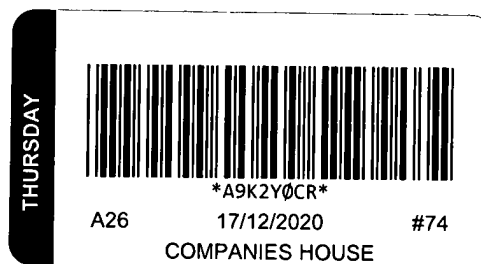


**Company Registration No. 03477767**

**Grupo Antolin Leamington Limited**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**



## **Grupo Antolin Leamington Limited**

### **Annual financial statements 31 December 2019**

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## **Grupo Antolin Leamington Limited**

**Annual financial statements 31 December 2019**

### **Officers and professional advisers**

#### **Directors**

Jésus Pascual  
Pedro Santesieban

#### **Company Secretary**

Pablo Martínez

#### **Registered Office**

Tachbrook Park Drive  
Leamington Spa  
Warwickshire, Warwick  
United Kingdom  
CV34 6RH

#### **Bankers**

HSBC UK Bank plc  
4th Floor, 120 Edmund Street  
Birmingham,  
United Kingdom  
B3 2QZ

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
Four Brindleyplace  
Birmingham  
United Kingdom  
B1 2HZ

# Grupo Antolin Leamington Limited

## Strategic report

### Principal activities

The principal activity of the company is the development, manufacture and sale of car parts.

### Review of Business

The company experienced a decrease in turnover and a decrease in profit before tax during 2019 compared to 2018 due to lower volumes of sales. The results for the financial year as presented in the company's income statement on page 12 show revenue at £65.2m (£86.1m in 2018), and profit before tax at £1.7m (£3.5m in 2018). Group management charge reduced by £3.0m reducing Administrative charges for the year. Other Operating expenses include £1.9m of exchange rate differences charge (2018: £1.2m offset in Other Incomes). Cost of sales includes £3.8m (2018: £1.5m) of tooling expenses to be recovered from customer in 2020. The directors are satisfied with the results for the period and continue to seek and develop new customers, products and services in order to maintain and improve performance.

### Position of the business

At the end of the year, the net assets totalled £4,309,366 compared to £5,492,548 at the previous year end. 2019 accounts reflect IFRS16 application to include leased assets and corresponding liability not included in prior year.

The company employs 283 employees (2018: 219) across the UK (see note 7).

The directors recommend the payment of a dividend of £3,000,000 (2018: £3,904,836).

### Key Performance Indicators

The average day's stock across all plants for the year is 7.98 days (target 5.74 days) with increased safety stock holding due to threat of supply relating to Brexit.

Direct labour cost for the year averaged at 8.7% (2018: 8.3%) resulting from mainly from cost of living increases.

### Risk and uncertainties

Competitive pressure in the UK is a continuing risk for the company, which could result in losing sales to its key competitors. The company manages this risk by providing quality products and customer service to its customers and maintaining strong relationships with clients.

The company has some credit risk with a significant proportion of sales being on credit terms to clients. This risk is managed through the close relationship with clients and strong credit control procedures applied within the company.

The company's business requires high volumes of production in order to remain profitable. The principal risk that the company currently faces is to changes in the UK motor vehicle manufacturing industry and levels of demand for the new vehicles as these will impact upon the levels of demand for the company's products. The company operates several Just in Time plants at customers' facilities. These operate with exceptionally short lead times and therefore the company needs to maintain sufficient stock as not to disrupt customers' production lines.

Excluding financial risk management the management of the business and the execution of the Company's strategy are subject to a number of other risks. The Company's business is substantially dependent upon the sale of vehicles and parts in the UK. The automotive industry is highly competitive and the sale of vehicles or parts could decline if the company is unable to respond to regulatory changes, price and other economic and environmental pressures in the industry.

Given the Company relies on continued support from the Grupo Antolin (the 'Group'), its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk. Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

The UK's decision to leave the European Union continued to provide economic uncertainty during 2019, resulting in Sterling currency fluctuations around key decision dates in the "Brexit" calendar. We remain vigilant to all developments and continue to prepare for the UK's exit from the European Union in whatever form it may take, seeking advice from customs experts and working closely with HMRC.

## Grupo Antolin Leamington Limited

### Coronavirus Pandemic

The uncertainty surrounding the coronavirus outbreak in China and its potential spread to a large number of countries around the world could have a significant impact on the global economy and cause growth in 2020 to fall to difficult-to-predict levels lower than those in the previous year.

The 2020 forecasts for the global car production (prepared prior to the coronavirus outbreak) showed growth of 1.1% versus 2019 to 90.5 million vehicles. However the latest forecasts considering the current status of the coronavirus pandemic has prompted some analysts to consider decreases in global vehicle production of around 10% in 2020.

Internally Grupo Antolin has devised a prevention and contingency plan comprising a raft of obligatory measures and best practices to protect the health and safety of our workers and their families while ensuring business continuity.

The company's directors and management have carried out a preliminary assessment of the current situation based on the best available information and have planned production and return to work in line with government guidance. This information may not be complete given the prevailing uncertainties. The results of the assessment are as follows:

**Liquidity Risk:** it is expected that the general state of the market could cause a squeeze on liquidity in the economy and shrink the credit market. Grupo Antolin will be able to deal with these pressures given its comfortable liquidity position thanks to the credit and revolving loan facilities at its disposal of around 250 million euros. Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk.

