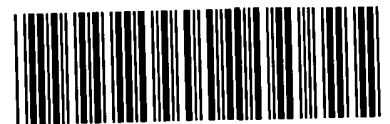


Company Registration No. 08791933 (England and Wales)

**ADVANCED PROPULSION CENTRE UK LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2022**

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# **ADVANCED PROPULSION CENTRE UK LIMITED**

## **COMPANY INFORMATION**

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**Directors** Mr Geoffrey Bicknell  
Professor Colin Garner  
Mr Simon Edmonds (resigned 27<sup>th</sup> September 2022)  
Mr Ian Constance  
Professor Robert Dover  
Mr Charles Haswell  
Ms Hannah Boardman  
Mr Neville Jackson

**Company number** 08791933

**Registered office** 6<sup>th</sup> Floor  
60 Gracechurch Street  
London  
EC3V 0HR

**Auditors** RSM UK Audit LLP  
Chartered Accountants  
103 Colmore Row  
Birmingham  
B3 3AG

# ADVANCED PROPULSION CENTRE UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the year ended 31<sup>st</sup> March 2022.

#### Principal activities

The company's principal activity is to support the UK automotive industry through facilitating funding for innovation in low carbon propulsion systems, development of the supply chain, and industrialisation of technologies. This is achieved predominantly by establishing co-funded collaborative projects run by industry. These are selected through competing projects bidding into regular competitions over an initial ten year lifecycle. The overall funding was based on an initial £1 billion over ten years, provided jointly by government and the automotive industry project participants. The programme is supported by Innovate UK, which administers the government funding for the main competitions in collaboration with and on behalf of the APC. New projects continue to be approved by the Department of Business Energy and Industrial Strategy (BEIS) that take us beyond the original £1bn ten-year commitment by Government on a competition-by-competition basis, together with the Automotive Transformation Fund activity.

#### Review of Business

The statement of comprehensive income for the year is set out on page 10. The total comprehensive profit for the year of £454,898 (2021: £373,672) reflects the running costs of APC, offset by BEIS grant funding and contributions from grant recipients as project support fees. Net assets of £388,096 predominantly arise from deferred revenues, being the front loading of grant funding income from BEIS in earlier years to support the ramp up of project activity and associated income, offset by accumulated reserves.

This financial year has seen a further strengthening of the project portfolio, focusing on technologies and processes to meet net zero now consisting of awards to 73 collaborative Research & Development (CR&D) competition projects, engaging more than 230 organisations and has committed circa £1.2bn of investment, including over £500m of grant funding to projects. 15 projects awarded in the earlier competition rounds were completed in the 2021-22 financial year and an additional 4 projects awarded and contracted via 1 competition round, resulting in a current live portfolio of 36 CR&D projects, with the latest projects forecasted to extend through to 2025/26 before completion.

The 2021-22 financial year has seen further significant project disruption as a result of the pandemic with material and component shortages, resulting in the increased duration of multiple projects so as to support the delivery of the project outcomes. The additional "Advanced Route to Market Demonstrator" (ARMD) competition, launched in 2020 to support R&D activity during the pandemic, proved hugely successful, with multiple follow-on projects; the aim is to run this again in 2022/23. The CR&D and ARMD projects and other positive actions to support projects through the pandemic and component shortages, saw the APC deliver a total spend of 100% of the annual funding target for 2021-22 financial year.

Overall, the project portfolio is currently projecting 274 million tonnes of CO2 savings and to safeguard/secure in excess of 45,490 jobs, significantly exceeding initial target for both metrics.

With the evolution of the automotive landscape increasingly towards electric vehicles (EV) and the supply chain, APC continued to focus activity in this area to identify opportunities for large UK scale up to support the growth in EV demand from the UK, and support gigafactory deployment through the Automotive Transformation Fund - ATF.

