MSSL (GB) Limited
Annual Report
Year ended 31 March 2021

Registered Number: 05074608

Address:
Albany Road, Gateshead,
Tyne and Wear,
United Kingdom NE8 3AT

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DIRECTORS AND OTHER INFORMATION

Board of Directors
Vivek Chaand Sehgal (Australian)
Andreas Heuser (German)
Pankaj Kumar Mital (Indian)
Anurag Gahlot (Indian)
Sushil Chandra Tripathi (Indian)

Bankers
HSBC
110 Grey Street
Newcastle Upon Tyne
NE1 6JG

Citibank
Citigroup Centre 2
25 Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

Registered Office
Albany Road
Gateshead
Tyne & Wear
NE8 3AT
United Kingdom

Registered Number: 05074608

Independent auditors

Ernst & Young LLP
Chartered Accountants & Statutory Auditors
Bedford House
16 Bedford Street
Belfast
BT2 7DT

STRATEGIC REPORT

The directors present their strategic report of the company for the year ended 31 March 2021.

Principal activity
The company's principal activity continues to be the manufacture of vehicle components along with electrical distribution system for Rolling Stock business.

Review of business and future developments

Performance
MSSL GB Caters to the Off-Road Segment in UK & Europe and the main customers are in Construction, Earthmoving Equipment Segment (OEM / Tier 1). 2020-21 has been a tough year globally due to COVID-19 and due to implications of lockdowns.
UK Off-Road, construction and earthmoving equipment Segment have decreased by 24.5% in 2020 compared to 2019 and it's still reasonable considering the same was down close to 40% in H1 2020 mainly due to COVID-19, which reflects on company sales also in 2020-21.
MSSL (GB) also acquired business of MRSS (GB) w.e.f. 28 September 2020 which is also reflected in the financial results for the year ending 31 March 2021. With this acquisition, the company has also entered into the Rolling stock segment of UK market (refer note 22 for details).
The company is also working with customers for New Project developments and is expecting to increase revenue in the coming period based on execution of these projects.
The directors reviewed the financials for the year, they were satisfied with the results and financial position of the company remains strong as on 31 March 2021

Risks
Performance in the vehicle components sector is affected by general economic conditions. The board carries out regular strategic reviews including assessments of competitor activity, market trends and forecasts and customer behaviour. Product availability and price fluctuation are other sectoral risks faced. The security of product supply is monitored by the directors on an ongoing basis with supplier financial strength, product quality and service levels regularly reviewed. The company's active review of market prices both provides protection and maximises opportunities from anticipated price rises.

Key performance indicators
The company's key performance indicators are as follows:

	2021 £'000	2020 £'000
Turnover	**39,552**	**11,354**
Profit before tax	**5,560**	**20,086**

There has been increase in turnover with acquisition of MRSS (GB) engaged in rolling stock business. Sales made to existing customers in Construction and Earthmoving Equipment Segment has declined during the year due to Covid-19 which has impacted the profitability of the Company.

Environment
The company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The directors' continued aim is to comply with all applicable environmental legislation, prevent pollution and reduce waste wherever possible.

Health and safety
The company is committed to achieving the highest practicable standards in health and safety management and strives to make its premises a safe environment for employees and customers alike.

Human resources
The company's most important resource is its people; their knowledge and experience is crucial to meeting customer requirements. Retention of key staff is critical and the company has invested increasingly in employment training and development and has introduced appropriate incentive and career progression arrangements.

STRATEGIC REPORT - continued

Results

The Profit after tax for the year is £4,813,155 (2020: £18,627,256). The company has net assets of £372,411,220 as at 31 March 2021 (2020: £367,598,065).

Principal risks and uncertainties

The company's key operational and financial risks are set out below along with the risk management policies put in place to mitigate these risks.

<u>Financial risk management</u>

The company's operations expose it to a variety of financial risks that include price risk, foreign exchange risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

<u>Price risk</u>

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed investments.

<u>Foreign exchange risk</u>

While the greater part of the company's revenues and expenses are denominated in sterling, the company is exposed to some foreign exchange risk in the normal course of business, principally on sales in Indian Rupees and Euros. It is also exposed to risk with regards to its Euro intercompany loans and bank loans. The company regularly reviews exchange risk exposure and considers the need to hedge against potential losses, using forward exchange contracts where necessary.

