Financial report 2019/20

Jaguar Land Rover Nederland B.V.

Vianen

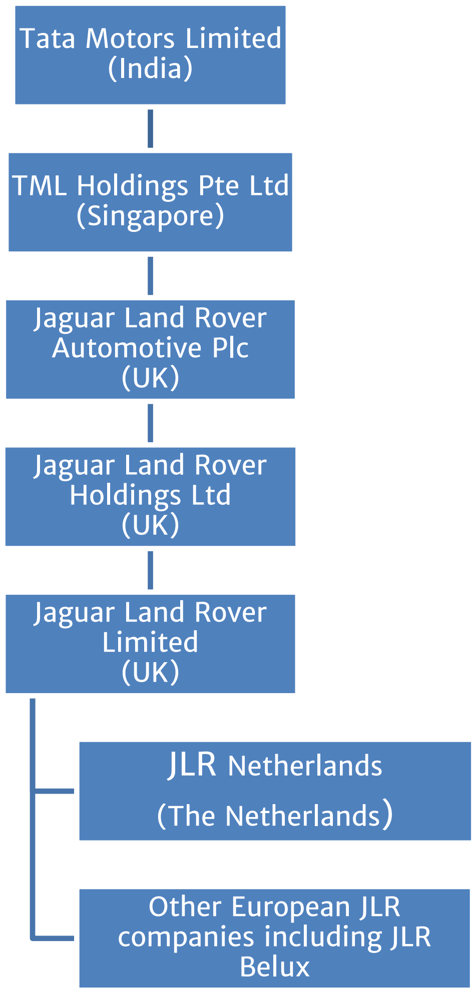
Contents

Annual report of the directors

Management of the Company hereby presents its management report for the financial year ended on 31 March 2020.

Mission Statement
Jaguar Land Rover's vision is "to create experiences customers love, for life" with two global iconic brands: Jaguar and Land Rover. Jaguar is as dynamic as our name and logo suggest. We have always believed that a car is the closest thing you can create to something that is alive. Land Rover continues to build the world's most capable all-purpose vehicles. A blend of refinement, performance and unmatched all-terrain capability make our vehicles so distinctive and unique.

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 were during the year located in Beesd, and moved to Utrecht on 1 May 2020. 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.

Since the 1st of April 2010 Jaguar Land Rover Netherlands and Jaguar Land Rover Belux have been integrated into one Sales Company in order 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.

Results and development during the year

After the big success of the All Electric Jaguar I-Pace mainly driven by tax incentives in 2018/19 the Dutch car market wholesale units for Jaguar Land Rover decreased with 51% in 2019/20.

Net revenue decreased with EUR 197.993k from EUR 372.616k in 2018/19 to EUR 174.623k in 2019/20. Result before taxation went down with EUR 2.037k to EUR 1.646k. The balance sheet total decreased from EUR 61.067k to EUR 47.182k. This is mainly caused by our inventory position declining from 30.756k to 16.972k and current liabilities declining from 57.266k to 42.131k.

Financial position

The shareholders' equity increased from EUR 3.801 to EUR 5.051 as a result of the addition of the net result of EUR 1.249k. The solvability (ratio of equity capital in relation to total capital) increased from 6,2% to 9,5%. The liquidity position (ratio of currents assets in relation to current liabilities) remained relatively stable at 1,1.

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 2019/20 there were no changes in funding, nor are there any expected in 2020/21.

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. Whilst CoVid-19 will have a negative impact on the financial results 2020-2021 of Jaguar Land Rover Netherlands, Management trusts that given the current 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.

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 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 and or shareholder. 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 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 dropped from 26 to 19 in 2019/20. This is mainly due to the restructuring that took place in January 2019. No further significant changes in personnel are planned in 2020/21. Staffing is sufficient to suite necessary business operations.

Environmental issues
Investments are made on an on-going basis in order to improve Jaguars' and Land Rovers' reputation on corporate citizenship. Together with a number of 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.

