

Registered number: 09877285

Motherson Innovations Company Limited

Annual report and financial statements for the year ended 31 March 2021

Motherson Innovations Company Limited

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Motherhood Innovations Company Limited

Company Information

Directors

A Heuser
L V Sehgal
B Dhar
B Painter

Company secretary

Intertrust Corporate Services (Jersey) Limited

Registered number

09877285

Registered office

1 Bartholomew Lane,
London
ENGLAND
EC2N 2AX

Independent auditor

Ernst & Young LLP
Statutory Auditor
Bedford House
16 Bedford Street
Belfast
BT2 7DT

Motherson Innovations Company Limited

Directors' report for the year ended 31 March 2021

The directors present their annual report and the audited financial statements of Motherson Innovations Company Limited (the "Company") for the year ended 31 March 2021, with the principal activity of an R&D holding company. Loss in the financial year €5,638,000 (2020: €16,760,000).

Directors

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

A Heuser
L V Sehgal
B Dhar
B Painter

Going concern

The Company made a loss for the year ending 31st March 2021 and has net liabilities. The financial statements have been prepared on a going concern basis.

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support received from parent company, Samvardhana Motherson Automotive Systems Group B.V. who have committed to support the company to fulfil all of its obligations for a period to at least 31 March 2023, which is consistent with the company's going concern assessment. The directors have assessed the ability of Samvardhana Motherson Automotive Systems Group B.V. to provide financial support should it be required and noted no issues. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Impacts of the COVID-19 pandemic

As a result of the outbreak of COVID19 throughout financial year, the directors assessed the impact of Covid-19 on the Company, and made the following conclusions:

- The COVID19 impact stimulated a revised budget and prudent planning where any strategic topics were progressed in a more cost efficient way. Specifically projects that were likely to attract material external expenses underwent a review and project plans updated accordingly. Topics were closely monitored by management, for further cost reduction as cash flow was closely monitored throughout the year.
- The financial year-end results have outperformed the budget, due to a prudent approach throughout the financial year.
- The future of the advanced development activities with the OEMs has continued at similar pace as before COVID19. However, management believe the company is well positioned to breathe with the mobility market, as in to increase or decrease activity as required.
- Beyond prudent cost management of the company there was limited impact on employees, operations, and suppliers as a result of COVID19. The impact on the financial statements was limited to the cost reduction in the profit and loss, as such no COVID19 specific provisions or impairments were made to the financial statements.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 'The Financial

Motherson Innovations Company Limited

Directors' report for the year ended 31 March 2021 (continued)

Reporting Standard applicable in the UK and Republic of Ireland' and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards, comprising FRS102, 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.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Independent auditors

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

Small companies' exemption

In preparing this report, the directors have taken advantage of the small companies' exemption 415A of the Companies Act 2006 when preparing the Directors' Report and the exemption 414B to not prepare the Strategic Report.

Motherson Innovations Company Limited

Directors' report for the year ended 31 March 2021 (continued)

Future developments

The Directors envisage no changes to the principal activity of the business. It is forecasted for operations to continue at the current level without significant changes.

Shares issued

During the year ended 31 March 2021, the Company engaged in various share issues. The total number of shares issued during the year were 5,672,709,594. 7,450,000 issued at a premium of €1 per share for total cash consideration of €7,450,000 and 5,665,259,594 issued by bonus issue.

Post balance sheet events

The directors are unaware of any significant events affecting the Company since the end of the financial year.

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

A handwritten signature in black ink, appearing to be 'B Painter', with a long horizontal stroke extending to the right.

B Painter
Director

Date: 01 JULY 2021

Motherhood Innovations Company Limited

Independent auditors' report to the members of Motherhood Innovations Company Limited

Opinion

We have audited the financial statements of Motherhood Innovations Company Limited for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19, 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 31 March 2023, 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.

Motherson Innovations Company Limited

Independent auditors' report to the members of Motherson Innovations Company Limited (continued)

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the directors were not entitled to take advantage of the small companies exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Motherson Innovations Company Limited

Independent auditors' report to the members of Motherson Innovations Company Limited (continued)

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.

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 and directors. We corroborated our enquiries by performing a review of the company's board minutes as well as any relevant correspondence from regulatory bodies. We noted no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with laws and regulations. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our

Motherson Innovations Company Limited

Independent auditors' report to the members of Motherson Innovations Company Limited (continued)

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

understanding of the business, enquiries of management and the directors and review of legal correspondence. For journals selected we understood the nature and purpose of the journal, traced adjustments back to source documentation and tested that the journal had been authorised in line with company policy.

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.

