

COMPANIES HOUSE
12 DEC 2022
EDINBURGH MAILBOX

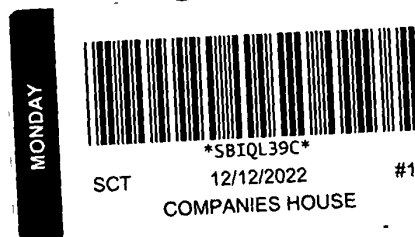


**Albion Automotive
(Holdings) Limited**

Annual Report and Financial Statements

Registered Number SC159013

**Year Ended
31 December 2021**



ALBION AUTOMOTIVE (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

INDEX	PAGES
Company details	1
Strategic report	2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report to the members of Albion Automotive (Holdings) Limited	6 - 10
Profit and loss account	11
Balance sheet	12
Company statement of changes in equity	13
Principal accounting policies	14 - 15
Notes to the financial statements	16 - 18

ALBION AUTOMOTIVE (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Company Details

Company Registration Number	SC159013
Registered Office	4th Floor, 115 George Street Edinburgh Scotland EH2 4JN
Directors	M.K. Simonte G.J. McFarlane
Company Secretary	Broughton Secretaries Limited David Eugene Barnes
Bankers	Citibank NA Citigroup Centre Canada Square London E14 5LB
Solicitors	MacRoberts LLP Capella 60 York Street Glasgow G2 8JX
Independent Auditor	Deloitte LLP Statutory Auditor 110 Queen Street Glasgow G1 3BX United Kingdom
Communications Advisor	Martin Hayes and Associates
Web Address	http://www.aam.com

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

Principal Activities

The Company is principally engaged as the holding company of Albion Automotive Limited, which manufactures and assembles truck, van and bus axles, crankshafts and vehicle and engine components.

Review of Developments

Albion Automotive (Holdings) Limited ("The Company") recorded no profit or loss for the year after taxation (2020 – £Nil) and net assets of £Nil (2020 - £Nil).

Risks and Uncertainties

The Company is a holding company and given current and historical trading conditions with the subsidiary it has to rely on the continued support from the parent company.

COVID-19: The Holding Company has remained unaffected by the COVID-19 pandemic as there is no external trade.

Going Concern

As described further in the 'Principal accounting policies' section of the financial statements, on the basis of having received confirmation of ongoing ultimate parent company support, the directors have satisfied themselves that the ultimate parent company has the necessary financial resources to provide this support during this period, should it be required. Therefore, the directors have a reasonable expectation that the Company has adequate resources internally and through its association with the ultimate parent company to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements based on the long term trading and support of the parent company.

Approved by the Board and signed on its behalf by

Director *G.J. McFarlane*



Date *8th December 2022*

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report together with the audited financial statements of Albion Automotive (Holdings) Limited for the year ended 31 December 2021.

Principal Activities

The Company is principally engaged as the holding company of Albion Automotive Limited, which manufactures and assembles truck, van and bus axles, crankshafts and vehicle and engine components.

Dividends

No dividends were paid or proposed during the year or the prior year.

Directors

The directors of the Board who served during the year and to the date of this report are set out below.

M.K. Simonte

G.J. McFarlane

G. Deveson (Resigned 13th July 2021)

Directors' Indemnities

The Company has made qualifying third party provisions for the benefit of its directors which were in place during the year and remain in force at the date of this report. This includes all Directors from the parent company and the subsidiary.

Developments and risks and uncertainties

The results for the year and risks and uncertainties have been discussed in the Strategic Report on page 2.

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

Independent Auditor


Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information as defined in the Companies Act 2006 of which the Company's auditor is unaware; and
- (2) the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP, being eligible, offer themselves for reappointment in accordance with the transitional arrangements of the Companies Act 2006, following an elective resolution previously passed in accordance with section 386 of the Companies Act 1985.

Approved by the Board and signed on its behalf by



Director G.J. McFarlane

Date 8th December 2022

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Annual 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), including FRS102 "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 and then apply them consistently.
- make judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF ALBION AUTOMOTIVE (HOLDINGS) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2021**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Albion Automotive (Holdings) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 8.

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).

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 Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OF ALBION AUTOMOTIVE (HOLDINGS) LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF ALBION AUTOMOTIVE (HOLDINGS) LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF ALBION AUTOMOTIVE (HOLDINGS) LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with HMRC.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF ALBION AUTOMOTIVE (HOLDINGS) LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters on which we are required to report by exception


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

DocuSigned by:

19750BCA07604EA...

James Isherwood (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
8th December 2022

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> <u>£000's</u>	<u>2020</u> <u>£000's</u>
Administrative expenses		-	-
Operating result		<hr/> -	<hr/> -
Result on ordinary activities before taxation		<hr/> -	<hr/> -
Tax on result on ordinary activities	3	-	-
Result for the year		<hr/> - <hr/>	<hr/> - <hr/>

There were no recognised gains or losses in the year ended 31 December 2021 other than the above results for those years. Accordingly, no Statement of Other Comprehensive Income is presented.

The accompanying accounting policies and notes form an integral part of these financial statements.


ALBION AUTOMOTIVE (HOLDINGS) LIMITED

BALANCE SHEET AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> <u>£000's</u>	<u>2020</u> <u>£000's</u>
Fixed assets			
Investments	5	-	-
		<hr/>	<hr/>
Current assets			
Cash at Bank and in hand		-	-
		<hr/>	<hr/>
Net current assets		-	-
		<hr/>	<hr/>
Total assets less current liabilities		-	-
		<hr/>	<hr/>
Net assets		-	-
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	6	6,195	6,195
Revaluation reserve		273	273
Profit and loss account		(6,468)	(6,468)
		<hr/>	<hr/>
Shareholders' funds		-	-
		<hr/>	<hr/>

The financial statements of Albion Automotive (Holdings) Limited (registered number SC159013) were approved by the board of directors and authorised for issue on 8th December 2022.

