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**G-TEKT EUROPE MANUFACTURING LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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## G-TEKT EUROPE MANUFACTURING LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	T Morishita Y Suzuki N Thomas
<b>Company secretary</b>	Abogado Nominees Limited
<b>Registered number</b>	03249892
<b>Registered office</b>	Gloucester Business Park Golf Club Lane Gloucester Gloucestershire GL3 4AJ
<b>Independent auditors</b>	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL
<b>Bankers</b>	SMBC, London  HSBC, London
<b>Solicitors</b>	Baker & McKenzie LLP 100 New Bridge Street London C4V 6JA

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their annual report on the affairs of the company, along with the financial statements for the year ending 31 March 2023.

**Principal activities and business model**

The principal activities of the company remain the stamping and sub-assembly of metal body parts for motor vehicles, and supply of associated tooling. The business model creates value in each stage of the product cycle from design, development and prototyping to mass production. Value is created by developing products to meet customer timing plans, low cost manufacturing to achieve target prices, responsiveness to design changes, delivery and quality assurance, supplier selection, sourcing of low cost tooling, capital investment in the latest technology. Effective production planning and management is key to consistent supply on a just-in-time basis to automotive manufacturers. Objectives are to secure new and replacement business from existing customers, and grow market share by winning new customers. Because car manufacturing is subject to fluctuations in demand, often at short notice, value is protected by being able to flex material, labour and variable costs in line with changing conditions. The business model also relies upon recruitment and retention of necessary staff skills in each functional area.

**Business review**

Difficult trading conditions caused by the world shortage of semiconductors continued into most of the year resulting in reduced vehicle build volumes and delayed introduction of new models with existing customers. However mass production began on new business and contributed to increased revenue.

Significant economic increases were evident in all areas of the business, with energy and manpower being the most substantial. Mitigation activities on energy reduction and automation to reduce labour costs were also a focus area during the year.

In the 12 months ended 31 March 2023 revenue from contracts with customers increased to £115,341,000 compared with £104,585,000 for the prior year of which mass production sales (see note 4) were £97,702,000 (2022: £79,822,000). This improvement in mass production revenue was due to increased customer demand, however tooling and trial part sales decreased to £11,294,000 (2022: £24,763,000).

Additionally, the company received compensation for early termination of contracts of £6,345,000 (2022: £10,585,000).

Pre-tax profit of £11,028,000 for the year, compared to £25,526,000 in the prior year. Average manpower was 584 compared to 596 in the prior year.

In the year capital investment was £3,248,000 (2022: £1,337,000), mainly on production cells for new customer programs and £1,900,000 investment in photovoltaic solar panels installation to reduce the companies carbon footprint.

During the year the share investment in G-TEKT Slovakia s.r.o. was unchanged, the paid-up figure remaining at €5,560,000 (£4,952,000). The return on investment is derived from the profitable supply of parts to automotive customers based in Europe, with production at G-TEKT Slovakia having commenced in 2019.

The bank balance increased by £1,779,000 in the year to £38,566,000 (2022: £7,407,000 increase) due to profitability.

The year-end stock value was £7,228,000, £1,768,000 higher than prior year due to new customer programs starting up.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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A review of non-financial key performance indicators ("KPIs") (such as percent on-time delivery and parts per million defect rates) shows that customer quality and delivery targets were met, with G-TEKT once again achieving "best class" status. Equipment uptime and product quality is continually monitored at every stage of the manufacturing process. Also, customer expectations for annual cost reduction targets were met. Financial KPIs are the financial results outlined in the business review on page 3, which exceeded budget expectations.

No major quality concerns occurred in the year. There were no reportable health and safety incidents in the year. The policy of on time supplier payments continued in the year. As in previous years the company is reporting under FRS101 Reduced Disclosure Framework and has taken advantage of the disclosure exemptions allowed under this standard.

**Future developments and going concern**

Sales in 2023/24 continue to be affected by the world shortage of semiconductors, resulting in the reduced volume of cars that can be built. See further considerations in the Directors' Report.

