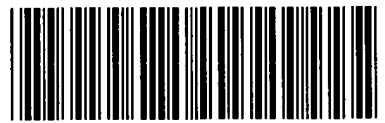


Registered No: 8237630

**Autotech Engineering R&D UK Limited
Annual Report and Financial Statements**

For the year ended 31 December 2021

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COMPANIES HOUSE

Directors

F J Riberas Mera

M J Armendariz Tellitu (Resigned 12th July 2021)

M Eikelmann (Appointed 12th July 2021)

Secretary

D V Pascual

Independent Auditor

Ernst & Young I.L.P

Citygate

St James' Boulevard

Newcastle upon Tyne

NE1 4JD

Bankers

BNP Paribas London Branch

10 Harewood Avenue

London

NW1 6AA

Solicitors

Wright Hassall LLP

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Warwickshire

CV34 6BF

Registered Office

1 Skerne Road

Aycliffe Business Park

Newton Aycliffe

County Durham

DL5 6EP

Strategic report

Introduction

The Directors present their Strategic Report for the year ended 31 December 2021.

Principal activities, review of the business and future developments

The principal activity of the Company is the design and development of automotive chassis components. Through expert project management, prototype parts are manufactured, tested and shipped to customers as part of their new vehicle development programs.

Key performance indicators

Owing to the Company's activities and size, financial and other key performance indicators are not considered necessary for an understanding of the development, performance or position of the Company. The Gestamp Group manages its business and measures the delivery of its strategic objectives through the application of KPIs at business unit and Group level.

Review of the business

Autotech Engineering R&D UK Limited is a subsidiary of Gestamp Automoción S.A., a global designer and manufacturer of automotive components.

The design and development business within automotive fluctuates depending on the vehicle manufacturers new programs, and occurs at the start of the models development life cycle. Development work by the Company assists in the engineering development of the vehicle, in advance of confirmed final model designs. The testing and development environment provides a complex and ever changing environment to meet the customer's aspirations of weight and cost, while primarily ensuring all the safety measures and criteria will be met on the final model. The industry is now going through a number of changes most notably the electrification of cars through hybrid or all electric vehicles.

The year ended 31 December 2021, saw a decrease in turnover due to the continuing issues surrounding the COVID-19 pandemic and its interruption of global markets and supply chains. The Company's operating result slightly increased due to additional cost savings. In the year there was continued development work carried out looking into technological advances in prototype chassis production and design to keep the Company at the forefront of innovation.

The Income Statement and Statement of Financial Position has no exceptional transactions to report. Assets were acquired over the course of the year and the administrative function was also strengthened.

Future developments

The Company has no significant future developments to report.

Financial risk management policy

The Company's principal financial instruments comprise cash and group facilities. Other financial assets and liabilities, such as trade debtors and trade creditors arise directly from the company's operating activities.

The main risks associated with the Company's financial assets and liabilities are set out below. The company does not undertake any hedging activity and any significant financial risks are addressed on a case-by-case basis.

Strategic report (continued)

Price risk

The Company does not deem the exposure to price changes in their operating activity costs, to be significant enough to consider any hedging activity to be necessary.

Credit risk

The Directors do not consider that there is any significant credit risk due to the nature of the business, its customers and the operation of a tight credit control process. The Directors do not expect this assessment to change as a result of the COVID-19 pandemic. However, the Directors continue to monitor the situation.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generated by its operations. The Company also has a cash pooling arrangement with the Parent Company, which sweeps cash on a daily basis.

Foreign currency risk

The Company's principal transactions in foreign currency are in Euros. As a result, the Company's future cash flows arising from these transactions can be affected by movements in exchange rates. No hedging activity is undertaken to mitigate this risk as it is not considered to be significant from the Company's perspective.

Principal risks and uncertainties

Technology risk

The Company aims to minimise technology risk by constantly seeking improvements in its processes in order to reduce costs and improve the quality of its products. This process helps the Company to remain competitive within the marketplace and to win new business. The global Gestamp group also cooperates with its major customers in undertaking R&D activities in order to seek improvements to its products. Where appropriate, elements of these R&D activities are included within the design of products and also in the production processes of the Company.

GDPR risk

The Company also acknowledges the risks posed by handling the personal data of its employees and sensitive business information. Therefore, the Company actively seeks to comply with both the European Union's General Data Protection Regulation policy and the UK's Data Protection Act 2018 at all times.

