

Company Registration No. 03477767

Grupo Antolin Leamington Limited

Annual Report and Financial Statements

For the year ended 31 December 2020



Grupo Antolin Leamington Limited

Annual financial statements 31 December 2020

Contents	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	8
Directors responsibility statement	10
Independent auditor's report	11
Income statement	15
Statement of comprehensive income	16
Balance sheet	17
Statement of changes in equity	19
Notes to the financial statements	20

Grupo Antolin Leamington Limited

Annual financial statements 31 December 2020

Officers and professional advisers

Directors

Jesus Pascual
Michael Jones
Miguel Angel Prado

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 2020 compared to 2019 due to lower volumes of sales. The results for the financial year as presented in the company's income statement on page 13 show revenue at £37,711,175 (£65,222,072 in 2019), and loss before tax at -£113,335 (£1,668,229 profit in 2019). Other Operating expenses include £1,007,401 of exchange rate differences charge (2019: £1,894,743 offset in Other Incomes). Cost of sales includes £869,212 (2019:£3,855,032) of tooling expenses to be recovered from customer in 2020. The directors will continue to seek and develop new customers, products and services in order to improve performance in future.

Position of the business

At the end of the year, the net assets totalled £2,495,181 compared to £4,309,366 at the previous year end.

The company employs 207 employees (2019: 283) across the UK (see note 7).

The directors recommend the payment of a dividend of £1,640,000 (2019: £3,000,000).

Key Performance Indicators

The average day's stock across all plants for the year is 11.9 days (target 7.98 days) with increased safety stock holding due to threat of supply relating to Brexit.

Direct labour cost for the year averaged at 9.1% (2019: 8.7%) resulting mainly from cost of living increases and fixed element of salaries paid during shutdown resulting from coronavirus pandemic.

The revenue and profit is also considered as key performance indicator which has been explained above as part of review of business.

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 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.

The UK's decision to leave the European Union continued to provide economic uncertainty during 2020, 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 Coronavirus pandemic has had a significant impact on the global economy resulting in UK vehicle production to decrease by 40% compared to the previous year. Latest forecasts considering the current status of the coronavirus pandemic has prompted some analysts to consider an increase in UK vehicle production of around 10% in 2021. However, this growth is expected to be impacted by the global shortage of semi-conductors as mentioned above.

Internally Grupo Antolin implemented 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 adapted these measures as required in line with government and local authority guidance.

The company's directors and management have carried out an ongoing assessment during the pandemic. 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.

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.

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. 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.

Grupo Antolin Leamington Limited

Strategic report

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 it's 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

Our people are the absolute key to our success and never has this been truer than during the incredible challenges presented by a global pandemic.

The traditional methods of communication were rapidly replaced with digital means, providing a gateway to further improvements and allowing us to remain engaged with a furloughed workforce, successfully navigating the transition to furlough and back with minimal disruption.

Excellent proactive safety measures were quickly installed resulting in zero COVID infections within the offices and factories during 2020 enabling employees returning from lockdown to remain confident in that the business had taken the necessary steps to protect their health, creating the security for them to maintain focus on the task at hand in creating security for the business's future by delivering stakeholder results.

The commitment of our workforce and the government furlough scheme allowed the business's financial performance to remain strong despite the inevitable pressures of a significant reduction in sales.

In parallel with the strength gained from our committed, skilled and flexible workforce, the business took tough decisions to ensure the long term viability of the UK business, implementing a pay freeze, reducing variable costs.

Grupo Antolin Leamington Limited

closing two sites i.e. Sunderland site and Solihull JIT Facility and successfully consolidating operations into the new leaner manufacturing footprint, at the same time retaining critical talent to re-distribute within the remaining sites. The Sunderland site was closed and JIT facility was transferred to LMG facility in Feb 2019 and Solihull JIT facility transferred to LMG facility in Q3 2019, facility lease end 7th August 2020.

The talent mapping and succession planning programme launched in 2019 strengthened our ability to flex our talent across the UK during 2020, vital in times of reducing labour to mirror as far as possible, sales reductions, creating a strong and sustainable workforce for the future.

2020 has highlighted and increased the agility of the UK workforce. Bonds have been tested and strengthened with a leaner, intelligent and integrated team emerging to create a strong and stable platform from which to build into the future challenges of 2021 and beyond.

(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.

As a company, we are making a significant commitment and investment in the area of climate change and low carbon economy transition, 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.

