
ZYTEK GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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ZYTEK GROUP LIMITED

COMPANY INFORMATION

Directors	N R Heslington M Kieper
Company secretary	M Kieper
Registered number	03125249
Registered office	Zytek House Lancaster Road Fradley Business Park Lichfield Staffordshire WS13 8RY
Independent auditors	BDO LLP Statutory Auditor Two Snowhill Birmingham B4 6GA

ZYTEK GROUP LIMITED

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ZYTEK GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

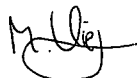
Business review

The company does not trade, it acts as an intermediate holding company for its subsidiaries. During the year, one of the company's wholly owned subsidiaries - Zyteck Systems Inc - was wound up. The residual net assets were transferred to Zyteck Group Limited, resulting in income of £263,617 (2017 - £Nil) and an increase in the amount owed by group undertakings by the same amount to reflect the fact that the cash received is being held by another Group company on Zyteck Group Limited's behalf.

Principal risks and uncertainties

The company does not trade, so it has minimal risks and uncertainties. The carrying value of the debtors are considered to be the only area of the accounts that are subject to risk and uncertainty, albeit minimal.

This report was approved by the board on 30 July 2019 and signed on its behalf.



M Kieper
Director

ZYTEK GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Principal activity

The principal activity of the company is to act as the parent undertaking of Zytec Automotive Limited.

Results and dividends

The profit for the year, after taxation, amounted to £263,617 (2017 - £Nil).

The directors have not recommended a dividend.

Financial risk management and business review

Management consider that information in respect of financial risk management and objectives are not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

Directors

The Directors who served during the year were:

N R Heslington
M Kieper

Future developments

It is anticipated that the company will continue to act as an intermediate holding company for Zytec Automotive Limited. There is no intention for the company to trade.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

ZYTEK GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Directors' responsibilities statement

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

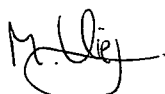
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to 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.

This report was approved by the board on 30 July 2019 and signed on its behalf.



M Kieper
Director

ZYTEK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS, AS A BODY, OF ZYTEK GROUP LIMITED

Opinion

We have audited the financial statements of Zyte Group Limited (the 'company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 state of the company's affairs as at 31 December 2018 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

ZYTEK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS, AS A BODY, OF ZYTEK GROUP LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 the 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 the 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.

ZYTEK GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS, AS A BODY, OF ZYTEK GROUP LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, 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.

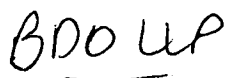
Auditors' responsibilities for the audit of the financial statements

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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the company's shareholder 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 shareholder those matters we are required to state to them in an Auditors' 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 shareholder for our audit work, for this report, or for the opinions we have formed.



Paul Fenner (Senior Statutory Auditor)

for and on behalf of
BDO LLP

Statutory Auditor

Two Snowhill
Birmingham
B4 6GA

Date: 31 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ZYTEK GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Winding up dividends from group undertaking	263,617	-
Profit before tax	263,617	-
	263,617	-

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 10 to 14 form part of these financial statements.

ZYTEK GROUP LIMITED
REGISTERED NUMBER: 03125249

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	-	-
Current assets			
Debtors: amounts falling due within one year	7	2,072,107	1,808,490
Total assets less current liabilities		<u>2,072,107</u>	<u>1,808,490</u>
Net assets		<u>2,072,107</u>	<u>1,808,490</u>
Capital and reserves			
Called up share capital	8	97,347	97,347
Profit and loss account	9	1,974,760	1,711,143
		<u>2,072,107</u>	<u>1,808,490</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 July 2019.



M Kieper
Director

The notes on pages 10 to 14 form part of these financial statements.

ZYTEK GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	97,347	1,711,143	1,808,490
Comprehensive income for the year			
Profit for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 1 January 2018	97,347	1,711,143	1,808,490
Comprehensive income for the year			
Profit for the year	-	263,617	263,617
Total comprehensive income for the year	-	263,617	263,617
At 31 December 2018	97,347	1,974,760	2,072,107

The notes on pages 10 to 14 form part of these financial statements.

