thyssenkrupp Automotive (UK) Limited

Annual report and financial statements

Registered number: 01900374

Year ended 30 September 2018

Contents

Strategic report

The directors present their Strategic Report on the company for the year ended 30 September 2018.

Principal activities
The principal activity of thyssenkrupp Automotive (UK) Limited is that of an investment holding company.

Review of business
The company has continued to act as the holding company for certain UK subsidiaries of thyssenKrupp AG.

The principal risks of the company relate to the performance of the company's subsidiary undertaking. The closure provision of £133,000 held in thyssenkrupp Woodhead Limited was transferred into thyssenkrupp Automotive (UK) Limited in April 2018. The cost of the closure provision was covered through an intercompany payment to thyssenkrupp Automotive (UK) Limited from a fellow group undertaking.

The results for the year and the company's financial position at 30 September 2018 are shown in the attached financial statements. The Company's subsidiary, thyssenkrupp Woodhead Limited, was impacted by serious flooding in December 2015 which subsequently has led to closure of operations in the UK resulting in £nil (2017: £nil) dividends being received. On 28 June 2018 thyssenkrupp Woodhead Limited started a voluntary liquidation process.

Key Performance indicators
Given that the principal activity of the entity is a holding company KPIs are not actively monitored.

Principal risks and uncertainties

Financial risk management
The company's operations expose it to a variety of financial risks that include:

Price risk
The management do not expect any financial risk to the company performance, arising from pricing due to the nature of the business as a holding company.

Credit risk
The main cash account is held through intercompany cash pooling. It is therefore not anticipated that any credit arrangements will be necessary and no risk is seen to be applicable in this area.

Liquidity risk
The management do not expect any financial risk to the company performance, arising from liquidity due to the nature of the business as a holding company.

Interest rate risk
The management do not expect any financial risk to the company performance, arising from changes in interest rates. Interest bearing assets are cash balances pooled with the group. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Foreign currency risk
The management do not expect any financial risk to the company performance, arising from changes in foreign exchange rates.

Impact of Brexit
The impact of the EU referendum which resulted in the UK voting to leave the EU is likely to continue to lead to many months of uncertainty as the political and legal issues are worked out. The directors do not believe that it will have a material impact on the business but will monitor events closely.

By order of the board

M Whetton

Malcolm Whetton
Director
27TH March 2019

Directors' report

The directors present their Report and the audited financial statements of the company for the year ended 30 September 2018.

Future developments

The directors do not expect any significant changes in the company's operations.

On 27 September 2018, thyssenkrupp AG has announced a proposal to divide the group into two separately listed companies in Germany, being thyssenkrupp Industrials and thyssenkrupp Materials. It is envisaged that this separation would be subject to shareholder approval in 12-18 months' time and result in two financially independent businesses.

Financial risk management

The financial risk management policies of the company have been disclosed within the strategic report on page 1.

Proposed dividend

The directors do not recommend the payment of a final dividend (2017: £nil).

Directors

The directors who held office during the year, and up until the date of signing, were as follows:

M Whetton
T R Sargeant

Political and charitable contributions

The company made no charitable or political contributions during the year (2017: £nil).

Post balance sheet events

No events have occurred after the end of the reporting period.

Employees

The company does not have any active employees, this company is a holding company.

Directors' report *(continued)*

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board

M Whetton

Malcolm Whetton
Director
27TH March 2019

Independent auditors' report to the members of thyssenkrupp Automotive (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, thyssenkrupp Automotive (UK) Limited 's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2018; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of thyssenkrupp Automotive (UK) Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of thyssenkrupp Automotive (UK) Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Simon Evans

Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 March 2019

Income statement

for the year ended 30 September 2018

	Note	2018 £000	2017 £000
Administrative expenses		**(220)**	(120)
Operating loss	*4*	**(220)**	(120)
Loss on ordinary activities before interest and taxation		**(220)**	(120)
Finance income	*5*	**635**	727
Finance costs	*5*	**(2)**	(2)
Net finance income	*5*	**633**	725
Profit on ordinary activities before tax		**413**	605
Income tax expense on ordinary activities	*7*	**-**	-
Profit for the financial year		**413**	605

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the Income statement, and therefore no separate statement of comprehensive income has been presented.

Statement of financial position
As at 30 September 2018

	Notes	2018 £000	2017 £000
Fixed assets			
Investments	8	-	-
Current assets			
Debtors	9	**41,843**	41,925
		41,843	41,925
Creditors: amounts falling due within one year	10	**(414)**	(909)
Net current assets		**41,429**	41,016
Total assets less current liabilities		**41,429**	41,016
Net assets		**41,429**	41,016
Equity			
Called up share capital	12	**13,519**	13,519
Share premium		**12,400**	12,400
Retained earnings		**15,510**	15,097
Total shareholders' funds		**41,429**	41,016

The notes on pages 10 to 17 are an integral part of these financial statements.

The financial statements on pages 6 to 17 were authorised for issue by the board of directors on 27 March 2019 and were signed on its behalf.

M Whetton

Malcolm Whetton

Director

Registered number: 01900374

Statement of changes in equity
for the year ended 30 September 2018

	Notes	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
Balance as at 30 September 2016 and 1 October 2016		**13,519**	**12,400**	**14,492**	**40,411**
Profit for the year		-	-	605	605
Total comprehensive income for the year		-	-	605	605
Balance as at 30 September 2017 and 1 October 2017		**13,519**	**12,400**	**15,097**	**41,016**
Profit for the year		-	-	413	413
Total comprehensive income for the year		-	-	413	413
Balance as at 30 September 2018		**13,519**	**12,400**	**15,510**	**41,429**

Notes to the financial statements

1 General information

The company has continued to act as the holding company for certain UK subsidiaries of thyssenkrupp AG.

