Financial report 2022/2023

Jaguar Land Rover Nederland B.V.

Vianen

Contents

Annual report of the directors

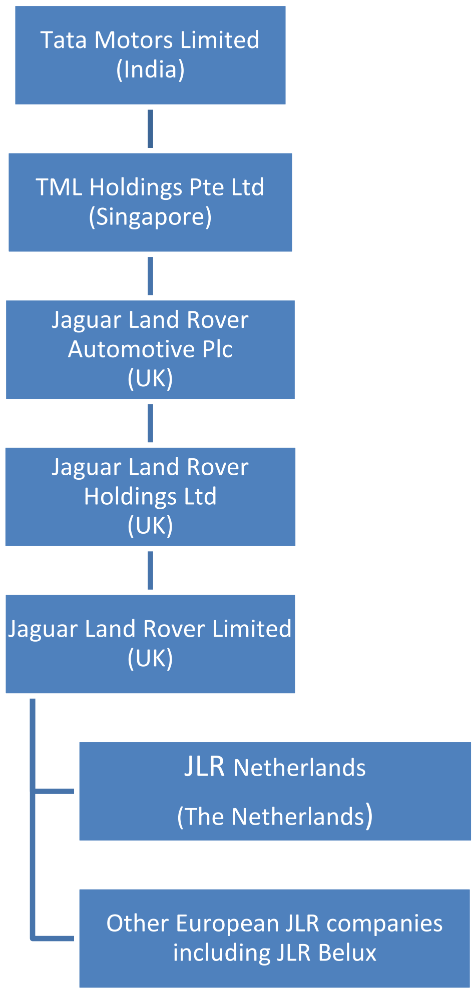
The Board of directors of the Company hereby presents its management report for the financial year ended on 31 March 2023.

Mission Statement

Jaguar Land Rover's new vision is the reimagining of the future of the modern luxury by design through a canvas of true sustainability and a new benchmark in quality. With two distinct British brands, Jaguar Land Rover will become a more agile creator of the world's most desirable luxury vehicles and services for the most discerning of customers.

Jaguar Land Rover Netherlands

Jaguar Land Rover Netherlands operates as a distributor of Land Rover and Jaguar products in The Netherlands. It is a 100% subsidiary of Jaguar Land Rover Ltd (United Kingdom (hereafter: 'UK')).



The company's offices are in Utrecht. Its principal function is the sales, marketing and distribution of Land Rover and Jaguar products in The Netherlands. Its responsibility includes the development and maintenance of the local dealer network, and the deployment of Jaguar Land Rover's strategy in the local market.

Jaguar Land Rover Netherlands distributes new and used vehicles as well as parts and accessories to a stable network of Dutch dealerships who deliver the goods to the end customer.

Since the 1st of April 2010 Jaguar Land Rover Netherlands and Jaguar Land Rover Belux have been integrated into one Sales Company to grow sales and save costs by maximising the economies of scale. Although there is one organisation scheme for the Benelux-organisation, both countries still have separate legal entities. While shared functions are optimized in both entities, Jaguar Land Rover Netherlands ensures to retain highly qualified and experienced staff specific for the Dutch market.

Marketing activities such as national advertising campaigns and the supply of marketing materials to dealerships is being organised by Jaguar Land Rover Netherlands. The company also supports dealerships with their local marketing activities.

Results and development during the year
While fiscal year 2021/2022 was significantly impacted by the worldwide semiconductor supply shortage which affected global automotive and other industries, production constraints of Jaguar Land Rover vehicles eased gradually in the second half of 2022/2023 as a result of increasing partnership agreements with semiconductor suppliers.

Versus the challenging year 2021/2022 wholesale units doubled in 2022/2023 from 1.453 units to 2.873 units. Order intake for New Range Rover, New Range Rover Sport and Defender continued to be strong while sales incentives were kept to a minimum. As a result, net revenue increased with EUR 121.850k or 105% from EUR 115.574k in 2021/22 to EUR 237.424k in 2022/23. Versus pre-covid year 2019/2020 net revenue is 36% higher.

Result before taxation increased with EUR 1.707k to EUR 2.870k. The balance sheet total increased from EUR 26.332k to EUR 48.750k. This is mainly caused by the impact of the increased year-over-year Q4 production/wholesales: VAT payable went up with EUR 14.527k and Variable Retailer Margin with EUR 4.096k, while in the current assets the inventories increased with EUR 6.778k, the factoring receivable with EUR 5.850k but the intercompany receivable decreased with EUR 7.849k.

Financial position
The shareholders' equity increased from EUR 6.846k to EUR 8.994k as a result of the addition of the net result of EUR 2.148k. The solvability (ratio of equity capital in relation to total capital) decreased from 26,0% to 18,5%. The liquidity position (ratio of currents assets in relation to current liabilities) was slightly lower: from 1,3 in 2021/22 to 1,2 in 2022/23.

Investments and funding
Jaguar Land Rover Netherlands is not exposed to currency risk as all transactions are in Euro. The company does not have any significant concentrations of credit risk related to customers as title documents are not released before payment is received. No forward contracts or other derivatives are concluded to mitigate financial risks due to the limited exposure.

Jaguar Land Rover Netherlands is completely funded by its parent company. In 2022/23 there were no changes in funding, nor are there any expected in 2023/24.

Risks
Jaguar Land Rover Netherlands has assessed all potential risks – strategically, operationally, financially, and legally – and has concluded that from a market perspective there are no risks which are relevant for this report. Management trusts that given the current order intake, electrified product portfolio, finance structure and financial performance the company is able to continue on a going concern basis. For all potential risks from a manufacturer's / Brand viewpoint we refer to the 'Risks and Mitigations' section in the annual report of Jaguar Land Rover Ltd.