**Operational Risk:** the changing and unpredictable nature of the events could result in a temporary interruption to production /sales or even an isolated break in the supply chain. The company has therefore set in place specific procedures and task forces to continuously monitor and manage all its operations in order to minimise the impact of the pandemic on its business. In the regard, extensive diversification of Grupo Antolin's business model from a geographical, customer and product perspective puts us on a good footing to calmly and confidently confront the coronavirus pandemic. The company has furloughed most of its employees during the lockdown period reducing fixed cost.

**Risk of Changes in Certain Financials:** the above mentioned factors and other specific factors could impact the forthcoming financial statements in headings such as 'Revenue', 'Operating Profit', 'Profit before or after tax' or key financial statement indicators. However it is not currently possible to quantify this impact reliably, given the aforesaid factors and restrictions.

### Financial Risk

#### Financial risk management objectives and policies

The company along with a number of other group companies operates a zero balance pooled bank arrangement with its ultimate parent company, Grupo Antolin Irausa S.A. as part of the overall group financing arrangements. The company is reliant upon this facility for its day to day banking arrangements. Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk.

#### Price risk, credit risk, liquidity risk and cash flow risk

The business activities expose it primarily to the financial risk of changes in foreign currency exchange rates. The company deals in mixed currencies with all sales within United Kingdom and attempts to align the sales currency with materials purchase currency to reduce the risk of exchange rate impact.

The business principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance to ensure the continuity of funding and flexibility for the different currencies that the company requires. Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence

## Grupo Antolin Leamington Limited

on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk.

Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk.

### Section 172 statement.

Section 172 requires that "a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term;
- b) the interests of the company's employees;
- c) the need to foster the company's business relationships with suppliers, customers and others;
- d) the impact of the company's operations on the community and the environment;
- e) the desirability of the company maintaining a reputation for high standards of business conduct; and
- f) the need to act fairly as between members of the company".

The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are our clients reflecting the sectors and industries we serve, our regulators and our employees. The Board recognises that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way.

Details of the Group which is also the company's stakeholder and how we engage with them are set out below with reference to the matters set out in section 172 (1)(a)-(f) of the Companies Act 2006 when performing their duty under the section. Strategic decisions are made at Group level rather than at entity level. Further illustrations of how section 172 factors have been applied by the Board can be found throughout the Strategic report.

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

Reports are regularly made to the Group Board by the Executive Committee about the strategy, performance and key decisions taken which provides the Board with assurance that proper consideration is given to stakeholder interest in decision-making. At Group level, the Board is well informed about the views of stakeholders through the regular reporting on stakeholder views and it uses this information to assess the impact of decisions on each stakeholder group as part of its own decision-making process.

The Board takes a long-term approach to developing its strategy, which is to grow and build our product capability and presence in major markets to help clients address their challenges. We aim to achieve this through organic growth and targeting specific technology advancement to broaden our product offerings. Our expansion within the United Kingdom focuses on building deep and lasting relationships with our clients and servicing all their sustainability needs.

The company has established a successful track record of integrating its product technology into its client manufacturing process over recent years.

During the year the company has made the decision to close its just in time facility and integrate the assembly process within its manufacturing process to reduce its fixed cost base. The Board reviews the relevance of the Group's strategy annually.

#### (b) The interests of the company's employees

## Grupo Antolin Leamington Limited

Our people are the absolute key to our success. There are many ways we engage with and listen to our employees including staff surveys, forums, local face-to-face briefings, internal communities.

We know that creating a diverse and inclusive sustainable work environment is essential to being a leading global business and to making a great place to build a career. Diversity and inclusion strengthens our environmental, social and governance performance as well as our ability to recruit and retain great talent, be innovative and build effective relationships - all of which helps us create better solutions for our clients.

Examples of 2019 accomplishments include;

- Successful roll out of our SAP based online global careers portal, which our valued employees can access to identify opportunities within our business in any Country, providing detailed job descriptions and examples of required experience and qualifications for those roles.
- We have implemented a Talent Mapping and Succession Planning process throughout the UK which has generated excellent new career opportunities, identifying high potential employees, developing bespoke training plans incorporating both academic and experience based progression opportunities, enabling us to build sustainable talent pipelines.
- A new and inclusive digital employee assistance program was launched with a specific focus on mental health and mental health awareness, this was also followed by an onsite training course for all our managers on how to identify employees who maybe struggling and in need of our support. We have found the uptake on this and the subsequent feedback to be outstanding.
- Focussed attention to safety with daily reporting and actions taken to ensure safety of employees.

Our vision of Talent Management is to attract, identify, engage and develop, retain and effectively assign employees to exciting work. We want our employees to have the opportunity to develop and fulfill their career aspirations. With this in mind we have developed our online career portal via SAP Success Factors, this tool makes it easy for all employees to review available career paths on both a local and global scale.

Regular reports about what is important to our employees are made to the Board ensuring consideration is given to employee needs and regular discussion of people-related topics occurs at Board meetings. For example, our Employee Survey results and analysis is shared with the Board as well as the progress we are making against our actions. We also provide several reports regarding employee performance and rewards to ensure we are differentiating for performance.

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

Our global expansion focuses on building deep and lasting relationships with our clients and servicing their needs in more regions and across more service areas. We recognize the trust that our clients place in us by allowing us to work on many of their most challenging projects daily all around the world and are committed to the highest ethical behaviour and personal integrity in all our transactions and interactions.

