

APOLLO TYRES (UK) HOLDINGS LTD

(FORMERLY APOLLO TYRES (UK) PVT LIMITED)

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2022

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APOLLO TYRES (UK) HOLDINGS LTD

COMPANY INFORMATION

Directors	N S Kanwar V Mittal A Bisht
Company secretary	Vistra Cosec Limited
Registered number	07993963
Registered office	8 Waterloo Place St James's London SW1Y 4BE
Independent auditor	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

APOLLO TYRES (UK) HOLDINGS LTD

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APOLLO TYRES (UK) HOLDINGS LTD

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

Apollo Tyres (UK) Holdings Ltd is a 100% owned subsidiary of Apollo Tyres Co-Operatief U.A., Netherlands and ultimately owned by Apollo Tyres Limited, India, a listed multinational organisation and a global tyre manufacturer, headquartered in Gurgaon, India. Apollo Tyres (UK) Holdings Ltd is engaged in providing management support & services in the area of marketing, international business strategy and finance, corporate strategy and HR to the Apollo group companies.

Business review

All of the company's turnover is attributable to the provision of management and support services to the Apollo group of companies worldwide. Turnover has increased from £13,962,904 to £17,566,909. This is due to operations returning to normal being the effect that the global pandemic had on the business last year.

The company has been profit making during the year, with a profit after tax of £534,275 (2021: £290,324), the increase a result of the increased activity for group companies.


Turnover and profit before tax are considered to be the company's key performance indicators.

Principal risks and uncertainties

Apollo Tyres (UK) Holdings Ltd is not exposed to any major risk as its activities are primarily related to providing management support and services to group companies. Any risks are therefore associated with the performance of the worldwide group.

Details of the principal risks and uncertainties for the Apollo group are detailed in the financial statements of Apollo Tyres Limited, the ultimate parent company.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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V Mittal
Director

Date: 25 May 2022

APOLLO TYRES (UK) HOLDINGS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

On 21 June 2021, the company changed its name to Apollo Tyres (UK) Holdings Ltd.

Directors' responsibilities statement

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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

Results and dividends

The profit for the year, after taxation, amounted to £534,275 (2021: £290,324).

The directors have recommended payment of dividend in the year of £1,000,000 (2021: £Nil).

Directors

The directors who served during the year are as stated on the company information page.

APOLLO TYRES (UK) HOLDINGS LTD

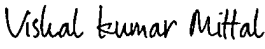
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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V Mittal
Director

Date: 25 May 2022

APOLLO TYRES (UK) HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO TYRES (UK) HOLDINGS LTD

Opinion

We have audited the financial statements of Apollo Tyres (UK) Holdings Ltd ('the company') for the year ended 31 March 2022, which comprise the profit and loss account, 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 (FRS) 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2022 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 auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

APOLLO TYRES (UK) HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO TYRES (UK) HOLDINGS LTD (CONTINUED)

Other information

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

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

We have nothing to report in 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 2, 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.

APOLLO TYRES (UK) HOLDINGS LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO TYRES (UK) HOLDINGS LTD (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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 specific procedures for this engagement and the extent to which our procedures are capable of detecting irregularities, including fraud are detailed below.

Our assessment focused on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes and board minutes in the year;
- obtaining an understanding of the entity's policies and procedures and how the entity has complied with these, through discussions and sample testing of controls;
- an understanding of the entity's risk assessment process, including the risk of fraud;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those arising from error.