The group is willing to take risks in a responsible and calculated manner and hence a careful and risk-based assessment process is applied for strategic and tactical decisions. The risk assessments are included in the central risk management and internal controlling system of the Jaguar Land Rover Group. The identified risks are being quantified and reported and monitored according to the frequency as well as the consequences they have. To reduce each risk, the Jaguar Land Rover Group management defines and implements the corresponding measures.

Risk management and internal control systems are an integral part of the overall management process. Identifying the business risks, assessing these risks, and ensuring an adequate internal control are important management tasks. The risk management and control systems implemented are matched to the size of the organization and were not significantly different versus previous year Regular audits of the internal processes are carried out by both internal and external auditors. No relevant changes in risk management and control systems are planned.

Currently the Dutch management consider the principal risks and uncertainties facing the company to be as follows:

- Strategy: risks and uncertainties to realize the legal entity's strategy fully depends on the release of new models that fit to the Dutch market and innovations in low emission vehicles, but also on new models that will further reduce the company's CO2-emission like hybrid and electric products. Local management is not able to reduce this risk, this is managed by the group and/or shareholder, but risks could have a material impact on revenues;
- Operational: risks and uncertainties that affect the effectiveness and efficiency of the legal entity's operations in the short term are related to the reliance on the IT system. This risk is mitigated by using the central ERP system management by the Group. Another operational risk that could impact the brand reputation is the quality of products. This risk is fully reduced by Jaguar Land Rover Group by a continued investing program in the quality of the vehicles;

- Legislation and regulations: risks and uncertainties ensuing from legislation and regulations (taxation, BPM, environmental and other) is applicable because local regulations will change regularly. Mitigating measures included recruitment and retention of well qualified and experienced staff and engaging external specialist advice when necessary.

Financial and non-financial performance indicators
There are no specific critical performance indicators defined within Jaguar Land Rover Netherlands other than the number of cars sold.

Personnel
The average number of employees in FTE remained stable to 14 heads in 2022/2023. Staffing will remain sufficient to suite necessary business operations.

Environmental issues
Investments are made on an on-going basis to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with several suppliers and supported by the British government, Jaguar and Land Rover is continuously launching new hybrid and full electric models that will reduce the company's CO2-emission.

On February 15th, 2021, our former CEO of Jaguar Land Rover Automotive Plc Thierry Bolloré announced the new global strategy of Jaguar Land Rover called Reimagine. This is the start of a journey to become a net zero carbon business by 2039. Also, this will reimagine Jaguar as an all-electric luxury brand from 2025 to 'realise its unique potential'. In the next five years, Land Rover will welcome six pure electric variants as it continues to be the world leader of luxury SUVs.

Information regarding financial instruments
For the notes to financial instruments reference is made to the specific item by item note 11.

Research and development information
Jaguar Land Rover Netherlands has no research and development activities.

Code of Conduct
The Code of Conduct is the mandatory, group-wide policy for appropriate business behaviour and responsibility towards our stakeholder and is the backbone of the Group's sustainability commitment. The policy consists of business ethics, human rights and social justice and environmental principles which shall be applied in policies, decisions, and activities. Also, Jaguar Land Rover shall comply with the laws and regulations of each country in which it operates and integrate the principles of this policy into critical processes.

Board of Directors, Leadership Team and Diversity
The present composition of the Board of Directors is a result of the qualifications of the present members. A balanced situation as described in the aforementioned articles can only be realized when vacancies occur where quality prevails over gender.

Jaguar Land Rover Ltd has recently introduced gender targets to focus attention on increasing representation of females in the business. By 2026, the aim is globally to achieve at least 30 per cent of all senior leadership positions held by females. In the senior management team of the Benelux organisation currently 3 out of 7 leaderships positions are held by women.

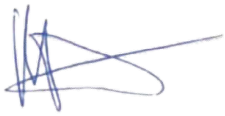
Outlook
Jaguar Land Rover Netherlands continues to see strong demand for its products. As at the 31 March 2023, the total order book has grown to a high level of more than 2.000 units. Demand for the New Range Rover, New Range Rover Sport and Defender remain strong and account for more than 80% of this order bank.

Measures taken by Management (like strict cost control, pull volume strategy) to mitigate the risks and to improve our resilience against negative effects in recent years like the Covid-19 pandemic and the semiconductor shortage continue to be beneficial for fiscal year 2023/24. Management trusts therefore that based upon the scenarios, current finance structure and financial performance the company is able to continue on a going concern basis.

The new global strategy as mentioned before will create a sustainability-rich reimagination of modern luxury, unique customer experiences, and positive societal impact. A streamlined structure will deliver greater agility and promote an efficiency of focus. These changes will set us on a path towards double-digit EBIT margin and positive cash flow, as it is the ambition of Jaguar Land Rover to achieve positive cash net-of-debt by 2025 with a value creation approach delivering quality and profit-over-volume.

No investments are planned by Jaguar Land Rover Netherlands for 2023/24.

