Registered number: 00074901

Sankey Holding Limited
(Formerly GKN Sankey Limited)

Annual report and financial statements

For the year ended 31 December 2020

Sankey Holding Limited (formerly GKN Sankey Limited)

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Sankey Holding Limited (formerly GKN Sankey Limited)

Strategic Report for the year ended 31 December 2020

The Directors present the Strategic Report for the year ended 31 December 2020.

Principal Activity
Sankey Holding Limited is a private intermediary holding company within the Aurelius Equity Opportunities SE & Co. KGaA group, registered in Germany and limited by shares. The company was acquired from Melrose Industries Plc on 25th November 2020.

Business Review
The Company shows a loss after tax of £8,964,000 (2019: restated loss of £45,016,000). The profit and balance sheet for 2019 have been re-stated to adjust for the incorrect application of IFRS16 lease transactions, the revised loss was primarily generated from the impairment of subsidiary investments of £41,163,000. Considering the nature of the company, the directors do not consider there to be any KPI's.

In June 2020, the Company sold its investments in GKN (Lianyungang) Company Limited and GKN Power Solutions (Liuzhou) Company Limited for consideration of £4,451,000.

On 25 November 2020, the GKN Wheels and Structures group of companies, including this company, was acquired by AURELIUS Development Twenty-Three GmbH of which AURELIUS Equity Opportunities SE & Co. KGaA is ultimate parent.

Covid-19
In early 2020 we experienced an unprecedented event in the worldwide outbreak of COVID-19. This has impacted the operations and financial performance of the Sankey Holdings subsidiaries for 2020, with the entities Moveero Limited and GKN Autostructures Limited both closed for one full month in April of 2020 and although this was driven by Customers shutting their legal entities the return post COVID was strong with Customer Orderbooks returning very quickly. The global pandemic is set to continue and the business continues to monitor its impact on its staff, customers and operations.

Sankey Holdings Limited (and its subsidiaries) has taken all necessary actions to protect the health and wellbeing of employees, customers and suppliers, incorporating the latest Government Covid-19 guidance on social distancing, sanitation and healthcare checks. The company continues to monitor latest developments to ensure that the business deals with the crisis in the best possible manner for all stakeholders. This includes

- Taking the temperature and providing face covering to all employees and visitors prior to entering the site.
- Further increasing the frequency of hand washing and surface cleaning.
- Reconfiguring the layout of production cells to accommodate latest social distancing guidance.
- Considering the maximum number of employees who can be safely accommodated by introducing rota systems.

Ukraine Conflict
On 24 February 2022 Russia invaded Ukraine. The company continues to monitor this developing situation and its impact on the markets in which the company operates and the wider impact on supply chains. As this is a rapidly changing situation it is not yet possible to estimate the financial effect on the company. At the date the accounts were signed there was no material impact to the financial statements.

Principal Risks and Uncertainties
From the perspective of the Company, the principal risks and uncertainties are the spreading of COVID-19 having become a significant ongoing risk to the global economy, Moveero continues to monitor the impact of the virus as more information about the epidemic as it continues. Other uncertainties and key risks also surround the global shortage of semiconductor chips and the impact that this will have and continue to have on Customers Order Books until global demand is restored.

The other risk/ uncertainty surround the price of steel and the fluctuations which have been seen in 2021, this risk is mitigated however by the steel price escalators in place with customers to ensure the cost increase does not detrimentally affect Moveero over a period of time. Financial risk is discussed in the Directors report.

Strategic Report for the year ended 31 December 2020 (continued)

Section 172(1) Statement for GKN Sankey Limited (the "Company") for the year ended 31 December 2020
This statement is made pursuant to sections 414CZA and 426B of The Companies (Miscellaneous Reporting) Regulations 2018, and summarises how the directors of the Company have had regard to the matter set out in section 172(1)(a) to (f) of the Companies Act 2006 when performing their duties during the year ended 31 December 2020 (the "Financial Year"). This statement also contains the information required by paragraphs 11 and 11A, Part 4, Schedule 7 of the Large and Medium-sized Companies Regulations 2008 (which requires the directors to summarise how the Company's actions taken during the Financial Year encouraged employee engagement), and by paragraphs 11B and 11C, Part 4, Schedule 7, Large and Medium-sized Companies Regulations 2008 (which requires the directors to summaries how the Company's actions taken during the Financial Year have encouraged engagement with suppliers, customers and others in a business relationship with the Company).

Background & Purpose of the Company

The Company is part of the Moveero group (formerly GKN Wheels and Structures group), a world leading manufacturer of off-highway wheels and a specialist in the design, development and manufacture of components and structural assemblies for the on and off-highway industries. During 2020 the Moveero group was largely owned by Melrose Industries Plc, an investor in manufacturing businesses, which is headquartered in the UK. On 25 November 2020 the Moveero group was acquired by AURELIUS Development Twenty-Three GmbH of which AURELIUS Equity Opportunities SE & Co. KGaA is ultimate parent.

The Company is a private intermediary holding company, holding the investments of Moveero Limited (formerly GKN Wheels Limited), GKN Autostructures Limited and Moveero S.R.L. (formerly GKN Wheels Italy S.r.l).

How the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006

Section 172 of the Companies Act 2006 requires that the directors act in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to (a) the likely consequences of any decision in the long term, (b) the interests of the company's employees, (c) the need to foster the company's business relationships with suppliers, customers and others, (d) the impact of the company's operations on the community and the environment, (e) the desirability of the company maintaining a reputation for high standards of business conduct, and (f) the need to act fairly as between members of the company. This statement considers the matter set out in section 172(1)(a) to (f) in turn.

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

The company operates within the wider management structures of the Moveero business. The Moveero Leadership Team is responsible for the strategic management and oversight of the Moveero business as a whole and for the taking of decisions which are material to the Moveero business in the short, medium and long term. During 2020, the Moveero Leadership Team and the Company's directors continually reviewed the performance of the Moveero business (and within it the Company) against its competitors and the end markets generally; (b) continually assessed the likely future development of the end markets; (c) prepared and agreed a 5-year business plan for the Moveero business.