ERNST & YOUNG LLP

Neil Corry (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 5 July 2021

Motherson Innovations Company Limited

Statement of comprehensive income for the year ended 31 March 2021

	Note	2021 €'000	2020 €'000
Administrative expenses		(5,638)	(11,357)
Loss on impairment of investments	9	-	(5,403)
Loss before taxation	4	(5,638)	(16,760)
Tax on loss	8	-	-
Loss for the financial year		(5,638)	(16,760)
Total comprehensive expense for the financial year		(5,638)	(16,760)

The notes on pages 12 to 21 form part of these financial statements

Motherson Innovations Company Limited

Balance sheet as at 31 March 2021

Registered number: 09877285

	Note	2021 €'000	2020 €'000
Fixed Assets			
Investments	9	12,888	12,047
Current Assets			
Debtors	10	971	476
Cash at bank and in hand	11	<u>147</u>	<u>267</u>
		1,118	743
Creditors: amounts falling due within one year	12	<u>(921)</u>	<u>(1,511)</u>
Net current assets / (liabilities)		<u>197</u>	<u>(768)</u>
Total assets less current liabilities		<u>13,085</u>	<u>11,279</u>
Capital and reserves			
Called up share capital	13	61,847	5,210
Share premium account	14	1,822	51,015
Retained earnings		<u>(50,584)</u>	<u>(44,946)</u>
Total shareholders' funds		<u>13,085</u>	<u>11,279</u>

The financial statements on pages 9 to 21 were approved and authorised for issue by the board and were signed on its behalf by:



B Painter
Director

Date: 01 JULY 2021

The notes on pages 12 to 21 form part of these financial statements.

Motherson Innovations Company Limited

Statement of changes in equity for the year ended 31 March 2021

	Called up share capital	Share premium account	Retained earnings	Total shareholders' funds
	€'000	€'000	€'000	€'000
At 1 April 2019	5,096	39,729	(28,186)	16,639
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(16,760)	(16,760)
Total comprehensive loss for the financial year	-	-	(16,760)	(16,760)
Shares issued during the financial year	114	11,286	-	11,400
Total transactions with owners	114	11,286	-	11,400
At 31 March 2020 and 1 April 2020	5,210	51,015	(44,946)	11,279
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(5,638)	(5,638)
Total comprehensive loss for the financial year	-	-	(5,638)	(5,638)
Shares issued during the financial year	75	7,375	-	7,450
Shares capitalised during the year	56,562	(56,568)	-	(6)
Total transactions with owners	56,637	(49,193)	-	7,444
At 31 March 2021	61,847	1,822	(50,584)	13,085

Called up share capital

Called up share capital represents the nominal value of shares issued.

Share premium account

Share premium represents the amount subscribed for share capital in excess of the nominal value.

Retained earnings

This reserve records retained earnings and accumulated losses.

The notes on pages 12 to 21 form part of these financial statements.

Motherhood Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021

1. General information

Motherhood Innovations Company Limited's (the "Company") principal activity is that of a holding company.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 1 Bartholomew Lane, London, England, EC2N 2AX.

2. Accounting policies

2.1 Basis of preparation of financial statements

2.1.1 Going concern

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support received from parent company, Samvardhana Motherhood Automotive Systems Group B.V. who have committed to support the company to fulfil all of its obligations for a period to at least 31 March 2023, which is consistent with the company's going concern assessment. The directors have assessed the ability of Samvardhana Motherhood Automotive Systems Group B.V. to provide financial support should it be required and noted no issues. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year.

2.2 Financial reporting standard 102 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by the FRS102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland".

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(ii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Samvardhana Motherhood Automotive Systems Group BV as at 31 March 2021 and these financial statements may be obtained from Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands.

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Accounting policies (continued)

2.3 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.4 Investments

Investments are measured at cost less accumulated impairment, and where future cash flows are estimated to be lower than the carrying value, this triggers an impairment review.

2.5 Debtors

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

2.6 Cash and cash equivalents

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

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short-term loan not a market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Accounting policies (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, and impairment loss is recognised in the Statement of Comprehensive Income.

For financial asset measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to sell off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction cost, and are measured subsequently at amortised cost using the effective interest method.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Euros.

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 Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.10 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

2. Accounting policies (continued)

2.11 Pensions

Defined contribution pension plan

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

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

2.12 Borrowing costs

All borrowing cost are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.13 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income an expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

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

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

The key assumptions concerning the future and a key source of estimation uncertainty at the Balance Sheet date, which has a significant risk of causing a material adjustment to the carrying amounts of assets in the next financial year, is the carrying value of investments. As noted above, when there has been an indication of potential impairment, the directors perform an impairment review which requires an assessment of the Balance Sheet position of the subsidiary and estimation of its expected future cash flows. Refer to Note 9, Investments.

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

4. Loss before taxation

The loss before taxation is stated after charging:

	2021	2020
	€'000	€'000
Exchange differences	(19)	129
Operating lease rentals	160	175
Loss on impairment of Investments	-	5,403

5. Auditor's remuneration

	2021	2020
	€'000	€'000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	12	12

6. Employees

Staff costs, including director's remuneration, were as follows:

	2021	2020
	€'000	€'000
Wages and salaries	2,188	2,044
Social security costs	281	314
Other pension costs	83	67
	<u>2,552</u>	<u>2,425</u>

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

	2021	2020
	Number	Number
Business development	4	4
Administration	9	6
	<u>13</u>	<u>10</u>

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

7. Directors' remuneration

	2021 €'000	2020 €'000
Aggregate directors' remuneration	1,227	1,161
Company contributions to defined contribution pension schemes	38	33
	<u>1,265</u>	<u>1,194</u>

During the year retirement benefits were accruing to 2 directors (2020: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of €946,000 (2020: €862,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to €27,000 (2020: €22,000).