Utrecht, June 5th, 2023



M.A.M. Bienemann
Managing Director

Annual accounts

Balance sheet before appropriation of profit as at March 31 2023

	Ref.	March 31 2023		March 31 2022	
		EUR000	EUR000	EUR000	EUR000
Assets					
Fixed assets					
Tangible fixed assets	3	8		20	
Financial fixed assets	4	512		579	
			520		**599**
Current assets					
Inventories	5	14.665		7.887	
Trade and other receivables	6	28.655		13.252	
Cash and cash equivalents	7	4.910		4.594	
			48.230		**25.733**
			48.750		**26.332**

	Ref.	March 31 2023		March 31 2022	
		EUR000	EUR000	EUR000	EUR000
Shareholders' equity	8				
Issued capital		45		45	
Other reserves		6.801		5.891	
Unappropriated profit for the year		2.148		910	
			8.994		**6.846**
Current liabilities	9		**39.756**		**19.486**
			48.750		**26.332**

The notes on pages 12 to 36 are an integral part of these financial statements.

The profit and loss account for the year ended on 31 March 2023

	Ref.	2022/2023 EUR000	2022/2023 EUR000	2021/2022 EUR000	2021/2022 EUR000
Net turnover	12		**237.424**		**115.574**
Total operating income			**237.424**		**115.574**
Cost of outsourced work and other external costs	13	231.612		111.422	
Wages and salaries	14	3.149		2.638	
Social security charges	14	267		262	
Depreciation of tangible fixed assets	15	16		31	
Other operating expenses	16	5		65	
Total operating expenses			235.049		114.418
Operating result			**2.375**		**1.156**
Interest income and similar income	17		495		7
Interest expenses and similar charges	17		-		-
Result before tax			**2.870**		**1.163**
Taxation previous years					
Tax on result	18		722-		253-
Net result			**2.148**		**910**

The notes on pages 12 to 36 are an integral part of these financial statements.

Cash flow statement 2022/23

According to RJ 360.104, the cash flow statement has been omitted as Jaguar Land Rover Nederland B.V. is a subsidiary of Jaguar Land Rover Plc. which includes a cash flow statement in its consolidated financial statements. These consolidated financial statements will be made available on the website www.jaguarlandrover.com.

Notes to the financial statements

1 General

1.1 Reporting entity and relationship with parent company

Jaguar Land Rover Nederland B.V., having its legal seat in Vianen and the office is located at Briggs Office – Van Deventerlaan 31 - 51, 3528 AG Utrecht, is primarily engaged in marketing, buying and selling Jaguar and Land Rover vehicles and related parts and accessories. These products are entirely obtained within the Jaguar Land Rover Group and are mainly distributed to the dealer network in the Netherlands.
Jaguar Land Rover Nederland B.V. is registered in the Dutch Chamber of Commerce with registration number 23074977.

Jaguar Land Rover Nederland B.V. belongs to the Jaguar Land Rover Plc. The ultimate parent company of this group is Tata Group in India. The annual accounts of Jaguar Land Rover Nederland B.V. are included in the consolidated annual accounts of Tata Motors Ltd. in India. Copies of the consolidated annual accounts of 2022/23 Tata Motors Ltd. are available at cost price from the offices of Jaguar Land Rover Nederland B.V.

1.2 Financial reporting period

These financial statements cover the year 2022/23, which ended at the balance sheet date of 31 March 2023.

1.3 Going concern

The financial statements of the Company have been prepared on the basis of the going concern assumption.

Reference is made to note 11 Risk Management and Financial Instruments on page 26 for more information regarding the consequences of the semiconductor crisis.

1.4 Basis of preparation

The annual accounts are prepared according to the stipulations in chapter 9 Book 2 of the Dutch Civil Code.

The accounting policies applied for measurement of assets and liabilities and determination of results are based on the historical cost convention, unless otherwise stated in the further accounting principles.

2 Accounting policies for the measurement of assets and liabilities and the determination of the result

2.1 General

Assets and liabilities are measured at historical cost, unless otherwise stated in the further principles. An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the asset has a cost price or value of which the amount can be measured reliably. Assets that are not recognised in the balance sheet are considered as off-balance sheet assets.

A liability is recognised in the balance sheet when it is expected that the settlement of an existing obligation will result in an outflow of resources embodying economic benefits and the amount necessary to settle this obligation can be measured reliably. Provisions are included in the liabilities of the Company. Liabilities that are not recognised in the balance sheet are considered as off-balance sheet liabilities.

An asset or liability that is recognised in the balance sheet, remains recognised on the balance sheet if a transaction (with respect to the asset or liability) does not lead to a major change in the economic reality with respect to the asset or liability. Such transactions will not result in the recognition of results. When assessing whether there is a significant change in the economic circumstances, the economic benefits and risks that are likely to occur in practice are taken into account. The benefits and risks that are not reasonably expected to occur, are not taken in to account in this assessment.

An asset or liability is no longer recognised in the balance sheet, and thus derecognised, when a transaction results in all or substantially all rights to economic benefits and all or substantially all of the risks related to the asset or liability are transferred to a third party. In such cases, the results of the transaction are directly recognised in the profit and loss account, taking into account any provisions related to the transaction.

If assets are recognised of which the Company does not have the legal ownership, this fact is being disclosed.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability arises of which the size can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability arises of which the size can be measured with sufficient reliability.

Revenues and expenses are allocated to the respective period to which they relate. Revenues are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer.

2.2 Functional and presentation currency

The financial statements are presented in euros (‘EUR’), which is the Company’s functional currency. All amounts have been rounded to the nearest thousand.

2.3 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the accounting principles and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The following accounting policies are in the opinion of management the most critical in preparing these financial statements and require judgements, estimates and assumptions: the valuation of inventories.

2.4 Financial instruments

Financial instruments include investments in shares and bonds, trade and other receivables, cash items, loans and other financing commitments, derivative financial instruments, trade payables and other amounts payable. These financial statements contain the following financial instruments: loans and receivables, equity instruments and other financial liabilities.