ZYTEK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Zytek Group Limited is a private company limited by shares, registered in England and Wales, and incorporated in England. The registered office address is Zytek House, Lancaster Road, Fradley Park, Lichfield, Staffordshire, WS13 8RY. The company's registered number is 03125249.

The company has not traded during the year or during the preceding financial year. The company is an intermediate holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to nearest whole £.

The accounts are prepared for the company as a single entity.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce and has not published, consolidated accounts.

These are therefore individual accounts for the company, prepared as per the requirement of section 394 of the Act.

ZYTEK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.3 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- 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 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Continental AG as at 31 December 2018 and these financial statements may be obtained from Zyte House, Lancaster Road, Fradley Park, Lichfield, Staffordshire, WS13 8RY.

2.4 Going concern

The financial statements have been prepared on a going concern basis, under the historic cost convention, and in accordance with the Companies Act 2006.

2.5 Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Income is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ZYTEK GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

No critical accounting estimates or judgements are required in the preparation of the financial statements.

4. Auditors' remuneration

Operating profit is stated after crediting £Nil (2017 - £Nil) for auditors remuneration.

Auditors remuneration was paid by a subsidiary company.

5. Employees

The company has no employees other than the Directors, who did not receive any remuneration directly from the company (2017 - £Nil)

The Directors' remuneration was paid by Zyte Automotive Limited, a subsidiary of Zyte Group Limited.

ZYTEK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	27,900
At 31 December 2018	<u>27,900</u>
Impairment	
At 1 January 2018	27,900
At 31 December 2018	<u>27,900</u>
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

Zytek Group Limited owns 100% of the issued share capital of Zytek Automotive Limited, which consists of two ordinary shares of £1 each. The registered address of Zytek Automotive Limited is Zytek House, Lancaster Road, Fradley Park, Lichfield, Staffordshire, WS13 8RY.

At 1 January 2018 the company also owned 100% of the issued share capital of Zytek Systems INC, which was incorporated in the USA. During the year, this company ceased trading and was wound up. The net assets at the point of winding up was £263,617, this was distributed to Zytek Group Limited via a dividend.

7. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	<u>2,072,107</u>	<u>1,808,490</u>

ZYTEK GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
2,571 (2017 - 2,571) Ordinary shares of £1.00 each	2,571	2,571
600 (2017 - 600) Ordinary A shares of £0.10 each	60	60
92,556 (2017 - 92,556) Ordinary B shares of £1.00 each	92,556	92,556
21,600 (2017 - 21,600) Ordinary C shares of £0.10 each	2,160	2,160
	<hr/> 97,347 <hr/>	<hr/> 97,347 <hr/>

Holders of the 'A' and 'C' shares are not entitled to vote at general meetings of the company.

Further detail of the rights attaching to each class of share can be found in the company's articles of association.

9. Reserves

Profit and loss account

The profit and loss reserve represents the accumulated profits less distributions to the company's parent undertaking.

10. Commitments under operating leases

The lease agreement for Zytec House is currently under the name of Zytec Group Limited. However, the main trade is in Zytec Automotive Limited, Zytec Automotive Limited occupy the building and the rent is settled by that company. Consequently, the lease commitment is recognised within the accounts of Zytec Group Limited.

11. Related party transactions

The company has taken advantage of the exemption under FRS102 (section 33, paragraph 33.1A) and has not disclosed the details of transactions with other group companies on the grounds that it is a wholly owned subsidiary.

12. Controlling party

The company is a wholly owned subsidiary of Continental Engineering Services Limited, its immediate parent company. The ultimate parent company is Continental AG, a company incorporated in Germany, which prepares consolidated financial statements. Copies of the group financial statements are available from Zytec House, Lancaster Road, Fradley Park, Lichfield, Staffordshire, WS13 8RY.

Zytec Group Limited is exempt from the obligation to prepare and deliver group accounts on the basis that it is included in the consolidated financial statements of Continental AG a company incorporated in Germany.