<u>Credit risk</u>

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the board. The company has a policy to seek appropriate insurance on major customers.

<u>Liquidity risk</u>

The company maintains short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. Further, the company has a committed Rolling Credit facility of €130Mn until September 2023. Amount falling due under this in the current year can be roll forward until the maturity of intercompany loan receivable. Thus there is no effect on company's ability to continue as going concern as sufficient liquidity is available to manage fund position.

<u>Interest rate risk</u>

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets primarily relate to cash balances which earn interest at variable rates. Interest bearing liabilities relate to bank loans which pay interest at variable rates. The company does not actively manage its interest rate risk. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

On behalf of the board

Anurag Gahlot
Director

Date: 30 June 2021

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the company for the year ended 31 March 2021.

Statement of directors' responsibilities
The directors are responsible for preparing the strategic report, 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 prepared 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" (FRS 102).

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 United Kingdom Accounting Standards, including FRS 102 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 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.

Statement of disclosure of information to auditors
So far as each of the directors in office at the date of approval of these financial statements are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Principal activity
The company's principal activity continues to be the manufacture of vehicle components along with electrical distribution system for Rolling Stock business.

Results and dividends
The result for the year is set out in the profit and loss account on page 11. The company did not recommend a dividend during the year (2020: £Nil).

Directors

The names of the persons, who were directors at any time during the year ended 31 March 2021 and up to the date of approval of the financial statements, are set out below. Unless indicated otherwise they served as directors for the entire period.

Andreas Heuser - German
Pankaj Kumar Mital - Indian
Anurag Gahlot - Indian
Vivek Chaand Sehgal - Australian
Sushil Chandra Tripathi (Indian)

DIRECTORS' REPORT - continued

Independent Auditors
The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Employees:
The company gives equal consideration to all applications for employment irrespective of any disability. Where people become disabled during the course of their employment, every endeavour is made to protect that person's position and provide retraining if necessary. All employees are eligible for consideration for appropriate training, career development and promotional opportunities, regardless of any disability.
The motivation of staff and the maintenance of an environment where innovation and team working is encouraged are seen as key objectives by the Board. The Board also recognises that a safe, secure and healthy working environment contributes to productivity and improved performance.

Covid impact:
During FY20-21, the company was able to achieve the financial results in line with other competitors in the industry. The Company's operations and standalone financial for year ended March 31, 2021 have been impacted partially by the outbreak of COVID-19 pandemic and the consequent lockdown announced by UK government, due to which the operations were suspended for a large part of the quarter ended June 30, 2020 and resumed gradually with prescribed regulations and precautions. In line with UK Government guidelines, the company has taken all the measures like furlough of employees, social distancing rules, along with arranging adequate PPE for employees to provide a safe environment for staff.

The company has evaluated the possible impacts of COVID-19 and concluded that impact is not material based on the current estimates. While evaluating this impact, the company has also considered the possible effects on amount of receivables and assets of the company and expects that the carrying amount of assets will be recovered. The company continues to have a strong cash flow position after meeting all the operating expenses and doesn't require any kind of financial support from the parent company.

Going Concern:
The outbreak of COVID-19 pandemic globally and consequent lockdown restrictions imposed by national governments is causing significant disturbance and slow down of economic activities across the globe. The company has taken proactive measures to comply with various regulations/guidelines issued by Government and local bodies to ensure safety of its work force and the society in general. Despite the various impact of COVID-19, no significant risks were identified that give uncertainty about the continuation of operations of the company. The directors of the Company believe that, on the basis of the future business plans & cash flows, they have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of signing of the financial statements. This is consistent with the going concern period assessed by the directors to 30 June 2022. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Future Developments:
The continued uncertainity of lockdown restrictions amid Covid-19 pandemic remains, the Company is working with its customers for new project developments.
The Company expects to perform in line with our expectations for the current financial year. With the acquisition of MRSS (GB), the Company seeks to further develop and grow its product/customer base and continues to improve its efficiency through improvement in manufacturing facility, employee training and cost reduction initiatives.