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

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.

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

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. Regular audits of the internal processes are carried out by both internal and external auditors.

Board of Directors
The composition of the board of directors does not reflect a situation as intended in article 276 Book 2 of the Dutch civil code. The present composition 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.

Outlook
On 11 March 2020, the World Health Organization declared the Coronavirus CoVid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Supply chains, financial markets and business operations are affected in various degrees. Worldwide governmental measures, in an attempt to avoid an overload of the healthcare system to limit the number of casualties, put an unprecedented burden on the economy and worldwide business. The Coronavirus will have a significant negative impact on Jaguar Land Rover Netherlands' business in 2020-2021. Although the full impact of the Corona crisis on our business is unclear yet and its effects on the economy and our markets are subject to a significant level of uncertainty, a significant decline in revenues, margins and financial performance can be expected. The Corona crisis will also result in delays in the delivery of new cars by our supplier due to temporarily closure of production facilities.

Management has recognised the situation and has taken actions to limit the negative financial impact of the Corona-virus. Management has carried out an in-depth impact and risk assessment in respect to the business and financial consequences for the Company. Management has taken measures to mitigate these risks to the extent possible and to improve our resilience against negative effects.

Measures investigated and taken includes the use of support offered by the government and strict cost control. Although the scenario analysis performed by Management indicates that the decline in revenues of Jaguar Land Rover Netherlands will be significant for 2020-2021, Management trusts that based upon the scenarios, current finance structure and financial performance the company is able to continue on a going concern basis.

In 2020/21 the all new Defender will be launched and we will welcome the arrival of a portfolio of electrified products across our model range embracing fully electric, plug-in hybrid and mild hybrid vehicles.

No investments are planned by Jaguar Land Rover The Netherlands for 2020/21.

Utrecht, July 2th, 2020

M.A.M. Bienemann
Managing Director

Annual accounts

Balance sheet before appropriation of profit as at March 31 2020

		March 31 2020		March 31 2019	
	Ref.	EUR000	EUR000	EUR000	EUR000
Assets					
Fixed assets					
Tangible fixed assets	1	96		141	
Financial fixed assets	2	581		581	
			677		**722**
Current assets					
Inventories	3	16.972		30.756	
Trade and other receivables	4	23.325		23.467	
Cash and cash equivalents	5	6.208		6.122	
			46.505		**60.345**
			47.182		**61.067**

		March 31 2020		March 31 2019	
	Ref.	EUR000	EUR000	EUR000	EUR000
Shareholders' equity	6				
Issued capital		45		45	
Other reserves		3.757		1.151	
Unappropriated profit for the year		1.249		2.605	
			5.051		**3.801**
Current liabilities	7		**42.131**		**57.266**
			47.182		**61.067**

Profit and loss account 2019/20

		2019/2020		2018/2019	
	Ref.	EUR000	EUR000	EUR000	EUR000
Net turnover	10		**174.623**		**372.616**
Total operating income			**174.623**		**372.616**
Cost of outsourced work and other external costs	11	170.561		364.697	
Wages and salaries	12	2.216		3.649	
Social security charges	12	267		314	
Depreciation of tangible fixed assets	13	47		31	
Other operating expenses	14	211-		212	
Total operating expenses			172.880		368.903
Operating result			**1.743**		**3.713**
Interest income and similar income	15		-		-
Interest expenses and similar charges	15		97-		30-
Result before tax			**1.646**		**3.683**
Tax on result	16		397-		1.078-
Net result			**1.249**		**2.605**

Cash flow statement 2019/20

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 Brigss 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 2019/20 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 2019/20, which ended at the balance sheet date of 31 March 2020.

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 8 Risk Management and Financial Instruments on page 24 and 25 for more information regarding the consequences of the Coronavirus CoVid-19 outbreak.

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

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 revenue recognition principle which determines when revenues can be recognized in the accounting period is fully in line with Dutch GAAP.