We exercise judgment with respect to the clients and third parties with which we engage and the types of work we undertake. We will not work with clients or subcontractors who do not share our commitment to high ethical and sustainability standards and to safe operations.

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

A key element of all aspects of our strategy is Sustainability. Sustainability at Grupo Antolin Leamington Limited is a commitment to support socio-economic development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

During FY19, Grupo Antolin Leamington Limited senior leaders presented to our Executive Committee on the strategic implications of climate change and the low carbon economy transition. As a company, we are making a significant commitment and investment in this area, and we are developing global and regional plans with our Regional Leadership Teams and Account Directors across the company to support and implement this strategic direction.

Examples of accomplishments include:-

- Setting a one way system within the premises for external transport management limiting vehicle congestion and traffic within the premises
- Introduction of foam compaction unit to reduce carbon footprint.

## Grupo Antolin Leamington Limited

- Diversion of baled waste from landfill to energy recovery

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

Our written Global Code of Business Conduct and Ethics sets clear requirements to ensure we conduct business with uncompromising honesty, integrity and compliance with laws and regulations. Our commitment to combat bribery and corruption is fundamental to how we operate and is embedded into our key systems and programs. We apply our business conduct and ethics commitments across every office and activity, every day, with the involvement and awareness of all our employees. All employees and Partners are held responsible for compliance with our Code and policies.

We conduct business with uncompromising honesty and integrity, adhering to laws, regulations and our written Code of Conduct, and expect everyone at Grupo Antolin Leamington Limited to act accordingly. We express this commitment through our business values, our professional standards, staff training and our internal systems and practices. It is key to earning and maintaining the trust of our company's stakeholders: shareholders and investors, management and employees, clients, suppliers and contractors, governments, non-governmental organizations and the communities in which we operate.

The Board of Directors and Executive Committee of Grupo Antolin Leamington Limited are most significant governing bodies. They are responsible for the strategic direction of the organization and the effective monitoring of operations and performance. The Board sets a high standard for ethical behaviour and ensures the group complies with applicable laws and regulation.

All supervisors and individuals in key delivery roles are required to complete an annual self-certification to assess and confirm compliance with the requirements of our Code of Conduct and associated global policies, as part of our year-end audit of our corporate governance and assurance process

Grupo Antolin Leamington Limited maintains a global anonymous "whistleblowing" reporting system (online) so that concerns about our business operations, including unethical business conduct, can be reported without fear of retaliation. The system is available 24 hours a day, 7 days a week, by a web portal, and is managed by a third party to protect confidentiality. Reported concerns are investigated and addressed under the supervision of Chief Compliance Officer.

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

The Board recognises the critical importance of open dialogue and fair consideration of the Company's members. We communicate regularly with our institutional shareholders as well as with employee shareholders, some 250+ individuals.

Approved by the Board of Directors  
and signed on behalf of the Board



Jesus Pascual

Date: 8th December 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Financial risk management and principal risks have been discussed in the strategic report.

### Future development

The directors consider volumes and turnover will be lower in 2020 but with the continued measures being taken to control production costs and other cost reduction activities the board is confident that the company will produce positive trading performance in 2020. The company will close its Solihull facility in 2021 transferring the activities to the Leamington facility resulting in permanent fixed cost reduction.

### Development and performance of the business

	2019 £	2018 £
Turnover	65,222,072	86,091,504
Turnover (Decrease)	-24%	-18%
Profit before tax	1,668,229	3,481,260

### Going concern

The Company's financial position and future prospects are described as above. The Company generated lower profits before tax in 2019 but has long term supply agreements, substantial order books and cash from operations to cover net current liability position and to operate in the foreseeable future. The impact of Coronavirus pandemic is expected to have an adverse effect on the result for 2020 which is temporary and the company is confident to recover to positive trading in 2021. The Company has during 2020 decided to close its just in time facility and to incorporate sequencing of product within its manufacturing facility, improving efficiency and reducing costs. The company relies on continued support from the Group if such assistance is required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations.

Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk. Directors are negotiating for the UK government supporting facility which would provide sufficient funds for a three year period, but the results of negotiation is not guaranteed. Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of the business.

### Results and dividend

The results for the company are set out in the financial statements.

The directors approved the payment of a dividend of £3,000,000 at £1.21 per share (2018: £3,904,836 at £1.57 per share). The dividend was settled through a distribution of retained earnings. There are no capital contributions held at the end of the year and remaining available retained earnings amount to £1,824,365. The company is still in a net asset position following the distribution.

### Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

### Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Post Balance Sheet Events

There have been no material post balance adjustments up to the date of this report. Impact of Coronavirus during 2020 is detailed in the strategic report.

#### Directors

The directors who held office during the year and subsequently to the date of this report were as follows:

Jesus Pascual  
Pedro Santesteban

#### Directors Indemnities

The company has indemnified the directors of the company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

#### Political Donations

No political donations were made during the year or previous year.

#### Employee Consultation

The company operates a framework for employee information and consultation. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

#### Auditor

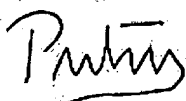
Each of the person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor 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 have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Pablo Martinez  
Company Secretary  
Date:

## Directors' responsibilities statement

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 FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed as 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. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Grupo Antolin Leamington Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Grupo Antolin Leamington Limited (the 'company'):

- give a true and fair view of the state 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 26

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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.

