

Annual Report and Financial Statements

LucasVarity

For the Year Ended 31 December 2019



Officers and professional advisors

Company registration number

3207774

Directors

SM Batterbee
J Braithwaite
AM McQueen
DE Shattock

Registered Office

Stratford Road
Solihull
West Midlands
England
B90 4GW

Auditor

Ernst & Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

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The directors present the Strategic Report, Director's Report, and financial statements for the year ended 31 December 2019.

Strategic report

The company operates as a part of the ZF Friedrichshafen AG (ZF) group of companies, the ZF group. ZF Friedrichshafen AG ranks among the world's largest and most diversified suppliers of automotive systems, modules and components to global automotive original equipment manufacturers (OEMs) and related aftermarket. The operations of the ZF group primarily encompass the design, manufacture and sale of active and passive safety related products. The ZF group of companies are primarily Tier 1 suppliers, with a very large proportion of its end-customer sales made to major OEMs.

The company is an intermediate holding company within the ZF group, and will continue in this capacity for the foreseeable future.

Principal risks and uncertainties

The principal risk for the company are the uncertainties associated with the results of its direct and indirect subsidiary undertakings. These vary, but as with any trading business are principally affected by the prevailing automotive climate.

For the company adverse economic conditions can materially affect the carrying value of the company's investment in its subsidiary undertaking. In the directors' opinion no impairment was considered necessary in the financial year just ended, the investment in the subsidiary undertakings, ZF International UK Limited and TRW Lucas Varity Limited is currently stated at a cost of £694.0 million (2018 - £694.0 million). This investment value is considered the key performance indicator of the company.

BY ORDER OF THE BOARD



DE Shattock
Director
7 April 2020

Report of the directors

The profit for the year, after taxation, amounted to £20.1 million (2018 – £194.0 million) representing a dividend received from its subsidiary undertaking ZF International UK Limited.

On 19 December 2019 the company received a dividend from its subsidiary undertaking ZF International UK Limited totalling £20,139,000 which was satisfied by the distribution in specie of an inter-company receivable. On the same day the directors of the company declared and paid a dividend of £20,139,000 to its parent undertaking ZF Automotive Holdings (UK) Limited the dividend being satisfied by the distribution in specie of an inter-company receivable (2018 - £194,026,000).

Directors

The directors who served the company during the year and up to the date of approval of these financial statements were as follows:

SM Batterbee
J Braithwaite
F Chittka (resigned 3 February 2020)
AM McQueen
DE Shattock
MJ Way (resigned 3 February 2020)

Directors' interests

None of the directors had any declarable interests in shares of any group companies in the United Kingdom at 31 December 2019.

Directors' indemnities

During the year an indemnity from the company was available to the directors against liabilities incurred by them in defending proceedings against them in relation to the affairs of the company. The indemnity is subject to the provisions of the Companies Act 2006 and is set out in the Articles of Association.

Post balance sheet events

The subsidiary undertaking TRW Limited changed its name on 27 February 2020 to ZF Automotive UK Limited.

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The company considers that these events do not require an adjustment in the annual accounts for the year ended 31 December 2019, although they could have impact on the ZF Group's operations in 2020 and, therefore, on its results and future cash flows including both the level of dividend income the company receives from its subsidiary undertakings and also the carrying value of its investments in subsidiary undertakings. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of preparation to reliably make a quantified estimate of its potential impact on the company. The company, and wider ZF Group, are taking the necessary steps in order to face the situation and minimize its impact.

Report of the directors (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future.

As of 31 December 2019, Lucas Varity had net assets of £694.2 million (2018 - £694.2 million) and net current assets of £120,000 (2018 - £120,000). The business is an intermediate holding company and is not forecasting any cash inflows or outflows for the foreseeable future, including for a period of at least 12 months from the date on which these financial statements are approved. The only liability within the company is an inter-company payable of £1,084,000 payable to the company's immediate subsidiary undertaking, ZF International UK Limited. Whilst the £1,084,000 liability is repayable on demand the directors have no expectations to repay this amount in the foreseeable future and have obtained confirmation directly from ZF International UK Limited that they will not seek repayment of the balance for a period of at least 12 months from the date of approval of the financial statements.