They were signed on its behalf by:



Director G.J. McFarlane

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2021

	<u>Called-up Share Capital £'000</u>	<u>Revaluation reserve £'000</u>	<u>Profit and loss account £'000</u>	<u>Total £'000</u>
As at 1 January 2020	6,195	273	(6,468)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Result for the year ended 31 December 2020	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Comprehensive result	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
As at 31 December 2020	6,195	273	(6,468)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Result for the year ended 31 December 2021	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Comprehensive result	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	<u>6,195</u>	<u>273</u>	<u>(6,468)</u>	<u>-</u>

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

PRINCIPAL ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2021

Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the prior year.

General information and basis of accounting

Albion Automotive (Holdings) Limited is a company incorporated in the United Kingdom under the Companies Act. The Company is a private Company limited by shares and is registered in Scotland. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the directors' report on pages 3 to 4.

The financial statements have been prepared under the historical convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Albion Automotive (Holdings) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of cash-flow statement, intra-group transactions and remuneration of key management personnel.

Basis of non consolidation

In accordance with s401 of the Companies Act 2006, group financial statements have not been prepared as the Company is a wholly owned subsidiary of American Axle & Manufacturing Holdings Inc, which prepares group financial statements. Information in these financial statements is therefore presented for the individual company rather than for its group.

Going Concern

The Company's business activities together with the factors likely to affect its future development, performance and position are set out in the review of developments and future prospects, risks and uncertainties which forms part of the Strategic Report.

The Strategic Report also describes the financial position of the Company. On the basis of having received formal letter confirming ongoing ultimate parent company support for the next 12 months from signature of these financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

ALBION AUTOMOTIVE (HOLDINGS) LIMITED
PRINCIPAL ACCOUNTING POLICIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

Investments

Investments in subsidiaries are stated at cost less provision for any impairment.

Current taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Critical accounting judgements and key sources of uncertainty

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

Critical accounting judgements in applying the Company's accounting policies

In the opinion of the directors there are no critical accounting judgements made in applying the Company's accounting policies that require disclosure in the financial statements.

Key source of estimation uncertainty

In the opinion of the directors, there are no key sources of estimation uncertainty that require disclosure in the financial statements.

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

1. Auditor's remuneration

Auditor's remuneration for the auditing of financial statements of £4,440 (2020 - £3,250) was paid by the subsidiary company. Amounts payable to the auditor in respect of taxation compliance services of £1,560 (2020 - £1,560) were also paid by the subsidiary company.

2. Directors and employees

Certain of the directors are remunerated by the parent company, AAM International Holdings Inc. In the opinion of the directors it is not practicable to separately apportion the emoluments relating to their services to Albion Automotive (Holdings) Limited.

The Company has no employees.

Directors' remuneration was paid by the subsidiary company as follows:

	2021 £'000's	2020 £'000's
Emoluments (including fees and benefits in kind)	170	150

During the year one director (2020 – 1) participated in the subsidiary company's defined benefit pension scheme.

3. Tax on result

There is no liability to corporation tax for the current year or for the prior year

	2021 £'000's	2020 £'000's
Result/(loss) before tax	-	-
Tax at 19% (2020– 19%) thereon	-	-

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. Tax on result(continued)

UK Corporation Tax Rate remained at 19%. However, the Finance Bill 2021 included an increase in the main rate of corporation tax and marginal relief to 25%, which will be relevant for any asset sales or timing differences expected to reverse on or after 1 April 2023. The Finance Act 2022 that received Royal Assent on 24 February 2022, will have no impact on the corporation tax figures.

A deferred tax asset amounting to £525,000 (2020 £525,000) has not been recognised in respect of timing differences relating mainly to trading losses carried forward as there is insufficient evidence that the asset will be recovered. The asset would be recovered if there were suitable future taxable profits against which the revenue losses can be offset.

4. Dividend and other appropriations

No dividends or appropriations were made in either 2020 or 2021.

5. Investments

	Subsidiary undertakings	
	2021 £'000's	2020 £'000's
Cost	-	-

The Company holds 100% of the share capital of the following company registered in Scotland. The investment was fully impaired in 2009 following a review of its recoverable amount and on transition to FRS 102 was deemed to have a cost of £nil.

Name of Company

Nature of Business

Albion Automotive Limited
South Street,
Scotstoun,
Glasgow G14 0DT

Vehicle axle and components manufacture

Incorporated in Scotland SC144986

Shares held are ordinary shares with 100% holding

ALBION AUTOMOTIVE (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

6. Share Capital

	2021 <u>£'000's</u>	2020 <u>£'000's</u>
Allotted, called up and fully paid 61,950,469 (2020 – 61,950,469) Ordinary shares of £0.10 (2020 - £0.10) each	6,195	6,195

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The revaluation reserve represents the cumulative effect of revaluations of freehold land and buildings which were revalued as part of the FRS 102 transition in 2015.

7. Controlling related party

The ultimate parent undertaking of the Company and its controlling related party is American Axle & Manufacturing Holdings Inc., a company registered in the USA. American Axle & Manufacturing Holdings Inc. (AAM) heads the smallest and largest group preparing consolidated financial statements including the results of the company. These consolidated financial statements are available from its registered offices for all groups at 1 Dauch Drive, Detroit, Michigan, USA.

66% of the issued share capital of the company is pledged to JP Morgan Chase Bank, N.A. in accordance with AAM's credit facility.

8. Related party transactions

As a wholly owned subsidiary of American Axle & Manufacturing Holdings Inc., the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by American Axle & Manufacturing, Holdings Inc