Autosupply Holdings UK Limited

Annual Report and financial statements

2022

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Strategic report

for the year ended 31 December 2022

The directors of Autosupply Holdings UK Limited present their Strategic report and audited consolidated financial statements of the Group and stand alone financial statements of the Company for the year ended 31 December 2022.

Business review and future developments

The Company was incorporated on the 29 January 2016. On 1 April 2016 Autosupply Holdings UK Limited acquired Holt Holdings (UK) Limited, UCI (Hong Kong) Holding Company Limited, FRAM Group (Singapore) Pte. Ltd., UCI-FRAM Holdings New Zealand Limited, Holts (Proprietary) Limited, and acquired certain trade and assets of FRAM Group Operations Mexico City S.A. de C.V. and FRAM Group Services Mexico S.A. de C.V. from Autoparts Holdings Limited for a total consideration of USD 39.4 million (£27.6 million).

The group operates in a number of key international markets including Europe, Japan, Mexico, China and Singapore. The core business is focused on the manufacture and selling of branded automotive products to the auto care after market. The company's brands are well established and occupy strong brand leadership positions in many of it's markets. In addition to local research and development activities the group utilises the extensive R&D capability of it's sister company Prestone Corp, a leading developer, manufacturer and marketeer of car care products. In addition to manufacturing, the company sources products through a number of key supplier alliances in Europe, Japan and China.

The consolidated statement of comprehensive income on page 13 consolidates the results of these businesses for the year ended 31 December 2022.

Turnover
Turnover for the year ended 31 December 2022 was £132,619,000 (2021: £98,380,000)

Operating result
The Group generated an operating profit for the year of £8,922,000 (2021: £7,225,000 profit).

Future developments
The Group expects to continue their activities and to make an operating profit in the foreseeable future.

Strategy
The Group maintains market share and sustainable growth through the following strategies:

-focus on current key customer base and establish relations with new customers.
-invest in productivity and process improvement to lower costs and improve customer service.
-continued expansion into emerging markets.
-continued investment in brands and new product development.
-continue to build strong brand recognition in key international markets through effective marketing programs.
-continue to build key product and geographical supplier alliances to extend product offering.

The Group has a strong supply base and is not reliant on just a few suppliers. Approximately 25% of the products are bought-in and 75% are manufactured. The Group continues to develop its product insourcing.

Principal risks and uncertainties

The business operates in highly competitive geographical markets with modest growth. In order to mitigate sales risk, the business invests in extensive research and product development and marketing activities to promote the long term strength of it's brands. Climatic conditions can impact seasonal sales with winter conditions affecting sales turnover. Raw material and finished goods purchases are affected by price movements and foreign currency movements, oil derivative material prices can be volatile and difficult to pass on to customers in certain competitive markets.

Key performance indicators
In addition to the turnover and operating result metrics disclosed above, management monitors the business using the following key indicators.

	Consolidated 2022	Consolidated 2021
Cost of products		
Gross margin %	20.2%	23.7%
Distribution costs and administration expenses	2022	2021
% of turnover	12.7%	15.6%

Non Financial KPI
Non financial KPI can be seen in the SECR reporting presented in the directors' report.

Statement by the directors on performance of their statutory duties in accordance with s.172 (1) Companies Act 2006
The directors are required to act in the way he or she considers would be most likely to promote the success of the group for the benefits of its members as a whole, with regard to the matters below, and work in collaboration with the group's senior leadership team and the operational entity management teams in order to achieve this.

(a) The likely consequences of any decision in the long term

We develop a 3 year strategic plan, which is reviewed annually, to ensure we focus on the long-term consequences of decisions we make as a group. The strategic plan is under-pinned by an annual tactical action plan, which is reviewed quarterly, to ensure the financial and non-financial objectives for the same three year period have the greatest probability of success. The shorter term action plan helps to measure success and creates the opportunity to course-correct and remain on target to meet the 3 year strategic objectives, by identifying the patterns of changing factors in the operating environment and acting appropriately and with integrity, in the best interests of all stakeholders.
These combined plans provide the opportunity to recognise the need for investment in facilities, infrastructure, systems, brands and products, with a view to creating long term competitive advantages and the greatest probability of sustainable success.

