

Registered Number: 02584542

Prodrive Automotive Technology Limited

Report and financial statements

31 December 2014

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Prodrive Automotive Technology Limited

DIRECTORS REPORT

The directors submit their annual report together with the financial statements of the Company for the year ended 31 December 2014.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £Nil (2013: £5,008,000).

During the year the Company received no dividends (2013: £5,655,000). The directors did not pay a dividend to its parent company during the year (2013: £4,306,000). The directors do not recommend the payment of a final dividend for the year. (2013: £Nil).

The Company qualifies as a small company under section 382 of the Companies Act 2006 and as such is exempt from the requirements to prepare a business review or to prepare a Strategic Report. As the Company is part of an ineligible group however, as defined in section 384 of the Company Act 2006, the disclosure exemptions in respect of the financial statements for small companies have not been taken in the financial statements.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

Throughout the year, the principal activity of the Company has been that of a holding company. Details of the Company's operating subsidiaries and their activities are given in Note 6.

FUTURE DEVELOPMENTS

No change to the Company's activities is anticipated in 2015.

DIRECTORS

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

D P Richards	(appointed 14 January 2014)
D O Cartwright	(appointed 26 September 2014)
C Scrivener	(resigned 14 January 2014)
A Butcher	(resigned 18 September 2014)

GOING CONCERN

The Company's ultimate parent undertaking is Prodrive (Holdings) Limited. The business operates under finance arrangements which principally comprise a third party bank debt facility, which matures on 31 August 2015 and shareholder loans due for repayment between 30 September 2015 and 31 December 2015 (together the "facilities"). The Group's principal shareholder has indicated to the Directors that, for a period at least until 31 December 2016, to the extent that funds are not otherwise available they will provide the financial support necessary to enable the Group to meet its liabilities as and when they fall due. Having considered this commitment and the available facilities alongside cash flow forecasts prepared for the Group which cover the same period, the Directors have concluded that it is appropriate for them to adopt a going concern basis for the preparation of the financial statements for the year ended 31 December 2014.

DIRECTORS REPORT (CONTINUED)

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for re-appointment of Ernst & Young LLP as auditor of the Company.

On behalf of the board,


D P Richards
Director

Prodrive Automotive Technology Limited

STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Company law requires the directors to prepare accounts 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 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRODRIVE AUTOMOTIVE TECHNOLOGY LIMITED

We have audited the financial statements of Prodrive Automotive Technology Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their presentation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 purposes. 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.

Respective responsibilities of directors and auditors

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 and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of the Company's profit/loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

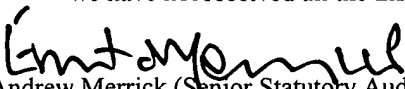
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- 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
- 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.


Andrew Merrick (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date:

16 May 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Administrative Expenses		-	-
Other operating income		-	-
Foreign exchange gains		-	269
		<hr/>	<hr/>
OPERATING PROFIT / (LOSS)	2	-	269
Interest payable and similar charges	4	-	(13)
Income from investments in subsidiary undertakings		-	5,655
Investment impairment		-	(903)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	5,008
Taxation on profit on ordinary activities	5	-	-
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	11	-	5,008
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The operating profit for the year arises from the Company's operations.

There is no difference between the profit before taxation and the profit for the financial year as shown in the profit and loss account and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
Profit for the financial year		-	5,008
Unrealised losses on revaluation of investments in subsidiary undertakings		-	(6,816)
		<hr/>	<hr/>
TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR		-	(1,808)
		<hr/> <hr/>	<hr/> <hr/>

BALANCE SHEET
 at 31 December 2014

	<i>Notes</i>	<i>2014</i> <i>£'000</i>	<i>2013</i> <i>£'000</i>
FIXED ASSETS			
Investments	6	-	-
CURRENT ASSETS			
Debtors	7	1,662	1,662
CREDITORS - Amounts falling due within one year	8	(29)	(29)
NET CURRENT ASSETS		1,633	1,633
TOTAL ASSETS LESS CURRENT LIABILITIES		1,633	1,633
PROVISIONS FOR LIABILITIES	9	-	-
ACCRUALS AND DEFERRED INCOME		54	54
CAPITAL AND RESERVES			
Called up share capital	10	270	270
Share redemption reserve	11	315	315
Revaluation Reserve	11	-	-
Profit and loss account	11	994	994
	11	1,579	1,579
		1,633	1,633