The directors' primary focus is on the creation of long-term value for its ultimate shareholder, Aurelius Equity Opportunities SE & Co. Aurelius stated strategy is to invest in and manage its businesses as if it intends to own then forever, whilst acting with integrity, honesty, transparency and decisiveness, and it is this culture and approach that the Moveero Leadership Team and the directors of the company take in all their decision making. For example, all major business decisions are made of the bases of approved business plans, which set out the anticipated financial consequences and benefits of the decision in the long term.

Section 172(1) Statement (continued)

(b) The interests of the company's employees and how the Company's actions taken during the Financial Year encouraged employee engagement

The Company employs approximately 287 employees across its subsidiaries which are mainly located at the manufacturing facility in the West Midlands. Moveero places the interests of its employees at the heart of its decision making. Reflecting this, the Company continually engages with these employees in order to ensure that their voice is heard.

The Company recognises the trade unions Unite and GMB, with whom it has collective agreements. Approximately 63% of the Company's employees are members of and are represented by Unite and GMB.

Business updates are provided to the Company's elected Union representatives on a monthly basis, including monthly financial performance, capital investment decisions, new business wins and any key decisions affecting employees. In addition, a number of presentations are delivered to employees throughout the year giving all employees updates of key business decisions as well as an overview of operational performance.

Moveero group measures employee engagement through an annual employee engagement survey, the results of which are shared with the Moveero Leadership Team and the Company's directors and are used to inform decision making. The Company's target is to maintain and increase employee engagement year-on-year.

During the year, the Moveero Leadership Team held quarterly calls with approximately 50 of the most senior employees from across the Moveero business. The purpose of these calls was to cascade information to these employees (including information of the economic factors affecting the performance of Moveero) which is then further cascaded to their teams, and to provide an opportunities for questions and feedback to the Moveero Leadership Team. This is an essential way in which the directors are able to inform this key group of employees with the interests of Moveero and involve them in its decision making.

During the year the Moveero group central HR function were responsible for managing interactions with Moveero employees, including the employees of the Company. Whilst the Company does not operate a share incentive scheme, employees are encouraged to be involved in Moveero performance through other reward and incentive initiatives that are managed by the HR function, including bonus schemes linked to Moveero annual financial performance. The HR function manage a talent review process to ensure that Moveero and the Company's talented employees are given the support that they need to successfully further their careers.

Moveero operates a confidential external whistleblowing hotline where employees can report any concerns anonymously. Feedback from this hotline was reviewed by the Leadership Team (including directors of the Company) during 2020.

In addition to the above, the Moveero group and the Company employ a number of measures to provide employees systematically with information on matters of concern to them as employees. These include: (a) Extended Leadership Team conference calls; (b) intranet and e-mail announcements; (c) information placed on notice boards; (d) 'town hall' meetings, and (e) line-manager communication and team meetings.

The Company does not have a share-based incentive scheme, but some employees participate in bonus schemes, with the payment and level of any bonus liked to profit and cash performance as well as individual objectives.

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

Customers

The Moveero group serves the world's largest offhighway OEM producers globally and has long standing relationships with global diversity in the customer base who are reliant on our technology and supply, with over 750 active individual customers. The top ten consolidated customers make up almost 70% of sales revenue.

With a small concentration of large customers, it is critical to the future success of Moveero that we build and maintain deep, long-lasting and committed relationships with our customers, and maintain a high degree of customer intimacy. Moveero does this through its dedicated customer account teams, which interface with our customers on a daily basis and are responsible for day to day management.

As the Company's subsidiaries operate manufacturing facilities as part of the wider Moveero business, the majority of the customer relationships are centrally managed by the account teams which are in part made up of employees of other businesses with Moveero. However, the Company's employees and management also have significant interaction with its customers, both at a management level and throughout the workforce.

Section 172(1) Statement (continued)

Customers (continued)

All material decisions taken by Moveero and by the Company, involve consideration of their impact on relationships with our customers. The Company and its management continually monitor its day-to-day relationships with customers and the impact of decisions making on customer relationships. Customer scorecards, which set out our customers' assessment of the Company's performance, are also regularly reviewed and reported on. Customer accreditations and adherence to designated performance targets are communicated by the customer directly to the Company's management team. Improvement plans are drawn up and agreed with the customer. Plant performance against these targets are reviewed on a daily, weekly and monthly basis.

Suppliers

The company has a diverse range of indirect suppliers of both direct and indirect goods and services. Maintaining strong relationships with our suppliers is vital to the future success of the Company. Moveero builds its relationships with our suppliers on the basis of: (a) open dialogue and transparent decision-making; (b) setting clear expectations of our suppliers; (c) continuous supplier relationship management, through our local Purchasing Managers; (d) regular information exchange; and (e) supplier quality reviews and audits.

Other Stakeholders

In addition to the stakeholders considered elsewhere in this statement, the directors also have regard to the impact of their decisions on other stakeholders, including government and regulators, third parties with whom the Company deals, and potential future employees and students. The relationship with all major stakeholders is considered as part of each potential decision.

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

Corporate social responsibility is a key strategic focus for Moveero. Our focus derives from the fact that not only is it the right thing to do, but also because it is increasingly a consideration for Moveero' customers when they are awarding business. Both our customer scorecards, and our customer sourcing decisions, increasingly include CRS considerations in their assessment. That continues to inform decision making throughout Moveero and within the Company.

Moveero corporate social responsibility strategy includes consideration of: 9i) social issues (including regulatory compliance, ethical procurement and equality and inclusion); (ii) environmental issues (including the reduction of carbon emissions, improved manufacturing processes, and product lifecycle management) and (iii) workplace and community issues (including health & safety, community volunteering, fundraising activities and sponsorship).