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Current reporting year (Jan'20 – Dec'20)

Total energy use covering electricity, gas, other fuels and transport	8,764,867kWh
Total emissions generated through combustion of gas	618.02tCO ₂ e
Total emissions generated through use of purchased electricity	1,085.98tCO ₂ e
Total emissions generated through use of other fuels	84.25tCO ₂ e
Total emissions generated through business travel	66.47tCO ₂ e
Total gross emissions	1,854.71tCO ₂ e
Intensity ratio (total gross emissions)	19.61kgCO ₂ e per sqft

Energy efficiency actions

We are committed to responsible energy management and will practice energy efficiency throughout our organization, wherever it's cost effective. We recognize that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Moved to remote home working due to Covid. Will review when situation permits.
- Encouraged increased use of video conferencing.
- Travel reduced due to Covid.
- Lighting improvements:
 - Replaced all T8 inspection lighting with LED.

Grupo Antolin Leamington Limited

- Replaced high bay lighting in the manufacturing and warehouse areas.
 - Manufacturing - 288 400W sodium high-bay lights replaced by 50 LED 250W.
 - Warehouse - 28 400W high-bay lights replaced by LED 250W.

The following energy efficiency measures are under consideration for implementation during 2021.

- Carry out energy/heat loss survey.
- Improve door seals on 4 gas ovens to reduce heat loss.
- Install pipe work for all oil heated presses.
- Install heat plates for all oil and electric presses to reduce heat loss.

Listed below are some of the recommendations from ESOS Phase 2 which were not feasible due to costs but will be added to the investment budget for 2021.

- Add air compressor stop-valves.
- Sub-meter air compressors.
- Install thermostatic control for foam component storage.
- Install energy efficient heating in mixing room.
- Implement sub-metering energy management scheme.
- Implement a combined heat and power (CHP) system.

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) used in conjunction with Government GHG reporting conversion factors.

(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.

Grupo Antolin Leamington Limited

(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: 30/9/2021

Grupo Antolin Leamington Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2020. Financial risk management and principal risks have been discussed in the strategic report.

Future development

The directors consider volumes and turnover will be higher in 2021 in comparison to 2020 and 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 2021. 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

	2020 £	2019 £
Turnover	37,711,175	65,222,072
Turnover (Decrease)	-42%	-24%
(Loss) profit before tax	-113,335	1,668,229

Going concern

The Company's financial position and future prospects are described as above. The Company generated lower profits before tax in 2020 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 has had 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. As per the latest projection the company is expected to generate sufficient cash flow based on the most probable scenario considering the upcoming projects and other factors explained above.

Further, the directors of the Company were able to take advantage of the Government Furlough scheme, to address the risk. In addition, in order to assist with cash flow, the Company took advantage of government support offered through the COVID-19 VAT payment deferral scheme for the VAT quarter ended March 2020. The VAT payment deferred of £517,352.70 was paid in July 2021.

Considering the funding for Antolin group is managed at group level and subsidiaries are also jointly responsible for borrowings taken by the parent as explained in further detail in note-23 of the financial statement. Our assessment for the appropriateness of going concern assumption is driven from group perspective. The directors have assessed the funding available at group level by review of borrowing facility, assessed the willingness and ability of Grupo Antolin Itrausa S.A. to support the subsidiary has been assessed by review of cash flow projection at group level and also by obtaining support letter from Grupo Antolin Itrausa S.A. to confirm the support for the next 12 months from the date of signing.

We further draw attention to the interim consolidated results for period to 30th June 2021 which explains the subsequent result of the group, funding available and other key indicators which has been considered to conclude on the appropriateness of going concern assumption. The directors have considered the estimate around assessment of going concern assumption as a significant estimate and further disclosure of the assumptions used has been disclosed in note 3 (ii) of the financial statement as part of IAS 1 disclosure requirements.

Considering all these factors, the Directors have concluded that company has sufficient fund to operate for the next 12 months from the sign-off date of the financial statement.

Grupo Antolin Leamington Limited

Directors' report

Results and dividend

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

The directors approved the payment of a dividend of £1,640,000 (2019: £3,000,000 at £1.21 per share). The dividend was settled through a distribution of retained earnings. There were no other proposed dividends in the period and there are no capital contributions held at the end of the year and remaining retained loss amount to (£81,673). 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

During the second quarter of 2021, our customers were impacted by the global shortage of semi-conductors. The Directors assessed the impact of this event on the cashflow projections for 2021 and have concluded that there is no impact to impairment of assets or on our conclusion for Going Concern.