The Automotive Transformation Fund (ATF) is a comprehensive funding programme set up by the UK government to support companies who would like to get involved in the complete end-to-end electrified vehicle supply chain opportunity in the UK. It forms part of the Ten Point Plan outlined by the Prime Minister in November 2020, and for which an initial £500m was allocated in the government Spending Review. The Advanced Propulsion Centre (APC), which is sponsored by the Department for Business, Energy & Industrial Strategy and

# ADVANCED PROPULSION CENTRE UK LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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the Automotive Council, is the delivery partner for the programme, with Innovate UK administering the R&D elements of grant funding and capital projects by the BEIS internal Capital Grants & Loans team. In partnership with the Department for International Trade, the APC is the gateway to this support. The fund is primarily targeted at capital grant support for industrialisation at scale of electrified vehicle technologies.

Building on the R&D activities in 2020-21, APC has further supported small scale research and development and project feasibility study activities in 2021-22. During the financial year, we have funded a further 22 feasibility studies that explore the viability of scaling-up product manufacturing or the economic feasibility of large-scale manufacturing facilities.

APC published a number of technology and product roadmap reports in 2021 to complement the Roadmaps, including a new focus on fuel cells and heavy goods vehicles. These reports focus on the supporting information and assumptions for each primary technology and vehicle themes to help identify the path to a net-zero future. To complement these, APC also published its Industry Challenges reports which were created – with academia and the automotive industry - with the aim to respond to an over-arching need in the industry to address cross-technology and product focused propulsion challenges.

The APC continues its engagement with the UK's Industrial Strategy Challenge Fund, through the Faraday Battery Challenge - with participation in both the Advisory Board and supporting of the UK Battery Industrialisation Centre (of which Ian Constance, APC CEO, is a board member); and with Driving the Electric Revolution, through Advisory and Programme Board participation.

The Technology Developer Accelerator Programme, designed to help fast track innovative low carbon propulsion SME's towards commercialisation with direct grant funding from APC, continues its progress - with waves 1 to 4 being completed, and waves 5 and 6 progressing well. Through the mentoring of technology developers, the APC aims to accelerate development of each SME's product and organisational capability through better understanding of the Automotive Industry requirements and visibility to a range of industry players. We have seen a number of success stories from participants in the earlier waves – for example in further developing their technology towards commercialisation, and in securing £127m private finance raised by TDAP companies following participation.

The APC, in conjunction with the Niche Vehicle Network (NVN), facilitates funding of between £1.0m to £2.5m per annum of smaller projects (typically £500k) through SME consortia, focussing on smaller volume vehicle manufacture exploitation. 2021-22 saw support of a sixth year of funding for this programme which to date has supported 35 projects, and circa 109 project participants with circa 90% being SMEs.

Work has continued between the APC and the Spoke Community to encourage collaboration and development of ongoing technical projects, including some funding. The APC outreach continues to develop, with six spokes covering a range of strategic and enabling technologies all aimed at developing communities of expertise that can focus on the acceleration of their core themes, in order to drive the development and adoption of improved Low Carbon Propulsion Technologies into the Automotive Systems of tomorrow. In 2021 significant work support the development of the APC Industry Challenge reports which further develop insight from the roadmaps and highlight key areas of future R&D for the short, medium and long-term.

The APC continues to co-ordinate an automotive international events programme, positioning the UK as a centre of excellence of low carbon propulsion technologies and promoting the UK's capability in key strategic markets for UK companies and Government. The programme has been challenged once again during 2021/22 due to travel restrictions with Covid. However, May 2022 saw a visit to JSAE, Japan and an event in Stuttgart, Germany with further events planned and positive engagement with partners with the resumption of face-to-face activity.

# **ADVANCED PROPULSION CENTRE UK LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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Even throughout the Covid pandemic the APC continued to run its successful thought leadership events including six events (five virtual and one hybrid) named 'The Road to COP26' which covered the key technology areas working with stakeholders to support the UK's opportunity and capability in the lead up to COP26 (<https://www.roadtocop26.com>). We also ran an additional 'Future of Technology' event - "Supercharging UK's strategy; is it enough to go the distance?" - as an in-person event hosted at the Royal Institution.

The National Propulsion Showcase, established at the hub on the University of Warwick campus, displays the developments in technology since APC was established. Due to the challenges of in person events, the Showcase remained closed throughout 2021. In 2022 we have had a re-fresh of the graphics within the Showcase to bring up to date with bookings now returning to pre-pandemic numbers.