In determining the appropriate basis for the preparation of the accounts, the directors have considered whether the company can continue to operate as a going concern for the 12 months following these financial statements. The directors are strongly of the view that the business will continue as a going concern.

**Directors' Duties and section 172**

The directors of UK companies must act in accordance with a set of general duties, as detailed in section 172 of the Companies Act 2006, and must act in a way to promote the success of the company for the benefit of its stakeholders. In doing so they should have regard to the following.

- The likely consequences of decisions in the long term
- The interests of the employees
- The need to foster business relationships with suppliers, customers and others
- The impact of operations on the community and environment
- The desirability of having a reputation for high standards of business conduct
- The need to satisfy the interests of the shareholders

The following paragraphs outline some of the ways in which directors' fulfil their duties towards section 172:

Customer satisfaction

The company is committed to quality assurance to achieve zero defects and exceed customer expectations and is certified to the TS16949 automotive quality standard. The aim of the standard is to drive continuous improvement in the company's operating system and process quality to increase customer satisfaction, identify problems and risks in the production process and supply chain, eliminate their causes and take corrective and preventive measures.

Employee interests

Employees are fundamental to success of the business, and the company is fair and reasonable in its approach to pay, benefits, and conditions of employment. Staff training, development and performance improvement is actively promoted, with health and safety a key

area for investment. Employee welfare surveys are issued regularly and follow up support given as necessary. To protect earnings a banked hours` system is operated to manage conditions of extreme demand fluctuation, so that staff can bank overtime hours worked in busy periods and draw upon them to supplement pay during layoff periods of low demand.

#### Engaging with the shareholder

An ongoing dialogue is maintained with the management of G-TEKT Corporation to ensure strategy and planning are aligned with their objectives, and monthly performance and operations are reported and reviewed.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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Community and environment

Accreditation to the ISA 14001 environmental standard is maintained each year. Regarding community involvement, opportunities are continually sought to interact positively with the wider community, and enhance the company's reputation as a socially responsible organisation and large employer. Interaction with local schools takes place each year to provide work experience placements for pupils.

The business was awarded with an Energy Management award from the confederation of British Metal Forming, recognising our significant activities in energy reduction and actions toward net zero target.

Long term impact of decisions

In making capital investment and manpower decisions the directors consider how they fit in with the annual operating plan and the three year plan. Investment and capacity decisions are made well in advance of new product introduction, as with long lead times for capital and tooling it is necessary to plan and think strategically. The long-term viability of the business underpins decision making by the directors.

Supplier relations

Close working relationships are maintained with suppliers, with communication on matters including new projects, cost levels, quality and delivery issues, product development, business processes. Thereby aligning supplier expertise with the changing requirements and demand levels of the business, and enabling customer expectations to be met by the supply chain.

Reputation for high standards of business conduct

The business is run in an ethical manner from the top down, with a focus on compliance with all legislation and the expectation of high standards of personal behaviour and performance from employees. During the Covid pandemic the supply of medical equipment to the health service enhanced the company's reputation as a socially responsible organisation.

**Principal risks and uncertainties**

The business, like all others, is exposed to potential risks which if not properly controlled could materially affect long term results. These are set out below.

Customer concentration

The risk associated with having a high concentration of sales with a small number of customers remains, though ongoing efforts to widen the customer base have been successful in recent years.

Business Interruption

The risk of a contagious disease outbreak, disrupting economic activity, is evident. Such an event, and other 'force majeure' incidents like wars, natural disasters and acts of terrorism are outside of the control of the company but would potentially be damaging to continued operations. A robust health and safety regime is followed to protect staff in the event of an epidemic, and business continuity procedures are in place to respond to disruptive events.

Foreign currency risk

Certain imports and exports are transacted in foreign currency with movements in exchange rates impacting on results. Where possible the company matches income and expenditure in the same currency. It also has commercial agreements in place to pass through to customers the effects of positive and negative exchange movements. For large capital equipment currency purchases the company can take out forward contracts to hedge the risk.

### Commodity prices

The company's main purchase is steel, and to a lesser extent aluminium. Higher and lower metal prices can affect profitability, but to mitigate this risk economic agreements are in place with the main customers to pass through the impact of commodities price changes into selling prices.



STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023

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Wage and overhead inflation

Annual wage and overhead inflation can reduce profitability as there is limited opportunity to pass it through to automotive customers in higher selling prices. The work force is non-unionised and the rise in the Retail Price Index has been relatively high recently. Inflation puts pressure on pay rates, with the need to pay competitive salaries to attract and retain staff.

While the company actively manages its energy sourcing to ensure it pays the lowest possible prices, to mitigate increasing energy prices GTEM have installed 2x1mw Solar Arrays into its Gloucester facilities. For the P4 facility it is expected to achieve 50% energy reduction with 80% carbon offsetting, For the P1 Facility 25%. The investment significantly contributes to our net zero targets.

Credit risk

The risk of non-payment by customers is not considered significant. Credit risk is controlled by carrying out commercial credit checks, application of standard payment terms and credit control activity to chase up overdue debts. Overall the directors are confident that the risk of payment default is low.

Inventory obsolescence risk

98% of finished product is made to order using a 'pull' system to bring in material based on customer schedules. However, because of customer demand changes there is a risk of carrying material for which there is little or no future usage and which will need to be written down in value. Inventory is regularly reviewed and the value of obsolete or slow-moving stock is fully provided for in the year end accounts.

This report was approved by the board on 8 August 2023 and signed on its behalf.

**N Thomas**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2023**

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The directors present their report and the financial statements for the year ended 31 March 2023.

**Results and dividends**

The profit for the year, after taxation, amounted to £8,744 thousand (2022 - £20,188 thousand).

**Directors**

The directors who served during the year were:

T Morishita  
Y Suzuki  
N Thomas

**Future developments**

It is expected that supply chain difficulties with semiconductor supply will not ease until the first half of 2023. However all customers indicate that there will be a full production recovery once supply becomes available, with a high level of demand to address the backlog of orders for new cars.

GTEM continue to leverage its strong sustainability position and as such have engaged with business relationships with two new automotive OEM's within the UK and Europe with anticipated business start up in early 2023.

**Research and development activities**

Product and process research and development continued in the year on a number of customer projects, and has served to improve existing products and processes within the business, without generating a specific identifiable asset. R&D activities focus on green energy and battery related products. Expenditure on research and development in the year is shown in note 6 to the financial statements.

**Engagement with employees**

Employees are recruited and promoted on an equal opportunity basis, without regard for gender, partnership status, race, creed or disability. Development and training of employees, together with an active program for multi-skilled apprentices, are seen as key to success. Regular communication briefings are circulated to all staff, to help create a common awareness of the business condition and performance and to notify staff of significant events and changes to working practices.

**Engagement with suppliers, customers and others**

As referenced in the Strategic Report the directors continued to foster good ongoing relationships with suppliers, customers and others. Business decisions regarding recruitment, personnel policy, investment and production planning were guided by the best interests of stakeholders.

**Qualifying third party indemnity provisions**

In respect of those liabilities for which directors may need to be indemnified, the company maintained a Directors' and Officers' Liability insurance policy throughout the financial year.

**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Streamlined Energy and Carbon Reporting (SECR)**

In the year 1,886 tonnes of carbon dioxide emissions resulted from the company's activities through the consumption of electricity, gas, vehicle fuel and overseas flights. (2022: 2,357 tonnes). A total of 9,588,765 kilowatt hours of energy was used (2022: 11,183,011). This information was derived from the usage figures on energy supplier invoices, converted into kilowatt hours as necessary and into carbon dioxide emissions using conversion factors. The ratio of annual carbon dioxide tonnes produced (1,886 tonnes) to annual sales of mass production products (£97.7m) is used by the company to index energy usage with the level of business activity. In the year this ratio improved significantly to 19.3 (2022: 30.5), being the number of tonnes of CO<sub>2</sub> produced per million of mass production sales, with the aim of continuing to make year on year reductions to achieve the company's goal of net zero carbon emissions.