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. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

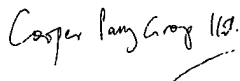
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

APOLLO TYRES (UK) HOLDINGS LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APOLLO TYRES (UK) HOLDINGS LTD
(CONTINUED)**

Use of our report

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



Steven Ellis (Senior statutory auditor)

for and on behalf of

Cooper Parry Group Limited

Chartered Accountants
Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 25 May 2022

APOLLO TYRES (UK) HOLDINGS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	1.4	17,566,909	13,962,904
Cost of sales		(12,712,607)	(8,823,878)
Gross profit		<u>4,854,302</u>	<u>5,139,026</u>
Administrative expenses		(3,975,519)	(4,542,103)
Operating profit	4	<u>878,783</u>	<u>596,923</u>
Profit on ordinary activities before taxation		878,783	596,923
Taxation on profit on ordinary activities	7	(344,508)	(306,599)
Profit for the financial year		<u><u>534,275</u></u>	<u><u>290,324</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

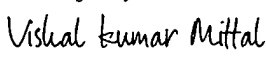
The notes on pages 11 to 22 form part of these financial statements.

APOLLO TYRES (UK) HOLDINGS LTD
REGISTERED NUMBER: 07993963

BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	8	902,100	426,067
Tangible assets	9	2,429,846	3,048,002
Investments	10	10,500,001	10,500,001
		<u>13,831,947</u>	<u>13,974,070</u>
Current assets			
Debtors	11	6,033,323	3,790,378
Cash at bank and in hand		<u>1,946,282</u>	<u>3,665,435</u>
		7,979,605	7,455,813
Creditors: amounts falling due within one year	12	<u>(3,251,445)</u>	<u>(2,522,960)</u>
Net current assets		<u>4,728,160</u>	<u>4,932,853</u>
Total assets less current liabilities		<u>18,560,107</u>	<u>18,906,923</u>
Provisions for liabilities			
Deferred tax	13	<u>(205,007)</u>	<u>(86,098)</u>
Net assets		<u><u>18,355,100</u></u>	<u><u>18,820,825</u></u>
Capital and reserves			
Called up share capital	14	18,501	18,501
Share premium account	15	16,197,633	16,197,633
Profit and loss account	15	<u>2,138,966</u>	<u>2,604,691</u>
Shareholders' funds		<u><u>18,355,100</u></u>	<u><u>18,820,825</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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V Mittal
Director

Date: 25 May 2022

The notes on pages 11 to 22 form part of these financial statements.

APOLLO TYRES (UK) HOLDINGS LTD

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 April 2020	18,501	16,197,633	2,314,367	18,530,501
Profit for the year	-	-	290,324	290,324
At 1 April 2021	18,501	16,197,633	2,604,691	18,820,825
Profit for the year	-	-	534,275	534,275
Dividends	-	-	(1,000,000)	(1,000,000)
At 31 March 2022	18,501	16,197,633	2,138,966	18,355,100

The notes on pages 11 to 22 form part of these financial statements.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

Apollo Tyres (UK) Holdings Ltd is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Pound Sterling (£), which is also the company's functional currency. The financial statements are for the year ended 31 March 2022 (2021: year ended 31 March 2021).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following accounting policies have been applied consistently throughout the year:

1.2 Disclosure exemptions

The company has adopted the following disclosure exemptions:

Under FRS102 Section 1.12, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that its ultimate parent company, includes the company's cash flows in its own published consolidated financial statements.

The entity is a 'qualifying entity' and has also taken advantage of the exemption from disclosing key management personnel (other than directors emoluments) under FRS 102 Section 1.12.

As the company is a wholly owned subsidiary of a company whose consolidated accounts include the results of the subsidiary and are publicly available, the company has taken advantage of the FRS 102 section 33.1a exemption from disclosing transactions with group undertakings.

1.3 Going concern

At the balance sheet date the company had a strong net current asset position. At the time of signing these accounts, the directors have considered the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

On that basis, the directors have prepared these financial statements on a going concern basis.

1.4 Turnover

Turnover 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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Rendering of services

Turnover relates to the provision of management and support services to the Apollo group of companies and is recognised as the services are provided.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Website costs are amortised over a period of five years following completion of the website development.