Within the Company, we supported a range of charitable and social initiatives throughout the year, mainly through support of the Employee Charity Trust and sponsorship of two employees who participate in charity fundraising, volunteer work, setting up an employee club or for a passion or hobby.

(e) **The desirability of the company maintaining a reputation for high standards of business conduct**

Moveero' reputation as an honest and ethical supplier is absolutely critical to our future success. Our customers' policies require that they only source from suppliers which have the highest ethical standards, and failing to meet those standards could severely damage our business. The directors therefore continually have regard to this in their decision making. Specifically, it informs decisions as to how we manage and train our employees, whether to enter into new markets, deal with particular customers or suppliers, or employ (or retain the employment of) certain individuals.

Moveero has a code of conduct known as The Moveero Values. The values are a key part of Moveero group compliance and governance arrangements and sets out the standards of behaviour expected of the Company and its employees. The values include treating people with dignity, respecting the rights of others, speaking up when we see behaviour which is wrong, and promoting honest and proper conduct. We also cascade our ethical standards to our suppliers, via our Supplier Code of Conduct, which sets out the minimum ethical standards expected from all Moveero suppliers. The Supplier Code of Conduct forms part of our terms and conditions with our suppliers and requires that they maintain high ethical standards, refrain from engaging in any bribery and corruption, engaging in forced or bonded labour, comply with health and safety laws and all laws and regulations in the countries in which they operate.

The Company ensures that the Moveero requirements are adhered to by way of training and ongoing compliance awareness.

Strategic Report for the year ended 31 December 2020 (continued)

Section 172(1) Statement (continued)

(f) The need to act fairly as between members of the company

The Company has only one member post 25th November 2020, Aurelius Development 23 GmBH, which is majority owned by Aurelius Equity Opportunities SE & Co KGaA. Prior to 25th November 2020 the company was owned by GKN Enterprise Ltd, who were 100% indirectly owned by Melrose Industries Plc. During the year there was only ever one member at any point in time, therefore, no actual or potential conflict between the interests of any members of the Company.

Approved by the Board on 24 May 2022.

Matthew Pritchard
Director
Registration number: 00074901

Sankey Holding Limited (formerly GKN Sankey Limited)

Directors' Report for the year ended 31 December 2020

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2020.

Directors of the Company
The Directors who held office during the year and up to the date of signing the Financial Statements unless otherwise stated are as follows:

J Crawford (appointed 25 June 2019, resigned 25th November 2020)
G Morgan (appointed 25 June 2019, resigned 25th November 2020)
P Dodds (appointed 18 June 2019, resigned 15 January 2020)
A Butt (appointed 31 January 2020, resigned 24th February 2021)
C Schmehl (appointed 25th November 2020, resigned 15th September 2021)
M Pritchard (appointed 26 February 2020)
J Potzl (appointed 25th November 2020)
P O'Donnell (appointed 24th February 2021)

Dividends
No dividend was paid in the year (2019: £1,252,000 was paid during the year).

Likely Future Development
There are no likely future developments; the outlook is in line with management expectations.

Financial risk management
The Directors consider financial risks to include credit risk, currency risk, interest rate risk and liquidity risk. Due to the nature of the Company's operations, the Directors do not consider the company materially exposed to these risks. The Directors perform a quarterly risk review to identify any changes to this position and apply counter actions as required.

Liquidity Risk
To maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company ensures regular communication with other Group companies.

Future Developments
The likely future development for the company is to continue to hold investments in GKN Autostructures Limited, Moveero Limited & Moveero S.R.L.

Directors Indemnities
Pursuant to the Company's Articles of Association, the Company has executed a deed poll of indemnity for the benefit of the Directors of the Company and persons who were Directors of the Company in respect of costs of defending claims against them and third-party liabilities. These provisions, deemed to be qualifying third party indemnity provisions pursuant to section 234 of the Companies Act 2006, were in force during the year ended 31 December 2020 and are in force at the date of this Directors' Report. The indemnity provision in the Company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a Director, secretary or officer of an associated company of the Company. A copy of the deed poll of indemnity and of the Company's Articles of Association, are available for inspection at the Company's registered office during normal business hours.

Disabled persons statement
The Company's policy in relation to the employment of disabled persons is to give full consideration to job applications received from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Where appropriate, special training is given to facilitate engagement of the disabled and modifications to the job will be considered. Where an employee becomes disabled whilst employed by the Company, arrangements will be made wherever possible for re-training in order that a different job may be performed. Consideration for modifying jobs will be given.

Directors' Report for the year ended 31 December 2020 (continued)

Going Concern
Notwithstanding net liabilities of £15,183,000, net current liabilities of £11,536,000 as at 31 December 2020 and a loss for the year then ended of £8,964,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

At year end the Company was party to a Facility Agreement which is shared with other group companies with a maturity date of November 2024. The facility agreement was amended on 18 January 2022 to increase the overall facility limit, increase the term loan in another group company and create a capital funding facility for another group company. The facility is secured against the Company's assets. The company is also funded via a number of intercompany loans from fellow group companies. These include Moveero A/S, which amounted to £1,837,000 at 31 December 2020 and is repayable on demand and AURELIUS Development Twenty-Three GmbH, which amounted to £3,188,000 and was also repayable on demand. Subsequent to the year-end, a right of offset was agreed with AURELIUS Development Twenty-Three GmbH in relation to a receivable from AURELIUS Development Twenty-Three GmbH of £3,161,000. The balance of intercompany loans are with subsidiaries of the company.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds through the Facility Agreement, to meet its liabilities as they fall due during the going concern assessment period. This assumes that the company will be able to utilise the Facility in line with their projections. The directors are confident that the amount will be available as there is common management within the borrowing group and the combined projections show they can operate within the Facility, although headroom is limited at set points in the year following normal working capital cycles, and the directors have identified possible means to improve availability at these times if required

This assessment is dependent on fellow group company, Moveero A/S not seeking repayment of the amount currently due to the company, which at 31 December 2020 amounted to £1,837,000. Moveero A/S has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there is risk that this support may not continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Post balance sheet events
On 18 January 2022 the loan facility agreement was amended to i) increase overall facility limit to release supressed availability, ii) increase a term loan in another group company and iii) create a capital equipment funding facility for another group company.