The financial statements were approved by the board of directors and authorised for issue on 18th May 2015 and are signed on its behalf by:



D P Richards
Director

NOTES TO THE ACCOUNTS at 31 December 2014

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention, as amended for the revaluation of certain assets and in accordance with UK Generally Accepted Accounting Practice. The Company is exempt from preparing and delivering group accounts under S400 of the Companies Act 2006 (subsidiary undertaking of an EC parent). The financial statements present information about the Company as an individual undertaking and not of the group as a whole.

The Company's ultimate parent undertaking is Prodrive (Holdings) Limited. The business operates under finance arrangements which principally comprise a third party bank debt facility, which matures on 31 August 2015 and shareholder loans due for repayment between 30 September 2015 and 31 December 2015 (together the "facilities"). The Group's principal shareholder has indicated to the Directors that, for a period at least until 31 December 2016, to the extent that funds are not otherwise available they will provide the financial support necessary to enable the Group to meet its liabilities as and when they fall due. Having considered this commitment and the available facilities alongside cash flow forecasts prepared for the Group which cover the same period, the Directors have concluded that it is appropriate for them to adopt a going concern basis for the preparation of the financial statements for the year ended 31 December 2014.

Foreign currencies

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the date of the transactions. Monetary assets and liabilities have been translated at rates ruling at the balance sheet date. Exchange differences have been included in operating profit.

Cash flow statement

The cash flows of the Company for the year are included within the consolidated cash flow statement disclosed in the accounts of Prodrive (Holdings) Limited. In accordance with FRS1 (Revised), no cash flow statement is required in these accounts.

Investments

Fixed asset investments are stated at Directors valuation at the balance sheet date which for investment in subsidiary undertakings has been assessed by reference to the net asset position of the sub-group headed by the subsidiary undertaking to which the investment relates.

The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit below original cost, or its reversal, occurs in which case it is recognised in the profit and loss account for the year. On the disposal of the investment any un-realised gain or loss that has been recognised within the revaluation reserve is realised through a movement in reserves.

Prodrive Automotive Technology Limited

NOTES TO THE ACCOUNTS

at 31 December 2014

2. OPERATING PROFIT/(LOSS)

The audit fee for the Company was borne by a parent undertaking in both years. No non-audit fees were incurred in either year.

3. DIRECTORS REMUNERATION

The directors are the only employees of the Company and received no remuneration in respect of their services to the Company (2013: £Nil).

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014 £'000	2013 £'000
Interest payable on loans to associated undertakings	-	13

5. TAX CREDIT

	2014 £'000	2013 £'000
a) Tax on profit on ordinary activities The tax charge is made up as follows: <i>Current tax:</i> UK Corporation tax	-	-
Double taxation relief	-	-
Total current tax (Note 5(b))	-	-
b) Factors affecting the current tax charge Profit on ordinary activities before tax	-	5,008
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 21.49% (2013: 23.25%)	-	1,164
Income not taxable	-	(1,315)
Disallowable expenses	-	210
Group relief	-	-
(Utilisation of tax losses) / Unrelieved tax losses	-	(59)
Adjustments in relation to previous periods	-	-
Total current tax (Note 5(a))	-	-

Deferred tax has been calculated at 20%, which is the rate expected to apply at the time at which timing differences are forecast to reverse, based on tax rates which have been substantively enacted at the balance sheet date.

The Company has tax losses carried forward of £541,000 (2013: £541,000). There is a potential deferred tax asset of £108,000 (2013: £108,000) in respect of these losses. The deferred tax asset has not been provided due to the uncertainty over the utilisation of these losses in the future.

Prodrive Automotive Technology Limited

NOTES TO THE ACCOUNTS at 31 December 2014

5. TAX CREDIT *(continued)*

The UK Corporation tax rate fell from 23.25% for the year ended 31 December 2013 to 21.49% for the year ended 31 December 2014. The Corporation tax rate has fallen to 20% from 1 April 2015.

It is not anticipated that the subsequent reduction to 20%, will have a material effect on the Company's future current or deferred tax charges.