#### **Material uncertainty related to going concern**

We draw attention to note 2 in the financial statements, which indicates that, given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company. As stated in note 2, these events or conditions, along with the other matters as set forth in note 2 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

#### **Other information**

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

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

We have nothing to report in respect of these matters.

#### **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.

#### **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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **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.

#### **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.



224F058F03B47A  
Peter Gaimmore FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

11 December 2020

## Grupo Antolin Leamington Limited

### Income statement

For the year ended 31 December 2019

	Note	2019 £	2018 £
Revenue	4	65,222,072	86,091,504
Cost of sales	5	(60,571,366)	(77,503,633)
Gross profit		4,650,706	8,587,871
Other operating income	5	3,373,494	2,837,004
Administrative expenses	5	(3,502,514)	(6,956,767)
Other operating expenses		(2,585,859)	(889,349)
Operating profit		1,935,827	3,578,759
Finance Cost	8	(267,598)	(97,499)
Profit before taxation		1,668,229	3,481,260
Tax on profit/(loss)	9	144,744	(439,538)
Profit for the financial year attributable to owners of the Company		1,812,973	3,041,722

All results are all derived from continuing operations.

# Grupo Antolin Leamington Limited

## Statement of comprehensive income For the year ended 31 December 2019

	Year ended 2019 £	Year ended 2018 £
Profit for the year	1,812,973	3,041,722
Other comprehensive result for the year net of tax	-	-
Total comprehensive income for the year attributable to the owners of the Company	1,812,973	3,041,722

## Grupo Antolin Leamington Limited

### Balance Sheet

As at 31 December 2019


	Note	2019 £	2018 £
<b>Non-current assets</b>			
Intangible assets	12	2,028,076	2,580,999
Property, plant and equipment	13	4,147,501	5,362,252
Right of use leased assets	13	9,562,380	-
		<u>15,737,957</u>	<u>7,943,251</u>
<b>Current assets</b>			
Inventories	14	3,556,958	6,975,822
Trade and other receivables	15	9,335,088	11,308,290
Cash and bank balances		82,049	15,518
		<u>12,974,095</u>	<u>18,299,630</u>
<b>Total assets</b>		<u>28,712,052</u>	<u>26,242,881</u>
<b>Current liabilities</b>			
Trade and other payables	16	(12,880,767)	(18,524,665)
Right of use leased assets	17	(1,236,661)	-
Provisions	18	(1,648,996)	(1,954,221)
		<u>(15,766,424)</u>	<u>(20,478,886)</u>
<b>Net current (liabilities) / assets</b>		<u>(2,792,329)</u>	<u>(2,179,256)</u>
<b>Total assets less current liabilities</b>		<u>12,945,628</u>	<u>5,763,995</u>
Deferred tax liabilities	10	(96,509)	(267,602)
Right of use leased asset	17	(8,539,753)	-
<b>Non-current liabilities</b>		<u>(8,636,262)</u>	<u>(267,602)</u>
<b>Total liabilities</b>		<u>(24,402,686)</u>	<u>(20,746,488)</u>
<b>Net assets</b>		<u>4,309,366</u>	<u>5,496,393</u>
<b>Equity</b>			
Share capital	20	2,485,000	2,485,000
Retained earnings	21	1,824,366	3,011,393
<b>Equity attributable to owners of the Company</b>		<u>4,309,366</u>	<u>5,496,393</u>

## Grupo Antolin Leamington Limited

### Balance Sheet

As at 31 December 2019

The financial statements of Grupo Antolin Leamington Limited (registered number 03477767) were approved by the board of directors and authorised for issue on 8th December 2020. They were signed on its behalf by:



Director

Jesus Pascual

## Grupo Antolin Leamington Limited

### Statement of changes in equity For the year ended 31 December 2019

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2018	2,485,000	3,874,506	6,359,506
Profit for the period	-	3,041,722	3,041,722
Dividend Paid	-	(3,904,836)	(3,904,836)
Total comprehensive income for the period	-	(863,114)	(863,114)
Balance at 31 December 2018	2,485,000	3,011,393	5,496,393
Profit for the year	-	1,812,973	1,812,973
Dividends paid	-	(3,000,000)	(3,000,000)
Balance at 31 December 2019	2,485,000	1,824,366	4,309,366

## Grupo Antolin Leamington Limited

### Notes to the financial statements

For the year ended 31 December 2019

#### 1. General information

Grupo Antolin Leamington Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private Company limited by shares and is registered in England. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

#### 2. Significant accounting policies

##### Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. The financial statements have therefore been prepared in accordance with FRS 101.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, and presentation of comparative information in respect of certain assets, presentation of a cash flow statement, and impairment of assets, standards not yet effective and related party transactions.

Where relevant, equivalent disclosures have been given in the group accounts of Grupo Antolin Irausa S.A.

The financial statements have been prepared on the historical cost basis, except, where applicable, for the revaluation of certain properties, financial instruments and investment property that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, lessing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

##### Going concern

The Company's financial position and future prospects are described in the Directors' report. The Company generated lower profits before tax in 2019 but has long term supply agreements, substantial order books and cash from operations to cover net current liability position and to operate in the foreseeable future. The impact of Coronavirus pandemic is expected to have an adverse effect on the result for 2020 which is temporary and the company is confident to recover to positive trading in 2021. The Company has during 2020 decided to close its just in time facility and to incorporate sequencing of product within its manufacturing facility, improving efficiency and reducing costs. The company relies on continued support from the Group if such assistance is required to ensure that it maintains capital and liquidity levels to enable it at all times to meet its obligations.