Year ending 31st March 2023    Year ending 31st March 2022

Tonnes of CO <sub>2</sub> emissions	1,886	2,357
Kilowatt hours of energy used	9,588,765	11,183,011
Mass production sales (£million)	97.7	77.3
Usage index	19.3	30.5

**Methodologies used in calculation of disclosures**

The Company reports on all of the Greenhouse Gas (GHG) emission sources as required under the Streamlined Energy and Carbon Reporting (SECR) legislation. The methodology used to calculate our GHG emissions and energy use is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the operational control approach on reporting boundaries, i.e. where the Company operates the facility or asset. Data has been calculated using BEIS 2019 emission factors for all relevant carbon streams. All emissions and energy usage are UK based. An energy management committee is in place, meeting regularly to drive through energy efficiency initiatives. In the year the following actions were taken to improve efficiency:

- Ongoing evaluation of factory lighting at all sites and replacement with LED lighting.
- Reduction in the use of compressed air throughout all plants, resulting from improvements and upgrades to equipment and the monthly audit of compressed air leaks with follow up action to repair leaks.
- Tracking of energy consumed outside of normal working hours, with a robust power down cycle and employee communication to mandate that machines and equipment in all areas of the business are not left switched on at end of shift.
- Installation of more car charging points and replacement of petrol and diesel fleet cars with electric and hybrid models.
- Expansion of PV solar panels installation to further reduce our carbon footprint.

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**G-TEKT EUROPE MANUFACTURING LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2023**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 August 2023 and signed on its behalf.

**N Thomas**

Director

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 judgements and accounting 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 financial statements;
- 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 to 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.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G-TEKT EUROPE MANUFACTURING LIMITED

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## Opinion

We have audited the financial statements of G-TEKT Europe Manufacturing Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G-TEKT EUROPE MANUFACTURING LIMITED (CONTINUED)**

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**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 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.

**Opinion 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.

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 8, 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G-TEKT EUROPE MANUFACTURING LIMITED (CONTINUED)**

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**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.

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:

Based on our understanding of the legal and regulatory frameworks that are applicable to the entity we have considered those that have a direct and indirect material impact on the financial statements and operations of the company. These include but are not limited to the Companies Act 2006, GDPR, and Employment and Health & Safety legislation.

We obtained an understanding of how the company are complying with those legal and regulatory frameworks by making inquiries to the management. We corroborated our inquiries through our review of documentation generated and assessing the extent of compliance with the relevant laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives, including management override of controls, 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 material misstatements due to fraud are in the following areas, and our specific procedures performed to address these are described below:

The risk of management override of controls is the area where the financial statements were most susceptible to material misstatement due to fraud. In addition, the key principal risks related to the existence of inappropriate journal entries to impact the profit for the year and management bias in accounting estimates.

Procedures performed to address these were as follows:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud, including known or suspected instances of non-compliance with laws and regulations, and fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any unusual journal entries posted around the year-end and journal entries posted by infrequent system users



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF G-TEKT EUROPE MANUFACTURING LIMITED (CONTINUED)

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Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Charalambos Patsalides (Senior Statutory Auditor)

for and on behalf of

**Haslers**

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

8 August 2023

G-TEKT EUROPE MANUFACTURING LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022 £000
Turnover	4	115,341	115,170
Cost of sales		(90,982)	(76,686)
<b>Gross profit</b>		<b>24,359</b>	<b>38,484</b>
Distribution costs		(232)	(87)
Administrative expenses		(13,319)	(13,184)
Other operating income	6	146	334
<b>Operating profit</b>	7	<b>10,954</b>	<b>25,547</b>
Interest receivable and similar income	11	130	8
Interest payable and similar expenses	12	(56)	(29)
<b>Profit before tax</b>		<b>11,028</b>	<b>25,526</b>
Tax on profit	13	(2,284)	(5,338)
<b>Profit for the financial year</b>		<b>8,744</b>	<b>20,188</b>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2023 (2022: NIL).

The notes on pages 16 to 35 form part of these financial statements.