By order of the board

Anurag Gahlot
Director

Date: 30 June 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSSL (GB) LIMITED

Opinion

We have audited the financial statements of MSSL (GB) Limited for the year ended 31 March 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 22, 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 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 company’s affairs as at 31 March 2021 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 UK, including the FRC’s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company’s ability to continue as a going concern for a period up to 30 June 2022 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company’s ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSSL (GB) LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSSL (GB) LIMITED

Responsibilities of Directors

As explained more fully in the Directors’ responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (the Companies Act 2006 and FRS 102 ‘The financial reporting standard applicable in the UK and Republic of Ireland’) and the relevant tax compliance regulations in UK. In addition, we concluded that there are certain significant laws and regulations that may have an indirect effect on the determination of the amounts and disclosures in the financial statements. These are those laws and regulations relating to employee matters, health and safety, environmental and bribery and corruption practices.

- We understood how the company is complying with those frameworks by performing enquiries of management. We corroborated our enquiries by performing a review of the company’s board minutes as well as correspondence from regulatory bodies. We noted no contradictory evidence.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MSSL (GB) LIMITED

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management across the business to understand where they considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings and how they would achieve that.

- Based on this understanding we designed audit procedures to identify noncompliance with laws and regulations. We considered the risk of fraud through management override of controls and designed testing over manual journals entries as part of our audit approach. We used data analysis to select manual journals with specific risk criteria and obtained supporting evidence for the journals selected. We also assessed that revenue was a judgemental area of the audit which is more susceptible to fraud. We obtained an understanding of the controls over the process for the recognition of revenue. We tested, the occurrence of the revenue recorded in the financial statements and any manual adjustments to revenue that met specific risk criteria. These procedures included tracing transactions and manual adjustments back to source documentation.

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

Use of our report

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

Neil Corry (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 30 June 2021

PROFIT AND LOSS ACCOUNT
For the Year Ended 31 March 2021

	Note	2021	2020
		£	£
Turnover	5	39,551,503	11,353,779
Cost of sales		(29,724,463)	(9,665,339)
Gross Profit		9,827,040	1,688,440
Administrative expenses		(7,791,192)	(1,457,255)
Other operating income	8	119,877	118,491
Operating profit	6	2,155,725	349,676
Interest receivable and similar income	9	2,477,739	6,656,056
Interest payable and similar charges	9	(1,149,089)	(1,564,156)
Dividend income	9	2,075,756	14,644,642
Profit on ordinary activities before taxation		5,560,131	20,086,218
Tax on profit on ordinary activities	10	(746,976)	(1,458,962)
Profit for the financial year		4,813,155	18,627,256

Turnover and operating profit arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the profit and loss account and therefore no separate statement of other comprehensive income has been presented.

The notes from 1 to 22 are an integral part of these financial statements.

Balance Sheet
As at 31 March 2021

	Note	2021	2020
		£	£
Fixed assets			
Tangible fixed assets	11(a)	2,943,364	15,920
Intangible assets	11(b)	3,442,576	-
Financial assets	12	321,673,083	25,379,195
		328,059,023	25,395,115
Current assets			
Stock	13	13,638,000	1,194,550
Debtors - due within one year	14	17,003,875	390,227,249
Debtors - due after more than one year	14	69,714,218	56,298,146
Cash at bank and in hand		7,341,379	803,548
		107,697,472	448,523,493
Creditors - amounts falling due within one year	15	(62,670,927)	(106,320,543)
Net current assets		45,026,545	342,202,950
Total assets less current liabilities		373,085,568	367,598,065
Creditors - amounts falling due after more than one year	16	(674,348)	-
Net assets		372,411,220	367,598,065
Capital and reserves			
Called up share capital	18	227,089,336	227,089,336
Share premium account	18	100,730,918	100,730,918
Profit and loss account		44,590,966	39,777,811
Total equity		372,411,220	367,598,065

The notes from 1 to 22 are an integral part of these financial statements.