Given the Company relies on continued support from the Group, its ability to continue as a going concern depends on the Group's ability to continue with such support if there is a need. In this regard, the directors of the Company were unable to gain sufficient evidence on the ability for the Group to support the Company, including with arrangement of a UK specific government supporting facility, apart from the funds provided through Furlough scheme, to address the risk. Directors are negotiating for the UK government supporting facility which would provide sufficient funds for a three year period, but the results of negotiation is not guaranteed. Therefore, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of the business.

##### Revenue recognition

The company recognises revenue as follows:

##### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Revenue from contracts with customers is recognized as turnover for the accounting period in line with IFRS 15.

##### Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

##### Rendering of services

Revenue from a contract to provide services are recognised over time as the services are rendered based on either a fixed price or an hourly rate.

The Company has adopted IFRS 15 Revenue from contracts with customers with effect from 1 January 2018. There has been no material impact on revenue through the adoption of IFRS 15.

##### Tooling Revenue

Tooling revenue is recognised on completion of project, transferred to serial production and signed off by client.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

##### Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

##### Operating profit

Operating profit is stated after charging operating and administrative costs and operating income but before investment income and finance costs.

##### Retirement benefit costs

Payments to defined contribution retirement schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement scheme.

##### Taxation

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

##### Current tax

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

##### Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

#### *Current tax and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### *Property, plant and equipment*

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method, on the following bases:

Freehold building	3% straight line basis
Plant and machinery	8% to 33% straight line basis
Fixtures and fittings	10% straight line basis

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in income.

#### *Intangible assets*

##### *Intangible assets acquired separately*

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

##### *Internally-generated intangible assets – research and development expenditure*

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

An internally-generated intangible asset arising from the Company's development costs (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Software	25% basis	Straight-line
Development cost	Life of project basis	Straight-line

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

#### Impairment of property, plant and equipment and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

##### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

##### **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

##### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### **Financial assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified as 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

##### **Loans and receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

#### *Financial liabilities and equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

The Company has adopted IFRS 9 Financial Instruments with effect from 1 January 2018. There has been no material impact on the accounts through the adoption of IFRS 9.

#### *Other Operating Income*

Other operating income relates to recovery for administrative support to other manufacturing plants within the group and foreign exchange gains on transactions.

#### *New accounting standards for 2019 and later*

##### **IFRS 16 – Leases**

#### *The Company as lessee*

The Company has adopted IFRS 16 from 1st January 2019. The standard replaces IAS 17 Leases, and for lessees eliminates the classification of operating and finance leases. During 2018 rentals payable under operating leases were charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases were recognised as an expense in the period in which they were incurred.

In the event that lease incentives were received to enter into operating leases, such incentives were recognised as a liability. The aggregate benefit of incentives were recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis was more representative of the time pattern in which economic benefits from the leased asset are consumed.

The company assesses whether a contract is or contains a lease, at inception of the contract. The company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Upon initial adoption of IFRS 16, the Company has not accounted for Dilapidation provision within Right-of-use assets, but continued to recognise it as a separate liability under IAS 37, as at the end of the underlying lease, there will be a cash outflow, but these costs are incurred independent of the lease payments and interest

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

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

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfer's ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other operating expenses" in profit or loss (see note 31).

In the current year, the company has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3. The impact of the adoption of IFRS 16 on the company's financial statements is described below.

The date of initial application of IFRS 16 is 1 January 2019.

The company has applied IFRS 16 using cumulative catch up approach. This means that comparative information has not been restated.

#### (a) Impact of the new definition of a lease

The company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the company.

#### (b) Impact on Lessee Accounting

##### *(i) Former operating leases*

IFRS 16 changes how the company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the company:

- (a) Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- (b) Recognizes depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- (c) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the company has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other operating expenses' in profit or loss.

##### *(ii) Former finance leases*

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the company recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the company's financial statements.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 2. Significant accounting policies (continued)

The weighted average lessees' incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on 1 January 2019 is 2.5%. The following explains the difference between operating lease commitments applying IAS 17 at 31 December 2018 and the lease liability recognized on adoption of IFRS 16 at 1 January 2019:

	£
Total minimum lease payments reported at 31 December 2018 under IAS 17	6,853,120
Change in assessment of lease term under IFRS 16	4,031,816
Leases outside the scope of IFRS 16	-
Impact of discounting lease liability under IFRS 16	-
Lease liability recognised on transition to IFRS 16 at 1 January 2019	10,884,936

The Company has recognised £10,884,936 of right-of-use assets and the same value of lease liabilities upon transition to IFRS 16. There is no difference recognised in retained earnings.

#### 3. Significant Judgements, key assumptions and estimates

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In determining the development expenditures to be capitalized, Grupo Antolin Leamington Limited makes estimates and assumptions based on expected future economic benefits generated by products that are the result of these development expenditures based on contracted business with the customer. Other important estimates and assumptions in this assessment process are the required internal rate of return, the distinction between R&D and the estimated recovery over the useful life of the product.