**G-TEKT EUROPE MANUFACTURING LIMITED**  
**REGISTERED NUMBER: 03249892**

**BALANCE SHEET**  
**AS AT 31 MARCH 2023**

	Note	2023 £000	2023 £000	2022 £000	2022 £000
<b>Fixed assets</b>					
Tangible assets	14		<b>55,016</b>		56,406
Investments	15		<b>4,952</b>		4,952
			<b>59,968</b>		61,358
<b>Current assets</b>					
Stocks	16	<b>7,228</b>		5,460	
Debtors: amounts falling due within one year	17	<b>27,703</b>		27,360	
Cash at bank and in hand	18	<b>38,566</b>		36,787	
		<b>73,497</b>		69,607	
Creditors: amounts falling due within one year	19	<b>(16,132)</b>		(12,557)	
<b>Net current assets</b>			<b>57,365</b>		57,050
<b>Total assets less current liabilities</b>			<b>117,333</b>		118,408
Creditors: amounts falling due after more than one year	20		<b>(889)</b>		(1,035)
			<b>116,444</b>		117,373
<b>Provisions for liabilities</b>					
Deferred taxation	22	<b>(2,391)</b>		(1,972)	
<b>Net assets</b>			<b>114,053</b>		115,401
<b>Capital and reserves</b>					
Called up share capital			<b>12,014</b>		12,014
Profit and loss account			<b>102,039</b>		103,387
			<b>114,053</b>		115,401

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 August 2023.

**N Thomas**  
Director

The notes on pages 16 to 35 form part of these financial statements.

**G-TEKT EUROPE MANUFACTURING LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2022	12,014	103,387	115,401
<b>Comprehensive income for the year</b>			
Profit for the year	-	8,744	8,744
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(10,092)	(10,092)
<b>At 31 March 2023</b>	<u>12,014</u>	<u>102,039</u>	<u>114,053</u>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2021	12,014	93,291	105,305
<b>Comprehensive income for the year</b>			
Profit for the year	-	20,188	20,188
<b>Contributions by and distributions to owners</b>			
Dividends: Equity capital	-	(10,092)	(10,092)
<b>At 31 March 2022</b>	<u>12,014</u>	<u>103,387</u>	<u>115,401</u>

The notes on pages 16 to 35 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

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**1. General information**

G-TEKT Europe Manufacturing Limited is a private company, limited by shares and incorporated in England and Wales, United Kingdom, with a registration number 03249892. The address of the registered office is Gloucester Business Park, Golf Club Lane, Brockworth, Gloucester, Gloucestershire, GL3 4AJ. The company's principal activity is that of manufacture of bodies for motor vehicles.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

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

- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**2.3 Going concern**

The financial statements have been prepared on the going concern basis which the Directors have deemed as appropriate based on the following.

The Directors have prepared a budget forecast for the following financial year, showing projected income and costs which predict a profit will be generated. They have applied prudent assumptions in this forecast. This has given the Directors confidence the company can continue to be deemed a going concern.

The entity also has positive reserves brought forward of £102,039,000 as of 31 March 2023 which further support the Directors opinion that it is a going concern because it has the funds to pay short term debt as it falls due.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.4 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**Rendering of services**

Revenue from providing services is recognised in the accounting period in which the services are rendered.

For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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2. Accounting policies (continued)

2.6 Leases

**The Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements 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. For these leases, the Company recognises 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 asset are consumed.

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;
- 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 included in 'Creditors' on the Balance Sheet.

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

The Company 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 and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers 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 included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Balance Sheet.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.6 Leases (continued)**

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

**2.7 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Government grants**

Government grants received on capital expenditure are initially recognised within deferred income on the Company's Balance Sheet and are subsequently recognised in profit or loss on a systematic basis over the useful life of the related capital expenditure.

Grants for revenue expenditure are presented as part of the profit or loss in the periods in which the expenditure is recognised.

**2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.14 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	- 10 to 45 years
Press and assembly equipment	- 5 to 15 years
Other plant and machinery	- 5 to 10 years
Fixtures, fittings, tools and equipment	- 2 to 10 years
Leased items in tangible fixed assets	- Over the life of the lease

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

No depreciation is provided on freehold land.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

**2.15 Valuation of investments**

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.16 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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**2. Accounting policies (continued)**

**2.17 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.18 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.19 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.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

**2.21 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

**Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

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2. Accounting policies (continued)

2.21 Financial instruments (continued)

**Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

**Financial liabilities**

**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

**At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the Company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors judgements, estimates and assumptions are based on the best and most realisable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable.