On 23 May 2022 Sankey Holding Limited and AURELIUS Development Twenty-Three GmbH executed a set-off agreement on their respective intercompany loan balances. At the balance sheet date, the company recognised an asset of £3,161,000 and a liability of £3,166,000 related to this transaction.

The Directors are not aware of any further post Balance Sheet events at the date of signing of these Financial Statements.

Directors' Report for the year ended 31 December 2020 (continued)

Disclosure of Information to Auditor
Each of the persons who are Directors at the date of approval of this report confirmed that:

- so far as Director is aware, there is no relevant audit information of which the Company's auditor are unaware; and

- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006. Upon sale of the company to Aurelius, Deloitte LLP were replaced as auditors by KPMG LLP, who have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in absence of an Annual General Meeting

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Statement on Auditors
On 24th August 2021 KPMG LLP were appointed as directors to fill the vacancy following the resignation of Deloitte LLP. Pursuant to section 487 of Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board on 24 May 2022 and signed on its behalf by:

Matthew Pritchard
Director
Registration number: 74901

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

The company elected for the Directors to prepare Financial Statements for each financial year. Under that law they have prepare the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law, including Financial Reporting Standard 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 statements;
- assess the company's ability to continue as a going concern, disclosing as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or have no realistic alternative but to do so.

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

Independent Auditor's Report to the member of Sankey Holding Limited

Report on the audit of the financial statements

Qualified opinion

We have audited the financial statements of Sankey Holding Limited ("the Company") for the year ended 31 December 2020 which comprise the Income Statement, Statement of Change in Equity, Balance Sheet, and related notes, including the accounting policies in note 1.

In our opinion, except for the possible effects of the matters described in the *Basis for qualified opinion* section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

As stated in note 1 to the financial statements, group accounts, as required by the Companies Act 2006, have not been prepared.

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

Independent Auditor's Report to the member of Sankey Holding Limited (continued)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management, directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

We performed procedures including agreeing all accounting entries in the period to supporting documentation.

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

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

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

This company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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

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

Independent Auditor's Report to the member of Sankey Holding Limited (continued)

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work except for the possible consequential effects of the matter described in the *Basis for qualified opinion* section of our report on the related disclosures in the Strategic Report and Directors' report:

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

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to stock, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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

- 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.

Directors' responsibilities

As explained more fully in their statement set out on page 9, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

Independent Auditor's Report to the member of Sankey Holding Limited (continued)

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

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

Nicola Davies (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

24 May 2022

Sankey Holding Limited (formerly GKN Sankey Limited)

Statement of Comprehensive Income
For the year ended 31 December 2020

	Note	2020 £'000	2019 (as restated -note 14) £'000
Administrative expenses	2	(8,133)	(43,688)
Rental income	2	379	-
Operating loss		(7,754)	(43,688)
Interest payable	3	(1,211)	(1,328)
Interest receivable	3	16	-
Loss before tax		(8,949)	(45,016)
Tax	4	(15)	-
Loss for the financial year		(8,964)	(45,016)

All of the results presented are derived from continuing operations. There were no other recognised income or expenses arising in the year. The notes on pages 18 to 32 form part of these accounts.

Balance Sheet
At 31 December 2020

	Notes	2020 £'000	2019 (as restated - note 14) £'000
Assets			
Non-current assets			
Property, plant and equipment	6	**10,789**	37,589
Investments in subsidiaries	7	**9**	11,483
		10,798	49,072
Current assets			
Trade and other receivables (including £3,161,000 (2019: £nil) due after one year)	8	**3,497**	4
Cash		**-**	1
		3,497	5
Total assets		**14,295**	49,077
Liabilities			
Current liabilities			
Trade and other payables	9	**(15,086)**	(22,093)
Lease obligations	13	**53**	(1,807)
		(15,033)	(23,900)
Total assets less current liabilities		**(738)**	25,177
Non-current liabilities			
Provisions	10	**(243)**	-
Deferred tax liabilities	4	**(141)**	(126)
Loans and borrowings	11	**(3,145)**	-
Lease obligations	13	**(10,916)**	(36,522)
		(14,445)	(36,648)
Total liabilities		**(29,478)**	(60,548)
Net (liabilities)/assets		**(15,183)**	(11,471)
Shareholders' equity			
Share capital	12	**5,000**	5,000
Share premium		**-**	-
Capital contribution reserve		**5,252**	-
Retained earnings		**(25,435)**	(16,471)
Total equity		**(15,183)**	(11,471)

The notes on pages 18 to 32 form part of these accounts. The financial statements of Sankey Holding Limited (registered number 00074901) were approved by the Board of Directors and authorised for issue on 24 May 2022. They were signed on its behalf by:

Matthew Pritchard
Director
Registration number: 74901

Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital	Capital Contribution Reserve	Retained earnings (as restated)	Total equity (as restated)
	£'000	£'000	£'000	£'000
At 1 January 2019 (previously reported)	**5,000**	**-**	**(5,438)**	**(438)**
Prior period adjustment (note -14)	-	-	35,235	35,235
At 1 January 2019 (as restated)	**5,000**	**-**	**29,797**	**34,797**
Total comprehensive loss for the year (as restated note14)	-	-	(45,016)	(45,016)
Dividend paid	-	-	(1,252)	(1,252)
At 31 December 2019	**5,000**	**-**	**(16,471)**	**(11,471)**
At 1 January 2020	**5,000**	**-**	**(16,471)**	**(11,471)**
Total comprehensive loss	-	-	(8,964)	(8,964)
Capital contribution reserve	-	5,252	-	5,252
At 31 December 2020	**5,000**	**5,252**	**(25,435)**	**(15,183)**

Notes to the Financial Statements

For the year ended 31 December 2020

1. Summary of significant accounting policies

Sankey Holding Limited is a private company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act 2006, and registered in England and Wales with the registration number 74901. Its registered office is Hadley Castle Works, Telford, Shropshire, TF1 6AA.