Directors

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

Jesús Pascual
Michael Jones
Miguel Angel Prado

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.

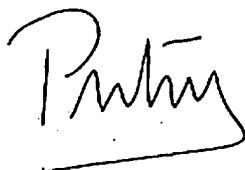
Grupo Antolin Leamington Limited

Directors' report

Due to an auditor rotation policy adopted by the parent company, Grupo Antolin Irausa S.A., Deloitte LLP will resign as auditor and KPMG LLP will be appointed as auditor for the year ended 31st December 2021.

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

Pablo Martínez
Company Secretary
Date: 30/9/21



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.

Grupo Antolin Leamington Limited

Independent auditor's report

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 31st December 2020 and of its loss 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 balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

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.

Conclusions relating to going concern

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

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

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

Other information

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

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

Grupo Antolin Leamington Limited

Independent auditor's report

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

Valuation of Tangible and intangible assets:

- We have assessed the design and implementation of the control to understand the management process and perform the testing for control around impairment assessment prepared by the management.
- We have audited the management projection including challenging the basis for cash flow considered, reviewed each of the assumptions used for the assessment, performed Stand back assessment as per ISA (UK) 540.

Grupo Antolin Leamington Limited

Independent auditor's report

- We also performed retrospective review by comparing the budget to actuals and performing sensitivity analysis to analyse the headroom available.
- We reviewed the key customer projections and compared that to company projection to ensure that there are no inconsistency.

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

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

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

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 and 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.

Grupo Antolin Leamington Limited

Independent auditor's report

Use of our report

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

Manmeet Kalsi

Manmeet Kalsi, (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Birmingham, United Kingdom

Date: 30 September 2021

Grupo Antolin Leamington Limited

Income statement

For the year ended 31 December 2020

	Note	2020 £	2019 £
Revenue	4	37,711,175	65,222,072
Cost of sales	5	(36,866,731)	(60,571,366)
Gross profit		844,444	4,650,706
Other operating income	5	3,124,074	3,373,494
Administrative expenses	5	(3,136,537)	(3,502,514)
Other operating expenses		(571,655)	(2,585,859)
Operating profit		260,326	1,935,827
Finance Cost	8	(373,661)	(267,598)
(Loss)/Profit before taxation		(113,335)	1,668,229
Tax on (loss)/profit	9	(152,704)	144,744
(Loss)/Profit for the financial year attributable to owners of the Company		(266,039)	1,812,973

All results are all derived from continuing operations.

Grupo Antolin Leamington Limited

Statement of comprehensive income For the year ended 31 December 2020

	Year ended 2020 £	Year ended 2019 £
(Loss)/Profit for the year	(266,039)	1,812,973
Other comprehensive result for the year net of tax		
Total comprehensive income for the year attributable to the owners of the Company	(266,039)	1,812,973

Grupo Antolin Leamington Limited

Balance Sheet As at 31 December 2020

	Note	2020 £	2019 £
Non-current assets			
Intangible assets	12	1,916,105	2,028,076
Property, plant and equipment	13	4,291,150	4,147,501
Right of use leased assets	13	8,277,595	9,562,380
		<u>14,484,850</u>	<u>15,737,957</u>
Current assets			
Inventories	14	3,759,886	3,556,958
Trade and other receivables	15	8,724,484	9,335,088
Cash and bank balances		58,193	82,049
		<u>12,542,563</u>	<u>12,974,095</u>
Total assets		<u>27,027,413</u>	<u>28,712,052</u>
Current liabilities			
Trade and other payables	16	(13,811,254)	(12,880,767)
Right of use leased assets	17	(1,024,517)	(1,236,661)
Provisions	18	(1,936,536)	(1,648,996)
		<u>(16,772,307)</u>	<u>(15,766,424)</u>
Net current (liabilities) / assets		<u>(4,229,744)</u>	<u>(2,792,429)</u>
Total assets less current liabilities		<u>10,255,106</u>	<u>12,945,628</u>
Deferred tax liabilities	10	(245,369)	(96,509)
Right of use leased asset	17	(7,606,411)	(8,539,753)
Non-current liabilities		<u>(7,851,780)</u>	<u>(8,636,262)</u>
Total liabilities		<u>(24,624,087)</u>	<u>(24,402,686)</u>
Net assets		<u>2,403,327</u>	<u>4,309,366</u>
Equity			
Share capital	21	2,485,000	2,485,000
Retained earnings	22	(81,673)	1,824,366
Equity attributable to owners of the Company		<u>2,403,327</u>	<u>4,309,366</u>