Due to the inherent subjectivity involved in making such judgements, estimates and outcomes may differ. 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 director does not believe that there have been judgements (apart from those involving estimates) made in the process of applying the accounting policies that have had a significant effect on amounts recognised in the financial statements.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
Pressings, assembly manufacture, scrap, vending	<b>97,703</b>	<i>92,157</i>
Manufacture of press tooling and trial parts	<b>17,638</b>	<i>23,013</i>
	<b>115,341</b>	<i>115,170</i>

Analysis of turnover by country of destination:

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
United Kingdom	<b>104,459</b>	<i>111,147</i>
Rest of Europe	<b>10,880</b>	<i>3,883</i>
Rest of the world	<b>2</b>	<i>140</i>
	<b>115,341</b>	<i>115,170</i>

Timing of revenue recognition:

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
Goods and services transferred at a point in time	<b>115,341</b>	<i>115,170</i>
	<b>115,341</b>	<i>115,170</i>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**5. Contract Balances**

The following table provides information about opening and closing receivables, advance payments to suppliers and contract liabilities from contracts with customers.

	<b>31 March 2023</b>	<b>31 March 2022</b>
	<b>£000</b>	<b>£000</b>
Advance payments to suppliers	<b>6,095</b>	<b>5,852</b>
Contract liabilities	<b>1,109</b>	<b>1,287</b>

The advance payments to suppliers relate to deferred expenditure on tooling contracts which were still in progress and not completed at the reporting date.

The contract liabilities related to deferred sales income from tooling contracts which were still in progress and not completed at the reporting date.

**6. Other operating income**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Other operating income	<b>146</b>	<b>334</b>
	<b>146</b>	<b>334</b>

**7. Operating profit**

The operating profit is stated after charging:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	<b>37</b>	<b>1,447</b>
Depreciation of tangible fixed assets	<b>4,639</b>	<b>5,184</b>
Exchange (gain)/ loss	<b>(283)</b>	<b>142</b>
Defined contribution pension cost	<b>453</b>	<b>545</b>
Operating leases	<b>739</b>	<b>794</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**8. Auditors' remuneration**

During the year, the Company obtained the following services from the Company's auditors and their associates:

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
Fees payable to the Company's auditors in respect of:		
The auditing of accounts of the Company	<b>44</b>	<i>78</i>
Taxation compliance services	<b>10</b>	<i>39</i>
	<u><b>54</b></u>	<u><i>117</i></u>

**9. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>15,883</b>	<i>16,197</i>
Social security costs	<b>1,328</b>	<i>1,251</i>
Cost of defined contribution scheme	<b>453</b>	<i>545</i>
	<u><b>17,664</b></u>	<u><i>17,993</i></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2023</b>	<i>2022</i>
	<b>No.</b>	<i>No.</i>
Production	<b>519</b>	<i>535</i>
Administration, sales and distribution	<b>65</b>	<i>61</i>
	<u><b>584</b></u>	<u><i>596</i></u>

**10. Directors' remuneration**

	<b>2023</b>	<i>2022</i>
	<b>£000</b>	<i>£000</i>
Directors' emoluments	<b>359</b>	<i>399</i>
Company contributions to defined contribution pension schemes	<b>17</b>	<i>14</i>
	<u><b>376</b></u>	<u><i>413</i></u>

The highest paid director received remuneration of £205,000 (2022 - £238,000).