The APC's CEO sits on the joint industry and Ministerial Automotive Council. Since 2019 the APC has grown its contribution to the UK automotive industry through increased responsibilities at the Automotive Council. Leading the Transition to Zero Mission and playing a pivotal role in the Road Transport Transition Committee, which will deliver a series of industrial recommendations to Government in order to reach its 2035 targets.

A number of the APC team sit in the Council's working group forums feeding insight into the subgroups and aligning the key mission with the critical agenda of the industry including Skills, Competitiveness and Supply Chain.

#### **Future developments**

The Automotive Transformation Fund (ATF) continues to commission and deliver feasibility studies to support companies involved in the complete end-to-end electrified vehicle supply chain opportunity in the UK. The initial £500m has been extended toward the £1bn upper commitment as a result of the Governments spending review at the end of 2021. Significant progress has been made in securing investment commitments for battery gigafactories, Electric Drive Units for volume cars and other key supply chain elements. ATF activity is funded by a separate grant from BEIS to 31<sup>st</sup> March 2026 together with commercial revenue on R&D activity.

APC continues to launch competitions in collaborative R&D in 2022/23 which significant over-subscription demonstrating continued appetite for the programme. Successful projects have continued to be approved by BEIS such that project committed spend earning APC commercial income in 2022/23, together with the confirmed grant from BEIS, more than covers our core running costs.

#### **Going concern**

The company has performed financial modelling for a period exceeding 12 months from the date of signing these financial statements and which takes into consideration the impact of the Covid-19 outbreak and inflationary pressures on the forecast position. The key assumptions used are in relation to expected R&D activity on APC projects, and thus project income; and in effective cost management to continue delivering to our stakeholders. The forecasts have not identified any material uncertainties in relation to going concern. The company continues to be financed from existing resources.

The company continues to be supported by grant funding from BEIS which, together with income from grant recipients as project support fees, covers the costs of running APC. As noted above, APC has significantly expanded its activities as it takes responsibility as the delivery partner for the Automotive Transformation Fund, which too is funded by both project income and a grant from BEIS.

# **ADVANCED PROPULSION CENTRE UK LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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Having considered all factors noted above, 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 of accounting in preparing the annual financial statements.

In reaching this conclusion the directors have considered the financial position of the company and its funding for a period of at least 12 months from the date of approval of the financial statements. The directors have undertaken a detailed review of the company's forecasts and associated risks.

#### **Third party indemnity provision for directors**

Qualifying third party indemnity provision is in place for the benefit of all directors and key management personnel of the company.

#### **Directors**

The directors who held office and served the company during the year and up to the date of signature of the financial statements were as follows:

Mr Geoffrey Bicknell  
Professor Colin Garner  
Mr Simon Edmonds (resigned 27<sup>th</sup> September 2022)  
Mr Ian Constance  
Professor Robert Dover  
Mr Charles Haswell  
Ms Hannah Boardman  
Mr Neville Jackson

#### **Results**

The results for the year are set out on page 10.

#### **Auditor**

The auditor, RSM UK Audit LLP, Chartered Accountants, has expressed its willingness to continue in office.

#### **Statement of disclosure to auditor**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....  
Mr Ian Constance  
Director

Date: 27<sup>th</sup> September 2022

# **ADVANCED PROPULSION CENTRE UK LIMITED**

## **DIRECTORS' RESPONSIBILITY STATEMENT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADVANCED PROPULSION CENTRE UK LIMITED**

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### **Opinion**

We have audited the financial statements of Advanced Propulsion Centre UK Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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

We have nothing to report in this regard.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADVANCED PROPULSION CENTRE UK LIMITED (CONTINUED)**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF ADVANCED PROPULSION CENTRE UK LIMITED (CONTINUED)**

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of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

*In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:*

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, and evaluating the tax computation.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions, recognition date and transactions entered into outside the normal course of business, challenging judgments, estimates and timing applied to the recognition of income streams.