Grupo Antolin Leamington Limited

Balance Sheet

As at 31 December 2020

The financial statements of Grupo Antolin Leamington Limited (registered number 03477767) were approved by the board of directors and authorised for issue on 30 September 2021. 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 2020

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2019	2,485,000	3,011,393	5,496,393
Profit for the period	-	1,812,973	1,812,973
Dividend Paid	-	(3,000,000)	(3,000,000)
Total comprehensive income for the period	-	(1,187,027)	(1,187,027)
Balance at 31 December 2019	2,485,000	1,824,366	4,309,366
Profit for the year	-	(266,039)	(266,039)
Dividends paid	-	(1,640,000)	(1,640,000)
Balance at 31 December 2020	2,485,000	(81,673)	2,403,327

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

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 Iruasa 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, leasing 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.

The principal accounting policies adopted are set out below.

Going concern

The Company's financial position and future prospects are described in the Directors' report. The Company generated lower profits before tax in 2020 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 has had 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 it's just in time facility and to incorporate sequencing of product within its manufacturing facility, improving efficiency and reducing costs. As per the latest projection the company is expected to generate sufficient cash flow based on the most probable scenario considering the upcoming projects and other factors explained above. Further, the directors of the Company were able to take advantage of the Government Furlough scheme, to address the risk.

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

2. Significant accounting policies (continued)

Considering the funding for Antolin group is managed at group level and subsidiaries are also jointly responsible for borrowings taken by the parent as explained in further detail in note-23 of the financial statement, our assessment for the appropriateness of going concern assumption is driven from group perspective.

The directors have assessed the funding available at group level by review of borrowing facility, assessed the willingness and ability of Grupo Antolin Irausa S.A. to support the subsidiary has been assessed by review of cash flow projection at group level and also by obtaining support letter from Grupo Antolin Irausa S.A. to confirm the support for the next 12 months.

We further draw attention to the interim consolidated results for the period 30th June 2021 which explains the subsequent result of the group, funding available and other key indicators which has been considered to conclude on the appropriateness of going concern assumption. The directors have considered the estimate around assessment of going concern assumption as a significant estimate and further disclosure of the assumptions used has been disclosed in note 3 (ii) of the financial statement as part of IAS 1 disclosure requirements.

Considering all these factors, the Directors have concluded that company has sufficient fund to operate for the next 12 months from the sign-off date of the financial statement.

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 when performance obligations are met when the goods have been passed on to the buyer as per contractual terms, at which time all the following conditions are satisfied: -

- The company is recognizing revenue as and when it satisfies the performance obligation by transferring promised goods or services to a customer and customer obtains control of the same;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The costs incurred or to be incurred in respect of the transaction can be measured.

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

2. Significant accounting policies (continued)

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.

Tooling Revenue

Tooling revenue is recognised in line with IFRS 15 on completion of 5 criteria as mentioned above which is essentially completed on completion of project, transfer of tooling into serial production and signed off by client for acceptance of tool as per the contract. The cost incurred on tooling is recorded as Inventory as per IAS-2 until it is delivered to customer and revenue is recorded as discussed above.

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.

Government Grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

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.

Grupo Antolin Leamington Limited

Notes to the financial statements **For the year ended 31 December 2020**

2. Significant accounting policies (continued)

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.

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:

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

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.

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 the 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.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

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.

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.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

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
- 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.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

Dividend Policy

The company pays dividend based on distributable reserve available based on relevant accounts as defined in the companies act 2006 and also considering long term viability and going concern of the entity.

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.

IFRS 16 – Leases

The Company as lessee

The Company has adopted IFRS16 from 1st January 2019. The standard replaces IAS17 Leases, and for lessees eliminates the classification of operating and finance leases. Contingent rentals arising under operating leases were recognized 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 recognized as a liability. The aggregate benefit of incentives were recognized 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 recognize 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

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.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

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).

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

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 and accordingly opening reserve was adjusted in FY 2019.

(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.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

2. Significant accounting policies (continued)

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.