The company is a private company limited by shares and is incorporated and domiciled in United Kingdom. The address of its registered office is Third Floor, Friars Gate 1, 1011 Stratford Road, Shirley, Solihull, England, B90 4BN.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of thyssenkrupp Automotive (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
  - Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Notes to the financial statements*(continued)*

2.1.1 Going concern

The directors have assessed the financial position of the company and have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis of accounting in preparing these financial statements.

2.1.2 Changes in accounting policy and disclosures

No new accounting accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year then ended 30 September 2018, have had a material impact on the company.

2.2 Consolidation

The company is a wholly owned subsidiary of thyssenkrupp UK Plc and of its ultimate parent, thyssenkrupp AG. It is included in the consolidated financial statements of thyssenkrupp AG which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

2.3 Foreign currency translation

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

2.4 Financial assets

2.4.1 Classification

The company classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The company's loans and receivables comprise receivables, cash and commercial paper in the balance sheet.

2.4.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

Notes to the financial statements *(continued)*

2.5 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.6 Share capital

Ordinary shares are classified as equity.

2.7 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.8 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Dividend income

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

2.10 Dividend distribution

The directors do not recommend the payment of a final dividend (2017: £nil).

Notes to the financial statements *(continued)*

2.11 Employee benefits

thyssenkrupp Automotive (UK) Limited have no active employees.

Past service costs are recognised immediately in the income statement.

3. Critical accounting estimates and judgments

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

3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors do not consider their to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

Notes to the financial statements *(continued)*

4 Operating loss

Operating loss is stated after charging:

	2018 £000	2017 £000
Audit fees payable to the company's auditors	**10**	10

5 Finance income and expense

Finance income

	2018 £000	2017 £000
Interest receiveable from group undertakings	**635**	727
Total finance income	**635**	727

Finance expense

	2018 £000	2017 £000
Loan notes	**2**	2
Total finance expense	**2**	2

Net finance income

	2018 £000	2017 £000
Finance income	**635**	727
Finance expense	**(2)**	(2)
	633	725

6 Directors' Emoluments

No emoluments were paid to directors during the year (2017: nil). The directors' emoluments are paid by the immediate parent company and not recharged to the company.

Notes to the financial statements *(continued)*

7 Income tax

Tax expenses included in profit or loss

	2018	2017
	£000	£000
Current tax:		
UK Corporation tax on profits/losses for the year	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary timing differences	-	-
Total deferred tax	-	-
Income tax expense on ordinary activities	-	-

Tax expense for the period is lower (2017: lower) to the standard rate of corporation tax in the UK for the year ended 30 September 2018 of 19% (2017: 19.5%). The differences are explained below:

	2018	2017
	£000	£000
Profit on ordinary activities before tax	**413**	605
Profit multiplied by the standard rate of tax in the UK of 19% (2017: 19.5%)	**78**	118
Effects of:		
Non taxable income from shares in group undertakings	-	-
Group relief	**(195)**	(119)
Adjustments to brought forward figures	**3**	-
Expenses not deductible for tax purposes	**126**	1
Adjustments to Deferred Tax	**(22)**	-
Deferred tax not recognised	**10**	-
Tax charge	-	-

Factors that may affect future current and total tax charges

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017.

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 2 July 2016. These reduce the main rate to 19% from 1 April 2017 to 17% from 1 April 2020. The deferred tax assets and liabilities have been updated to reflect the reduction in the rates.

Notes to the financial statements*(continued)*

8 Investments

	2018		2017	
	Shares in group undertakings £'000	**Total £'000**	Shares in group undertakings £'000	Total £'000
At 1 October and 30 September	-	-	-	-

The subsidiary company listed is incorporated in the only subsidiary and represents a 100% investment in ordinary shares and is incorporated in Great Britain.

REGISTERED OFFICE ADDRESS	DESCRIPTION	COMPANY NAME
Third Floor, Friars Gate 1,1011 Stratford Road, Solihull, B90 4BN	Dormant	thyssenkrupp Woodhead Limited

9 Debtors

	2018 £000	2017 £000
Amounts falling due within one year:		
Amounts owed by group undertakings	**41,843**	41,898
Other debtors	-	27
	41,843	41,925

The amounts owed by group undertakings realte to the thyssenkrupp cash pooling arrangement, are unsecured and accrue interest at a rate of 1.50% per annum.

10 Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts falling due within one year:		
Loan notes	**200**	215
Amounts due to group undertakings	-	10
Accruals and deferred income	**214**	684
	414	909

The loan notes bear interest at the rate of 50 basis points above base rate. The loan notes are redeemable at the option of the loan note holders in April and October of each year.

Included in the accruals and deferred income is a provision for onerous leases of £133,000 (2017: £632,000). The provision is expected to be utilised within the next year and as such has not been discounted.

Notes to the financial statements *(continued)*

11 Share capital

Ordinary shares of £1 each

Allotated and fully paid	**2018**	2017
	£000	£000
At 30 September 2017 and 30 September 2018	**13,519**	13,519

12 Events after the end of the reporting period

No events have occured after the end of the reporting period.

13 Ultimate parent company and immediate parent undertaking

The company regarded by the directors as being the ultimate controlling company is thyssenKrupp AG which is incorporated in Germany. This is the largest and smallest group within which thyssenkrupp Automotive (UK) Limited is consolidated. The consolidated financial statements of thyssenKrupp AG can be obtained from thyssenKrupp, Allee 1, Postfach 45063, 45143 Essen, Germany.

The immediate parent undertaking is thyssenkrupp UK Plc.