to meet the Company's operating requirements with an appropriate level of headroom.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

As at 31 March 2025 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Derivative financial instruments	217	139	157	40	(58)	-
Total contractual maturities	217	139	157	40	(58)	-

As at 31 March 2024 (£ millions)	Carrying amount	Contractual cash flows	1 year or less	1 to <2 years	2 to <5 years	5 years and over
Derivative financial instruments	401	410	234	137	39	-
Total contractual maturities	401	410	234	137	39	-

Off-balance sheet financial arrangements

At 31 March 2025, the Company had sold £562 million (2024: £588 million) equivalent of trade receivables under its debt factoring facility. The facility was renewed at its existing value of \$900 million during the year ended 31 March 2025.

(C) Derivatives and hedge accounting

The Company's operations give rise to revenue, raw material purchases and borrowings in currencies other than the Company's presentation currency of GBP. The Company forecasts these transactions over the medium term and enters into derivative contracts to mitigate the resulting foreign currency exchange risk, interest rate risk and commodity price risk. The Company's risk management strategy allows for hedge accounting when the derivatives meet the hedge accounting criteria as set out in IFRS 9 as well as the Company's risk management objectives.

Non-deliverable forward contracts relating to commodity trades may be designated as hedging instruments in cash flow hedge relationships against forecast commodity purchases to mitigate commodity price risk associated with those transactions. Foreign currency forward contracts, foreign currency options and foreign currency denominated borrowings may be designated as hedging instruments in a cash flow hedge relationship against forecast foreign currency transactions to mitigate foreign currency exchange risk associated with those transactions.

In addition, the Company uses cross-currency interest rate swaps to hedge its foreign currency exchange risk associated with recognised borrowings. These instruments may be designated in both cash flow and fair value hedging relationships, or may be economic hedges of debt. The Company also manages foreign exchange risk on recognised borrowings using FX swaps. The Company utilises FX spot & FX swap contracts to manage operational requirements.

The following table sets out the change in the Company's exposure to interest rate risk as a result of hedge accounted cross-currency interest rate swaps:

Outstanding contracts	Foreign currency receivable average interest rate		Reporting currency payable average interest rate	
	%	%	%	%
	2025	2024	2025	2024
Cross-currency interest rate swaps				
<1 year	4.500%	-	SONIA + 5.971	-
Between 1-5 years	-	4.500%	-	SONIA + 5.587
>5 years	-	-	-	-

Cash flow hedges

The Company uses foreign currency options, foreign currency forward contracts and recognised foreign currency borrowings as the hedging instruments in cash flow hedge relationships of hedged sales and purchases. The time value of options and the foreign currency basis spread of foreign exchange forward contracts are excluded from the hedge relationship and are recognised in other comprehensive income as a cost of hedging to the extent they relate to the hedged item (the aligned value). The Company also uses non-deliverable forward commodity contracts as hedging instruments in cash flow hedge relationships of some hedged commodity purchases. Additionally, the Company uses cross-currency interest rate swaps as the hedging instrument of the foreign exchange risk of recognised foreign currency borrowings.

Changes in the fair value of foreign currency contracts and non-deliverable forward commodity contracts, to the extent determined to be an effective cash flow hedge, are recognised in the statement of comprehensive income, and the ineffective portion of the fair value change is recognised in the income statement.

The main sources of ineffectiveness are timing differences in the payment of the hedging instrument and hedged item and application differences in relation to discounting of the hedged item in comparison to the hedging instrument.

It is anticipated that the hedged sales will take place over the next one to five years, at which time the amount deferred in equity will be reclassified to revenue in the income statement.

It is anticipated that the hedged purchases will take place over the next one to five years, at which time the amount deferred in equity will be included in the carrying amount of the raw materials. On sale of the finished product, the amount previously deferred in equity and subsequently recognised in inventory will be reclassified to material and other cost of sales in the income statement.

The foreign currency borrowings designated as the hedged item mature in January 2026, at which time the amount deferred in equity will be reclassified to the income statement.

The table below sets out the timing profile of the hedge accounted derivatives:

Outstanding contracts As at 31 March	Average strike rate		Nominal amounts		Carrying value liabilities	
	2025	2024	2025 £ millions	2024 £ millions	2025 £ millions	2024 £ millions
Cash flow hedges of foreign exchange risk on forecast transactions						
Derivative instruments						
Sell - USD						
<1 year	0.7807	0.7699	3,018	3,862	26	(95)
Between 1-5 years	0.7814	0.7777	6,326	4,731	33	(45)
Sell - Chinese Yuan						
<1 year	0.1161	0.1150	2,420	2,815	167	116
Between 1-5 years	0.1155	0.1164	5,461	4,583	133	122
Buy - Euro						
<1 year	1.0955	0.9274	2,705	2,907	(19)	(14)
Between 1-5 years	1.0822	0.9453	895	1,149	(1)	(6)
Other currencies						
<1 year			970	956	103	45
Between 1-5 years			2,034	1,660	126	60
Debt instruments denominated in foreign currency						
Sell - USD						
<1 year	0.8920	-	624	-	(540)	-
Between 1-5 years	0.8845	0.8889	1,188	1,067	(1,128)	(952)
Total cash flow hedges of foreign exchange risk on forecast transactions			25,641	23,730	(1,100)	(769)