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

### **Use of our report**

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

*Paul Oxtoby*

Paul Oxtoby (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
103 Colmore Row  
Birmingham  
B3 3AG  
Date: 11 October 2022

# ADVANCED PROPULSION CENTRE UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	2,497,106	2,194,404
Administrative expenses		(3,100,056)	(3,056,000)
Operating expenses		(3,306,084)	(2,398,103)
Other operating income	<b>4</b>	4,465,654	3,721,342
<b>Operating profit</b>		<u>556,620</u>	<u>461,643</u>
Interest receivable and similar income	<b>5</b>	173	734
<b>Profit before taxation</b>	<b>6</b>	<u>556,793</u>	<u>462,377</u>
Taxation	<b>9</b>	(101,895)	(88,705)
<b>Profit for the financial period</b>		<u>454,898</u>	<u>373,672</u>
<b>Total comprehensive income for the period</b>		<u><u>454,898</u></u>	<u><u>373,672</u></u>

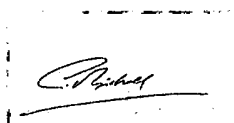
**ADVANCED PROPULSION CENTRE UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

Company number: 08791933

AS AT 31 MARCH 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		-		-
Tangible assets	11		66,981		68,065
Investments	12		1		1
			<u>66,982</u>		<u>68,066</u>
<b>Current assets</b>					
Debtors due within one year	13	3,108,917		6,530,002	
Cash at bank and in hand		2,284,438		1,570,761	
		<u>5,393,355</u>		<u>8,100,763</u>	
<b>Creditors: amounts falling due within one year</b>	14	(5,072,241)		(8,235,631)	
<b>Net current assets / (liabilities)</b>			<u>321,114</u>		<u>(134,868)</u>
<b>Net assets / (liabilities)</b>			<u>388,096</u>		<u>(66,802)</u>
<b>Reserves</b>					
Profit and loss account			<u>388,096</u>		<u>(66,802)</u>

The financial statements on pages 10 to 25 were approved by the board of directors and authorised for issue on 27<sup>th</sup> September 2022 and are signed on its behalf by:



Mr Geoffrey Bicknell  
Director



Mr Ian Constance  
Director

# **ADVANCED PROPULSION CENTRE UK LIMITED**

## **STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 MARCH 2022**

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	<b>Profit and loss account £</b>
<b>Balance at 1 April 2020</b>	<b>(440,474)</b>
<b>Year ended 31 March 2021:</b>	
Profit and total comprehensive income for the year	373,672
<b>Balance at 31 March 2021</b>	<b>(66,802)</b>
<b>Year ended 31 March 2022:</b>	
Profit and total comprehensive income for the year	454,898
<b>Balance at 31 March 2022</b>	<b>388,096</b>

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# ADVANCED PROPULSION CENTRE UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
<b>Operating activities</b>			
Cash generated from operations	17	843,479	506,914
Tax paid		(95,037)	-
<b>Net cash from operating activities</b>		<u>748,442</u>	<u>506,914</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(35,937)	(20,279)
Proceeds of fixed assets sale		999	-
Interest received	5	173	734
<b>Net cash used in investing activities</b>		<u>(34,765)</u>	<u>(19,545)</u>
<b>Net increase in cash and cash equivalents</b>		<u>713,677</u>	<u>487,369</u>
<b>Cash and cash equivalents at beginning of period</b>		1,570,761	1,083,392
<b>Cash and cash equivalents at end of period</b>		<u>2,284,438</u>	<u>1,570,761</u>
<b>Relating to:-</b>			
Bank balances and short term deposits included in cash at bank and in hand		<u>2,284,438</u>	<u>1,570,761</u>

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### **General information**

Advanced Propulsion Centre UK Limited ("the company") is a company limited by guarantee domiciled and incorporated in England and Wales. As a company limited by guarantee it does not have share capital and in the event of a winding up or dissolution of the company each member's liability towards the debts of the company is restricted to a sum not exceeding £1.

The address of the company's registered office is 6<sup>th</sup> Floor, 60 Gracechurch Street, London, EC3V 0HR. The principal place of business is University Road, Coventry, CV4 7AL.

The company's principal activities are disclosed in the Directors' Report.