Brexit risk

At the time of writing this document the UK has left the European Union, however the European Parliament have yet to ratify the Brexit agreement and trade deal, therefore it is likely that in addition to the risks described above, there could still be additional risks surrounding the import and export of goods. The Company has so far been able to minimise any disruption to its supply chains as a result of efforts in previous years to localise its suppliers, where possible, and to seek out and build relationships with customs brokers. However until the trade agreement is ratified by the EU there remains a risk that quotas and tariffs could impede the Company's ability to trade internationally.

In the meantime the management team continues to liaise and coordinate with both customers and suppliers in order to mitigate as much as possible the risks presented by Brexit. The Company has so far found the impact of Brexit on labour to be minimal as it primarily recruits employees who live local to its production sites.

COVID-19 risk

Both the Company and its customers have global supply chains. This increases the exposure of the Company to global pandemics such as COVID-19. Outbreaks and lockdowns in the UK and abroad can affect the supply of goods and services which in turn can affect production and sales. The Company manages this risk as much as possible by maintaining constant lines of communication with its suppliers and customers in order to react quickly to any situation and so minimise any disruption that arises. The Company is also

Strategic report (continued)

looking to increase its stockholdings wherever it is reasonable and practical to do so in order to minimise the risk of disruptions to production.

The Company also seeks to protect its employees and visitors by enforcing strict health and safety procedures at its business premises in order to prevent the transmission of the COVID-19 virus. One way systems have been put in place and working from home policies have also been implemented where possible. These measures are in line with the Government's recommended health and safety advice.

On behalf of the Board



F J Riberas Mera
Director
28 October 2022

Directors' report

Introduction

The Directors present their report and financial statements for the year ended 31 December 2021.

The Company has chosen in accordance with Section 414C(ii) of the Companies Act 2006 to set out in the company strategic report the following which the Directors believe to be of strategic importance:

- Review of the business
- Future developments
- Financial risk management policy

Results and dividends

The profit for the year ended 31 December 2021 amounted to £547,000 (2020: £690,000). The Directors do not recommend the payment of a dividend (2020 - £nil).

Directors

The Directors who served during the year, and to the date of the approval of the financial statements, were as follows:

FJ Riberas Mera
MJ Armendariz Tellitu (Resigned 12th July 2021)
M Eikelmann (Appointed 12th July 2021)

Disabled employees

The Company gives every consideration to applications for employment from disabled persons where the requirements of the job may be adequately fulfilled by a disabled person.

Disabled employees are eligible to participate in all career development opportunities available to staff. Opportunities also exist for employees of the Company who become disabled to continue in their employment or be trained for other positions within the Company.

Employee involvement

It is the Company's policy to provide employees with information on all relevant aspects of the Company's operations and to brief them on a regular basis so that their views can be taken into account in reaching decisions which are likely to affect their interests. Employee involvement in the Company's performance is further encouraged via continuous improvement activity. By these means employees are made aware of all relevant aspects of the Company.

Training

Development and training of all employees in World Class Manufacturing Techniques, together with the training of multi-skilled apprentices, with particular emphasis on electronics development and training of management has been further expanded.

Directors' report (continued)

Research and development expenditure

During the period, the company incurred expenditure of £6,366,000 (2020: £6,804,000) in relation to research and development activities, which was charged to the income statement.

Going concern

The COVID-19 pandemic and global supply chain issues had a major effect on the performance of the Company during the 2021 calendar year and it is expected to continue to affect the Company throughout 2022. Therefore, the Directors expect sales to remain below pre-pandemic levels for the remainder of the year due to the uncertain economic outlook and are taking necessary steps to protect the Company, its employees and its cashflow. Measures taken to date include seeking cost reductions.

In order to monitor the situation and ensure that the Company remains a going concern, the Directors are reviewing monthly forecasts of the Company's expected future performance based on the most up to date information that is available.

The Company is dependent on continuing financial support being made available from its parent undertaking. The Directors have received formal confirmation through a letter from the Gestamp Automoción, S.A. (the Parent Company) that financial assistance will be provided for a period of 15 months from the date of the approval of these financial statements. On this basis, the financial statements have been prepared on a going concern basis. Further details are given in Note 1 to the financial statements.

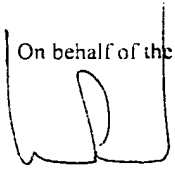
The Directors have determined that the Parent Company will be able to provide financial support to the Company as and when required as detailed cashflow analysis has been done by the Parent Company for both current and future years. The results of this analysis suggest that the Parent Company will be able to support the Company for a period of 15 months from the date of the approval of these financial statements.