Financial assets and liabilities are recognised in the balance sheet at the moment that the contractual risks or rewards with respect to that financial instrument originate.

Financial instruments are derecognised if a transaction results in a considerate part of the contractual risks or rewards with respect to that financial instrument being transferred to a third party.
The company does not use derivative financial instruments (derivatives).

Financial instruments are initially measured at fair value, including discount or premium and directly attributable transaction costs. However, if financial instruments are subsequently measured at fair value through profit and loss, then directly attributable transaction costs are directly recognised in the profit and loss account at the initial recognition. After initial recognition, financial instruments are valued in the manner described below.

Financial instruments held for trading

Financial instruments (assets and liabilities) held for trading are carried at fair value and changes in the fair value are directly recognised in the profit and loss account. In the first period of recognition, attributable transaction costs are charged directly to the profit and loss account. Purchases and sales of financial assets that belong to the category held for trading are accounted for at the transaction date.

Offsetting financial instruments

A financial asset and a financial liability are offset when the entity has a legally enforceable right to set off the financial asset and financial liability and the Company has the firm intention to settle the balance on a net basis, or to settle the asset and the liability simultaneously. If there is a transfer of a financial asset that does not qualify for derecognition in the balance sheet, the transferred asset and the associated liability are not offset.

2.5 Tangible fixed assets

Tangible fixed assets are recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of that asset can be measured reliably.

Machinery and equipment are valued at cost less straight-line depreciation over the estimated useful life. Any impairment as at the balance sheet date is taken into account. For determining whether an impairment charge in respect of a tangible fixed asset applies, reference is made to impairment of fixed assets. The cost comprises the price of acquisition or manufacture, plus other costs that are necessary to get the assets to their location and condition for their intended use.

Other fixed assets are valued at acquisition or production cost including directly attributable expenses, less straight-line depreciation over the estimated useful economic life, or market value if lower.

Depreciation is recognised in the profit and loss account on a straight-line basis over the estimated useful lives of each item of the tangible fixed assets, taken into account any estimated residual value of the individual assets. Depreciation starts as soon as the asset is available for its intended use and ends at decommissioning or divestment.

2.6 Financial fixed assets

The financial fixed assets consist of deposits. Financial fixed assets that are not part of a trade portfolio either and are held until maturity are valued at amortised cost or lower market value. When the market value is lower than the amortised cost price an impairment is accounted for. Reversal of an impairment is capped at the amortised cost price that would have been determined had it not concerned an impairment.

2.7 Impairment of fixed assets

Tangible and financial fixed assets are assessed at each reporting date whether there is any indication of an impairment. If there are such indications, the recoverable amount of the asset concerned is estimated. The recoverable amount is the higher of value in use and net realisable value. If it is not possible to assess the recoverable amount for an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognised for the difference between the carrying amount and the recoverable amount.

If it is established that a previously recognised impairment no longer applies or has declined, then the increased carrying amount of the assets in question is not set higher than the carrying amount that would have been determined had no asset impairment been recognised.

2.8 Inventories
Inventories are measured at the lower of cost and net realisable value. Cost includes the expenses for acquisition or manufacture, plus other expenditure to bring the inventories to their present location and condition. Net realisable value is based on the most reliable estimate of the amount the inventories will generate at the most, less costs still to make. Luxury tax is included for cars recorded as part of inventories for which a licence plate is obtained.

In Accordance with accounting principles generally accepted for financial reporting in The Netherlands, the buyback vehicles are accounted for in the balance sheet under stocks. Trade discounts, rebates and indemnities (to be) received in connection with purchasing are deducted from the costs of purchase.

2.9 Trade and other receivables
Upon initial recognition the receivables are included at fair value and then valued at amortised cost. The fair value and amortized cost equal the face value. Provisions deemed necessary for the risk of doubtful accounts are deducted.

2.10 Cash and cash equivalents
Cash and cash equivalents consist of cash in hand, cash at banks and deposits with a maturity of less than twelve months. Current account liabilities at banks are recognised under bank overdrafts forming part of current liabilities. Cash and cash equivalents are measured at nominal value. If cash equivalents are not readily available, this fact is taken into account upon measurement. Cash and cash equivalents that are not readily available to the Company within 12 months are presented under financial fixed assets.

2.11 Shareholders' equity
Financial instruments that are designated as equity instruments by virtue of the legal reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

2.12 Provisions
A provision is recognised if the following applies:
- the Company has a legal or constructive obligation, arising from a past event; and
- the amount can be estimated reliably; and
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Rights and obligations resulting from contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent, are not recognised. Recognition occurs when the consideration to be received is not (or no longer) in balance with the performance obligation of the Company and this imbalance has adverse effects for the Company.

If all or part of the payments that are necessary to settle a provision are likely to be fully or partially compensated by a third party upon settlement of the provision, then the compensation amount is presented separately as an asset.

If the time value of money is material and the period over which the cash outflows are discounted is more than one year, provisions are measured at the present value of the best estimate of the cash outflows that are expected to be required to settle the liabilities and losses. The provisions are measured at nominal value if the time value of money is not material or if the period over which the cash outflows are discounted is no longer than one year.

Provision for restructuring costs
A restructuring provision is recognised when at the balance sheet date the entity has a detailed formal plan, and ultimately at the date of preparation of the financial statements a valid expectation of implementation of the plan has been raised in those that will be impacted by the reorganization. A valid expectation exists when the implementation of the reorganization has been started, or when the main elements of the plan have been announced to those for whom the reorganization will have consequences.