8. Tax on loss

	2021 €'000	2020 €'000
Corporation tax		
Current tax on loss for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 €'000	2020 €'000
Loss before taxation	<u>(5,638)</u>	<u>(16,760)</u>
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(1,071)	(3,184)
Effects of		
Group relief surrendered for nil consideration	<u>1,071</u>	<u>3,184</u>
Total tax charge for the financial year	<u>-</u>	<u>-</u>

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

8. Tax on loss (continued)

Factors that may affect future tax charges

A change in the main UK corporation tax rate was announced in the Budget on 11 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. In the budget of 3 March 2021, the Chancellor announced that the UK corporation tax rate would increase to 25% on 1 April 2023.

9. Investments

	Investments in subsidiary companies €'000	Unlisted investments €'000	Total €'000
Cost			
At April 2020	375	11,672	12,047
Additions in the year	-	841	841
At 31 March 2021	375	12,513	12,888

Included within unlisted investments is a 4.5% shareholding in Ossia, Inc. a company with the registered address 1100 112th Avenue NE, Suite 301, Bellevue, Washington 98004, United States.

Subsidiary undertaking

The following is a subsidiary undertaking of the Company

Name	Registered Office	Principal activity	Class of shares	Holding
Motherson Innovations Deutschland GmbH	Hedelfinger Strabe 60, 70327 Stuttgart, Germany	Research and Development	Ordinary	100%

10. Debtors

The convertible debt instrument has an 11% interest rate and is not due for repayment before May 2021.

	2021 €'000	2020 €'000
Amounts owed by related parties	493	36
Other debtors	21	20
Prepayments and accrued income	232	195
Financial instruments	225	225
	971	476

Amounts owed by related parties are unsecured, repayable on demand and are non-interest bearing.

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

11. Cash and cash equivalents

	2021 €'000	2020 €'000
Cash at bank and in hand	147	267

12. Creditors: amounts falling due within one year

	2021 €'000	2020 €'000
Trade creditors	92	159
Amounts owed to group undertakings	576	1,092
Other taxation and social security	149	166
Other creditors	30	21
Accruals and deferred income	74	73
	921	1,511

Amounts owed to group undertakings are unsecured, repayable on demand and are non-interest bearing.

13. Called up share capital

	2021 €'000	2020 €'000
Allotted, called up and fully paid		
6,184,676,014 (2020: 511,966,420) Ordinary shares of €0.01 each	61,847	5,210

During the year ended 31 March 2021, the Company engaged in various share issues. The total number of shares issued during the year were 5,672,709,594. 7,450,000 issued at a premium of €1 per share for total cash consideration of €7,450,000 and 5,665,259,594 issued by bonus issue.

14. Reserves

Share premium account

Share premium represents the amount subscribed for share capital in excess of the nominal value.

Retained earnings

This reserve records retained earnings and accumulated losses.

Motherson Innovations Company Limited

Notes to the financial statements for the year ended 31 March 2021 (continued)

15. Pension commitments

The Company provides defined contribution pension schemes for employees. All payments related to the pension commitments that were due for payment were settled in full in the financial year. Over the year to 31 March 2021, contributions paid by the Company of €83,000 (year ended 31 March 2020: €67,000) were made to these defined contribution schemes.

16. Commitments under operating leases

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 €'000	2020 €'000
Not later than 1 year	-	12
Later than one year and not later than 5 years	-	-
	<u>-</u>	<u>12</u>

17. Related party transactions

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group.

18. Ultimate parent undertaking and controlling party

The Company's intermediate parent company is Samvardhana Motherson Reflectec Group Holdings Limited (SMRGHL), a company incorporated in Jersey. SMRGHL is 98.45% owned by Samvardhana Motherson Automotive Systems Group B.V., a joint venture between Motherson Sumi Systems Limited (MSSL) and Samvardhana Motherson International Limited (SMIL) in the ratio 51:49. SMIL and MSSL are substantial shareholders of the Company.

However the directors consider Motherson Sumi Systems Limited, a company incorporated in India, to be the Company's ultimate parent and controlling party.

The financial statements of Samvardhana Motherson Automotive Systems Group B.V. are the smallest group of consolidated financial statements which include the Company and can be obtained from the following address:

Hoogoorddreef 15,
1101 BA Amsterdam
The Netherlands

The financial statement of Motherson Sumi Systems Limited, the Company's ultimate parent and controlling party are the largest group of consolidated financial statements which include the Company and can be obtained from the following address:

Unit 705, C Wing,
ONE BKC, G Block
Bandra Kurla Complex
Bandra East, Mumbai – 400051,
Maharashtra, India.

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Notes to the financial statements for the year ended 31 March 2021 (continued)

19. Post balance sheet events

The directors are unaware of any significant events affecting the Company since the end of the financial year.