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**11. Interest receivable**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Interest receivable from bank deposits	130	8
	<u>130</u>	<u>8</u>

**12. Interest payable and similar expenses**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Finance leases and hire purchase contracts	12	29
Other interest payable	44	-
	<u>56</u>	<u>29</u>

**13. Taxation**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	1,865	4,761
<b>Total current tax</b>	<u>1,865</u>	<u>4,761</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	419	577
<b>Total deferred tax</b>	<u>419</u>	<u>577</u>
<b>Taxation on profit on ordinary activities</b>	<u>2,284</u>	<u>5,338</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**13. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Profit on ordinary activities before tax	<u><b>11,028</b></u>	<u><b>25,526</b></u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	<b>2,095</b>	<b>4,850</b>
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	-	178
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>3</b>	5
Capital allowances for year in excess of depreciation	<b>122</b>	-
R&D expenditure credit	-	36
R&D receivable	-	(188)
Adjustments to tax charge in respect of prior periods	-	(16)
Remeasurement of deferred tax for changes in tax rates	<b>101</b>	<b>473</b>
Amortisation of taxable capital grants	<b>(17)</b>	-
Other differences leading to an increase (decrease) in the tax charge	<b>(20)</b>	-
<b>Total tax charge for the year</b>	<u><b>2,284</b></u>	<u><b>5,338</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**13. Taxation (continued)****Factors that may affect future tax charges**

During March 2021 the UK chancellor announced an expected change to the UK's main corporation tax rates from 19% to 25% which was subsequently enacted into the Finance Act in June 2021. The main rate will increase to 25% from 1 April 2023 and will impact the corporation tax provision of the Company from that date. The deferred tax provision has been adjusted in these financial statements in recognition of this change.

**14. Tangible fixed assets**

	Land and buildings £000	Other plant and machinery £000	Fixtures, fittings, tools and equipment £000	Press and assembly equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2022	54,440	6,462	1,274	47,188	109,364
Additions	1,915	378	285	670	3,248
Disposals	-	-	(11)	-	(11)
At 31 March 2023	56,355	6,840	1,548	47,858	112,601
<b>Depreciation</b>					
At 1 April 2022	13,593	4,826	897	33,641	52,957
Charge for the year on owned assets	1,394	616	216	2,413	4,639
Disposals	-	-	(11)	-	(11)
At 31 March 2023	14,987	5,442	1,102	36,054	57,585
<b>Net book value</b>					
At 31 March 2023	41,368	1,398	446	11,804	55,016
At 31 March 2022	40,847	1,636	377	13,546	56,406

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023

**14. Tangible fixed assets (continued)**

The net book value of land and buildings may be further analysed as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Long leasehold	<b>41,368</b>	<b>40,847</b>
	<b>41,368</b>	<b>40,847</b>

The net book value of owned and leased assets included as "Tangible fixed assets" in the Balance Sheet is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Tangible fixed assets owned	<b>54,765</b>	<b>56,060</b>
Right-of-use tangible fixed assets	<b>251</b>	<b>346</b>
	<b>55,016</b>	<b>56,406</b>

Information about right-of-use assets is summarised below:

**Net book value**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Other plant and machinery	<b>96</b>	<b>173</b>
Fixtures, fittings, tools and equipment	<b>155</b>	<b>173</b>
	<b>251</b>	<b>346</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**15. Fixed asset investments**

	Investments in associates £000
<b>Cost or valuation</b>	
At 1 April 2022	4,952
At 31 March 2023	<u>4,952</u>

**Associate**

The following was an associate of the Company:

Name	Registered office	Class of shares	Holding
G-TEKT Slovakia	Na Pasienkock 9, 94901 Nitra, Slovak Republic	Ordinary	20 %

During the year G-TEKT Europe Manufacturing Europe Limited investment to date in G-TEKT Slovakia s.r.o. remained at 5,560,000 (£4,952,000), which is 20% of the total share capital of 28,000,000. The other 80% is owned by G-TEKT Corporation, Japan. Shares in G-TEKT Slovakia s.r.o. are fully described, with no further cash calls due.