2.13 Current liabilities
Current liabilities and other financial commitments are measured after their initial recognition at amortised cost on the basis of the effective interest rate method. The effective interest is directly recorded in the profit and loss account.

2.14 Revenue recognition
The Company usually recognizes revenue at the level of separate contracts. If it is necessary to reflect economic reality, revenue is recognized at the level of a group of contracts, for example where the Company has entered into several separate contracts, which have been negotiated as a total, separating the individual contracts in terms of pricing and profit margin that are closely related and are performed simultaneously or immediately after each other.

Amounts that the Company receives for its own account (as principal) are recognized as revenue. Amounts that the Company receives for third parties (as an agent) are not recognized as revenue. Revenues only include the gross increases in economic potential that the Company has received or has receivable for its own account.

The Company recognizes revenue for the amount to which the Company expects to be entitled in exchange for transferring promised goods or services, which is the transaction price. This amount excludes amounts received on behalf of third parties. The transaction price may consist of a fixed fee, a variable fee or a combination thereof. When determining the transaction price, the Company does not take credit risk into account. Any write-downs as a result of the credit risk are charged to the profit and loss account. In determining the transaction price, the Company assumes that the goods or services will be provided in accordance with the relevant agreement and that this agreement will not be cancelled, extended or otherwise modified. The Company measures a non-monetary consideration at fair value. When determining the transaction price, the Company takes into account, among other things, the effects of:

1. variable fees, due to discounts, returns, refunds, price concessions, performance bonuses, penalties or other similar elements that may vary in size. The Company estimates the amount of variable compensation as part of the total compensation and applies the prudence principle in doing so;

2 major financing components, where the Company adjusts the transaction price for the effects of the time value of money. In doing so, the Company applies an interest rate that is determined at the generally applicable interest rate for a comparable financing instrument of an issuer with a comparable credit rating or an interest rate that, when discounting the transaction price, results in the current spot selling price of the goods and services; and

3 payments to buyers of goods and services, which are accounted for as a reduction in the transaction price and therefore as a reduction in revenue, unless the payment to the buyer is made in exchange for a distinct good or service.

No revenue is recognized for all amounts received – or receivable – to which the Company does not expect to be entitled. The Company treats these received – or receivable – amounts in these cases as a repayment obligation. For the goods that are expected to be returned, the Company recognizes a return asset, which is presented as an accrual.

The Company recognizes revenue per separate performance obligation. A performance obligation is a commitment in a contract to supply:

— a distinct good or service or a combination of goods or services which are collectively distinguishable from other commitments in the contract; or
— a range of distinct services that are largely the same.
— A promised good or promised service can be distinguished if the following criteria are met: the buyer can use the benefits of the goods or services independently, whether or not jointly with resources that the buyer has or can obtain; and
— the commitment to provide the goods or services is distinct from the other commitments contained in the contract.

If two or more commitments in a contract by the Company to provide goods or services are indistinguishable separately, the commitments are combined into a combination of goods or services that are collectively distinct from other commitments in the agreement.

In the event of multiple performance obligations in a contract, the total transaction price is allocated to the performance obligations in proportion to the value of the performance obligations. The Company bases this value on the stand-alone selling price per performance obligation. If the standalone sales price is not known, the Company uses estimates.

Sale of goods
Revenue from the sale of goods is accounted for in net turnover at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts, volume rebates, value added taxes and taxes on passenger cars (BPM).

Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer, the amount of the revenue can be determined reliably, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing involvement with the goods.

The transfer of risks and rewards varies according to the conditions of the relevant sales contract. For the sale of dealer build-to-order cars, transfer occurs at the time of shipment (ex-factory) for EU produced vehicles and at customs clearance for UK build vehicles. For the sale of non-dealer tagged cars sold after shipment, transfer occurs on invoice date (usually at compound release). For the sale of parts, transfer usually occurs when the parts leave the warehouse.

Rendering of services
Revenue from services rendered is accounted for in net turnover at the fair value of the consideration received or receivable, net of allowances and rebates. Revenues from services rendered are recognised in the profit and loss account when the amount of the revenue can be determined reliably, collection of the related compensation to be received is probable, the extent to which the services have been performed on the balance sheet date can be determined reliably, and the costs already incurred and (possibly) yet to be incurred to complete the service can be determined reliably.

If the result from a specific service contract cannot be determined reliably, then revenues are recognised up to the amount of the service costs that are covered by the revenues.
Revenues from services rendered are recognised in the profit and loss account in proportion to the stage of completion of the transaction as at the reporting date. The stage of completion is assessed by reference to assessments of the work performed/the services performed up to that moment as a percentage of the total services to be performed/the costs incurred up to that moment in proportion to the total estimated costs of the services to be performed.

2.15 Costs of outsourced work and other external costs
Costs are recognised on the historical cost convention and are allocated to the reporting year to which they relate. Cost of outsourced work and other external costs includes costs incurred in order to generate operating income, cost prices of vehicles and parts sold, insofar as these costs have been charged by third parties.

2.16 Employee benefits/pensions
Employee benefits are charged to the profit and loss account in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet.
The Company has two pension schemes. One scheme provides defined pension benefits to staff upon reaching retirement age, depending on age, salary and years of service.

The related accrued entitlements are always fully financed in the related calendar year through – at least - cost effective contribution payments.

Furthermore, JLR has a defined contribution pension plan which is financed by contributions to an insurance company. The pension obligations of the plans are valued according to the 'valuation to pension fund approach'. This approach accounts for the contribution payable to the pension provider as an expense in the profit and loss account.