Whilst there remains uncertainty on the impact on the wider ZF Group in respect of the impact of COVID-19 the directors have considered the impact on the cashflows of the company and consider that these uncertainties will not change the cashflows within the company and based on these facts and the aforementioned financial position and forecast cashflows of the company have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Directors' statement as to disclosure of information to auditors


Each of the directors who were members of the board at the time of approving this directors' report confirm that:

- to the best of their knowledge and belief, there is no relevant audit information to the preparation of their report of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disclosure of requirement to appoint auditors

The auditors Ernst & Young LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD



DE Shattock
Director
7 April 2020

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

Report of the independent auditor to the members of LucasVarity

Opinion

We have audited the financial statements of LucasVarity for the year ended 31 December 2019 which comprise the Income Statement, Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 9, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 “Reduced Disclosure Framework” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company’s affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report below. 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.

Emphasis of matter – Impact of COVID 19

We draw attention to note 2 to the financial statements which describes the impact post balance sheet events may have on the Company’s level of future dividend income received from its subsidiary undertakings and the potential impact on the carrying value of the investments held by the Company. Our opinion is not modified in respect of this matter.

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.

Report of the independent auditor to the members of LucasVarity (continued)

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.

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

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 the other information; we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Report of the independent auditor to the members of LucasVarity (continued)

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Ernst & Young LLP

Stephen Kirk (senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Birmingham
7 April 2020

Income statement

	Note	2019 £000	2018 £000
Income from investments		20,139	194,026
Profit on ordinary activities before taxation		<u>20,139</u>	<u>194,026</u>
Taxation	4	—	—
Profit for the financial year		<u><u>20,139</u></u>	<u><u>194,026</u></u>

All of the activities of the company are classed as continuing.

The company has not presented a statement of comprehensive income as it has no other gains or losses other than the profit and loss results for the years as set out above.

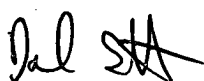
Statement of changes in equity

	Called-up equity share capital £000	Other reserves £000	Total share- holders' equity funds £000
At 1 January 2018	60,001	634,157	694,158
Profit for the year	–	194,026	194,026
Dividend paid in the year	–	(194,026)	(194,026)
	<hr/>	<hr/>	<hr/>
At 31 December 2018 and 1 January 2019	60,001	634,157	694,158
	<hr/>	<hr/>	<hr/>
Profit for the year	–	20,139	20,139
Dividend paid in the year	–	(20,139)	(20,139)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	<u>60,001</u>	<u>634,157</u>	<u>694,158</u>

Balance sheet

	Note	2019 £000	2018 £000
Fixed assets			
Investments	5	694,038	694,038
Current assets			
Amounts owed by parent/subsidiary undertaking	6	1,204	120
Current liabilities			
Amounts owed to subsidiary undertaking	7	(1,084)	–
Net current assets		<u>120</u>	<u>120</u>
Total assets less current liabilities		<u>694,158</u>	<u>694,158</u>
Net assets		<u>694,158</u>	<u>694,158</u>
Capital and reserves			
Called-up equity share capital	8	60,001	60,001
Other reserve		<u>634,157</u>	<u>634,157</u>
Equity shareholders' funds		<u>694,158</u>	<u>694,158</u>

These financial statements were approved by the directors and authorised for issue on 7 April 2020, and are signed on their behalf by:



DE Shattock
Director

Notes to the financial statements

1 Authorisation of financial statements and statement of Compliance with FRS101

The financial statements of LucasVarity for the year ended 31 December 2019 were authorised for issue by the board of directors on 7 April 2020, and the balance sheet was signed on the board's behalf by DE Shattock. LucasVarity is incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

Consolidated accounts have not been prepared because the company has taken advantage of section 400 of the Companies Act 2006 which exempts the company from the obligation to prepare and deliver group financial statements as it is included in the consolidated accounts of ZF Friedrichshafen AG, a company registered in Germany. These accounts present information about the company and not about its group. The consolidated financial statements of ZF Friedrichshafen AG may be obtained from ZF Friedrichshafen AG, 88038 Friedrichshafen, Germany.

The principal accounting policies adopted by the company are set out in note 2.

2 Accounting policies

Accounting convention

The company has taken advantage of the following disclosure exemptions available under FRS 101:

- (a) the requirements of IAS 7 Statement of Cash Flows;
- (b) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (c) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by such a member;
- (d) the requirements of IAS 8 disclosures in respect of new standards and interpretations that have been issued but are not yet effective; and
- (e) roll-forward reconciliations in respect of share capital (IAS 1), property, plant and equipment (IAS 16) and intangible assets (IAS 38).