(b) The interests of the group's employees

The group is committed to creating high-performing employees, by using performance management tools to identify opportunities to invest in people and tailor education and other knowledge transfer programs to their specific needs and to help the organisation to achieve its long-term strategic objectives. We encourage and promote strong leadership and help employees to recognise the value that a team-based approach has in achieving our shared success. We encourage two-way dialogue and a culture, where-in we ask employees to be responsible, accountable and to act with courage and integrity. The organisation listens to and acts in the best interests of employees, invests in facilities and is committed to creating a safe and comfortable working environment.

Disabled employees - In the event of employees becoming disabled, when appropriate, efforts are made to enable their employment with the Company to continue and arrangements made to meet their needs. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees (notwithstanding the need to make suitable adjustments, as and where they may occur).

(c) The need to foster the group's business relationships with suppliers, customers and others

The group's business relationships with all stakeholders is recognised as a key factor for achieving long-term, sustainable success together. We aim to maintain fair and respectful relationships with all stakeholders. We work with customers, suppliers and internal stakeholders to create and develop unique, innovative and value-added solutions, in support of our long-term strategic targets.
We recognise the importance that communication has in achieving success within an integrated supply chain; sharing appropriate information at the right time and in the right way, to manage risk, take advantage of opportunities together and to ensure customer satisfaction is achieved and maintained throughout the value chain. We encourage the development of strategic partnerships, based on high standards of performance, quality and integrity. By fostering strong partnerships up and down the supply chain, we create a strong base for a sustainable future together.

(d) The impact of the group's operations on the community and environment

As a global supplier of vehicle cleaning and maintenance products we have a clear duty to act responsibly towards the community and the environment now and in the future. The group's product design and development process identifies opportunities to reduce consumption of materials and energy and its overall impact on the environment, throughout the integrated supply chain, as we share these specific goals with our strategic partners. These ambitions are sought, without impacting the objective of achieving sustainable high-quality functional performance that our customers demand.

(e) The desirability of the group maintaining a reputation for high standards of business conduct

Business conduct and integrity is core to every part of our organisation's activities. Our Code of Conduct policy establishes the behavioural expectations of all of its employees, based on honesty, fairness, hard work and trustworthiness.
The core values and principles of our group establishes a framework for cooperation within the group as well as with other external stakeholders. These being:

- We act with integrity and endeavour to comply with all applicable laws relating but not limited to regulatory compliance, anti-bribery, anti-trust, anti-fraud, anti-theft and anti-Boycott.
- We compete fairly and honestly and never through unethical or illegal business practices.
- We avoid conflicts of interest
- We do not engage or allow insider trading
- We maintain accurate records of our business activities
- We maintain a safe and healthy workplace
- We protect the environment
- We protect our companies, customers and suppliers
- We use good judgement when offering gifts, gratuities, sponsorship or making other contributions

We place particular importance on providing a safe, healthy and secure environment for all employees and stakeholders. Our group culture considers health, safety and environmental (HSE) a core value and is treated with equal importance as our other key business objectives. We promote training programmes that maintain and improve the heath, safety and environmental awareness and we encourage our employees to take advantage of our voluntary HSE programmes.

(f) The need to act fairly between members of the company

Autosupply Holdings UK Limited is a wholly owned subsidiary of Autosupply Finance Company and the directors have regular and open dialogue with its representatives.

On behalf of the board

Matthew D. Marland
Director
21 November 2023

Directors' report

for the year ended 31 December 2022

Report on the audited financial statements of the Group.

Principal activities
The Group's principal activity during the year was the manufacture, marketing and distribution of car care and speciality chemical products in the Europe, Asia, Mexico & Central America markets.