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 a certificate in a golf club and 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 consists 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 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.

2.13 Revenue recognition

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 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.

2.14 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.

2.15 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.

2.16 Leasing

All leases entered into by the company are classified as operational lease by which the company acts as lessor 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.

2.17 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.

2.18 *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.

2.19 *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.

2.20 *Taxation*

Profits tax is calculated on the profit/loss before taxation in the profit and loss account, taking into account 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.

2.21 *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.

2.22 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 2019/20 there have been no transaction with related parties which have not been entered at arm's length.

2.23 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.

1 Tangible fixed assets

	Equipment	Other fixed assets	Total
	EUR000	EUR000	EUR000
April 1 2019			
Acquisition costs	265	65	330
Accumulated impairments and depreciation	-138	-51	-189
Book value	127	14	141
Movements 2019/20			
Additions	0	2	2
Desinvestments			
Depreciation	-39	-8	-47
Depreciation Desinvestments			
	-39	-6	-45
31 March 2020			
Acquisition costs	265	67	332
Accumulated impairments and depreciation	-177	-59	-236
Book value	88	8	96
Depreciation rates	25,00%	25,00%	

2 Financial fixed assets

The Other participating interests exist of a certificate of EUR 13,613 in a golf club.
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 567,360 (2018/2019: EUR 567,360).

	Other participating interests	Other receivables	Total financial fixed assets
	EUR000	EUR000	EUR000
April 1 2019	14	567	581
Movements 2019/20	-	-	-
March 31 2020	14	567	581

3 Inventories

	Inventories	Inventories impairment	Luxury tax	Total inventories
	EUR000	EUR000	EUR000	EUR000
April 1 2019				
Book value	31.268	2.602-	2.090	30.756
Movements 2019/20	12.338-	917-	529-	13.784-
March 31 2020				
Book value	18.930	3.519-	1.561	16.972

The buybacks relate to vehicles sold to rental companies with a buy back obligation. These vehicles are depreciated over the duration of the contract period to the estimated market value between the company and the buyer of the car. The contracts have an average duration of 9 months. These vehicles are presented under inventories and represent a value of EUR 5,816,850 (FY 2018/19: EUR 15,933,733). The buyback liability is presented under the Current liabilities and represents a value of EUR 3,995,994 (FY 2018/19: EUR 15,093,021).

4 Receivables

	March 31 2020		March 31 2019	
	Total	Term > 1 year	Total	Term > 1 year
	EUR000	EUR000	EUR000	EUR000
Trade debtors	21.077	0	22.409	0
Prepaid pension costs	313	0	258	0
Other receivables	1.935	0	800	0
	23.325	0	23.467	0

Provisions on doubtful debtors 2019/20 exist of EUR 439.814 (2018/19 EUR 550.102).

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.

5 Cash and cash equivalents

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

6 Shareholders' equity

Issued capital

The authorised share capital of the Company as at 31 March 2020 amounts to EUR 227,000 and consists of 500 ordinary shares of EUR 454 each.
Issued and paid in share capital amounts to EUR 45,400 and consists of 100 ordinary shares with a nominal value of EUR 454 each.

Other Reserves

	March 31 2020	March 31 2019
	EUR000	EUR000
Balance as at 1 April	1.151	6.042
Interim Dividend	-	6.042-
Added to other reserves	2.606	1.151
Balance as at 31 March	3.757	1.151

Result financial year

	March 31 2020	March 31 2019
Balance sheet as at 1 April	2.605	1.151
Result financial year	1.249	2.605
Added to other reserves	2.605-	1.151-
Balance as at 31 March	1.249	2.605

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.

7 Current liabilities

	March 31 2020	March 31 2019
	EUR000	EUR000
Trade creditors	4.387	3.940
Tax payable	14.921	15.406
Affiliated companies	7.427	2.645
Corporate income tax payable	34	969
Buyback	3.996	13.354
Sales accrual	5.912	11.160
Deferred Revenue	2.212	2.776
Other liabilities	3.242	7.016
	42.131	57.266

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 5,816,850 (FY 2018/19: EUR 15,933,733).