The annual contribution payments are based on the age dependable table as provided by the insurance company. The pensionable salary is based on the gross wage net of a deductible (of EUR 2,054,579). The pensionable salary is capped (at EUR 100,000). The annual employer-paid contribution is at least 4% and capped at 4% of the pensionable salary.

The capital available for the purchase of a pension equals the investment value as at pension date. The return on the contribution payments has not been guaranteed.
Based on the administrative regulations the group has no other obligations than the annual contribution payments.

2.17 Leasing

Lease as lessor

Leases as lessor entered into by the company are classified as operational lease and therefore the risks and rewards of ownership of the leased object are carried by the company. The buyback cars are part of the inventory and the buyback liability is presented as current liabilities.

Lease as lessee

The Company may enter into finance and operating leases. A lease agreement under which the risks and rewards of ownership of the leased object are carried entirely or almost entirely by the lessee are classified as finance leases. All other leases are classified as operating leases. For the lease classification, the economic substance of the transaction is conclusive rather than the legal form.
At inception of an arrangement, the Company assesses whether the lease classifies as a finance or operating lease.

Finance leases

If the Company acts as a lessee in a finance lease, at the inception of the lease the leased asset (and the related obligation) is accounted for in the balance sheet at fair value of the leased property or, if lower, the present value of the minimum lease payments. Both values are determined at the time of entering into the lease agreement. The interest rate used in calculating the present value is the interest rate implicit in the lease. If it is not practically possible to determine this interest rate, then the marginal interest rate is used. The initial direct costs are included in the initial measurement of the leased property.
The accounting principles for the subsequent measurement of the leased property are described under the heading ‘Tangible fixed assets’. If there is no reasonable certainty that the Company will obtain ownership of a leased property at the end of the lease term, the property is depreciated over the shorter of the lease term and the useful life of the property.
The minimum lease payments are split into interest expense and redemption of the lease liability. The interest charges during the lease term are allocated to each period as such that its results in a constant periodic interest rate over the remaining net liability with regard to the finance lease. Conditional lease payments are recognised as an expense in the period that the conditions of payment are met.

Operating leases

If the Company acts as lessee in an operating lease, the leased property is not capitalised. Benefits received as an incentive to enter into an agreement are recognised as a reduction of rental expense over the lease term. Lease payments and benefits regarding operating leases are recognised to the profit and loss account on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern of the benefits from the use of the leased asset.

2.18 Operating expenses

Operating expenses include the expense of the Managing Director and the administration department. This also includes costs incurred in order to generate operating income, insofar as these costs have been charged by third parties, namely marketing cost.

2.19 Depreciation

Tangible fixed assets are depreciated over their expected useful life as from the inception of their use. Land and investment property are not depreciated. Future depreciation is adjusted if there is a change in estimated useful life.

2.20 Interest income and expenses

Interest income and similar income and interest expenses and similar charges are time apportioned, taking into account the effective interest rate for the relating assets and liabilities. The treatment of interest expenses for loans received takes account of any transaction costs.

2.21 Taxation

Corporate income tax is calculated on the profit/loss before taxation in the profit and loss account, considering any losses carried forward from previous financial years (insofar as these are not included in deferred tax assets), tax-exempt items and non-deductible expenses, and using current tax rates. Also taken into account are changes in deferred tax assets and deferred tax liabilities owing to changes in the applicable tax rates.

Corporate income tax comprises the current and deferred corporate income tax payable and deductible for the reporting period. Corporate income tax is recognized in the profit and loss account.

Current tax comprises the expected tax payable or recoverable on the taxable profit or loss for the financial year, calculated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.
If the carrying amount of assets and liabilities for financial reporting purposes differ from their values for tax purposes (tax base), this results in temporary differences.

For taxable temporary differences, a provision for deferred tax liabilities is recognized.

For deductible temporary differences, available tax losses and unused tax credits, a deferred tax asset is recognized, but only to the extent that it is probable that future taxable profits will be available for set-off or compensation. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The measurement of deferred tax liabilities and deferred tax assets is based on the tax consequences following from the manner in which the Company expects, at the balance sheet date, to realize or settle its assets, provisions, debts and accrued liabilities. Deferred tax assets and liabilities are measured at nominal value.

2.22 Determination of fair value

The fair value of a financial instrument is the amount for which an asset can be sold or a liability settled, involving parties who are well informed regarding the matter, willing to enter into a transaction and are independent from each other.

- The fair value of non-listed financial instruments is determined by discounting the expected cash flows to their present value, applying a discount rate that is equal to the current risk-free market interest rate for the remaining term, plus credit and liquidity surcharges.

2.23 Related parties

Transactions with related parties are disclosed if they have not been entered into at arm's length. Disclosed are the nature and amounts involved with such transactions, and other information that is deemed necessary for an insight into the transactions. In the year 2022/23 there have been no transaction with related parties which have not been entered at arm's length.

2.24 Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are being prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

3 Tangible fixed assets

	Equipment	Other fixed assets	Total
	EUR000	EUR000	EUR000
April 1 2022			
Acquisition costs	261	67	328
Accumulated impairments and depreciation	-241	-67	-308
Book value	20	0	20
Movements 2022/23			
Additions	0	4	4
Desinvestments	-19	0	-19
Depreciation	-15	-1	-16
Depreciation Desinvestments	19	0	19
	-15	3	-12
31 March 2023			
Acquisition costs	242	71	313
Accumulated impairments and depreciation	-237	-68	-305
Book value	5	3	8
Depreciation rates	25,00%	25,00%	

4 Financial fixed assets

The Other receivables exist mostly of a deposit payment for the Luxury tax of EUR 500,000. As at balance sheet date the total deposits presented under the “Other receivables” amounted to EUR 512,080 (2021/2022: EUR 579,230).