The financial statements on pages 11 to 26 were approved by the board of directors on 30 June 2021 and were signed on its behalf by:

Anurag Gahlot
Director

MSSL (GB) Limited
Registered Number: 05074608

Statement of Changes in equity
For the Year Ended 31 March 2021

	Note	Called up share capital	Share premium account	Profit and loss account	Total equity
		£	£	£	£
Balance as at 01 April 2019		227,089,336	100,730,918	21,150,555	348,970,809
Profit for the financial year		-	-	18,627,256	18,627,256
Balance as at 31 March 2020		**227,089,336**	**100,730,918**	**39,777,811**	**367,598,065**
Profit for the financial year		-	-	4,813,155	4,813,155
Balance as at 31 March 2021		**227,089,336**	**100,730,918**	**44,590,966**	**372,411,220**

Called up share capital relates to the nominal value of shares issued.

Share premium account includes any premium issued on share capital.

Profit and loss account includes all current year and prior period retained profit and losses.

The notes from 1 to 22 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 General Information

MSSL (GB) Limited is involved in the sale and manufacture of vehicle components along with electrical distribution system for Rolling Stock business.

MSSL (GB) Limited is a company incorporated and domiciled in the United Kingdom. The address of its registered office is Albany Road, Gateshead, Tyne and Wear, United Kingdom NE8 3AT.

The ultimate parent company of MSSL (GB) Limited is Motherson Sumi Systems Limited, which is a company registered in India and listed on the National Stock Exchange of India and is the parent company of the smallest and largest group to consolidate these financial statements. Copies of Motherson Sumi Systems Limited consolidated financial statements can be obtained from the Secretary, Motherson Sumi Systems Limited, Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, Maharashtra, India.

The directors consider Motherson Sumi Systems Limited, a company incorporated in India, as the company's ultimate controlling party.

2 Statement of compliance

The individual financial statements of MSSL (GB) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, ‘‘The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland’’ (‘‘FRS 102’’) and the Companies Act 2006.

3 Summary of significant accounting policies

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

(a) Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date. It also requires the directors to exercise their judgement in the process of applying the company’s accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed in note 4.

(b) Going concern

Despite the significant risk associated with COVID-19, no significant risks were identified that give uncertainty about the continuation of operations of the company. The directors of the Company believe that, on the basis of the future business plans & cash flows, they have a reasonable expectation that the Company will continue as a going concern for a period of at least 12 months from the date of signing of the financial statements. This is consistent with the going concern period assessed by the directors to 30 June 2022. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(c) Disclosure exemptions for qualifying entities under FRS 102

The company has taken advantage of the following disclosure exemptions in the preparing these financial statements, as permitted by the FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”:

· Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.
· The requirement of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
· The requirement of Section 7 Statement of Cash Flows;
· The requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
· The requirement of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
· The requirement of Section 33 Related Party Disclosures paragraph 33.7

(d) Exemption from Consolidation

In accordance with Section 401 of the Companies Act 2006, no group financial statements have been prepared as the company is a wholly owned subsidiary of Motherson Sumi Systems Limited, a company incorporated in India, whose financial statements are prepared in a manner equivalent to the EU 7th Directive.

NOTES TO THE FINANCIAL STATEMENTS

(e) Foreign currency

(i) Functional and presentation currency

The company financial statements are presented in pound sterling. The company's functional and presentation currency is the pound sterling.

(ii) 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 the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

(f) Revenue recognition

(i) Turnover

Turnover is the amount of revenue derived from the provision of goods falling within the company's ordinary activities after deduction of trade discounts and value-added tax. For the company turnover comprises sales of vehicle components.

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the company and value added taxes.

The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company recognises turnover when (a) the significant risks and rewards of ownership of the goods have been transferred to the buyer; (b) the company retains no continuing managerial involvement or effective control over the goods; (c) the amount of turnover and costs can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to the each of company's sales channels have been met, as described below. Sales made on a consignment basis are included in stock until risks and rewards are transferred by sale of goods onto third parties by the consignee.

(ii) Other revenue

The company also earns interest income. Interest income is recognised using the effective interest rate method. Interest income is presented as "interest receivable and similar income" in the profit and loss account.

(g) Employee benefits

The company provides a range of benefits to employees, including short term employee benefits such as annual bonus arrangements and paid holiday arrangements and post-employment benefits (in the form of defined contribution pension plans).

(i) Short term employee benefits

Short term employee benefits, including paid holiday arrangements and other similar non-monetary benefits, are recognised as an expense in the financial year in which the employees render the related service.