The Company's significant accounting policies, which have been consistently applied are summarised below.

Basis of preparation
The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis which is general based on the fair value of the consideration given in exchange for the goods and services. These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates, except where other measurement bases are required to be applied under IFRS as set out below, and in accordance with the Companies Act 2006.

Exemption from preparing group accounts
The Company's ultimate parent undertaking, AURELIUS Equity Opportunities SE & Co. KGaA, includes the Company in its consolidated financial statements. The consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Ludwig Ganghofer Strabe6, 82031 Grunwald, Germany.

Ordinarily, the Company is entitled to claim exemption from the preparation of consolidated financial statements under section 401 of the Companies Act 2006, due to it being included within the consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA, as explained above. However, as those consolidated financial statements of AURELIUS Equity Opportunities SE & Co. KGaA were not filed with the Registrar of Companies by the statutory filing deadline for this Company, the exemption does not apply for the year ended 31 December 2020. Accordingly, the Company is required under the Companies Act 2006 to prepare consolidated financial statements. The directors of the Company have elected not to prepare such consolidated financial statements on the grounds that:

- Doing so would take a significant amount of extra time, which would cause a further delay to the filing of these financial statements at Companies House, when these financial statements are already overdue for filing, despite the efforts of the Directors to avoid them being late.
- Had the financial statements been filed by the filing deadline, then there would be no requirement for the Company to prepare consolidated financial statements, in any event.
- Taking both of these factors into account, the Directors are of the view that preparing consolidated financial statements for the Company would not be in the best interests of the Company as a whole.

Accordingly, the auditors have issued a qualified audit opinion.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, intangible assets and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- *Disclosures in respect of capital management; and*
- The effects of new but not yet effective IFRSs.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Summary of significant accounts policies (continued)

Going Concern

Notwithstanding net liabilities of £15,183,000, net current liabilities of £11,536,000 as at 31 December 2020 and a loss for the year then ended of £8,964,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

At year end the Company was party to a Facility Agreement which is shared with other group companies with a maturity date of November 2024. The facility agreement was amended on 18 January 2022 to increase the overall facility limit, increase the term loan in another group company and create a capital funding facility for another group company. The facility is secured against the Company's assets. The company is also funded via a number of intercompany loans from fellow group companies. These include Moveero A/S, which amounted to £1,837,000 at 31 December 2020 and is repayable on demand and AURELIUS Development Twenty-Three GmbH, which amounted to £3,188,000 and was also repayable on demand. Subsequent to the year-end, a right of offset was agreed with AURELIUS Development Twenty-Three GmbH in relation to a receivable from AURELIUS Development Twenty-Three GmbH of £3,161,000. The balance of intercompany loans are with subsidiaries of the company.

The directors have performed a going concern assessment which indicates that, taking account of reasonably possible downsides, the company will have sufficient funds through the Facility Agreement, to meet its liabilities as they fall due during the going concern assessment period. This assumes that the company will be able to utilise the Facility in line with their projections. The directors are confident that the amount will be available as there is common management within the borrowing group and the combined projections show they can operate within the Facility, although headroom is limited at set points in the year following normal working capital cycles, and the directors have identified possible means to improve availability at these times if required

This assessment is dependent on fellow group company, Moveero A/S not seeking repayment of the amount currently due to the company, which at 31 December 2020 amounted to £1,837,000. Moveero A/S has indicated that it does not intend to seek repayment of these amounts during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there is risk that this support may not continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Adoption of new and revised Standards

New standards, interpretations and amendments effective

No new or revised standards implemented in the year to 31st December 2020.

Foreign currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment of operation, determined having regard to the currency which mainly influences sales and input costs. The financial statement are presented in "Pounds Sterling" (£), which is also the Company's functional currency.

Transactions are translated at exchange rates approximating to the rate ruling on the date of the transaction except in the case of material transactions when actual spot rate may be used where it more accurately reflects the underlying substance of the transaction. Where practicable, transactions involving foreign currencies are protected by forward contracts. Assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the balance sheet date. Such transactional exchange differences are taken into account in determining profit before tax.

Presentation of the income statement

IFRS is not fully prescriptive as to the format of the income statement. Line items and subtotals have been presented on the face of the income statement in addition to those required under IAS 1.

Operating profit is profit before taxation and finance costs. In order to achieve consistency and comparability between reporting periods, operating profit is analysed to show separately the results of normal trading performance and individually significant charges and credits. Such items arise because of their size or nature and comprise:

- asset impairment and restructuring charges which arise from events that are significant to the Company;
- income from investments in subsidiaries;
- the impact of annual impairment review of investments;
- gains or losses on disposal of investments in subsidiaries;

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Summary of significant accounts policies (continued)

Net financing costs are analysed to show separately interest payable, interest receivable and other net financing charges.

Financial assets and liabilities

Financial liabilities are recorded in arrangements where payments, or similar transfers of financial resources, are unavoidable or guaranteed.

Financial Instruments

Classification and measurement

All financial assets are classified as either those which are measured at fair value, through profit or loss or Other Comprehensive Income, and those measured at amortised cost.

Financial assets are initially recognised at fair value. For those which are not subsequently measured at fair value through profit or less, this includes directly attributable transaction costs. Trade and other receivables, including amounts owed by Group undertakings are subsequently measured at amortised costs.