The weighted average lessees' incremental borrowing rate applied to lease liabilities recognized in the statement of financial position on 1 January 2020 is 2.5%.

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. The management has exercised following significant judgements and key assumptions and estimates while preparing the financial statement:

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

(i) **Significant judgements**

Capitalisation of research and development costs

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.

(ii) **Key assumptions and estimates**

Impairment assessment for tangible and intangible assets

Tangible assets are depreciated in line with rates indicated above in accounting policies or at net realisable values. Intangible assets are amortised over the life of the project. For impairment purposes specific assets are allocated to projects and the remaining balance of tangible assets are shared between all projects.

Project tooling is owned by the respective customers.

Rates used for impairment analysis:

Weighted average cost of capital - 8%

Investment in working capital - 9%

Assessment of going concern appropriateness

The impact of Coronavirus pandemic has had an adverse impact on the result and liquidity for 2020 for the company and the group as a whole. Further considering the funding for Grupo Antolin is managed at group level and subsidiaries are also jointly responsible for borrowings taken by the parent as explained in further detail in note 23 of the financial statements.

Hence conclusion on the appropriateness of going concern is mainly driven from the group. The directors have considered the estimate around assessment of going concern assumption as a significant estimate based on the fact that appropriateness of going concern assumption is dependent upon funding/support from group which is further dependent upon liquidity at group level.

There are certain covenants attached to the borrowings which have been considered as critical to maintain funding in future including Financial Leverage (Net Financial debt/EBITDA) which needs to be less than 4 until 31st December 2021 and less than 3.5 after that as per the bank covenant.

The non-compliance of this covenant can result in the entire loan become immediately payable. Though Group has been able to comply with these covenants in the past, the Group obtained a waiver until 30th June 2021 for compliance of any covenant. The actual and projected ratio is as below:

	Key Covenant	FY 2022 (Projected)	FY 2021 (Projected)	FY 2021 (Q2) (Actual)	FY 2021 (YTD April 2021) (Actual)	FY 2021 (Q1) (Actual)	FY 2020
Financial Leverage (Net Financial debt/EBITDA)	Less than 4 until 31/12/2021 and after that Less than 3.5	2.21	2.56	2.6	3.14	3.84	3.92

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

Further there are few non-financial covenants and the non-compliance will result in increase in interest rate by 0.025%

- a) KPI-1 means greenhouse gas emission by direct consumption of energy in tons of carbon dioxide (CO2) equivalent per million EUR of revenue.
- b) KPI-2 means frequency index of work accidents and occupational diseases with lost time per million hours worked.

The directors of the company has considered all the above covenant specially "Financial Leverage (Net Financial debt/EBITDA)" and noted that as per latest actual data and based on projection this will be complied and hence there are no material uncertainty with respect to going concern and company will have sufficient fund to survive next 12 months from the sign off date of this financial statement.

4. Revenue

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

	2020 £	2019 £
Continuing operations		
Sales of goods	35,927,101	60,433,567
Rendering of services	-	33,980
Tooling Income	1,784,075	4,754,525
	<u>37,711,176</u>	<u>65,222,072</u>

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

	2020 £	2019 £
Geographical market: United Kingdom	37,711,176	65,222,072
	<u>37,711,176</u>	<u>65,222,072</u>

5. Cost of Sales, other operating income and expenses

	2020 £	2019 £
Material Costs	23,345,769	40,227,066
Labour Costs	6,694,617	9,475,948
Tooling Costs	869,212	3,855,031
Depreciation and Amortisation Expense	2,665,293	2,885,133
Research and Development Expenses	34,600	44,157
Other Expenses	3,257,240	4,084,031
	<u>36,866,731</u>	<u>60,571,366</u>

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

Other operating income

	2020	2019
Sale of Prototypes	45,092	255,625
Sundry incomes	1,227,754	844,615
Incomes for services to Group	74,902	526,106
Exchange	776,524	1,746,557
Furlough Income*	999,803	-
	<u>3,124,075</u>	<u>3,372,903</u>

*During the year the company applied and received support of £998,803 from the UK government under Coronavirus Job Retention Scheme (CJRS) and has recorded the support as other income as per FRS 101. The company has complied with the following conditions attached to the scheme:

- communicated to affected employees in writing that they were furloughed
- maintained the affected employees under contracts of employment
- ensured that those employees were not providing any services to the employer or otherwise made money on behalf of the employer during the furlough period.