Outstanding contracts As at 31 March (£ millions)	Nominal amounts		FV asset/liabilities	
	2025	2024	2025	2024
Cash flow hedges of commodity price risk on forecast transactions				
Derivative instruments				
Commodities				
<1 year	536	-	9	-
Between 1-5 years	469	-	-	-
Total cash flow hedges of commodity price risk on forecast transactions	1,005	-	9	-

The line items in the balance sheet that include the above derivative instruments are "Other financial assets" and "Other financial liabilities".

Fair value hedges

During the years ended 31 March 2025 and 31 March 2024, the Company used cross-currency interest rate swaps as the hedging instrument in a fair value hedge of foreign exchange and interest rate risks of foreign currency denominated debt. The derivatives converted foreign currency USD and EUR fixed-rate borrowings to GBP floating-rate debt.

The table below sets out timing profile of the hedge accounted derivatives:

Outstanding contracts As at 31 March	Average strike rate		Nominal amounts		Carrying value liabilities	
	2025	2024	2025 £ millions	2024 £ millions	2025 £ millions	2024 £ millions
Hedges of foreign exchange risk on recognised debt						
Cross currency interest rate swaps						
EUR						
<1 year	0.8912	-	446	-	(43)	-
Between 1-5 years	-	0.8912	-	446	-	(55)
Total cash flow hedges of foreign exchange risk on recognised debt			446	446	(43)	(55)

The line items in the balance sheet that include the above derivative instruments are "Other financial assets" and "Other financial liabilities".

35 SEGMENT REPORTING

Operating segments are defined as components of the Company about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company operates in the automotive segment. The automotive segment includes all activities relating to design, development, manufacture and marketing of vehicles including financing thereof, as well as sale of related parts and accessories and services from which the Company derives its revenues. The Company has only one operating segment, so no separate segment report is given.

The Company's non-current assets are situated in the UK. The geographic spread of sales by customer location is as disclosed below:

£ millions	UK	US	China	Rest of Europe	Rest of World	Total
31 March 2025						
Revenue	4,786	7,543	3,571	4,517	4,821	25,238
31 March 2024						
Revenue	5,047	5,957	4,046	5,126	5,550	25,726

36 RELATED PARTY TRANSACTIONS

The Company's related parties principally consist of Tata Sons Pvt Ltd, subsidiaries and joint ventures of Tata Sons Pvt Ltd which includes Tata Motors Limited (the ultimate parent company), subsidiaries, joint ventures and associates of Tata Motors Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business including transactions for sale and purchase of products with its joint ventures and associates.

The Company has taken the available exemption available under paragraph 8(k) of FRS 101 in relation to the disclosure of the related party transactions with other wholly owned members of the Group and key management personnel compensation.

The following table summarises related party transactions and balances not eliminated in the Company financial statements. All related party transactions are conducted under normal terms of business. All amounts outstanding are unsecured and will be settled in cash.

£ millions	Joint ventures	Associates and their subsidiaries	Tata Sons Private Limited, its subsidiaries and joint ventures	Immediate or ultimate parent and its subsidiaries, joint ventures and associates
31 March 2025				
Sale of products	186	-	-	161
Purchase of goods	-	170	-	24
Services received	-	1	395	170
Services rendered	63	-	-	3
Trade and other receivables	49	-	-	96
Accounts payable	-	78	91	47
Dividend received	2	-	-	-
Proceeds on disposal of subsidiaries	-	-	-	77
31 March 2024				
Sale of products	218	-	1	79
Purchase of goods	-	154	-	26
Services received	-	-	303	146
Services rendered	83	-	34	3
Trade and other receivables	31	-	-	100
Accounts payable	-	5	48	65
Dividend received	2	-	-	-

37 IMMEDIATE AND ULTIMATE PARENT COMPANY OF THE GROUP

The immediate parent undertaking is Jaguar Land Rover Holdings Limited and 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 JLRA PLC.

Copies of the Tata Motors Limited, India consolidated financial statements can be obtained from the group Secretary, Tata Motors Limited, Bombay House, 24, Horni Mody Street, Mumbai – 400001, India. Copies of the JLRA PLC consolidated financial statements can be obtained from the Company's registered office.

38 SUBSEQUENT EVENTS

There have been no material subsequent events between the balance sheet date and the date of signing the annual report and financial statements.