Recognition and derecognition of financial assets

Financial assets and recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Investments in subsidiaries and other undertakings

Investments in subsidiaries and other undertakings are held at cost less accumulated impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Summary of significant accounts policies (continued)

Taxation (continued)
Deferred tax (continued)

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

Financing income and expenses
Financing expenses include interest payable and finance charges on lease liabilities recognised in profit or loss using the effective interest method.

Financing income comprise interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Leases
At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Summary of significant accounts policies (continued)

Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'lease obligations' in the statement of financial position.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease (see [the financial instruments note]). The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considers to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects but current and future periods.

The Directors consider the impairment of investments in subsidiaries the only significant estimate, and it is considered that there are no significant judgements within these financial statements.

Determining whether an investment is impaired requires an estimation of the value in use or fair value less costs to sell of the investment. The investments held in the two China subsidiaries were transferred to GKN Enterprise on their disposal from the Melrose Industries Group on 31st March 2020. The company received £4,451,000 from GKN Enterprise for the investments, which led to a small loss on disposal of £25,000.

The Company undertakes impairment reviews from forecast future cash flows expected to arise from the entity and a suitable discount rate in order to calculate present value.

The determination of the recoverable amount involved management estimate of the impact of uncertain matters, including long term grown rates and discount factors. As part of the investment review, it was determined that the investment in the subsidiary Moveero Ltd (formerly GKN Wheels Limited) was not fully supportable, and as such a

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

1 Summary of significant accounts policies (continued)

further investment write-down of £7,007,000 was taken against the investment in the year 2020 accounts. The carrying amount of the investment in Moveero Ltd (formerly GKN Wheels Limited) at the balance sheet date was deemed to be £nil (2019 £7,007,000).

The directors form a judgement as to the carrying value of the investments and whether any impairment is required. This requires estimation of the cashflows the investment will generate in the future. Following annual impairment review of investments in subsidiaries and equity accounting investments, management have concluded no further impairments are required as each of the Company's investments is supported by its underlying net assets or value in use based on their estimate of discounted future cash flows.

2. Operating loss

a) The analysis of the additional components of operating loss is shown below:

	2020 £'000	2019 (as restated - note 14) £'000
Operating (costs)/income		
Admin expenses	**(142)**	(60)
Depreciation of leased property, plant and equipment	**(2,304)**	(2,465)
Release from prior IFRS16 lease obligations	**1,345**	-
Loss on disposal	**(25)**	-
Investment impairment	**(7,007)**	(41,163)

b) The audit fee in respect of the Company of £19,250 (2019: £1,000) for the current year has been borne by another group company and not recharged to the company. There were no fees for services other than the statutory audit of company paid to the company's auditor KPMG LLP. Increase in fees primarily due to work undertaken for re-statement of 2019 statutory accounts.

3. Interest (payable)/receivable

	2020 £'000	2019 (as restated - note 14) £'000
Interest payable		
Interest paid to Group undertakings	**(143)**	(144)
Lease interest	**(1,068)**	(1,184)
Net interest payable	**(1,211)**	(1,328)

Interest receivable

	2020 £'000	2019 £'000
Interest receivable		
Interest received from group undertakings	**16**	-
Net interest receivable	**16**	-

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

4. Tax

a) Analysis of tax in the year

	2020	2019 (as restated - note 14)
Current Tax	**£'000**	£'000
UK Corporation Tax		
Current year UK corporation tax	**-**	-
Deferred tax		
Origination and reversal of temporary differences-		
Current Year charge	**15**	-

b) Factors affecting the tax credit in the year

	2020	2019 (as restated - note 14)
	£'000	£'000
Loss	**(8,949)**	(45,016)
Profit/loss multiplied by the standard UK corporation rate of 19% (2019: 19%)	**(1,700)**	(8,553)
Tax effect of income non taxable in determining taxable profits	**1,336**	7,821
Amounts not recognised	**364**	-
Tax rate changes	**15**	-
Group Relief claimed at nil tax rate	**-**	732
Total tax charge for the year	**15**	-

The tax assessed for the year is different to (2019: different to) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The enacted rates of UK corporation tax at 31st December 2020 were 19% for the year ended 31st December 2020. At the balance sheet date deferred tax assets and liabilities have been measured at the rate at which they are expected to reverse.

The Finance Bill 2020, published on 19 March 2020, has reversed the reduction to 17%, meaning that the UK rate will be maintained at 19%. The effect of this change in rate on the closing balance sheet would increase the deferred tax liability by £15,000.

c) On adoption of FRS101, the company was required to recognise a deferred tax liability in respect of historic rolled over gains. As of 31st December 2020 a deferred tax liability of £140,823 is recognised in respect of these gains.

Recognised deferred tax

	Other	Total
	£'000	£'000
At 1 January 2020	**(126)**	(126)
Included in the income statement	**(15)**	(15)
At 31 December 2020	**(141)**	(141)

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

5. Average monthly number of employees (including Directors)

	2020 Number	2019 Number
By activity		
Administration	2	2

The Directors emoluments for the year are disclosed in accordance with the Companies Act 2006. Emoluments are apportioned for the services provided by the Directors to the Company. The emoluments of the Directors of the Company for their services to the Company amounted to £nil (2019: £nil).

Retirement benefits accruing to the Directors of the Company for their services to the Company amounted to £nil (2019: £nil).

6. Property, plant and equipment

Right-of-use asset	Land and Buildings (as restated) £'000
At 1 January 2020 (as previously reported)	**4,522**
Prior year adjustments (see note 14)	**33,067**
At 1 January 2020 (restated)	**37,589**
Depreciation to Nov 2020 on prior lease contract	**(2,259)**
Release from Prior IFRS16 lease contract	**(35,330)**
New IFRS 16 lease contract	**10,834**
Depreciation on new IFRS 16 lease contract	**(45)**
At 31 December 2020	**10,789**
At 31 December 2019 (as reported)	4,522
Prior year adjustments (see note 14)	33,067
At 31 December 2019 (restated)	37,589

On disposal of the Company by Melrose Industries Plc on 25 November 2020 the prior IFRS 16 lease in place was put aside as part of the disposal process, and a new lease negotiated between Melrose Industries Plc and the ultimate parent company Aurelius Equity Opportunities SE & Co KGaA was put in place which was based on the reduced land area being utilised by the Company.