In addition, in order to assist with cash flow, the Company took advantage of government support offered through the COVID-19 VAT payment deferral scheme for the VAT quarter ended March 2020. The VAT payment deferred of £517,352.70 was paid in July 2021.

6. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual accounts were £60,113 (2019: £60,113).

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 has disclosed the non-audit fees.

7. Staff costs

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

	2020 Number	2019 Number
Production	195	170
Administration	12	15
	<u>207</u>	<u>185</u>

Their aggregate remuneration comprised:

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

	Year ended 2020 £	Year ended 2019 £
Wages and salaries	5,103,930	6,062,380
Social security costs	511,890	618,144
Other pension costs	160,906	165,096
	<u>5,776,726</u>	<u>6,845,620</u>

Director's emoluments are paid by holding company Grupo Antolin Irausa S.A. without any charges to Grupo Antolin Leamington LTD.

8. Finance costs

	Year ended 2020 £	Year ended 2019 £
Interest		
Interest on long term loan with group	(71,408)	(70,886)
Interest on factoring	(11,107)	(4,399)
Interest on leases IFRS16	(291,146)	(192,313)
	<u>(373,661)</u>	<u>(267,598)</u>

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

9. Tax on profit/(loss)

	Year ended 2020 £	Year ended 2019 £
Corporation tax:		
Current tax		
Current tax on profit for the year		
Adjustments in respect of prior years	3,844	26,349
Total current tax	3,844	26,349
Deferred tax		
Current year	126,466	(164,884)
Effect of changes in tax rates	12,516	17,357
Adjustments in respect of prior years	9,878	(23,566)
	148,860	(171,093)
Total per income statement	152,704	(144,744)

Corporation tax is calculated at 19% (2019: 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 2020 £	Year ended 2019 £
(Loss)/Profit before tax	(113,335)	1,668,229
Tax at the UK corporation tax rate of 19 % (2019: 19.0%)	-	316,964
Tax effect of expenses that are not deductible in determining taxable profit	-	114,607
Impact of rate changes	-	17,357
Prior year adjustments	3,844	2,783
Movement in deferred tax	148,860	-
Group relief	-	(596,455)
Tax expense for the year	152,704	(144,744)

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

10. Deferred tax note

	2020 £	2019 £
Movement on deferred taxation balance in the period		
Opening balance Liability	96,509	267,602
(Credit) / Charge to profit and loss account	126,466	(147,526)
Prior period adjustment - profit and loss account	9,878	(23,567)
Impact of rate change – profit and loss account	12,516	-
Closing balance Liability	<u>245,369</u>	<u>96,509</u>
Analysis of Deferred Tax Balance		
Capital allowances in excess of depreciation	245,369	96,509
Closing balance Liability	<u>245,369</u>	<u>96,509</u>

The UK tax rate is 19% from 1 January 2020 (2019 19%)

	2020 £	2019 £
Unrecognised Deferred tax		
Losses	(698,860)	(625,296)
	<u>(698,860)</u>	<u>(625,296)</u>

No deferred tax asset has been recognised in respect of unused tax losses as management do not expect that there will be sufficient probable future taxable profits to justify the deferred tax asset balance.

The enacted rates of UK corporation tax at 31 December 2019 was 19%. However, it was confirmed in the Finance Bill 2021 that the UK corporation tax rate will be increased to 25% with effect from 1 April 2023. As this change in rate was not substantively enacted at the balance sheet date, deferred tax balances as at 31 December 2019 have been recognised at the enacted rate of 19%. If the new rate of 25% had been applied to the closing balance sheet there would have been an increase in the deferred tax asset of £77,485.

	Total temporary differences	DT liability @ 19%	DT liability @ 25%	Increase in DT liability due to rate change
Grupo Antolin Leamington Limited	£1,291,416	£245,369	£322,854	£77,485

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

11. Profit for the year

Profit for the year has been arrived at after charging:

	Year ended 2020 £	Year ended 2019 £
Purchase of Raw Materials	23,345,769	40,227,066
Hire of Plant and Machinery (Operating Leases)	243,962	254,502
Hire of other assets (Operating Leases)	106,670	116,147
Impairment of assets	-	712,857
Staff costs	5,776,726	6,845,620
Auditor's Remuneration	60,113	60,113
Foreign exchange profit	93,155	176,409
Depreciation of owned tangible fixed assets	823,512	952,952
Depreciation Right-of Use assets	1,311,823	1,322,556
Amortisation of intangible fixed assets	529,958	609,626