The principal activity of the Company is that of a holding company.

Branches
In addition to the trading entities in the UK, Asia, and Mexico, the Group operates branches outside the UK with the principal branches operating in Germany and France. The results of these branches form part of the consolidated financial statements.

Employee information
The Group recognises the benefits of keeping employees informed of the progress of the business and of involving them in their company's performance. The methods of achieving such involvement are different in each company and country and have been developed over the years by local management working with local employees in ways which suit their particular needs and environment, with the active encouragement of the parent organisation.

Health and safety
There has been an increased focus on health and safety to ensure that the employees enjoy a safe working environment.

Results and dividends
The consolidated profit for the financial year was £5,851,000 for the Group (2021: £4,853,000) which will be added to reserves.

The results for the year are shown on page 13.

The directors do not recommend the payment of a dividend (2021: £Nil).

The Group ended the year with net assets amounting to £24,210,000 (2021: £17,286,000).

Future developments and strategy
Future developments and strategy are stated in the Strategic report.

Directors
The directors of the Company who held office during the year and up to the date of signing these financial statements were:

Bruce B. Ellis
Matthew D. Marland
Jason Colwell

Directors' indemnities
Pursuant to the Company's articles of association, the directors were throughout the year to 31 December 2022 and are at the date of approval of this report entitled to a qualifying indemnity provision as defined in section 236 of the Companies Act 2006.

Financial instrument policies
Financial risk management
The Group's operations expose it to a variety of financial risks that include interest rate risk, foreign exchange risk, credit risk and liquidity risk. Financial risks are monitored by the Directors.

Interest rate risk
The Group borrows from fellow group companies both at floating rates based on LIBOR base rate and fixed interest rate.

Foreign exchange risk
The Group has a limited exposure to foreign currency movements related to its operating transactions.

Credit risk
The Group's credit risk is primarily attributable to its trade debtors. The Group's client base principally comprises large blue chip organisations.
As a result, the Group has good visibility as to the standing and reputation of its clients. Customer credit limits are set and reviewed by reference to their trading history, financial statements and risk reports from credit agencies. Exposure against credit limits are systematically monitored and managed at order entry level with orders put on hold until credit limit criteria are met.

Liquidity risk
The Group ensures availability of funding through an appropriate amount of committed facilities, on a group wide basis, that are designed to ensure the Group has sufficient available funds for its operations.

Covid-19 impact

On 11 March 2020, the World Health Organisation declared the Coronavirus (Covid-19) outbreak to be a pandemic in recognition of its rapid spread across the globe with over 150 countries now affected. Many governments have taken steps to contain or delay the spread of the virus. The group is carefully monitoring the situation and following the directives issued by local government authorities, with particular regards to the protection of staff.

For the group's 31st December 2022 financial statements, the Coronavirus outbreak has not had a material impact in the recognition and measurement of the assets and liabilities.
In response to the pandemic, actions taken by the group have enabled it to maintain sales turnover, profitability and cash generation in 2022. The group is forecast to meet its internal financial objectives of growing profit before tax and maintaining a strong balance sheet.

Going concern

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant financial and non-financial information, including forecasts, budgets and the maturity of the Group's long term liabilities. The directors, in considering the going concern assessment, have received confirmation from its parent company that there is no intention to recall the long term loans in place (£24,338,000 at 31 December 2022, £23,785,000 at 31 December 2021 and repayable on one years notice) and at the date of signing no request for repayment of the loans has been received.
In addition, the directors have modelled the impact of a severe, but plausible, challenge to the Group's operations by considering what the impact of a reduction of profitability by 50% would have on the future cash flows.
After assessing all the relevant information available to the directors they have concluded that the Group has sufficient resources to enable the Group to continue to trade at their current level for the foreseeable future ensuring all liabilities are met as they fall due and as such the going concern basis of preparation has been deemed appropriate.