##### **Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, and under the historical cost convention.

The financial statements are presented in sterling, which is also the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest £.

The company has taken advantage of the exemption in section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements on the basis that the group qualifies as small. Consequently, these financial statements present the financial position and financial performance of the company as a single entity.

##### **Going concern**

The company has performed financial modelling for a period exceeding 12 months from the date of signing these financial statements and which takes into consideration the impact of the Covid-19 outbreak and inflationary pressures on the forecast position. The key assumptions used are in relation to expected R&D activity on APC projects, and thus project income; and in effective cost management to continue delivering to our stakeholders. The forecasts have not identified any material uncertainties in relation to going concern. The company continues to be financed from existing resources.

The company continues to be supported by grant funding from BEIS which, together with income from grant recipients as project support fees, covers the costs of running APC. As noted above, APC has significantly expanded its activities as it takes responsibility as the delivery partner for the Automotive Transformation Fund, which too is funded by both project income and a grant from BEIS.

Having considered all factors noted above, 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 of accounting in preparing the annual financial statements.

In reaching this conclusion the directors have considered the financial position of the company and its funding for a period of at least 12 months from the date of approval of the financial statements. The directors have undertaken a detailed review of the company's forecasts and associated risks.

The company has net assets of £388,096 (2021: net liabilities £66,802) and has support from the Department of Business, Energy and Industrial Strategy (BEIS) in the form of a 10 year grant to 31<sup>st</sup> March 2023 for £17.464m to contribute towards the running costs of the APC. The progress of APC is reviewed annually to confirm continued support from BEIS and the grant for the next year is agreed in advance.

APC also has a Grant Funding Agreement with BEIS for the delivery of the ATF programme to 31<sup>st</sup> March 2026 for £12.78m.

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (continued)

The contribution from BEIS has been front-loaded to recognise the set-up period of the APC and ATF programmes, and the ramp up of project activity earning commercial income. Hence there is a deferred income balance of £3.0m (2021: £2.4m) that will be released over the coming years, recognising increasing commercial income that will match public funding over the life of the APC.

#### Turnover

Turnover represents amounts receivable in relation to the administration of grant funding applications, net of VAT. Turnover is recognised at the point the company becomes entitled to the income, which is when the grant claim is submitted.

It also includes income for delivery of events on behalf of stakeholders and commissioned studies.

#### Other operating income

##### *Government grants*

These are shown net of grants received and those awarded. Income from government grants is recognised when the associated performance conditions are met and is presented within other operating income. Grants awarded are recognised when spend has been incurred and the associated performance conditions are met.

##### *Intercompany recharges*

Recharges for support services provided to its subsidiary, Zenzic-UK Ltd, are recharged on an as-incurred basis at cost.

##### *Interest income*

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

#### Intangible fixed assets

Intangible assets purchased are recognised when future economic benefits are probable and the cost of the asset can be measured reliably:

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Computer software	3 years
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Amortisation is revised for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Plant and machinery	3 years
Fixtures, fittings and equipment	5 years
Motor vehicles	3 years



# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (continued)

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

##### **Impairments of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses and recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

##### **Investment in subsidiaries**

Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are accounted for at cost less impairment.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from total comprehensive income because it excludes items which are not taxable or allowable for tax purposes and items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits or losses and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities, and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies (continued)

##### **Operating Leases**

All leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward any unused holiday entitlement at the reporting date. The cost of any unused entitlement has not been recognised in the financial statements.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

###### *Defined contribution plans*

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments.

##### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

###### *Financial assets:*

###### *Trade debtors*

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

###### *Financial liabilities and equity:*

###### *Trade creditors*

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

##### *Derecognition of financial assets and liabilities*

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 2 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### *Critical accounting estimates and assumptions*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### *Depreciation charges:*

Depreciation charges to recognise consumption of economic benefits of tangible fixed assets by the company are calculated based on rates of depreciation. Depreciation rates are determined by estimation of the diminution in the recoverable amounts in respect of tangible fixed assets over their estimated useful economic lives.