	Other receivables	Total financial fixed assets
	EUR000	EUR000
April 1 2022	579	579
Movements 2022/23	-67	-67
March 31 2023	512	512

5 Inventories

	Inventories	Provision for obsolescence	Luxury tax	Total inventories
	EUR000	EUR000	EUR000	EUR000
April 1 2022				
Book value	7.386	165-	666	7.887
Movements 2022/23	6.926	54	202-	6.778
March 31 2023				
Book value	14.312	111-	464	14.665

The company has sold vehicles to rental companies with a buyback obligation. These vehicles are presented under inventories and represent a value of EUR 214,216 (FY 2021/22: EUR 1,977,785). The buyback liability is presented under the Current liabilities and represents a value of EUR 222,320 (FY 2021/22: EUR 2,094,584). These vehicles are depreciated over the duration of the contract period to the estimated market value. The contracts have an average duration of 9 months. The number of cars with a buyback obligation will be further reduced in line with the reduction of our stock positions and the switch to a demand led production of vehicles.

6 Receivables

	March 31 2023		March 31 2022	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	3.280	0	2.718	0
Income tax receivables	0	0	76	0
Amounts due from group companies	17.315	0	9.625	0
Prepaid pension costs	20	0	44	0
Other receivables	8.040	0	789	0
	28.655	0	13.252	0

Provisions on doubtful debtors 2022/23 exist of EUR 161.092 (2021/22 EUR 156.366).
Other receivables mainly exist out of accepted vehicle invoices with BNP Paribas, our wholesale financing partner. This amount increased as our previous financing partner, FCA Capital, paid the accepted invoices on the same say. BNP Paribas pays on the day after acceptance of the invoices.

Netting receivables and liabilities from group companies
Jaguar Land Rover Nederland B.V. is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies of Jaguar Land Rover Nederland B.V.

The interest charged on receivables from group companies is 3,05% (2021/22: 0,05%).

7 Cash and cash equivalents

All cash at banks and in hand is available on demand.

8 Shareholders' equity

Issued capital

The authorised share capital of the Company as of 31 March 2023 amounts to EUR 225,000 and consists of 500 ordinary shares of EUR 450 each.
Issued and paid in share capital amounts to EUR 45,000 and consists of 100 ordinary shares with a nominal value of EUR 450 each.

Other Reserves

	March 31 2023	March 31 2022
	EUR000	EUR000
Balance as at 1 April	5.891	5.006
Interim Dividend	-	-
Added to other reserves	910	885
Balance as at 31 March	6.801	5.891

Result financial year

Balance sheet as at 1 April	910	885
Result financial year	2.148	910
Added to other reserves	910-	885-
Balance as at 31 March	2.148	910

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.

9 Current liabilities

	March 31 2023	March 31 2022
	EUR000	EUR000
Trade creditors	1.537	173
Tax payable	22.949	8.784
Corporate income tax payable	314	-
Buyback	222	2.095
Sales accrual	9.310	3.905
Deferred Revenue	2.672	1.622
Other liabilities	2.752	2.907
	39.756	19.486

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are presented under inventories and represent a value of EUR 214,216 (FY 2021/22: EUR 1,977,785).

The deferred revenue includes an amount of EUR 1,454,534 (FY 2021/22 EUR 804,548) with a residual term of more than one year.

The carrying values of the recognised current liabilities approximate their respective fair values, given the short maturities of the positions.

10 Risk Management and Financial Instruments

For the notes to financial instruments reference is made to the specific item by item note. Below the related risks are disclosed.

During the normal course of business, the Company uses various financial instruments that expose it to market, currency, interest, cash flow, credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company. Jaguar Land Rover Netherlands is part of the cash pool agreement of Jaguar Land Rover Ltd. and netting is applied for amounts included in this cash pool as well as the receivables and liabilities with group companies of Jaguar Land Rover Netherlands.

Currency risks
There are no currency risks. All invoices for purchasing and selling vehicles and parts are in Euro.

Interest risks
There are no interest risks. All transactions, including funding, are managed through a cash pool agreement with the parent company.

Credit risks
Credit risks for dealer receivables (cars) are decreased by the fact that the majority of the vehicles is paid on behalf of the dealer by BNPP at the moment of invoicing. Title documents for the vehicles are not released to the customers before payment is received. The risk on parts is reduced by the fact that the outstanding's are collected through direct debit once a week.

Liquidity risks
While fiscal year 2021/2022 was significantly impacted by the worldwide semiconductor supply shortage which affected global automotive and other industries, production constraints of Jaguar Land Rover vehicles eased gradually in the second half of 2022/2023 as a result of increasing partnership agreements with semiconductor suppliers.

Versus the challenging year 2021/2022 wholesale units doubled in 2022/2023. Order intake for New Range Rover, New Range Rover Sport and Defender continued to be strong while sales incentives were kept to a minimum. As a result, net revenue increased with EUR 121.850k or 105% from EUR 115.574k in 2021/22 to EUR 237.424k in 2022/23. Versus pre-covid year 2019/2020 net revenue is 36% higher.

Management trusts that given the current order intake, electrified product portfolio, finance structure and financial performance the company is able to continue on a going concern basis.