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

12. Intangible assets

	Development costs £	Software £	Total £
Cost			
At 1 January 2020	10,136,948	193,450	10,330,398
Additions	417,987	-	417,987
Impairment	-	-	-
Disposal	(6,952,968)	-	(6,952,968)
At 31 December 2020	<u>3,601,967</u>	<u>193,450</u>	<u>3,795,417</u>
Amortisation			
At 1 January 2020	8,108,871	193,450	8,302,322
Charge for the year	529,958	-	529,958
Change on impairment	-	-	-
Charge on disposal	(6,952,968)	-	(6,952,968)
At 31 December 2020	<u>1,685,861</u>	<u>193,450</u>	<u>1,879,312</u>
Carrying amount			
At 31 December 2020	<u>1,916,105</u>	<u>-</u>	<u>1,916,105</u>
At 31 December 2019	<u>2,028,076</u>	<u>-</u>	<u>2,028,076</u>

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

13. Property, plant and equipment

	Leasehold buildings £	Plant and machinery £	Right- of Use (a) £	Fixtures and fittings £	Total £
Cost					
At 1 January 2020	477,848	15,301,318	10,884,936	116,703	26,780,805
Additions	375,404	591,758	27,038	-	994,200
Impairment	-	-	-	-	-
Disposal	-	-	-	-	-
At 31 December 2020	853,252	15,893,076	10,911,974	116,703	27,775,005
Accumulated depreciation and impairment					
At 1 January 2020	88,325	11,559,256	1,322,556	100,788	13,070,925
Charge for the year	33,422	787,807	1,311,823	2,283	2,135,335
Change on impairment	-	-	-	-	-
Disposals	-	-	-	-	-
At 31 December 2020	121,747	12,347,063	2,634,379	103,078	15,206,260
Carrying amount					
At 31 December 2020	731,504	3,546,013	8,277,595	13,625	12,568,745
At 31 December 2019	389,523	3,742,062	9,562,380	15,915	13,709,881

At 31st December 2020 the company had no contractual commitments for the acquisition of property, plant and equipment (2019 £0)

Land and buildings

The net book value of land and buildings includes:

	Land and Buildings 2020 £	2019 £
Property improvements	375,404	-
	375,404	-

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

Right of Use Assets (a)

	Leasehold buildings £	Leasehold plant and machinery £	Lensed vehicles £	Total £
Cost				
At 1 January 2020	10,143,210	501,675	240,052	10,884,937
Additions 2020			59,332	59,332
Retirements 2020		(8,315)	(23,979)	(32,294)
At 31 December 2020	10,143,210	493,360	275,405	10,911,975
Accumulated depreciation				
At 1 January 2020	(1,099,589)	(121,453)	(101,515)	(1,322,556)
Charge for the year	(1,099,589)	(118,838)	(93,397)	(1,311,824)
At 31 December 2020	(2,199,178)	(240,291)	(194,912)	(2,634,381)
Carrying amount				
At 31 December 2020	7,944,032	253,069	80,493	8,277,594
At 31 December 2019	9,043,621	380,222	138,537	9,562,380

14. Inventories

	2020 £	2019 £
Raw materials	1,533,841	1,149,208
Work-in-progress	194,871	173,556
Finished goods	1,649,326	1,479,513
Tooling inventory	381,849	754,681
	<u>3,759,887</u>	<u>3,556,958</u>

Inventory valued at £291,086 has been written off during the year based on physical count.

Inventory consumed during the year to the value of £40,108,775 is included in cost of sales.

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

15. Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Amount receivable for the sale of goods	7,282,747	6,878,041
Amounts owed by group undertakings	-	-
Amount due from Parent	-	-
Amount due from other group undertakings	632,554	831,069
Social Security and other taxes	-	32,742
Amounts receivable from tax authorities	18,379	621,341
Other Receivables	-	239,872
Prepayments and accrued income	790,803	732,023
	<u>8,724,483</u>	<u>9,335,088</u>

The company did factor debts in 2020 £1,217,993.30 (2019 £0) without recourse, invoices in accordance with IFRS9, payable within 60 days.

Amounts owed by/to group undertakings relating to Trade Receivables and Payables are due for payment in 30 days.