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future.

As of 31 December 2019, Lucas Varity had net assets of £694.2 million (2018 - £694.2 million) and net current assets of £120,000 (2018 - £120,000). The business is an intermediate holding company and is not forecasting any cash inflows or outflows for the foreseeable future, including for a period of at least 12 months from the date on which these financial statements are approved. The only liability within the company is an inter-company payable of £1,084,000 payable to the company's immediate subsidiary undertaking, ZF International UK Limited. Whilst the £1,084,000 liability is repayable on demand the directors have no expectations to repay this amount in the foreseeable future and have obtained confirmation directly from ZF International UK Limited that they will not seek repayment of the balance for a period of at least 12 months from the date of approval of the financial statements.

Whilst there remains uncertainty on the impact on the wider ZF Group in respect of the impact of COVID-19 the directors have considered the impact on the cashflows of the company and consider that these uncertainties will not change the cashflows within the company and based on these facts and the aforementioned financial position and forecast cashflows of the company have concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Post balance sheet events

The subsidiary undertaking TRW Limited changed its name on 27 February 2020 to ZF Automotive UK Limited.

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The company holds investments, directly or indirectly, in subsidiary undertakings and associated undertakings that operate in countries affected by the pandemic which are currently being impacted both through restrictions on their own operations and also the operations of these entity's end customers. This will have a detrimental impact on the subsidiary and associated undertakings' revenues, profits and their ability to pay dividends which are received by the company. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the company, and specifically the impact on future dividend income or the carrying value of the investments held by the company.

2 Accounting policies (continued)

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Fixed asset investments

Investments in subsidiary undertakings are held at historical cost, less any applicable provision for impairment.

Dividends

Dividend income is recognised when the company's right to receive payment is established.

3 Information regarding directors, employees, auditors, and net interest payable

Directors emoluments are borne by other entities in the group. In any given year the directors do not spend a significant portion of their time on the activities of the company, and therefore the proportion of the charge that relates to the company in any given year is not considered to be significant.

The company had no employees during the year (2018 - nil).

The auditors' remuneration for 2019 was borne by another group undertaking (2018 - £nil).

4 Taxation on ordinary activities

	2019 £000	2018 £000
Current tax		
United Kingdom corporation tax based on the results for the year	—	—
Foreign withholding taxes	—	—
Total tax charge on profit on continuing operations for the year	<u>—</u>	<u>—</u>

Tax reconciliation

Factors affecting current tax charge

	2019 £000	2018 £000
Profit on continuing operations before taxation	<u>20,139</u>	<u>194,026</u>
Tax calculated at United Kingdom standard rate of corporation tax 19% (2018 – 19%)	3,826	36,865
Income not taxable	<u>(3,826)</u>	<u>(36,865)</u>
Total tax	<u>—</u>	<u>—</u>

The above disclosure note has been calculated using the corporation tax rate of 19% which was the rate enacted at the balance sheet date.

Factors that may affect future tax charges

The United Kingdom government has substantially enacted legislation that will reduce the corporation tax rate to 17% by 2020. The company has no provided or un-provided deferred taxation at either year end.

5 Investments

£000

Shares in subsidiary undertakings at cost

At 1 January and 31 December 2019

694,038

Net book value

At 31 December 2019

694,038

At 31 December 2018

694,038

The directors are of the opinion that the appropriate allocation of the total investment value of £694.0 million is as follows; TRW LucasVarity Limited £63.0 million; ZF International UK Limited £631.0 million.

The directors have carried out an impairment review of the fixed assets investments in accordance with IAS 36. The impairment review was carried out by comparing investment asset books values with the discount value of forecast future cash flows for all its trading subsidiary undertakings. The forecast future cash flows were arrived at using standard ZF group vehicle build assumptions, with appropriate sensitivities, and were discounted at a rate appropriate to the business. The impairment review did not identify the need to impair any of the investments in subsidiary undertakings (2018 - £nil).

5 Investments (continued)

All undertakings are wholly owned, except where stated, and the company's interests are in ordinary shares or their equivalent. Interests in undertakings marked* are held by intermediate undertakings. The nature of the business, the place of incorporation, and countries of operation are as shown below.