11 Off-balance sheet assets and liabilities

Financial obligations

– The commitment for renting the building amounts to EUR 58.140 on a yearly basis. The contract expires in 2025. The commitment with due in 1 year amounts to EUR 58.140, the commitment due within 5 years but no earlier than 1 year amounts to EUR 58.140. The commitment that is due no earlier than 5 years amounts up to EUR 0. The figures as stated do not include the yearly indexation.

12 Net turnover

Net turnover can be split into the following major categories:

	2022/23	2021/22
	EUR000	EUR000
Cars	205.311	89.012
Parts	30.904	26.438
Other	1.209	124
	237.424	115.574

The total of the Net turnover has been realized in The Netherlands. In FY 2022/23 a total amount of EUR 10.517.573 (FY 2021/22: EUR 13.652.554) Luxury tax ('BPM') was recorded relating to cars which have been registered for the first time in The Netherlands, which is not included in the net turnover.

13 Cost of outsourced work and other external costs

	2022/23	2021/22
	EUR000	EUR000
Cost price cars	199.049	81.372
Cost price parts	26.500	25.618
Sales expenses network	1.355	1.564
Sales expenses marketing	1.200	622
Sales expenses events	400	153
Sales expenses Other	897	1.000
Local variable costs	310	494
Rent / heating / light utilities	-	65
Cost of company vehicles	259	662-
Consultancy costs	664	591
Legal costs	129	141
Cost of computers	85	29
Other	764	435
	231.612	111.422

A transfer price correction between JLR NL and JLR UK is made at year end and is included in "Cost price cars" for an amount of € 3,845,124. This amount corrects the purchase price over the full year for the purchase of cars and parts.

The fees mentioned in the table for the audit of the financial statements 2022/23 of EUR 122,000 (2021/22 EUR 68,000) relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

The fees mentioned for the other audit engagements of EUR 82,000 relate to the audit of the amounts received in relation to a wage subsidy programme (NOW1 and NOW2) from the Dutch authorities.

	KPMG Accountants N.V.	
	March 31 2023	**March 31 2022**
	EUR000	EUR000
Audit of the financial statements	122	68
Other audit engagements	0	82
Tax-related advisory services	0	0
Other non-audit services	0	0
	122	150

14 Wages and salaries

	2022/23	2021/22
	EUR000	EUR000
Wages and salaries	2.708	2.187
Social security charges	267	262
Pension costs	350	486
Other salary costs	91	35-
	3.416	2.900

During the 2022/23 financial year, the average number of staff employed converted into full-time equivalents, amounted to 14 people (2021/22: 14 people).

In 2021/22 Other salary costs also included an amount of EUR 182,712 regarding a wage subsidy programme introduced in The Netherlands in response to Covid-19. Jaguar Land Rover The Netherlands was entitled to the wage subsidy because the company had a significant reduction in revenue caused by the pandemic.

15 Depreciation of tangible fixed assets

	2022/23	2021/22
	EUR000	EUR000
Tangible fixed assets	16	31
	16	31

16 Other operating expenses

	2022/23	2021/22
	EUR000	EUR000
Bad debt	5	65
	5	65

17 Interest income and expenses

	March 31 2023	March 31 2022
	EUR000	EUR000
Interest cost Land Rover Exports Ltd.	0	0
Interest income Land Rover Exports Ltd.	500	10
Bank charges	-5	-3
Other	0	0
	495	7

18 Tax on result

The taxation on result on ordinary activities amounting to EUR 704,773 can be specified as follows:

	2022/23	2021/22
	EUR000	EUR000
Result from ordinary activities before taxation	2.870	1.163
	2.870	1.163
Taxation previous years	18-	-
Taxation on result on ordinary activities	704-	253-
Taxation according to the profit and loss account	722-	253-
Effective tax rate	24,5%	21,8%
Applicable tax rate	24,3%	22,9%

The applicable tax rate for the Netherlands is 15% for the first EUR 395,000 profit, and 25,8% for the profit above EUR 395,000.

The numerical reconciliation between the applicable and the effective tax rate is as follows:

	2022/23	2021/22
	EUR000	EUR000
Result from ordinary activities before taxation	2.870	1.163
Income tax using the applicable tax rate in the Netherlands	698	266
Tax Effect of:		
Other applicable tax rates abroad	-	-
Results under the participation exemption	-	-
Non-deductible expenses	2	2
Recognition of previously not recognised tax losses	-	-
Tax losses not recognised	-	-
Adjustment for prior periods	5	15-
Tax expense	704	253

19 Related parties

Transactions with related parties are assumed when a relationship exists between the Company and a natural person or entity that is affiliated with the Company. This includes, amongst others, the relationship between the Company and its shareholders and subsidiaries, directors and key management personnel. Transactions are transfers of resources, goods and services or obligations, regardless of whether anything has been charged.

In 2022/23, the purchases of goods and services from related parties amounted to EUR 220,653,000 and the sales of goods and services to related parties amounted to EUR 1,969,000.

There have been no transactions with related parties that were not on a commercial basis.

20 Remuneration Directors

The Company applies Article 2:383, Paragraph 1 of the Dutch Civil Code. In accordance with this, charges regarding remuneration, including pensions, of the director are not disclosed.

21 Subsequent events

There are no events after balance sheet date that are relevant for the economic decisions of the users of the financial statements.

Vianen, June 5th, 2023

M.A.M. Bienemann
Managing Director

Other information

Independent Auditor's report

Reference is made to the auditor's report as included hereinafter.

Profit appropriation according to the Articles of Association

According to article 15 of the Articles of Association the profit for the year is at the free disposal of the General Meeting of Shareholders.