1.6 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is provided at rates calculated to write off the costs of fixed assets, less their residual value over their expected useful lives on the following basis:

Leasehold property	- on a straight line basis over the life of the lease
Fixtures and fittings	- 10 years on a straight line basis
Computer equipment	- 4 years on a straight line basis

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 disposal are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.7 Valuation of investments

Investments in subsidiaries are initially valued at cost and reviewed annually for signs of impairment. If an impairment loss is identified this is recognised immediately in the profit and loss account and the value of the investment is reduced accordingly.

1.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

1.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans with related parties.

All financial assets and liabilities are initially measured at transaction price subsequently at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

1.10 Pensions

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 payments obligations.

The contributions are recognised as an expense in the profit and loss account 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.

1.11 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.12 Taxation

The tax charge for the year comprises of current and deferred tax.

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

The current and deferred tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting policies (continued)

1.13 Foreign currencies

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.

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 the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within administrative expenses.

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

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of fixed assets

The company assesses the impairment of tangible fixed assets subject to depreciation whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include the following:

- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the manner of the use of the acquired assets or the strategy for the overall business; and
- Significant negative industry or economic trends.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Judgements in applying accounting policies (continued)

Recoverability of debtors

Debtors are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made against specific invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Leases

The company determines whether leases entered into are an operating lease or a finance lease. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the company on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgment. The nature and type of risks for these provisions differ and management's judgment is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. External advice is sought where appropriate.

Taxation

There are many transactions and calculations for which the ultimate tax determination is uncertain. The company takes professional advice on its tax affairs and recognises liabilities for anticipated tax based on estimates of what taxation is likely to be due.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. Turnover

All turnover is derived from the principle activity of the company.

All turnover is derived from group companies in Europe and the Rest of the World.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**4. Operating profit**

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	696,359	863,779
Amortisation of intangible assets	15,290	-
Loss on disposal of tangible fixed assets	-	181,340
Fees payable to the company's auditor for the audit of the company's annual financial statements	11,770	10,700
Foreign exchange differences	17,402	20,939
Other operating lease rentals	1,196,680	1,196,680
	<u>1,941,501</u>	<u>1,273,438</u>

5. Staff costs

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

	2022 £	2021 £
Wages and salaries	8,281,713	6,328,068
Social security costs	962,989	650,261
Pension costs	110,226	78,160
	<u>9,354,928</u>	<u>7,056,489</u>

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

	2022 No.	2021 No.
Strategic and administrative staff	36	35
	<u>36</u>	<u>35</u>

6. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	4,808,676	3,293,828
	<u>4,808,676</u>	<u>3,293,828</u>

The highest paid director received contractual salary and benefits in kind of £3,038,616 (2021: £2,737,127). In addition to this, the highest paid director received £1,100,000 (2021: £Nil) as a one time ex gratia payment.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

7. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	223,976	227,727
Adjustments in respect of previous periods	1,623	1,445
Total current tax	225,599	229,172
Deferred tax		
Origination and reversal of timing differences	91,721	72,028
Tax rate changes on opening balances	27,188	5,399
Taxation on profit on ordinary activities	344,508	306,599

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	878,783	596,923
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	166,969	113,415
Effects of:		
Expenses not deductible for tax purposes	53,695	43,618
Difference between capital allowances and depreciation	73,019	142,722
Adjustments to tax charge in respect of prior periods	1,623	1,445
Adjustments to tax charge in respect of previous periods - deferred tax	-	5,399
Deferred tax rate changes	49,202	-
Total tax charge for the year	344,508	306,599

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023.