Name of company	Nature of business	Country of registration or of ordinary incorporation	
		Percentage of ordinary shares held	
ZF International UK Limited	Holding Co.	England and Wales	100%
TRW Lucas Varity Limited	Holding Co.	England and Wales	100%
ZF Automotive UK Limited*	Automotive Components Supplier	England and Wales	100%
Autocruise SAS*	Automotive Components Supplier	France	100%
LucasVarity Langzhong Brake Company Limited*	Automotive Components Supplier	China	70%
Lucas Varity (M) SDN BHD*	Automotive Components Supplier	Malaysia	99.99%
Lucas Automotive SDN BHD*	Automotive Components Supplier	Malaysia	100%
Autocruise Limited*	Dormant	England and Wales	100%
Bryce Berger Limited*	Dormant	England and Wales	100%
Girling Limited*	Dormant	England and Wales	100%
Joseph Lucas Limited*	Dormant	England and Wales	100%
Lucas Automotive Limited*	Dormant	England and Wales	100%
Lucas Limited*	Dormant	England and Wales	100%
TRW Employees' Benefit Trust Limited*	Dormant	England and Wales	100%
Lucas Export Services Limited*	Application to Strike -Off	England and Wales	100%
TRW Investment Management Company Limited*	Dormant	England and Wales	100%
Lucas Support Services Limited*	Dormant	England and Wales	100%
Lucas Service UK Limited*	Dormant	England and Wales	100%
Lucas Investments Limited*	Dormant	England and Wales	100%
Cityday Limited*	Dormant	England and Wales	100%
ID Information Systems Limited*	Application to Strike-Off	England and Wales	100%
TRW LucasVarity Electric Steering Limited*	Dormant	England and Wales	100%
TRW Pension Trust Limited*	Dormant	England and Wales	100%
TRW UK Limited*	Dormant	England and Wales	100%
TRW Systems Limited *	Dormant	England and Wales	100%
TRW Steering Systems Limited *	Dormant	England and Wales	100%

5 Investments (continued)

All subsidiary undertakings which are registered and incorporated in the United Kingdom share the same registered address of Stratford Road, Solihull, West Midlands, England B90 4AX.

The registered address of Autocruise SAS is ZAC Technopole Brest Iroise, Secteur de la Pointe due Diable, Avenue du Technopole 29263, Plouzane, France.

The registered address of Lucas Varity Langzhong Brake Company Limited is No. 16 Xiangyun Road, Economic and Technology Development Zone, Hebei Province, China, 065001

The registered address of Lucas Varity (M) SDN BHD is First Avenue, Bandar Utama, 47800, Petaling Jaya, Selangor, Darul Ehsan, Malaysia.

The registered address of Lucas Varity Automotive SDN BHD is PLO 17, Senai Industrial Estate, Johor Darul, 81400 Senai, TAZIM, TAZIM Malaysia.

6 Debtors

	2019 £000	2018 £000
Amounts owed by parent undertaking	1,204	–
Amounts owed by subsidiary undertaking	–	120

Inter-company cash pool balances with the parent undertaking ZF Friedrichshafen AG using Deutsche Bank accounts bear interest at the following rates for the following currencies as at 31 December 2019:

	Deposits	Overdrafts	Benchmark
Pounds Sterling	0.95+	0.50-	SONIA
Euro	0.95+	0.20-	EONIA
US Dollar	0.95+	0.50-	US SOFR

At 31 December 2019 the company has an intercompany receivable due from the parent undertaking ZF Friedrichshafen AG for £1,204,000 (2018 - £nil).

7 Creditors: amounts falling due in less than one year

	2019 £000	2018 £000
Amounts owed to subsidiary undertakings	1,084	–

At 31 December 2019 the company has an intercompany payable due to its immediate subsidiary undertaking Lucas Industries Limited for £1,084,000 (2018 - receivable of £120,000), this payable is non-interest bearing and is repayable on demand.

8 Share capital

Allotted, called up and fully paid:

	2019	2018
	£000	£000
3,000,050 ordinary shares of £20 each	<u>60,001</u>	<u>60,001</u>

9 Ultimate parent undertaking

The company's immediate parent undertaking is ZF Automotive Holdings (UK) Limited (formerly Automotive Holdings (UK) Limited), a company registered in England and Wales.

At 31 December 2019 the company's ultimate undertaking and controlling party is ZF Friedrichshafen AG, a company registered in the Federal Republic of Germany. This is the smallest and largest group in which the results of the company are consolidated and copies of the consolidated accounts of the company may be obtained from ZF Friedrichshafen AG, Loewentaler Strasse 20, 88046 Friedrichshafen, Germany.