16. Trade and other payables

	2020 £	2019 £
Trade payables:	6,700,564	6,121,510
Amounts owed to group undertakings		
Parent company unsecured loan	2,489,151	2,804,720
Trade payables	2,630,813	1,965,102
Accrued expenses and deferred income	408,113	1,837,574
Wages payables and social security	297,806	129,356
Corporation Tax	-	22,505
Amount Payable to tax authorities	1,275,403	-
Tooling advanced payments	9,404	-
	<u>13,811,254</u>	<u>12,880,767</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 2020

17. Right of use leased assets

	Land and Buildings	Plant & Machinery	Vehicles	Total £
Current	877,500	109,850	37,167	1,024,517
Non-current	7,463,247	114,864	28,300	7,606,411
	<u>8,340,747</u>	<u>224,714</u>	<u>65,467</u>	<u>8,630,928</u>

Right of use leased assets for land and buildings 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.

18. Lease Liabilities

	31/12/2020	31/12/2019
	£	£
Within 1 year	1,023,564	1,236,661
1 – 2 years	858,470	948,780
2 – 5 years	2,407,632	2,441,129
Over 5 years	4,341,262	5,149,844
	<u>8,630,928</u>	<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

	31/12/2020	31/12/2019
	£	£
Minimum lease payments under operating leases recognized as an expense in the year	350,632	370,679
	<u>350,632</u>	<u>370,679</u>

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

Liabilities recognized in respect of non-cancellable operating leases:

	31/12/2020	31/12/2019
Lease incentives	-	-
Within 1 year	-	54,628
2 – 5 years	-	-
Over 5 years	-	-
	<u>-</u>	<u>54,628</u>

19. Provisions for Liabilities

	2020 £	2019 £
Customer provision (a)	257,711	1,091,996
Warranty Provision (b)	67,611	-
Other Provisions (c)	1,611,214	557,000
	<u>1,936,536</u>	<u>1,648,996</u>

Movements for 2020	Opening Balance £000	Addition £000	Utilised £000	Reversed £000	Closing Balance £000
Customer Provision	1,091,996	-	-	(834,284)	257,711
Warranty Provision	-	67,611	-	-	67,611
Other Provisions	557,000	1,054,214	-	-	1,611,214
Total	1,648,996	1,125,825	-	(834,284)	1,936,536

- a) The customer provision relates to price reduction agreements between the company and the customer.
- b) The warranty provision represents the management's best estimate of the company's liability, based on past experience and industry averages for defective products.
- c) 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 £160,906 (2019: £165,096).

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

Grupo Antolin Leamington Limited

Notes to the financial statements For the year ended 31 December 2020

21. Share capital

	2020 £	2019 £
Issued and fully paid:		
2,485,000 ordinary shares of £1 each	2,485,000	2,485,000

Authorised share capital 2,485,000 ordinary shares at £1 each.

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

22. Retained earnings

	£
Balance at 1 January 2020	1,824,366
Net profit for the year	(266,039)
Dividends paid	(1,640,000)
Balance at 31 December 2020	(81,673)

The company has paid dividend considering the distributable reserve as per the relevant accounts available at the time of proposal of dividend. The distributable reserve balance as on 30th November 2020 as per the management accounts after adjustment of tax was £ 2,321,688. As the company has central funding arrangement, this will not have any impact on the long-term viability and going concern of the company as explained in note- 2 of the financial statement.

23. Contingent liabilities

At 31 December 2020, 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. In June 2021 the company issue notes in amount of 390m and maturity 2028, to cancel the total outstanding debt related to the Notes with due 2024.
- "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 377.3 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). In May 2021 its maturity was extended till 2026.
- 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. On 23rd December 2020 this debt was increased by a new additional loan amount to EUR 40 million, although as of 31st December 2020 it was not drawn.

Grupo Antolin Leamington Limited

Notes to the financial statements

For the year ended 31 December 2020

24. Events after the balance sheet date

During the second quarter of 2021, our customers were impacted by the global shortage of semi-conductors. The Directors assessed the impact of this event on the cashflow projections for 2021 and have concluded that there is no impact to impairment of assets or on our conclusion for Going Concern.

25. Ultimate Parent Company

The immediate controlling party and parent company is Grupo Antolin-Irausa S.A., a company incorporated in the Spain. Copies of the group consolidated financial statements of Grupo Irausa S.A. can be obtained from Carretera Madrid-Irun, Km 2-4,8, Burgos, Spain.