#### 4. Revenue

An analysis of the Company's revenue is as follows:

	2019 £	2018 £
Continuing operations		
Sales of goods	60,433,567	83,435,972
Rendering of services	33,980	531,755
Tooling	4,754,525	2,123,777
	<u>65,222,072</u>	<u>86,091,504</u>

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

An analysis of the Companies revenue by geographical market is set out below

	2019 £	2018 £
<b>Revenue</b>		
Geographical market: United Kingdom	65,222,072	86,091,504
	<u>65,222,072</u>	<u>86,091,504</u>

#### 5. Cost of Sales, other operating income and expenses

	2019 £	2018 £
Material Costs	40,227,066	55,730,559
Labour Costs	9,475,948	12,006,907
Tooling Costs	3,855,031	1,513,939
Depreciation and Amortisation Expense	2,885,133	1,802,287
Research and Development Expenses	44,157	62,257
Other Expenses	4,084,031	6,387,684
	<u>60,571,366</u>	<u>77,503,633</u>

#### Other operating income

	2019	2018
Sale of Prototypes	255,625	143,786
Incomes from Sundry Expenses	844,615	2,285,274
Incomes for services to Group	526,106	190,498
Exchange	1,746,557	217,446
	<u>3,373,494</u>	<u>2,837,004</u>

#### Administrative expenses

Reduction of £3,056,704 in 2020 management charges in line with agreement.

#### 6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £60,113 (2018: £48,720).

Fees payable to the auditor and their associates for non-audit services to the Company are not required to be disclosed because the financial statements of the parent Company are required to disclose such fees.

**Grupo Antolin Leamington Limited****Notes to the financial statements**  
**For the year ended 31 December 2019****7. Staff costs**

The average monthly number of employees (including executive directors) was:

	2019 Number	2018 Number
Production	170	203
Administration	15	16
	<u>185</u>	<u>219</u>

Their aggregate remuneration comprised:

	Year ended 2019 £	Year ended 2018 £
Wages and salaries	6,062,380	6,921,227
Social security costs	618,144	708,126
Other pension costs	165,096	118,063
	<u>6,845,620</u>	<u>7,747,416</u>

The Directors' emoluments are paid by holding company Grupo Antolin Irausa S.A.

**8. Finance costs**

	Year ended 2019 £	Year ended 2018 £
Interest		
Interest on long term loan with group	(70,886)	(97,499)
Interest on factoring	(4,399)	-
Interest on leases IFRS16	(192,313)	-
	<u>(267,598)</u>	<u>(97,499)</u>

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 9. Tax on profit/(loss)

	Year ended 2019 £	Year ended 2018 £
Corporation tax:		
Current tax	-	607,637
Current tax on profit for the year	-	(170,419)
Adjustments in respect of prior years	26,349	-
Total current tax	26,349	437,218
Deferred tax		
Current year	(164,884)	2,320
Effect of changes in tax rates	17,357	-
Adjustments in respect of prior years	(23,566)	-
	(171,093)	2,320
Total per income statement	(144,744)	439,538

Corporation tax is calculated at 19% (2018: 19.0%) of the estimated taxable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The charge for the year can be reconciled to the profit in the income statement as follows:

	Year ended 2019 £	Year ended 2018 £
Profit before tax	1,668,229	3,481,260
Tax at the UK corporation tax rate of 19 % (2018: 19.0%)	316,964	607,637
Tax effect of expenses that are not deductible in determining taxable profit	114,607	-
Impact of rate changes	17,357	-
Prior year adjustments	2,783	(170,419)
Movement in deferred	-	2,320
Group relief	(596,455)	-
Tax expense for the year	(144,744)	439,538

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 10. Deferred tax note

	2019 £	2018 £
Movement on deferred taxation balance in the period		
Opening balance Liability	267,602	265,282
(Credit) / Charge to profit and loss account	(147,526)	2,320
Prior period adjustment - profit and loss account DR/(CR)	(23,567)	
Closing balance Liability	<u>96,509</u>	<u>267,602</u>
Analysis of Deferred Tax Balance		
Capital allowances in excess of depreciation	96,509	267,602
Closing balance Liability	<u>96,509</u>	<u>267,602</u>
The UK tax rate is 19% from 1 January 2019 (2018 19%)		

	2019 £	2018 £
Unrecognised Deferred tax		
- Losses	(625,296)	(625,296)
	<u>(625,296)</u>	<u>(625,296)</u>

No deferred tax asset has been recognised in respect of unused tax losses as it is considered probable that there will be future taxable profits available

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 11. Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 2019 £	Year ended 2018 £
Purchase of Raw Materials	40,227,066	55,730,559
Hire of Plant and Machinery (Operating Leases)	254,502	243,790
Hire of other assets (Operating Leases)	116,147	973,515
Impairment of assets	712,857	-
Staff costs	6,845,620	7,747,416
Auditor's Remuneration	60,113	48,720
Foreign exchange profit	176,409	(217,446)
Depreciation of owned tangible fixed assets	952,952	1,036,093
Depreciation Right-of Use assets	1,322,556	-
Amortisation of intangible fixed assets	609,626	766,194

(\*) Non audit services relates to taxation and secretarial services

#### 12. Intangible assets

	Development costs £	Software £	Total £
<b>Cost:</b>			
At 1 January 2019	10,863,007	199,832	11,062,839
Additions	599,466	-	599,466
Impairment	(812,831)	-	(812,831)
Disposal	(512,694)	(6,382)	(519,076)
<b>At 31 December 2019</b>	<b>10,136,948</b>	<b>193,450</b>	<b>10,330,398</b>
<b>Amortisation</b>			
At 1 January 2019	8,293,707	188,133	8,481,840
Charge for the year	603,563	6,063	609,626
Change on impairment	(595,647)	-	(595,647)
Charge on disposal	(192,752)	(745)	(193,497)
<b>At 31 December 2019</b>	<b>8,108,871</b>	<b>193,450</b>	<b>8,302,322</b>
<b>Carrying amount</b>			
At 31 December 2019	2,028,077	-	2,028,076
At 31 December 2018	2,569,300	11,700	2,580,999