This adjustment generated the £35,330,000 asset release shown above and the new ROU lease asset of £10,834,000. The associated IFRS 16 lease liability of £36,675,000 was also put aside at disposal date, which resulted in a net profit trade in the income statement in 2020 of £1,345,000.

The new lease liabilities were measured at the present value of the remaining lease payments discounted at the incremental borrowing rate as at 1 December 2020, the right-of-use assets were measured at an amount equal to the lease liability.

The lease payment amounts due for payment in 2019 and 2020 (net of £350,000 payments made in 2020) upon disposal of the Company on 25 November 2020 were reclassified as "Capital Contribution" amounts totalling £5,252,000 and are now shown as part of the equity and reserves.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

7. Investments in subsidiaries and other undertakings

The registered address for each subsidiary undertaking is included in note 17.

	Investment in subsidiaries £'000
Cost	
At 1 January 2020	**52,646**
Disposals	**(25,078)**
Additions	**9**
At 31 December 2020	**27,577**
Accumulated impairment	
At 1 January 2020	**(41,163)**
Disposals	**20,602**
Charge in the year	**(7,007)**
At 31 December 2020	**(27,568)**
Net book amount at 31 December 2020	**9**
Net book amount at 31 December 2019	7,007

The subsidiaries of the Company at 31 December 2020 are disclosed in note 17.

Significant estimates
The investment in Moveero Ltd (formerly GKN Wheels Limited) is tested for impairment by comparing the carrying value of the investment against the recoverable amount. The investment value was impaired by £7,007,000 in the year based on the net asset value of the subsidiary.

The investments held in GKN (Lianyungang) Company Limited and GKN Power Solutions (Liuzhou) Company Limited were disposed of during 2020, recognising a net loss on disposal of £25,000 and at 31st December 2020 the net value held is £nil (2019 £4,476,000).

8. Trade and other receivables

Current	**2020 £'000**	2019 (as restated - note 14) £'000
Other receivables	**336**	4
	336	4
Non Current	**£'000**	£'000
Amounts owed by group undertakings	**3,161**	-
	3,161	-
Total	**3,497**	-

Amounts owed by Group undertakings are unsecured, accumulate interest in a range of 0% and 3.1%, have no fixed date of repayment and are repayable on demand. Expected repayment dates have been reviewed and balances are reflected as current and non-current accordingly.

On 23 May 2022 Sankey Holding Limited and AURELIUS Development Twenty-Three GmbH executed a set-off agreement on their respective intercompany loan balances. At the balance sheet date, the company recognised an asset of £3,161,000 and a liability of £3,166,000 related to this transaction.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

9. Trade and other payables

	2020 £'000	2019 (as restated - note 14) £'000
Amounts due to related Parties	-	(2,909)
Other payables	(2)	-
Amounts owed to group undertakings	(15,084)	(19,184)
	(15,086)	(22,093)

Amounts owed to Group undertakings are unsecured, accumulate interest in a range of 0% and 3.1%, have no fixed date of repayment and are repayable on demand.

On 23 May 2022 Sankey Holding Limited and AURELIUS Development Twenty-Three GmbH executed a set-off agreement on their respective intercompany loan balances. At the balance sheet date, the company recognised an asset of £3,161,000 and a liability of £3,166,000 related to this transaction.

10. Provisions

	2020 £'000	2019 (as restated - note 14) £'000
Historic health & safety claims provisons	(243)	-
	(243)	-

Provisions relate to claims bought against the company by former employees of former subsidiaries that have since ceased trading. Included within other debtors is £306k (2019: £nil) due from FSCS as reimbursement of the costs incurred during the year and costs provided for settlement at a future date.

11. Loans and borrowings

On 25 November 2020 the business entered into a new loan Facility Agreement with a term of four years which is shared with other group companies. Committed bank funding consists of multi-currency term loan and a multi-currency revolving credit facility. The facility agreement was amended on 18 January 2022 to i) increase overall facility limit to release supressed availability, ii) increase a term loan in another group company and iii) create a capital equipment funding facility for another group company. The facility is secured against the company's assets. The shared facility is managed by the group Finance Director to ensure adequate availability so that each entity is able to satisfy their obligations as they fall due.

At 31 December 2020 the term loan was fully drawn. The headroom on the multi-currency committed revolving credit facility at 31 December 2020, using exchange rates at that date, equated to £0.9m.

Drawdowns under these facilities bear interest at interbank rates plus a fixed margin of 3.5% on term debt and 3.0% on the revolving credit facility.

	2020 £'000	2019 £'000
External loan	(3,145)	-
	(3,145)	-

Notes to the Financial Statements (continued)
For the year ended 31 December 2020

12. Share Capital

	Issued and Fully Paid	
	2020	2019
	£'000	£'000
Ordinary shares of 100p each	**5,000**	5,000

	2020	2019
	Number 000s	Number 000s
Ordinary shares of 100p each		
At 31 December	**5,000**	5,000

13. Commitments

Amounts payable under lease obligations

	2020	(as restated - note 14)
	Property	Property
Minimum lease payments	**£'000**	£'000
Amounts payable:		
Within one year	**379**	-
After one year but within five years	**1,400**	11,931
Over five years	**15,000**	36,207
Less: future finance charges	**(5,916)**	(9,809)
	10,863	38,329

	2020	2019 (as restated - note 14)
Analysed as:	**£'000**	£'000
Amounts due for settlement within one year	**(53)**	1,807
Amounts due for settlement after one year	**10,916**	36,522
Present value of lease obligations	**10,863**	38,329

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

14. Prior Period Adjustment

The Company adopted IFRS 16 "Leases" on 1 January 2019 using the modified retrospective approach. During the current period, upon review it was deemed that the application and treatment of IFRS16 was incorrect in the submitted 2019 statutory accounts.