NOTES TO THE FINANCIAL STATEMENTS

(h) Income tax
Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense. Current or deferred tax assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax
Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(i) Tangible fixed assets
Tangible fixed assets are carried at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to the location and condition necessary for its intended use, applicable dismantling, removal and restoration costs and borrowing costs capitalised.

(i) Depreciation and residual values

	%	**Basis**
Leasehold improvements	Over remaining life of lease	
Plant and machinery	25	Straight line
Office equipment	20/50	Straight line
Furniture & Fixtures	29	Straight line
Computer equipment	33/50	Straight line
Motor vehicles	25/33.33	Straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each financial year. The effect of any change in either residual values or useful lives is accounted for prospectively.

(ii) Derecognition
Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(j) Intangible assets
Intangible assets are carried at cost (or deemed cost) less accumulated amortisation and accumulated impairment losses. The cost of intangible assets acquired in a business combination is measured and assessed for the expected future economic benefit at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.
Intangible assets are amortised on a systematic basis over its useful life in range from 3 to 5 years.

NOTES TO THE FINANCIAL STATEMENTS

(k) Leased Assets

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leases

Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessee. At the commencement of the finance lease term the company recognises its right of use and obligation under a finance lease as an asset and a liability at the amount equal to the fair value of the leased asset, or if lower, at the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the company's incremental borrowing rate is used. Incremental and directly attributable costs incurred in negotiating and arranging finance leases are included in the cost of the asset.

Assets under finance leases are depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at the end of each financial year.

The minimum lease payments are apportioned between the outstanding liability and finance charges, using the effective interest method, to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Operating leases

Operating leases do not transfer substantially all the risks and rewards of ownership to the lessee. Payments under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

(l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(m) Investments

Investment in subsidiary undertaking

The company's investment in subsidiaries is carried at historical cost less accumulated impairment losses. Latest financial statement and trading performance of the subsidiary has been considered to assess the carrying value of investment.

(n) Stock

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the financial year in which the related revenue is recognised.

Cost is determined using the first-in, first-out (FIFO) method. Cost comprises the purchase price, including taxes and duties and transport and handling costs directly attributable to bringing the stock to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, direct labour and a systematic allocation of direct costs and production overheads (based on normal operating capacity of the production facility).

At the end of each financial year, stocks are assessed for impairment. If an item of stock is impaired, the identified stock is measured at its selling price less costs to complete and sell and the resulting impairment loss is recognised in profit or loss. Where a reversal of the impairment loss is recognised the impairment loss is reversed, up to the original impairment loss, and is recognised in profit or loss.

(o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost.

Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

NOTES TO THE FINANCIAL STATEMENTS

(p) Provisions and contingencies

(i) Provisions

Provisions are liabilities of uncertain timing or amount.

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the best estimate of the amount required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at the end of each financial year and adjusted to reflect the current best estimate of the amount required to settle the obligation. The unwinding of the discount is recognised as a finance cost in profit or loss, presented as part of interest payable and similar charges' in the financial year in which it arises.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

(ii) Contingencies

Contingent liabilities, arising as a result of past events, are not recognised as a liability because (i) it is not probable that the company will be required to transfer economic benefits in settlement of the obligation or the amount cannot be reliably measured at the end of the financial year. Possible but uncertain obligations are not recognised as liabilities but are contingent liabilities. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(q) Financial Instruments

The company has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments:

(i) Financial assets

Basic financial assets, including trade and other debtors, amounts due from group companies, cash and cash equivalents and short term deposits, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

At the end of each financial year financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised cost is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial asset's carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

If, in a subsequent financial year, the amount of an impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially for a similar debt instrument. Where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade and other creditors, bank loans, loans from fellow group companies, preference shares and financial liability from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(r) Share Capital
Equity shares are recognised at the proceeds received and presented as share capital and share premium. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Distributions to equity shareholders
Dividends and other distributions to the Company's equity shareholders are recognised as a liability in the financial statements in the financial year in which the dividends and other distributions are approved by the shareholders.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements made in the process of preparing the entity financial statements 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.

(a) Critical judgement in applying the entity's accounting policies
No judgements, apart from those involving estimates, made by the directors has had significant effect on the amounts recognised in the entity financial statements.