Development costs have been capitalised in accordance with IAS 38 *Intangible Assets* and are therefore not treated for dividend purposes, as a realised loss.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 13. Property, plant and equipment

	Leasehold buildings £	Plant and machinery £	Right-of Use (a) £	Fixtures and fittings £	Total £
<b>Cost</b>					
At 1 January 2018	1,041,895	15,665,509	-	116,703	16,824,108
Additions	-	519,009	10,884,936	-	11,403,945
Impairment	(557,538)	(301,080)	-	-	(858,618)
Disposal	(6,509)	(582,120)	-	-	(588,629)
<b>At 31 December 2018</b>	<b>477,848</b>	<b>15,301,318</b>	<b>10,884,936</b>	<b>116,703</b>	<b>26,780,805</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2019	236,581	11,126,860	-	98,415	11,461,856
Charge for the year	30,955	919,624	1,322,556	2,373	2,275,508
Change on impairment	(177,104)	(185,841)	-	-	(362,945)
Disposals	(2,107)	(301,387)	-	-	(303,494)
<b>At 31 December 2019</b>	<b>88,325</b>	<b>11,559,256</b>	<b>1,322,556</b>	<b>100,788</b>	<b>13,070,924</b>
<b>Carrying amount</b>					
At 31 December 2019	389,523	3,742,063	9,562,380	15,915	13,709,881
At 31 December 2018	805,314	4,538,650	-	18,288	5,362,252

At 31<sup>st</sup> December 2019 the company had no contractual commitments for the acquisition of property, plant and equipment (2018: £0)

#### Land and buildings

The net book value of land and buildings includes:

	Land and Buildings	
	2019	2018
	£	£
Property improvements	-	17,400
	-	17,400

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### Right of Use Assets (a)

	Leasehold buildings £	Leasehold plant and machinery £	Leased vehicles £	Total £
<b>Cost:</b>				
At 1 January 2019	-	-	-	-
Additions 2019	10,143,210	501,675	240,052	10,884,936
At 31 December 2019	10,143,210	501,675	240,052	10,884,936
<b>Accumulated depreciation</b>				
At 1 January 2019	-	-	-	-
Charge for the year	(1,099,589)	(121,453)	(101,515)	(1,322,556)
At 31 December 2019	(1,099,589)	(121,453)	(101,515)	(1,322,556)
<b>Carrying amount</b>				
At 31 December 2019	9,043,621	380,222	138,537	9,562,380
At 31 December 2018	-	-	-	-

#### 14. Inventories

	2019 £	2018 £
Raw materials	1,149,208	1,843,365
Work-in-progress	173,556	203,795
Finished goods	1,479,513	1,618,805
Tooling inventory	754,681	3,309,857
	<u>3,556,958</u>	<u>6,975,822</u>

Inventory consumed during the year to the value of £57,541,986 is included in cost of sales.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 15. Trade and other receivables

	2019 £	2018 £
Amounts falling due within one year:		
Amount receivable for the sale of goods	6,878,041	8,478,126
Amounts owed by group undertakings		
Trade receivables	831,069	200,056
Loan	-	2,067,070
Social Security and other taxes	32,742	2,235
Amounts receivable from tax authorities	621,341	-
Other Receivables	239,872	-
Prepayments and accrued income	732,023	560,803
	<u>9,335,088</u>	<u>11,308,290</u>

The company did not factor any debts in 2019 (2018 £4,602,348) without recourse, invoices in accordance with IF9, payable within 60 days.

Amounts owed by/to group undertakings relating to Trade Receivables and Payables are due for payment in 30 days. Loan is unsecured short term with interest accruing at 2.5 % in favour of GA Irausa S.A and 0.63% in favour of Grupo Antolin Leamington Limited.

#### 16. Trade and other payables

	2019 £	2018 £
Trade payables	6,121,510	8,953,147
Amounts owed to group undertakings		
Parent company unsecured loan	2,804,720	-
Trade payables	1,965,102	6,783,776
Accrued expenses and deferred income	1,837,574	2,213,642
Wages payables and social security	129,356	-
Corporation Tax	22,505	385,086
Amount Payable to tax authorities	-	189,013
	<u>12,880,767</u>	<u>18,524,664</u>
Amounts falling due within one year:		

Amounts owed by Group undertakings relating to trade receivables and payables are due for payment in 30 days. Loan is short term with interest accruing at 2.5% in favour of GA Irausa S.A and 0.63% in favour of Grupo Antolin Leamington Limited.

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 17. Right of use leased assets

	Land and Buildings	Plant & Machinery	Vehicles	Total £
Current	998,857	136,330	101,474	1,236,661
Non-current	8,278,973	228,065	32,715	8,539,753
	<u>9,277,830</u>	<u>364,395</u>	<u>134,189</u>	<u>9,776,414</u>

#### 18. Lease Liabilities

	31/12/2019 £
Within 1 year	1,236,661
2 – 5 years	3,389,909
Over 5 years	5,149,844
	<u>9,776,414</u>

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

All lease obligations are denominated in currency units.