**16. Stocks**

	2023 £000	2022 £000
Raw materials and consumables	2,575	1,900
Work in progress (goods to be sold)	3,654	2,923
Finished goods and goods for resale	999	637
	<u>7,228</u>	<u>5,460</u>

**G-TEKT EUROPE MANUFACTURING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**17. Debtors**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	<b>18,688</b>	<b>16,002</b>
Amounts owed by group undertakings	<b>484</b>	<b>116</b>
Other debtors	<b>455</b>	<b>-</b>
Prepayments and accrued income	<b>8,076</b>	<b>11,242</b>
	<u><b>27,703</b></u>	<u><b>27,360</b></u>

**18. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<b>38,566</b>	<b>36,787</b>
	<u><b>38,566</b></u>	<u><b>36,787</b></u>

**19. Creditors: Amounts falling due within one year**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	<b>9,717</b>	<b>4,354</b>
Amounts owed to group undertakings	<b>42</b>	<b>34</b>
Corporation tax	<b>-</b>	<b>503</b>
Other taxation and social security	<b>484</b>	<b>1,668</b>
Lease liabilities	<b>141</b>	<b>157</b>
Accruals and deferred income	<b>5,748</b>	<b>5,841</b>
	<u><b>16,132</b></u>	<u><b>12,557</b></u>

The treatment of government grants is explained in note 2.9 on page 19. The amount released to the P&L account in the year ending 31 March 2023 was £146,000 (2022: £146,000). Grant income to be released to profit and loss in the next 12 months is included in the table above, and the amount to be released after one year is included in note 20.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**20. Creditors: Amounts falling due after more than one year**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Lease liabilities	<b>118</b>	197
Other creditors	<b>159</b>	79
Accruals and deferred income	<b>612</b>	759
	<u><b>889</b></u>	<u>1,035</u>

**21. Leases****Company as a lessee**

The entity has finance leases for vehicles which employees use.

Lease liabilities are due as follows:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	<b>141</b>	157
Between one year and five years	<b>118</b>	197
	<u><b>259</b></u>	<u>354</u>

**22. Deferred taxation**

	<b>2023</b>
	<b>£000</b>
At beginning of year	<b>(1,972)</b>
Charged to profit or loss	<b>(419)</b>
<b>At end of year</b>	<u><b>(2,391)</b></u>
	<b>2023</b>
	<b>£000</b>
Accelerated capital allowances	<b>(2,402)</b>
Tax losses carried forward	<b>10</b>
	<u><b>(2,392)</b></u>
	<b>2022</b>
	<b>£000</b>
	<b>(1,981)</b>
	<b>9</b>
	<u><b>(1,972)</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**23. Share capital**

	<b>2023</b>	2022
	<b>£000</b>	£000
<b>Allotted, called up and fully paid</b>		
12,014,023 (2022 - 12,014,023) Ordinary shares of £1.00 each	<u><b>12,014</b></u>	<u>12,014</u>

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**24. Capital commitments**

Capital expenditure sanctioned by the Directors as at 31 March 2023 but not provided for within these accounts was nil (2022: £325,000).

**25. Pension commitments**

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company and amounted to £296,000 (2022: £366,000). A second defined benefit scheme is operated to meet auto enrolment obligations and contributions to this scheme for the year were £127,000 (2022: £179,000).

**26. Related party transactions**

G-TEKT Europe Manufacturing Limited is a wholly owned subsidiary of G-TEKT Corporation, a company incorporated in Japan. The registered office address is Omiya JP Building 18F, 1-11-20, Sakuragi-cho, Omiya-Ku, Samitama-city, Saitama-Pref, 0330-0854, Japan. Honda Japan owned 30.04% of the share capital of G-TEKT Corporation at 31 March 2023.

Honda companies are related parties because Honda partly owns the parent company G-TEKT Corporation. G-TEKT Corporation is a related party because it wholly owns G-TEKT Europe Manufacturing Limited. G-TEKT Thailand is a related party because it is part of the same group and is owned by G-TEKT Corporation. G-TEKT Slovakia is a related party because it is 80% owned by G-TEKT Corporation and 20% by G-TEKT Europe Manufacturing Limited.

**27. Controlling party**

The immediate and ultimate parent company is G-TEKT Corporation, a company incorporated in Japan and listed on the Japanese Stock Exchange. A copy of the group accounts can be obtained from that companies registered office at G-TEKT Corporation, Omiya JP Building 18F, 1-11-20, Sakuragi-cho, Omiya-ku, Saitama-city, Saitamap-Pref.0330-8854 Japan.





This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.