(b) Critical accounting estimates and assumptions
The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

(i) Impairment of debtors
The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade or other debtor is impaired. When assessing impairment of trade and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collections from the debtor. Impairment is only made to the extent that the loss is not covered by credit insurance. See notes 6 and 14 for the net carrying amount of the debtors and the impairment loss (if any), recognised in the financial year.

(ii) Impairment of intercompany debtors
The directors make an assessment at the end of each financial year of whether there is objective evidence that intercompany debtor is impaired. When assessing impairment, the directors consider latest financial statement of the group company. See note 14 for the net carrying amount of the debtors and the impairment loss (if any), recognised in the financial year.

(iii) Impairment of financial assets
The directors make an assessment at the end of each financial year of whether there is objective evidence that financial assets are impaired. When assessing impairment, the directors consider latest financial statement of the group company. See note 12 for the net carrying amount of the financial assets and the impairment loss (if any), recognised in the financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 Turnover

The turnover is attributable to the principal activity of the company. An analysis of turnover by geographic area is as follows:

	2021	2020
	£	£
United Kingdom	35,446,075	4,741,177
Overseas	4,105,428	6,612,602
	39,551,503	11,353,779

6 Operating profit

	2021	2020
	£	£
Operating profit is stated after charging/(crediting):		
Wages and salaries	8,117,406	1,473,891
Social security costs	458,965	148,609
Pension contributions	343,853	28,334
Staff costs	8,920,224	1,650,834
Depreciation of tangible assets	211,230	13,158
Amortisation of intangible assets	584,711	-
Services provided by the company's auditor		
- Fees payable to current auditors	35,000	14,500
- Fees payable for other services – tax compliance	3,250	3,250
Exchange loss /(profit)	1,192,067	(13,120)
Operating lease charges	356,891	97,360

7 Employees and directors

(a) Employees

The average number of persons employed by the company (including directors) during the period was:

	2021	2020
	Number	Number
Manufacturing	146	37
Administration	128	16
	274	53

(b) Directors

	2021	2020
	£	£
Directors' remuneration - aggregate emoluments	20,000	-

The above remuneration is made for the services of Mr. Sushil Chandra Tripathi and the cost of other directors' emoluments has been borne by other group companies.

8 Other operating income

	2021	2020
	£	£
Rent receivable	36,000	36,000
Management fee	36,000	72,000
Other misc. income	47,877	10,491
	119,877	**118,491**

NOTES TO THE FINANCIAL STATEMENTS - continued

	2021	2020
9 Interest Income	£	£
a) Interest receivable and similar income		
Interest on amount due from group companies	2,477,739	6,656,056
b) Interest payable and similar charges		
Interest on bank loans	1,149,089	1,564,156
c) Dividend income	2,075,756	14,644,642

	2021	2020
10 Tax on profit on ordinary activities	£	£
(a) Tax expenses included in profit and loss		
Current Tax:		
Corporate Tax on profit for the year	673,826	855,000
Adjustments in respect of prior year	185,542	-
Withholding tax	-	603,962
Current tax charge for the year	**859,368**	**1,458,962**
Deferred Tax:		
Deferred tax expense/ (credit)	(112,392)	-
Total Tax Charge	**746,976**	**1,458,962**

(b) Reconciliation of tax charge	2021	2020
	£	£
Profit on ordinary activities before tax	5,560,131	20,086,218
Profit multiplied by the standard rate of UK 19% (2020: 19%)*	1,056,425	3,816,381
Effects of:		
Disallowable expenses	-	-
Withholding tax	-	603,962
Other reconciling differences	(309,449)	(2,961,381)
	746,976	1,458,962

*The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2020 – 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.
The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted after the balance sheet date (on 24 May 2021) and hence have not been reflected in the measurement of deferred tax balances at the period end. It is not anticipated that these changes will have a material impact on the company's deferred tax balances.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 (a) Tangible fixed assets