##### *Accruals and deferred income:*

Accruals and deferred income are present obligations arising from past events that result in the outflow of resources embodying economic benefits. Accruals are determined by estimating the present obligation of the future outflow of resources embodying economic benefits.

##### *Prepayments and accrued income:*

Prepayments and accrued income are resources controlled by the company from which future economic benefits are expected to flow. Prepayments and accrued income are determined by estimating the cost or value of the resource from which the flow of future economic benefits is expected to be derived.

##### *Critical areas of judgement*

##### *Grant income recognition:*

In order to determine the value of grant income, judgements are required regarding whether grants will be received and whether conditions attached to the grants have been met.

#### 3 Turnover

The company's turnover is all derived from the provision of professional services relating to grant funding applications and Public Relations support within the United Kingdom.

#### 4 Other operating Income

	2022 £	2021 £
Government grant income	6,691,222	13,166,915
Management charge income	180,840	98,860
Grants awarded	(2,406,408)	(9,544,433)
	<u>4,465,654</u>	<u>3,721,342</u>

The company receives grants as principal and agent and the net balance represents the amounts received as principal.

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

5	Interest receivable and similar income	2022 £	2021 £
	Interest on bank deposits	8	734
	Other interest receivable	165	-
		<u>173</u>	<u>734</u>

6	Profit before taxation	2022 £	2021 £
	Profit before taxation is stated after charging:		
	Depreciation of tangible fixed assets		
	- owned	37,021	58,770
	(Profit)/loss on disposal of tangible fixed assets	(999)	(3)
	Amortisation of intangible assets	-	3,923
	Operating lease rentals	264,016	241,756
	Foreign exchange (gains) / losses	(32)	243
		<u></u>	<u></u>

Fees payable to RSM UK Audit LLP and its associates in respect of audit services are as follows:

	2022 £	2021 £
Audit services – statutory audit of the company	<u>13,575</u>	<u>11,075</u>

7	Employees	2022 No.	2021 No.
	The average monthly number of persons (including directors) employed by the Company during the year was:		
	Management & Administration	12	10
	Business Development	10	7
	Technology & Projects	20	18
		<u>42</u>	<u>35</u>

The 2021 average number of employees has been restated from the previously reported number of 42, to exclude non-executive directors on the basis that they are not employees.

	2022 £	2021 £
Staff costs for the above persons:		
Wages and salaries	2,773,350	2,254,612
Social security costs	323,193	262,657
Defined contribution pension cost	384,312	299,979
	<u>3,480,855</u>	<u>2,817,248</u>

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

<b>8</b>	<b>Directors' remuneration</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Remuneration	383,652	378,160
	Pension contributions	4,000	12,990
		<u>387,652</u>	<u>391,150</u>

Remuneration disclosed above includes £288,652 (2021: £292,150) paid to the highest paid director which includes £4,000 (2021: £12,990) in respect of pension contributions. The number of directors in the pension scheme in the year was 1 (2021: 1).

<b>9</b>	<b>Taxation</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Current tax</b>		
	UK corporation tax	93,009	95,037
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	14,588	(6,332)
	Effect of tax rate change on opening balance	(5,702)	-
	<b>Total tax on profit</b>	<u>101,895</u>	<u>88,705</u>

Factors affecting the tax charge for the period:

The tax assessed for the period is different to that calculated at the standard rate of corporation tax (19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>556,793</u>	<u>462,377</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	105,791	87,852
Effects of:		
Expenses not deductible	131	853
Fixed asset differences	(1,826)	-
Effect of different rate of tax for deferred tax	(2,201)	-
<b>Tax expense</b>	<u>101,895</u>	<u>88,705</u>

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 10 Intangible assets

	Computer software £
<b>Cost</b>	
1 April 2021 and 31 March 2022	24,305
<b>Amortisation</b>	
1 April 2021 and 31 March 2022	24,305
<b>Carrying amount</b>	
31 March 2022	-
31 March 2021	-

The amortisation charge for the prior year is recognised within administrative expenses.