Disclosure of information to auditor

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board


FJ Ribcras Mera
Director

28 October 2022

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Autotech Engineering R&D UK Limited

Opinion

We have audited the financial statements of Autotech Engineering R&D UK Limited for the year ended 31 December 2021 which comprise the Income statement, the Statement of comprehensive income, the Statement of changes in equity, the Statement of financial position and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 15 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Independent auditor's report to the members of Autotech Engineering R&D UK Limited (continued)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement as set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an

Independent auditor's report to the members of Autotech Engineering R&D UK Limited (continued)

audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act of 2006) and the relevant direct and indirect tax compliance regulation in the UK. In addition, the Company has to comply with laws and regulations, including furlough scheme rules, health and safety and General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making inquiries of management to understand how the Company maintains and communicates its policies and procedures in these areas and as corroborated by reviewing supporting documentation. We also reviewed correspondence with relevant authorities when applicable.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk. We tested manual journals on areas involving significant estimation and judgment, which were identified through our data analytics techniques based on risk criteria tailored to identify journals most susceptible to fraud. We also tested sample revenue transactions back to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making inquiries of management and those charged with governance, review of board meetings and journal entry testing as set out above. We also considered results of our substantive procedures on other areas of the audit that may indicate non-compliance with such laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report to the members of Autotech Engineering R&D UK Limited (continued)

Use of our report

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

Ernst & Young LLP

Richard Lingwood (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP (Statutory Auditor)

Newcastle Upon Tyne

28 October 2022

Income statement

for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £000	<i>2020</i> £000
Turnover	2	6,094	6,460
Cost of sales		(1,728)	(1,740)
Gross profit		4,366	4,720
Distribution Costs		(102)	(104)
Administrative expenses		(4,536)	(4,960)
Other operating income	3(b)	627	703
Operating profit	3(a)	355	359
Profit before taxation		355	359
Tax credit on profit	6	192	331
Profit for the financial year		547	690

All amounts relate to continuing activities.

Statement of comprehensive income

for the year ended 31 December 2021

The total comprehensive income for the year is £547,000 (2020: £690,000).

Statement of Changes in Equity

for the year ended 31 December 2021

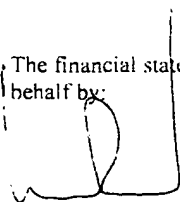
	<i>Share Capital</i> £000	<i>Profit and loss account</i> £000	<i>Total</i> £000
At 1 January 2020	-	8,402	8,402
Total comprehensive income	-	690	690
At 31 December 2020	-	9,092	9,092
Total comprehensive income	-	547	547
At 31 December 2021	-	9,639	9,639

Statement of Financial Position

at 31 December 2021

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
		<i>£000</i>	<i>£000</i>
Fixed assets			
Tangible assets	7	1,211	1,384
Current assets			
Stock	8	413	400
Debtors	9	9,708	9,005
Cash at bank and in hand		-	-
		10,121	9,405
Creditors: amounts falling due within one year	10	(1,394)	(1,437)
Net current assets		8,727	7,968
Total assets less current liabilities		9,938	9,352
Provisions for liabilities and charges			
Deferred tax liability	6(c)	(299)	(260)
Net Assets		9,639	9,092
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account	12	9,639	9,092
Equity shareholders' funds		9,639	9,092

The financial statements were approved by the Board of Directors on 28 October 2022 and signed on their behalf by:



F J Riberas Mera
Director

Notes to the financial statements

at 31 December 2021

1. Accounting policies

Statement of compliance

Autotech Engineering R&D UK Limited (the 'Company') is a private, limited by shares company, incorporated in Newton Aycliffe, England. The registered office is located in England, refer to page 1 for the full details.

The Company's financial statements have been prepared in compliance with FRS 102 for the year ended 31 December 2021.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.40 to 11.48A
- the requirements of Section 33 Related Party Disclosure paragraph 33.7 and 33.1A

The group in which the results of the Company are consolidated is Gestamp Automocion S.A.

Consolidated financial statements are available at Corporate Headquarters, C/Ombu 3, 9a Planta, 28014 Madrid, Spain.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards.

The accounting principles used to prepare the financial statements are based on historical cost, unless stated otherwise.

The financial statements are prepared in GBP sterling which is the functional currency of the Company and rounded to the nearest £'000.

Judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the period.