SECR

SECR reporting is presented in respect of the UK operations
The Companies Act 2006 (Strategic report and Directors' report) Regulation 2018 requires Autosupply Holdings UK Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the twelve month period ended 31st December 2022.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held - this includes electricity, gaseous fuels such as natural gas and LPG, and business travel in company-owned vehicles and grey fleet. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

Energy (kWh)		2022	2021	% Change
	Natural Gas	1,816,200	1,642,988	10.5%
	LPG	35,451	69,806	-49.2%
	Company Vehicles	100,990	81,866	23.4%
	Electricity	1,683,183	1,710,718	-1.6%
	Grey Fleet	1,629	3,569	-54.4%
	Total Energy	3,637,453	3,508,947	3.7%
Emissions (tCO2e)				
Scope 1	Natural Gas	331.5	300.9	10.2%
Scope 1	LPG	7.6	15.0	-49.3%
Scope 1	Company Vehicles	24.5	20.0	22.5%
Scope 2	Electricity	325.5	363.2	-10.4%
Scope 3	Grey Fleet	0.4	0.9	-55.6%
	Total SECR emissions	689.5	700.0	-1.5%
Emission intensity ratio				
Intensity metric (£m Turnover)		72.0	53.5	34.6%
Emissions intensity (tCO2e / £M turnover)		9.6	13.1	-26.7%

Autosupply Holdings UK Limited is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. We track our energy consumption as part of our accredited environmental management system and as part of our supplier obligations to clients, we report our GHG emissions. To help reduce energy consumption, we have replaced some of our fossil fuelled material handling trucks with electric alternatives and considered changes to manufacturing process to minimise energy usage. We have also begun our mandatory Energy Savings Opportunities Scheme (ESOS) audits which will provide some additional measures to reduce energy in the coming years.

Methodology

Electricity and natural gas disclosures have been calculated using metered kWh consumption taken from supplier fiscal invoices where available. The electricity consumption at the distribution centre has been calculated using monthly meter readings. Head Office and Laboratory electricity consumption was estimated using office floor areas and energy benchmarks taken from CIBSE Guide F, accounting for four percent of total site energy consumption.

GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based and location-based methodologies. Where fuel mix disclosures were not available, such as for landlord supplies, the emissions factor for the residual fuel mix of the UK was instead adopted. Only emissions calculated using the location-based methodology have been carried into the total emissions figure - market-based emissions have been included for comparision only.

LPG disclosures were calculated from internal accounts provided by Holt Lloyd International Limited, disclosing the number and size of LPG cylinders purchased. Transport disclosures have been calculated using a combination of fuel card transaction reports and business mileage expense claims records. Fuel volumes and mileages have been converted into equivalent energy and GHG emissions using emissions factors published by BEIS in 2022. Vehicle information such as engine size and type were not held against each mileage claim, therefore a vehicle of average size and fuel type was assumed.

Statement of directors' responsibilities in respect of the financial statements

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 group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial 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 Group and company and of the profit or loss of the Group and company for that year.
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and companies auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and companies auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the next Annual General Meeting.

On behalf of the board

Matthew D. Marland
Director
21 November 2023

Independent auditors' report to the members of Autosupply Holdings UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Autosupply Holdings UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2022; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, and the Consolidated and Company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Audit scope

- Following our assessment of the risks of material misstatement of the consolidated financial statements we subjected three individual components to full scope audits for group purposes. In addition, targeted specified procedures were performed for four components.

- In addition, the group engagement team audited the company, corporate taxation, and certain goodwill and intangible asset impairment assessments. The group engagement team performed audit procedures over the group consolidation and financial statements disclosures.
- The components on which full scope audits, targeted specified procedures and centralised work was performed accounted for 94% of revenue from continuing operations and 92% of profit before tax from continuing operations.
- As part of the group audit supervision process, the group engagement team performed one virtual file review, and one face to face onsite review, both of which included meetings on approach and conclusions with the component teams and review of their audit files and final deliverables. The in person site visit to a component teams was in Mexico being performed on a cyclical basis.