The deferred income include an amount of EUR 867,523 (FY 2018/19 EUR 998,661) 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.

8 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 FGAC 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 outstandings are collected through direct debit once a week.

Covid-19
On 11 March 2020, the World Health Organization declared the Coronavirus CoVid-19 outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Supply chains, financial markets and business operations are affected in various degrees. Worldwide governmental measures, in an attempt to avoid an overload of the healthcare system to limit the number of casualties, put an unprecedented burden on the economy and worldwide business. The Coronavirus will have a significant negative impact on Jaguar Land Rover Netherlands' business in 2020-2021. Although the full impact of the Corona crisis on our business is unclear yet and its effects on the economy and our markets are subject to a significant level of uncertainty, a significant decline in revenues, margins and financial performance can be expected. The Corona crisis will also result in delays in the delivery of new cars by our supplier due to temporarily closure of production facilities.

Management has recognised the situation and has taken actions to limit the negative financial impact of the Corona-virus. Management has carried out an in-depth impact and risk assessment in respect to the business and financial consequences for the Company. Management has taken measures to mitigate these risks to the extent possible and to improve our resilience against negative effects. Measures investigated and taken includes the use of support offered by the government, a strict cost control and an agreed extension of payment terms with our major suppliers. Although the scenario analysis performed by Management indicates a significant decline in revenues of Jaguar Land Rover Netherlands for 2020-2021, Management trusts that based upon the scenarios, current finance structure and the actual financial performance the company is able to continue on a going concern basis.

9 Off-balance sheet assets and liabilities

Financial obligations

- The Company issued a guarantee to the Dutch tax authorities of EUR 500,000 associated with Luxury tax. This guarantee has been deposited to the Dutch tax authorities.
- The commitment for renting the building amounts to EUR 72.480 on a yearly basis. The contract expires in 2022. The commitment with due in 1 year amounts to EUR 60.780, the commitment due within 5 years but no earlier than 1 year amounts to EUR 49.080 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.

10 Net turnover

Net turnover can be split into the following major categories:

	2019/20	2018/19
	EUR000	EUR000
Cars	145.203	344.495
Parts	29.050	26.756
Other	370	1.366
	174.623	372.617

The total of the Net turnover has been realized in The Netherlands. In FY 2019/20 a total amount of EUR 36.304.425 (FY 2018/19: EUR 43,500,080) 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.

11 Cost of outsourced work and other external costs

	2019/20	2018/19
	EUR000	EUR000
Cost price cars	127.902	323.810
Cost price parts	27.739	25.627
Sales expenses network	3.027	3.789
Sales expenses marketing	4.038	3.500
Sales expenses events	712	1.063
Sales expenses Other	1.978	2.139
Local variable costs	278	252
Rent / heating / light utilities	156	261
Cost of company vehicles	1.638	1.504
Consultancy costs	1.374	1.184
Legal costs	216	167
Cost of computers	196	215
Other	1.307	1.186
	170.561	364.697

The fees for the audit of the financial statements 2019/20 amounts to EUR 69,210 (2018/19 EUR 54,563) and relate to the total fees for the audit of the financial statements, irrespective of whether the activities have been performed during the financial year.

12 Wages and salaries

	2019/20	2018/19
	EUR000	EUR000
Wages and salaries	1.406	2.114
Social security charges	267	314
Pension costs	672	401
Other salary costs	138	1.134
	2.483	3.963

During the 2019/20 financial year, the average number of staff employed converted into full-time equivalents, amounted to 19 people (2018/19: 26 people).