	Leasehold improvements	Plant & machinery	Furniture & Fixtures	Office & computer equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	49,423	35,497	-	78,560	16,669	180,149
Business combinations*	-	2,789,255	54,924	-	-	2,844,179
Additions	-	282,596	-	11,899	-	294,495
Disposals	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-
At 31 March 2021	49,423	3,107,348	54,924	90,459	16,669	3,318,823
Accumulated depreciation						
At 1 April 2020	49,423	32,490	-	65,647	16,669	164,229
Charge for the year	-	187,701	13,965	9,564	-	211,230
At 31 March 2021	49,423	220,191	13,965	75,211	16,669	375,459
Net book amount						
At 31 March 2021	-	2,887,157	40,959	15,248	-	2,943,364
At 31 March 2020	-	3,007	-	12,913	-	15,920

(b) Intangible assets

	Customer Relationships	Software	Total
	£	£	£
Cost			
At 1 April 2020	-	-	-
Business combinations*	3,933,697	93,590	4,027,287
Additions	-	-	-
At 31 March 2021	3,933,697	93,590	4,027,287
Accumulated amortisation			
At 1 April 2020	-	-	-
Charge for the year	561,957	22,754	584,711
At 31 March 2021	561,957	22,754	584,711
Net book amount			
At 31 March 2021	3,371,740	70,836	3,442,576
At 31 March 2020	-	-	-

*Refer note 22 for additions on account of business combination.

NOTES TO THE FINANCIAL STATEMENTS - continued

12 Financial assets

	2021	2020
	£	£
Unlisted investments at cost	321,673,083	25,379,195
Opening investment	25,379,195	25,379,195
Addition during the year	296,293,888	-
Total	321,673,083	25,379,195
Closing investment	321,673,083	25,379,195

(a) Details of shares held by MSSL (GB) Limited at 31 March 2021 are as follows:*

Name & address	Nature of Business	Description of Shares held	% of shares held
MSSL Consolidated Inc – 8640 East Market Street, Howland Township, Warren OH-44484.United States	Holding Company	Ordinary shares	100
Alphabet de Mexico, S.A. de C.V. Ave. Washington No 3701, Edificio 44, Parque Industrial Las America, Chihuahua, Mexico	Manufacturing	Ordinary shares	100
Alphabet de Mexico de Monclova, S.A. de C.V. – Avenida Adolfo Lopez Mateo 2101, Equine con Avenida, Revolution Mexicana, Monclova, Coahuila, Mexico	Manufacturing	Ordinary shares	100
Alphabet de Saltillo, S.A. de C.V. Prolongacion del Boule vard Isidro Lopez Zertuche No 1950, Ramos Arizpe, Coahuila, México	Manufacturing	Ordinary shares	100
MSSL Wirings Juarez S.A. de CV Ave.Antonio J. Bermudez No 770 Ote., Parque Industrial Antonia J. Bermudez, Cd. Juarez, Chih. Mexico-32470	Shared service support	Ordinary shares	100
MSSL Estonia WH OU Parnu mnt 15, Kesklinna district Tallimn city, Harju County, Estonia	Holding Company	Ordinary shares	100

*During the year the Company has converted its loan amounting £296,293,888 to MSSL Estonia WH OU into capital.

13 Stock

	2021	2020
	£	£
Raw materials and consumables	10,942,106	386,982
Work in progress	1,879,291	231,802
Finished goods and goods for resale	816,603	575,766
	13,638,000	1,194,550

Stocks are stated after provisions of £868,492 (2020: £869,177).

NOTES TO THE FINANCIAL STATEMENTS - continued

14 Debtors

(a) Amounts due within one year:	2021	2020
	£	£
Trade debtors	16,143,725	1,423,981
Amounts due from group companies	608,064	388,678,877
VAT recoverable	41,826	56,052
Prepayments and other debtors	210,260	68,339
	17,003,875	390,227,249

Amounts due from group companies as at 31 March 2021 are unsecured and are repayable on demand. Interest of 0.75%+GBP Libor is charged on GBP Loan to MSSL Estonia and interest of 0.75+Euribor is charged on Euro loan to MSSL Estonia.

Amounts due from group companies as at 31 March 2020 are unsecured and are repayable on demand. Interest of 0.75%+GBP Libor is charged on GBP Loan to MSSL Estonia, interest of 0.75+Euribor is charged on Euro loan to MSSL Estonia and interest of 2.5% + GBP Libor is charged on GBP loan to Motherson Rolling Stock Systems.