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Intangible assets

	Website costs £
Cost	
At 1 April 2021	426,067
Additions	491,323
At 31 March 2022	<u>917,390</u>
Amortisation	
Charge for the year	15,290
At 31 March 2022	<u>15,290</u>
Net book value	
At 31 March 2022	<u>902,100</u>
At 31 March 2021	<u>426,067</u>

9. Tangible fixed assets

	Leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 April 2021	3,763,565	1,906,152	272,956	5,942,673
Additions	-	61,047	17,155	78,202
At 31 March 2022	<u>3,763,565</u>	<u>1,967,199</u>	<u>290,111</u>	<u>6,020,875</u>
Depreciation				
At 1 April 2021	2,176,220	525,055	193,396	2,894,671
Charge for the year	472,509	172,314	51,535	696,358
At 31 March 2022	<u>2,648,729</u>	<u>697,369</u>	<u>244,931</u>	<u>3,591,029</u>
Net book value				
At 31 March 2022	<u>1,114,836</u>	<u>1,269,830</u>	<u>45,180</u>	<u>2,429,846</u>
At 31 March 2021	<u>1,587,345</u>	<u>1,381,097</u>	<u>79,560</u>	<u>3,048,002</u>

Included in fixtures and fittings is art work totalling £665,607 (2021: £665,607) which is not depreciated.

APOLLO TYRES (UK) HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****10. Investments**

	Investments in subsidiary companies £
Cost	
At 1 April 2021	10,500,001
At 31 March 2022	<u>10,500,001</u>
Net book value	
At 31 March 2022	<u>10,500,001</u>
At 31 March 2021	<u>10,500,001</u>

The investment held is in Apollo Tyres (London) PVT Limited, which is a 100% owned subsidiary undertaking of the company. The company is incorporated in England and Wales. The registered office of Apollo Tyres (London) PVT Limited is the same as Apollo Tyres (UK) Holdings Ltd as disclosed on the company information page.

11. Debtors

	2022 £	2021 £
VAT receivable	170,827	111,059
Amounts owed by group undertakings	4,860,204	2,798,295
Other debtors	593,500	558,025
Prepayments and accrued income	378,674	322,999
Tax recoverable	30,118	-
	<u>6,033,323</u>	<u>3,790,378</u>

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**12. Creditors: amounts falling due within one year**

	2022 £	2021 £
Trade creditors	387,180	490,766
Amounts owed to group undertakings	891,044	687,395
Corporation tax	-	60,619
Other taxation and social security	964,284	225,200
Other creditors	982,478	1,041,002
Amounts owed to group undertakings (group relief)	26,459	17,978
	<u>3,251,445</u>	<u>2,522,960</u>

13. Deferred taxation

	2022 £	2021 £
At beginning of year	86,098	8,671
Charged to the profit and loss account	118,909	77,427
At end of year	<u>205,007</u>	<u>86,098</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	205,007	86,098
	<u>205,007</u>	<u>86,098</u>

APOLLO TYRES (UK) HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**14. Share capital**

	2022 £	2021 £
Allotted, called up and fully paid		
18,501 Ordinary shares of £1.00 each	18,501	18,501

15. Reserves**Share premium account**

The share premium account represents any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

16. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge represents contributions payable by the company to the fund and amounted to £110,226 (2021: £78,160). Contributions totalling to £11,863 (2021: £12,616) were payable to the fund at the balance sheet date and are included in the creditors.

17. Operating lease commitments

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	1,328,260	1,333,765
Later than 1 year and not later than 5 years	843,156	2,189,478
	<u>2,171,416</u>	<u>3,523,243</u>

18. Related party transactions

During the year, the company made purchases totalling £1,009,270 (2021: £741,991) with a related party under common control, who do not form part of Apollo Tyres Group. At the end of the year, a sum of £60,000 (2021: £60,000) has been included in other debtors and a sum of £60,667 (2021: £Nil) has been included in trade creditors towards these related parties.

APOLLO TYRES (UK) HOLDINGS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Ultimate parent undertaking and controlling party

The immediate parent company is Apollo Tyres Co-Operatief U.A. a company registered in the Netherlands.

The company is controlled by Apollo Tyres Limited, a company registered in India, who is the ultimate controlling parent undertaking.

The smallest and largest group where group accounts are prepared is Apollo Tyres Limited.

The consolidated accounts of Apollo Tyres Limited are available to the public on its website www.apollotyres.com/en-gb/ or can be obtained from its registered office, 3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi 682036, Kerala, India.