13 Depreciation of tangible fixed assets

	2019/20	2018/19
	EUR000	EUR000
Tangible fixed assets	47	31
	47	31

14 Other operating expenses

	2019/20	2018/19
	EUR000	EUR000
Bad debt	211-	212
	211-	212

Outstanding debts from our parts accounting system are moved to bad debts when they reach the age of 90 days. When these debts are collected after 90 days the bad debt provision is being released. This is the reason why there currently is a negative balance on bad debts.

15 Interest income and expenses

	March 31 2020	March 31 2019
	EUR000	EUR000
Interest cost Land Rover Exports Ltd.	-3	-36
Interest income Land Rover Exports Ltd.	-8	18
Bank charges	-2	-3
Other	-84	-9
	-97	-30

16 Tax on result

The taxation on result on ordinary activities amounting to EUR 397,000 can be specified as follows:

	2019/20	2018/19
	EUR000	EUR000
Result from ordinary activities before taxation	1.646	3.683
	1.646	3.683
Taxation previous years	-	168-
Taxation on result on ordinary activities	397-	911-
Taxation according to the profit and loss account	397-	1.078-
Effective tax rate	24,1%	24,7%
Applicable tax rate	24,5%	24,5%

The applicable tax rate for the Netherlands is 16,5% for the first EUR 200,000 profit, and 25% for the profit above EUR 200,000. This also applies to 2019/20.

Besides the regular tax calculation on result from ordinary activities, an amount has been accrued in line with the final agreement in the transfer pricing discussion with the Dutch tax authorities.

17 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 whether anything has been charged.

In 2019/20, the purchases of goods and services from related parties amounted to EUR 121,129,000, and the sales of goods and services to related parties amounted to EUR 20,206.

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

18 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.

19 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, July 2th, 2020

M.A.M. Bienemann
Managing Director

Other information

Independent Auditors’ 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.

Independent auditor's report

To: the General Meeting of Jaguar Land Rover Nederland B.V

Report on the accompanying financial statements

Our opinion

We have audited the financial statements 2019-2020 of Jaguar Land Rover Nederland B.V, based in Vianen.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Jaguar Land Rover Nederland B.V as at 31 March 2020, and of its result for 2019-2020 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1 the balance sheet as at 31 March 2020;

2 the profit and loss account for 2019-2020; and

3 the notes comprising a summary of the accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Jaguar Land Rover Nederland B.V in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

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

The impact of uncertainties due to the COVID-19 on our audit

As disclosed in note 8 Risk Management and Financial Instruments on page 24 and 25 in the financial statements, COVID-19 affects the Company and results in certain uncertainties for the future financial position and performance of the Company. Uncertainties related to the potential effects of COVID-19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by Companies, the related disclosures and the appropriateness of the going concern assumption of financial statements. The appropriateness of the going concern assumption depends on assessments of the future economic environment and the Company's future prospects and performance. The COVID-19 pandemic is an unprecedented challenge for humanity and for the economy globally, and at the date of this report its effects are subject to significant levels of uncertainty. We have evaluated the situation and uncertainties as described in the aforementioned disclosure and consider the disclosure to be adequate. However, an audit cannot predict the unknowable factors or all possible future implications for a Company and this is particularly the case in relation to COVID-19.

Report on the other information included in the financial report

In addition to the financial statements and our auditor's report thereon, the financial report contains other information that consists of:

- Annual report of the directors;
- other information pursuant to Part 9 of Book 2 of the Dutch Civil Code;

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

The Board of Directors is responsible for the preparation of the other information, including the Annual report of the directors, in accordance with Part 9 of Book 2 of the Dutch Civil Code, and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

Description of the responsibilities for the financial statements

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to errors or fraud.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all material errors and fraud during our audit.

Misstatements can arise from fraud or errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to errors or fraud, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from errors, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- concluding on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company ceasing to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Utrecht, 2 July 2020

KPMG Accountants N.V.

H. Klaassen RA

Independent auditor's report

To: the General Meeting of Jaguar Land Rover Nederland B.V

Report on the accompanying financial statements

Our opinion

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Utrecht, 2 July 2020

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