However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements and estimates have had the most significant effect on the financial statements:

Taxation - Judgement is required when determining the provision for taxes. Tax benefits are not recognised unless it is probable that the benefit will be obtained. Tax provisions are made if it is possible that a liability will arise. The company reviews each significant tax liability or benefit to assess the appropriate accounting treatment. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future profits.

Notes to the financial statements

at 31 December 2021

1. Accounting policies (continued)

Other significant accounting policies

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future and meet its liabilities as they fall due.

At the balance sheet date the Company had net current assets of £8,727,000 (2020: £7,968,000) and total net assets of £9,639,000 (2020: £9,092,000) including amounts owed by its parent undertaking, Gestamp Automocion, S.A. and other group undertakings of £7,908,000 (2020: £7,223,000).

The ultimate parent undertaking has agreed to provide sufficient funds to the Company to enable it to meet its liabilities as they fall due for a period of 15 months from the date of approval of these financial statements. In view of the circumstances referred to above, the Directors have satisfied themselves that financial support will continue to be available to the company in the foreseeable future. Accordingly, the Directors of the Company believe that it is appropriate to prepare the financial statements on a going concern basis.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. There was no impairment loss in the year (2020: £nil).

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset in equal annual instalments over its expected useful economic life as follows:

Plant and machinery	–	3-10 years
Computer equipment, software and web site costs	–	5 years
Fixtures and fittings	–	5 years

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Pensions

The company offers a defined contribution pension scheme. These assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged to the income statement represents the contribution payable to the scheme in respect of the accounting period in accordance with the rules of the scheme.

Research and development

Research and development expenditure is written off as incurred. Research and development tax credits are included in other operating income where appropriate.

Grant Accounting Policy

Government grants as a result of innovation activities are recognised as Other Operating Income when the claim is submitted to Innovate UK, at this point all expenditure covered in the claim has already been incurred and included in Administrative Expenses.

Notes to the financial statements

at 31 December 2021

1. Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value as follows:

Cost incurred in bringing each product to its present location and condition represents for:

Raw materials	–	purchase cost
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents in the Statement of financial position comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Revenue recognition

Revenue for prototype parts is recognised once each part has been despatched and left our premises. Revenue for tooling is recognised once the first relating prototype part has been despatched.

Revenue for design and development is recognised upon completion of works and acceptance from customer that design work is completed. This includes revenue for government grants, that is recognised once quarterly financial reviews are submitted and approved by government monitoring officer. Such amounts are included in other operating income.

Notes to the financial statements

at 31 December 2021

2. Turnover

An analysis of turnover by geographical market is given below:

	2021 £000	2020 £000
UK	414	1,332
Europe	5,531	4,992
Asia	-	-
Rest of World	149	136
	<u>6,094</u>	<u>6,460</u>

3. Operating Profit

(a) This is stated after charging/ (crediting):

	2021 £000	2020 £000
Auditors remuneration - audit services	33	33
Depreciation	247	232
Net realised loss on foreign currency translation	16	15
Unrealised (gain)/loss on foreign currency translation	(5)	(15)
	<u> </u>	<u> </u>

(b) Other operating income:

	2021 £000	2020 £000
R&D tax credit	-	96
Design & Development	506	351
Furlough Scheme	-	256
Other Income	121	-
	<u>627</u>	<u>703</u>

Other Income relates to provision release of ex Pat tax.

4. Director's Remuneration

Remuneration of the Directors is borne by a sister group undertaking and is disclosed in the financial statements of that undertaking. The Directors do not participate in any Company pension scheme arrangements.

Notes to the financial statements

at 31 December 2021

5. Wages and salaries

	2021 £'000	2020 £'000
Wages and salaries	2,480	2,795
Social security cost	293	318
Other pension costs	182	189
	<u>2,955</u>	<u>3,302</u>

The average full time equivalent monthly number of employees including Directors, but excluding agency staff during the period was made up as follows:

	2021 No.	2020 No.
Management and administration	48	48
Production	10	10
	<u>58</u>	<u>58</u>

6. Tax

(a) Tax on profit

The tax credit is made up as follows:

	2021 £000	2020 £000
<i>Current tax:</i>		
UK corporation tax on the profit for the year	-	-
Over provision in prior periods	(231)	(326)
	<u>(231)</u>	<u>(326)</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(33)	(36)
Effect of changes in tax rates	72	31
	<u>39</u>	<u>5</u>
Total deferred tax (note 6(c))	39	5
	<u>(192)</u>	<u>(331)</u>
Tax credit on profit (note 6(b))	(192)	(331)