6. INVESTMENTS

	<i>Subsidiary Undertakings £'000</i>
Cost or Valuation	
At 1 January 2014	-
Eliminated on realisation of subsidiaries	-
	<hr/>
At 31 December 2014	-
	<hr/>
Net book values:	
At 31 December 2014	-
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At 31 December 2013	-
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The historical cost of investments in subsidiary undertakings is £Nil (2013: £Nil)

During 2013 all the Australian subsidiaries were wound up.

7. DEBTORS

	<i>2014 £'000</i>	<i>2013 £'000</i>
Amounts due from group undertakings	1,662	1,662
	<hr/>	<hr/>
	1,662	1,662
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Prodrive Automotive Technology Limited

NOTES TO THE ACCOUNTS at 31 December 2014

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts due to subsidiary undertakings	-	-
Other creditors	29	29
	<u>29</u>	<u>29</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

There was no movement in product warranties during the year as the liability was sold to a fellow group undertaking in 2013.

10. SHARE CAPITAL

<i>Authorised</i>	<i>Number of shares</i>	<i>2014 £'000</i>	<i>Number of shares</i>	<i>2013 £'000</i>
<i>Equity:</i>				
Ordinary shares of £1 each	950,500	950	950,500	950
Deferred shares of £1 each	50,000	50	50,000	50
Participating shares of £1 each	54,500	55	54,500	55
	<u>1,055,000</u>	<u>1,055</u>	<u>1,055,000</u>	<u>1,055</u>
<i>Non-Equity:</i>				
Ordinary 'C' shares of £0.01 each	40,000	-	40,000	-
	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
<i>Issued, called up and fully paid</i>	<i>Number of shares</i>	<i>2014 £'000</i>	<i>Number of shares</i>	<i>2013 £'000</i>
<i>Equity:</i>				
Ordinary shares of £1 each	215,501	215	215,501	215
Participating shares of £1 each	54,500	55	54,500	55
	<u>270,001</u>	<u>270</u>	<u>270,001</u>	<u>270</u>
<i>Non-Equity:</i>				
Ordinary 'C' shares of £0.01 each	40,000	-	40,000	-
	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>-</u>

The non-equity ordinary 'C' shares carry no voting rights and have no rights to dividends.

Prodrive Automotive Technology Limited

NOTES TO THE ACCOUNTS at 31 December 2014

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i> £'000	<i>Share redemption reserve</i> £'000	<i>Revaluation reserve</i> £'000	<i>Profit and loss account</i> £'000	<i>Total</i> £'000
At 1 January 2013	270	315	6,816	292	7,693
Profit for the year	-	-	-	5,008	5,008
Dividend paid	-	-	-	(4,306)	(4306)
Eliminated on realisation of subsidiaries	-	-	(6,816)	-	(6,816)
At 31 December 2013	270	315	-	994	1,579
Profit for the year	-	-	-	-	-
Dividend paid	-	-	-	-	-
Eliminated on realisation of subsidiaries	-	-	-	-	-
At 31 December 2014	270	315	-	994	1,579

12. RELATED PARTY TRANSACTIONS

The ultimate parent undertaking of Prodrive Automotive Technology Limited is Prodrive (Holdings) Limited. 24.4% of the ordinary share capital of Prodrive (Holdings) Limited is owned by D P Richards. In addition to this share capital, D P Richards owns 100% of the share capital of Hundred Percent Group Limited. A further 45% of the ordinary share capital of Prodrive (Holdings) Limited is owned by Hundred Percent Group Limited.

20% of the ordinary share capital of Prodrive (Holdings) Limited is owned by Primewagon (Jersey) Limited. In addition to this share capital, Primewagon (Jersey) Limited also has an interest in Aston Martin Holdings (UK) Limited and its subsidiary Aston Martin Lagonda Limited.

During the year the Company entered into no transactions with Aston Martin Lagonda Limited and wholly owned subsidiaries of Hundred Percent Group Limited and there were no outstanding balances owed to or from the Company from these companies (2013: £Nil).

13. PARENT UNDERTAKING

The Company's immediate, ultimate and controlling parent undertaking is Prodrive (Holdings) Limited, a company incorporated in England and Wales.

Copies of the Group accounts, which include the Company, are available from Chalker Way, Banbury, Oxon, OX16 4XD.