(b) Amounts due after more than one year	2021	2020
	£	£
Amounts due from group companies	69,714,218	56,298,146

Amounts due from group companies are unsecured, are repayable within 5 years and attracts an interest rate of 1.5% to 2.00% above Euribor/ Libor.

15 Creditors - amounts falling due within one year	2021	2020
	£	£
Bank loans	44,984,911	102,986,419
Trade creditors	8,570,755	625,605
Amounts due to group companies	4,633,652	2,144,655
Taxation and social security	1,517,187	98,492
Accruals, provisions and other liabilities	2,964,422	465,372
	62,670,927	**106,320,543**

Amounts due to group companies for trading are unsecured, interest free and repayable on demand.

The bank loan is guaranteed by group has an interest rate of 0.80%-0.85% above Euribor.

16 Creditors - amounts falling due after more than one year	2021	2020
	£	£
Deferred tax liability	674,348	-
	674,348	-
Movement in deferred tax liability		
Opening balance	-	-
Business combination (refer note 22 for details)	786,740	-
Credited to profit and loss account	(112,392)	-
Closing balance	674,348	-

NOTES TO THE FINANCIAL STATEMENTS - continued

17 Financial Instruments

	2021	2020
	£	£
The company has the following financial instruments:		
Financial assets that are debt instruments measured at amortised cost		
- Trade debtors	16,143,725	1,423,981
- Amounts due from group undertakings	70,322,282	444,977,023
	86,466,007	446,401,004
Cash at bank and in hand	7,341,379	803,548
Financial liabilities measured at amortised cost		
- Bank loans	44,984,911	102,986,419
- Trade creditors	8,570,755	625,605
- Amounts due to group undertakings	4,633,652	2,144,655
	58,189,318	105,756,679

18 Called up share capital

	2021	2020
	£	£
Allotted and fully paid		
227,089,336 (2020:227,089,336) ordinary shares of £1 each	227,089,336	227,089,336

In March 2017 the company issued 201,461,836 ordinary shares of £1 each for £302,192,754 which resulted in share premium of £100,730,918.

Dividends
There were no dividends paid during the year (2020: £nil).

A description of each reserve within equity is outlined below:

Profit and loss account
Profit and loss account represents accumulated comprehensive income for the financial year and prior financial years less dividends paid.

Share premium account
Share premium arose on the issue of shares in March 2017 as described above.

19 Financial commitments

	2021	2020
	£	£
At year ended 31 March 2021 the company had total commitments under non-cancellable leases		
In one year or less	503,632	68,951
In more than one year, but not more than five years	2,016,291	58,069
	2,519,923	127,020

NOTES TO THE FINANCIAL STATEMENTS - continued

20 Related party disclosure

The company has taken advantage of the exemption in FRS 102 which permits subsidiaries, 100% of whose voting rights are controlled within the group, not to disclose transactions with other wholly owned entities that are part of the group.

The company had the following transactions with related parties:

	Creditor		Expenses	
	2021	2020	2021	2020
	£	£	£	£
Motherson Info Tech and Design	-	145	2,783	9,223
Motherson Innovations Company Limited	-	-	634	-
	-	145	3,417	9,223

21 Events since the end of the financial year

There were no adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

22 Business Combination - acquisition of Motherson Rolling Stock Systems GB Limited

MSSL (GB) Limited signed a definitive agreement with Motherson Rolling Stock Systems GB Limited on September 28, 2020 and acquired assets in connection with the production and installation of electrical components and systems for applications in the rail industry, comprising among others the manufacturing of wiring harnesses, panel and cabinet build and electromechanical assemblies in Derby, UK. effective from September 28, 2020.

(i) Assets and Liabilities recognized as result of acquisition are as follows:

Particulars	Amount (£)
Assets/ (Liabilities)	
Property, plant & equipment	2,844,179
Intangible assets	4,027,287
Stock	10,699,589
Debtors	30,309,816
Creditors	(33,722,873)
Deferred tax liabilities (net)	(786,740)
Net identifiable assets acquired	13,371,258

(ii) Calculation of goodwill / (gain on bargain purchase)

Purchase consideration	13,371,258
Net identifiable assets acquired	13,371,258
Goodwill/ (gain on bargain purchase)	-

(iii) Revenue and profit since the date of acquisition included in profit and loss account:

Revenue	32,284,343
Profit	3,306,188