Notes to the financial statements

at 31 December 2021

6. Tax (continued)

(b) Factors affecting the total tax charge/(credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	2021 £000	2020 £000
Profit before tax	355	359
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	67	68
<i>Effects of:</i>		
Group relief claimed	(100)	(104)
Over provision in prior periods	(231)	(326)
Rate difference on deferred tax	72	31
Total tax charge/(credit) for the year	<u>(192)</u>	<u>(331)</u>

(c) The deferred tax liability is as follows:

	£000
At 1 st January 2021	260
Deferred tax charge for the year	39
At 31 st December 2021	<u>299</u>

The deferred tax liability consists of the following amounts:

	2021 £000	2020 £000
Accelerated capital allowances	303	263
Other timing differences	(4)	(3)
Provision for deferred tax	<u>299</u>	<u>260</u>

Notes to the financial statements

at 31 December 2021

6. Tax (continued)

(d) Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that the corporation tax rate would increase to 25% from 1 April 2023 (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes as at the balance sheet date have therefore been measured using these enacted rates and reflected in these financial statements.

7. Tangible fixed assets

	<i>Plant and Machinery</i>	<i>Fixtures and fittings</i>	<i>Computer equipment, software and web site costs</i>	<i>Total</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Cost:				
At 1 January 2021	1,607	524	359	2,490
Additions	51	-	23	74
At 31 December 2021	1,658	524	382	2,564
Depreciation:				
At 1 January 2021	601	274	231	1,106
Provided during the year	149	56	42	247
At 31 December 2021	750	330	273	1,353
Net book value:				
At 31 December 2021	908	194	109	1,211
Net book value:				
At 31 December 2020	1,006	250	128	1,384

8. Stock

	<i>2021</i>	<i>2020</i>
	<i>£000</i>	<i>£000</i>
Raw materials	194	235
Work in progress	93	146

Notes to the financial statements

at 31 December 2021

Finished goods	26	19
Tooling	100	-
	<u>413</u>	<u>400</u>

9. Debtors

	2021	2020
	£000	£000
Trade debtors	552	450
Amounts owed by group undertakings	8,536	7,890
Prepayments and accrued income	138	79
Corporation tax	331	401
Tax and social security costs	69	-
Grant receivables	82	185
	<u>9,708</u>	<u>9,005</u>

10. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	567	412
Other tax and social security costs	-	30
Other creditors	14	44
Accruals and deferred income	185	284
Amounts owed to group undertakings	628	667
	<u>1,394</u>	<u>1,437</u>

11. Share capital

<i>Authorised, called up and fully paid:</i>	2021	2020
	£	£
100 Ordinary shares of £1 each	100	100

The Statement of Financial Position is presented in thousands therefore the above authorised, called up and fully paid shares of £100 is displayed as £-.

Notes to the financial statements

at 31 December 2021

12. Reserves

Profit and loss account

This reserve records the cumulative amount of profits and losses less any distributions of dividends.

13. Related party transactions

The Company has taken advantage of the exemptions available to group companies in FRS 102 (Sections 33.1A and 33.7 Related Party Disclosures) which allows it not to disclose transactions with 100% owned group entities or investees of the group qualifying as related parties or to disclose transactions with key management personnel. No other related party transactions exist with the group.

14. Ultimate parent undertaking and controlling party and related party transactions

The Company's two shareholders are:

Gestamp Bizkaia, S.A, which is incorporated in Spain. The registered address is Poligono Industrial De Lebario, Adabiano, 48220, Biscay, Spain.

AUTOTECH ENGINEERING A.I.E, which is incorporated in Spain. The registered address is Parque Empresarial Boroa P2-A4 Amorebieta-Etxano (Bizkaia), Bilbao, 48340, Spain.

In the Directors' opinion, the Company's ultimate parent undertaking and controlling party is Acek Desarrollo Y Gestion Industrial SL, which is incorporated in Spain. Its financial statements, which include Autotech Engineering R&D UK Limited, can be obtained from C/Ombú 3, 9a Planta, 28014 Madrid, Spain.

15. Pensions

The defined contribution schemes are funded through contributions from both the employees and the Company. The employer costs for the year were £182,236 (2020 - £188,699) and £15,209 (2020 - £14,654) contributions were unpaid at the year end.

16. Financial instruments

	2021	2020
	£'000	£'000
<i>Financial liabilities measured at amortised cost</i>		
Amounts owed to group undertakings	628	667
<i>Financial assets measured at amortised cost</i>		
Amounts owed from group undertaking	8,536	7,890