Under IFRS16, a right of use asset (ROU) of £40,054,000 was recognised as a result of implementation as at 1st Jan 2019, which was incorrectly adjusted on transition to a NBV of £4,819,000 immediately as at 1st January 2019, this write-down of £35,235,000 and associated depreciation of £297,000 for the year ended 31 December 2019 on the lower ROU asset value have been reversed in the restated 2019 financial statements, and subsequently a re-stated ROU asset value of £40,054,000 was taken on as at 1st January 2019 which has now been reduced by a full years depreciation of £2,465,000.

This restatement has led to a revised closing IFRS16 ROU asset value at 31st December 2019 of £37,589,000 compared to the £4,522,000 originally reported in 2019 statutory accounts.

The incorrect write-down of the ROU asset on 1st January 2019 was flowed into the Equity reconciliation as an IFRS16 transition adjustment and did not flow through the income statement for 2019.

As a result of this re-statement the increased 2019 depreciation has resulted in the 2019 loss before tax loss of £42,848,000 becoming a re-stated loss before tax loss of £45,016,000.

In addition, an amount of £2,909,000 originally shown as trade payables was restated as amounts due to related parties, this amount was due to the GKN pension fund holding company, not directly due to former ultimate parent company Melrose Industries Plc.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

14. Prior Period Adjustment (continued)

Impact on the balance sheet at 31 December 2019 below

Balance Sheet

At 31 December 2019

	As previously Reported 2019 £000s	Prior Period restatment £000s	2019 (as restated) £'000
Assets			
Non-current assets			
Property, plant and equipment	4,522	33,067	37,589
Investments in subsidiaries	11,483	-	11,483
	16,005	33,067	49,072
Current assets			
Trade and other receivables	4	-	4
Cash	1	-	1
	5	-	5
Total assets	16,010	33,067	49,077
Liabilities			
Current liabilities			
Trade and other payables	(22,093)	-	(22,093)
Lease obligations	(1,807)	-	(1,807)
	(23,900)	-	(23,900)
Total assets less current liabilities	(7,890)	33,067	25,177
Non-current liabilities			
Deferred tax liabilities	(126)	-	(126)
Lease obligations	(36,522)	-	(36,522)
	(36,648)	-	(36,648)
Total liabilities	(60,548)	-	(60,548)
Net (liabilities)/assets	(44,538)	33,067	(11,471)
Shareholders' equity			
Share capital	5,000	-	5,000
Share premium	-	-	-
Retained earnings	(49,538)	33,067	(16,471)
Total equity	(44,538)	33,067	(11,471)

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

14. Prior Period Adjustment (continued)

Impact on the income statement and comprehensive income for the year ended 31st December 2019

	As previously Reported 2019 £000s	Prior Period restatment £000s	2019 (as restated) £'000
Administrative Expenses	(60)	-	(60)
Depn (Melrose Jan to Nov 2020)	(297)	(2,168)	(2,465)
Investment Impairment	(41,163)	-	(41,163)
Lease Interest -old lease	(1,184)	-	(1,184)
Interest (Payable)/Receivable	(144)	-	(144)
Loss PBT	**(42,848)**	**(2,168)**	**(45,016)**

Impact on the factors affecting the tax credit in the year

	As previously Reported 2019 £000s	Prior Period restatment £000s	2019 (as restated) £'000
Loss	(42,848)	(2,168)	(45,016)
Profit/loss multiplied by the standard UK corporation rate of 19%	(8,141)	(412)	(8,553)
Tax effect of income non taxable in determining taxable profits	7,821	412	8,233
Group Relief claimed at nil tax rate	320	-	320
Total tax charge for the year	-	-	-

15. Related party transactions

In accordance with FRS 101 the Company has taken advantage of the exemption not to disclose the transactions with other group undertakings. There were no other related party transactions during the year.

16. Controlling parties

Until 25 November 2020, the ultimate parent undertaking and controlling party was Melrose Industries PLC.

On 25 November 2020 Sankey Holding Limited (formally GKN Sankey Limited) was sold to Aurelius of which AURELIUS Equity Opportunities SE & Co. KGaA. Accounts of which are available to the public and can be obtained from Ludwig Ganghofer Strabe6, 82031 Grunwald, Germany.

Notes to the Financial Statements (continued)

For the year ended 31 December 2020

17. Subsidiaries and other undertakings

Set out below are a list of the Company's related undertakings as at 31 December 2020. These undertakings were included in the consolidation of AURELIUS Equity Opportunities SE & Co. KGaA..

Name	Registered Address	Interest	Propotion of nominal value
GKN Autostructres Limited*	Hadley Castle Works Telford, Shropshire TF1 6AA, United Kingdom	Ordinary Shares	100%
Moveero Limited * (formerly GKN Wheels Limited)	Hadley Castle Works Telford, Shropshire TF1 6AA, United Kingdom	Ordinary Shares	100%
Moveero S.R.L.* (formerly GKN Wheels Italy SRL)	Corso Vercelli, Milan 40-20145, Italy	Ordinary Shares	100%
GKN Thompson Chassis Limited	Hadley Castle Works Telford, Shropshire TF1 6AA, United Kingdom	Ordinary Shares	100%

*indicates undertakings held directly by the Company, all other undertakings are held indirectly through intermediate companies.

18. Post Balance Sheet events

On 18 January 2022 the loan facility agreement was amended to i) increase overall facility limit to release supressed availability, ii) increase a term loan in another group company and iii) create a capital equipment funding facility for another group company.

On 23 May 2022 Sankey Holding Limited and AURELIUS Development Twenty-Three GmbH executed a set-off agreement on their respective intercompany loan balances. At the balance sheet date, the company recognised an asset of £3,161,000 and a liability of £3,166,000 related to this transaction.