#### The Company as a lessee

	31/12/2019	31/12/2018 £
Minimum lease payments under operating leases recognized as an expense in the year	370,679	1,217,305
	<u>370,679</u>	<u>1,217,305</u>

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of 15 years and rentals are fixed for an average of 5 years. Break clause can be invoked on average at 7 years with an option to extend for a further 8 years at the then prevailing market rate.

Liabilities recognized in respect of non-cancellable operating leases:

	31/12/2019	31/12/2018 £
Lease incentives	-	-
Within 1 year	54,628	1,284,756
2 – 5 years	-	4,640,831
Over 5 years	-	927,533
	<u>54,628</u>	<u>6,853,120</u>

## Grupo Antolin Leamington Limited

### Notes to the financial statements

For the year ended 31 December 2019

Lease incentive not recognized as liability during 2019 relate to the rent free period (6 months) on the leased premises in Leamington SPA. The annual contractual rent after rent free period is £524,000. The lease agreement will expire in 14 years.

#### 19. Provisions for Liabilities

	2019 £	2018 £
Customer provision	1,091,996	946,149
Warranty Provision	-	34,072
Other Provisions	557,000	974,000
	<u>1,648,996</u>	<u>1,954,221</u>

Movements for 2019	Opening Balance £000	Addition £000	Utilised £000	Reversed £000	Closing Balance £000
Customer Provision	946,149	145,847	-	-	1,091,996
Warranty Provision	34,072	-	34,072	-	-
Other Provisions	974,000	-	417,000	-	557,000
<b>Total</b>	<b>1,954,221</b>	<b>145,847</b>	<b>451,072</b>	<b>-</b>	<b>1,648,996</b>

The customer provision relates to price reduction agreements between the company and the customer.  
The warranty provision represents the management's best estimate of the company's liability, based on past experience and industry averages for defective products.  
Other provisions relate dilapidations provision on leased buildings.

#### 20. Retirement benefit schemes

##### Defined contribution schemes

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £165,096 (2018: £118,063).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

#### 21. Share capital

	2019 £	2018 £
<b>Issued and fully paid:</b>		
2,485,000 ordinary shares of £1 each	<u>2,485,000</u>	<u>2,485,000</u>

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

## Grupo Antolin Leamington Limited

### Notes to the financial statements For the year ended 31 December 2019

#### 22. Retained earnings,

	£
Balance at 1 January 2019	3,011,393
Net profit for the year	1,812,973
Dividends paid	(3,000,000)
Balance at 31 December 2019	<u>1,824,366</u>

#### 23. Related party transactions

##### Trading transactions

During the year, the Company entered into the following trading transactions with related parties:

	Sale of goods		Purchase of goods	
	2019	2018	2019	2018
	£	£	£	£
Cidut S.L	-	-	-	592,779
	<u>-</u>	<u>-</u>	<u>-</u>	<u>592,779</u>

Purchases were made at market price to reflect the quantity of goods purchased from related companies, payable in 30 days. Grupo Antolin Irausa purchased 100% shareholding in Cidut S.L in 2018.

#### 24. Contingent liabilities

At 31 December 2019, the Company acted as the joint and several guarantor, together with a significant number of the companies forming part of the Antolin Group, for the following financing arrangements granted to Grupo Antolin-Irausa, S.A., the Company's sole shareholder:

- Long-term ordinary bonds issued on 10 June 2018 and 10 April 2017 by Grupo Antolin-Irausa, S.A., which have been placed with qualified and institutional investors, amounting to EUR 250 million and EUR 385.4 million, respectively. These bond issues mature at 8 and 7 years, respectively.
- "Senior Facilities Agreement" entered into by Grupo Antolin-Irausa, S.A. with a group of financial institutions, under which the parent of the Group obtained financing through a syndicated loan ("Loan Facility") of EUR 394.1 million (with a maturity schedule that ends in 2023) and through a multi-currency revolving credit facility ("Revolving Credit Facility") with a limit of EUR 200 million (maturing in 2023).
- Long-term loan granted on 12 June 2018 to Grupo Antolin-Irausa, S.A. by the European Investment Bank (EIB), amounting to EUR 100 million, which will be repaid in half-yearly instalments maturing in the period from 2021 to 2028. This loan is being used to finance a project called "Antolin Car Interiors RDI", through which the Group's R&D&I strategy for the development of new car interior solutions is being implemented. The total investments envisaged in the project amount to EUR 217,172 thousand and must be made by certain Group companies located in Spain, Germany and France in the period from 2018 to 2020.

#### 25. Events after the balance sheet date

The Coronavirus Pandemic is expected to have an impact on 2020 results which cannot be quantified currently. The company has taken advantage of Government Furlough scheme to reduce negative impact on 2020 result. The company will have all staff return to work at the end of Furlough scheme.

## **Grupo Antolin Leamington Limited**

### **Notes to the financial statements For the year ended 31 December 2019**

#### **26. Ultimate Parent Company**

The immediate controlling party and parent company is Grupo Antolin Holland B.V., a company incorporated in the Netherlands, registered address: Prins Bernhardplein 200, 1097 JB Amsterdam. The ultimate controlling party and parent company is Grupo Antolin Irausa S.A., a company incorporated in Spain. Copies of the group consolidated financial statements of Grupo Irausa S.A. can be obtained from Carretera Madrid-Irún, Km 244,8, Burgos, Spain.