#### 11 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>			
1 April 2021	143,883	326,452	470,335
Additions	35,937	-	35,937
Disposals	(1,804)	(739)	(2,543)
31 March 2022	<u>178,016</u>	<u>325,713</u>	<u>503,729</u>
<b>Depreciation</b>			
1 April 2021	118,355	283,915	402,270
Depreciation charged in the year	20,455	16,566	37,021
Eliminated in respect of disposals	(1,804)	(739)	(2,543)
31 March 2022	<u>137,006</u>	<u>299,742</u>	<u>436,748</u>
<b>Carrying amount</b>			
31 March 2022	<u>41,010</u>	<u>25,971</u>	<u>66,981</u>
31 March 2021	<u>25,528</u>	<u>42,537</u>	<u>68,065</u>

The depreciation charge for the year is recognised within administrative expenses.

#### 12 Investments

Total fixed asset investments comprise:

	2022 £	2021 £
Investment in subsidiary	<u>1</u>	<u>1</u>

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### Interest in subsidiary:

At the year end the company had interests in the following subsidiary:

Subsidiaries	Type of shares held	Proportion held (%)	Country of incorporation
Zenzic-UK Ltd	Ordinary	100%	United Kingdom

The subsidiary's business is to support the UK's Connected and Autonomous Vehicle programme.

For the period 1 April to 31 March 2022 Zenzic-UK Ltd recorded a profit of £166,010 (2021: £386,376) and as at 31 March 2022 had net assets of £246,134 (2021: £114,269).

Zenzic-UK Ltd registered office is 6<sup>th</sup> Floor, 60 Gracechurch Street, London. EC3V 0HR and its principal place of business is Belle House, Main Concourse, Victoria Station, London SW1V 1JT

#### 13 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	602,165	397,306
Amounts owed by group undertakings	167,740	118,632
Other debtors	10,193	48,907
Prepayments and accrued income	1,117,064	4,538,735
Grant claims due	1,202,585	1,408,366
Deferred tax asset	9,170	18,056
	<u>3,108,917</u>	<u>6,530,002</u>

The deferred tax asset is not recoverable within one year.

#### 14 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	455,967	1,055,912
Other taxes and social security	119,324	88,663
Other creditors	-	34,831
Accruals and deferred income	4,403,941	6,961,188
Corporation tax	93,009	95,037
	<u>5,072,241</u>	<u>8,235,631</u>

## ADVANCED PROPULSION CENTRE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 MARCH 2022

##### 15 Deferred tax asset

The deferred tax assets/(liabilities) provided and unprovided by the company are:

	Provided 2022 £	Provided 2021 £
Fixed asset timing differences	9,170	11,435
Short term timing differences	-	6,621
	<u>9,170</u>	<u>18,056</u>

The deferred tax asset is expected to reverse within the foreseeable future, with the utilisation of tax losses against future profits and the reversal of fixed asset and short term timing differences.

##### 16 Government grants

The company recognised income of £6,691,222 (2021: £13,166,915) in respect of capital and expenditure grants from the Department for Business, Energy and Industrial Strategy (BEIS), Innovate UK and EPSRC to cover part of the cost of grant fund applications and specific projects. The grants are conditional upon sufficient relevant expenditure being incurred. Typically grant funding is available at 50% of relevant expenditure. The grants recognised in the year were to cover the costs of running the APC (£1.55m), but also including delivery of the following projects:

- Support the Technology Developer Accelerator programme which is designed to fast track low emission technologies to commercialisation. TDAP provides mentoring as well as facilitating financial support for technology developers and SMEs, helping bringing forward their innovative technologies.
- Co-ordination of a programme of international events for government and project partners overseas to promote UK Automotive Innovation.
- Support the development of the APC Spoke community network programme with specific centres of technology excellence
- Support the establishment of the Automotive Transformation Fund initiatives and delivery of feasibility studies
- Delivery of the Advanced Route to Market Demonstrator (ARMD) programme, for which APC managed the grant funding directly.

Under the terms and conditions, some grants received from BEIS for the 2021/22 financial year require separate disclosure of these grants as restricted/segregated funds to be used only for the specific purposes contained within those terms and conditions.

##### **ATF**

During the year, the APC received a grant of £1,574,357 (2021: £693,799) towards the delivery of the Automotive Transformation Fund projects (both R&D and capital) under the Grant Funding Agreement dated 2 February 2021. Given the requirement for APC, as the grant recipient, to receive at least 50% of its eligible expenditure for R&D funded activities as match funding from third parties, £1,259,486 (2021: £555,039) of the grant received under the Grant Funding Agreement was recognised as grant income during 2021/22 and £314,871 (2021: £138,760) has been deferred to future periods to be matched against third party income.



# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### **Advanced Route to Market Demonstrator (ARMD)**

During the year, the APC recognised a grant of £1,331,893 (2021: £8,062,338) towards the delivery of the Advanced Route to Market Demonstrator (ARMD) programme, under the Grant Funding Agreement dated 3 July 2020. Related expenditure of £1,331,893 (2021: £8,062,338), being grants awarded to projects, was recognised in the same period.

#### **Spokes**

During the year, the APC recognised a grant of £738,564 (2021: £796,301) under the Grant Funding Agreement dated 12 June 2020 to mobilise the academic community ("Spokes") around six key strategic automotive technologies. Related expenditure of £738,564 (2021: £796,301) was recognised in the same period to cover delivery of the funded activities. The funding allows APC to support administration of the spokes, dissemination events, feasibility studies, Future of Technology seminars, and workshop events. It also included a grant of £379,234 (2021: £400,000) awarded to support the Institute of Digital Engineering (IDE) on behalf of BEIS.

#### **International Events**

Funding for the International Events programme is received from BEIS as a grant, recognising that costs are committed/incurred significantly in advance of event delivery. The recognition of grant income and associated expenditure in the financial statements only occurs when events are delivered.

During the year, the APC recognised a grant of £422,160 (2021: £244,150) towards the costs of events delivered. At 31 March 2022 £810,208 (2021: £732,367) of grant income has been deferred for delivery of the 2022/23 International Events programme.

### **17 Reconciliation of Profit after tax to net cash generated from operations**

	2022 £	2021 £
Profit after tax	454,898	373,672
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	37,021	58,770
Amortisation of intangible assets	-	3,923
(Profit)/loss on disposal of tangible fixed assets	(999)	(3)
Interest receivable	(173)	(734)
Corporation taxation	101,895	-
<b>Operating cash flows before movements in working capital</b>	<b>592,642</b>	<b>435,628</b>
Decrease/(Increase) in trade and other debtors	3,412,199	(4,434,098)
(Decrease)/Increase in trade and other creditors	(3,161,362)	4,505,384
<b>Cash generated from operations</b>	<b>843,479</b>	<b>506,914</b>

# ADVANCED PROPULSION CENTRE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 18 Retirement benefits

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The contributions payable by the company charged to profit or loss amounted to £384,312 (2021: £299,979). Contributions totalling £nil (2021: £34,848) were payable to the fund at the year end and are included in creditors.

#### 19 Remuneration of key management personnel

The total remuneration of the directors and the executive team which are considered to be key management personnel of the company (including employers NI) was £1,211,457 (2021: £1,054,420).

#### 20 Contingent liabilities

A contingent liability exists in respect of grant income recognised in excess of matched industry funding received to date. Any excess may become repayable in the future if a matched level of industry funding is not received. As at 31 March 2022 the maximum potential liability is £nil (2021: £210,850).

#### 21 Other financial commitments

In 2020, the company entered into a 3 year agreement with Zenzero, for the provision of IT services. As at the year end the company had a total commitment under the remaining terms of the agreement of £89,264 (2021: £115,480).

#### 22 Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases for property and vehicles were as follows:

	2022 £	2021 £
<b>Amounts due:</b>		
Within one year	308,287	264,170
Between one and five years	551,250	726,466
	<u>859,537</u>	<u>990,636</u>

The annual rent increases by CPI on 1 May each year on the Head Office premises in Coventry.

#### 23 Reserves

Reserves of the company represent cumulative profit and loss.

#### 24 Company limited by guarantee

The company is limited by guarantee and does not have share capital. In the event of the winding up or dissolution of the company each member's liability towards the debts and liabilities of the company is restricted to a sum not exceeding £1.