Key audit matters

- Carrying value of investments (parent)
- Complexity of the consolidation process (group)

Materiality

- Overall group materiality: £1,329,185 (2021: £983,800) based on 1% of Consolidated Turnover of £132,918,499.
- Overall company materiality: £219,157 (2021: £219,000) based on 1% of Total assets.
- Performance materiality: £996,889 (2021: £737,850) (group) and £164,370 (2021: £164,250) (company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments (parent) Summary of significant accounting policies, section (n) Impairment of non-financial assets, and Note 13, Investments. Investments of £21,892k are material to the financial statements. Management has performed a trigger assessment at a subsidiary by subsidiary level, considering the specific performance to assess for any impairment indicators. For each subsidiary undertaking, they considered the budget to actual performance of trading and profitability and the potential presence of any technological obsolescence of products being sold and marketed by that subsidiary. Following the exercise it was determined that there were no triggers and hence no further impairment consideration was required.	We evaluated and assessed management's trigger assessment by performing the following procedures: Assessment of the market changes in the respective operating companies; Review and consideration of any technical obsolescence of products being sold and marketed by those operating companies; Review of the profitability analysing the actual and previous results, and considering historical performance trends. Based on the procedures performed and the evidence obtained, we found management's trigger assessment to be reasonable and concluded it appropriate no impairment charges were recognised.

Complexity of the consolidation process (group)	
Management do not have a bespoke consolidation system for the preparation of the Group financial statements, but rely upon data provided to them by the Ultimate Parent Undertaking, which was designed for a consolidation at a different level. Management have designed an off-line, Excel based, consolidation system, with inputs from component finance teams to support note disclosure.	We considered the adequacy of the Excel based consolidation process, understanding the basis of management's consolidation process. At the planning stage, in our planning communication and calls with component auditors, we explained this area of emphasis to reduce the risk at the consolidation phase. We paid particular emphasis to the agreement of audited balances, reported from component auditors, to the consolidation schedules, to ensure that the balances presented to, and audited by, component auditors had been completely and accurately used in management's consolidation process. We analysed differences between the balances reported by the the component auditors, and management's consolidation schedules, and audited those differences where material. As required, we audited the consolidation schedules and consolidation adjustments, agreeing the final balances to the financial statements, disclosures and notes.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the company, the accounting processes and controls, and the industry in which they operate.

Our scoping is based on the group's consolidation structure. We define a component as a single reporting unit which feeds into the group consolidation. Of the group's twenty eight reporting components, four individual components were subject to full scope audits for group purposes. In addition, targeted specified procedures were performed for four components.

Our audit covered 94% of revenue from continuing operations, and 92% of profit before tax from continuing operations. All entities that contribute in excess of 15% of the group's revenue were included in full scope. Further specific audit procedures over central functions, including corporate taxation, certain goodwill and intangible asset impairment assessments were directly led by the group engagement team.

Where work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those reporting units to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements. We issued formal written instructions to all component auditors setting out the audit work to be performed by each of them and maintained regular communication with the component auditors throughout the audit cycle. These interactions included holding regular conference calls, as well as reviewing and assessing any matters reported.

The group engagement team also reviewed selected audit working papers for certain component teams to evaluate the sufficiency of audit evidence obtained and fully understand the matters arising from the component audits. In addition, a senior member of the group engagement team visited the component team in Mexico, on a rotational basis. Others were held virtually / online video calls to the Japan component team. The component auditors, in Japan were PricewaterhouseCoopers network member firms. The component auditors, in Mexico were KPMG International Limited. Also, specified procedures in relation to attendance of the annual stockcount in Mexico were performed by PricewaterhouseCoopers network member firms.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the extent of the potential impact of climate risk on the group's and company's financial statements, and we remained alert when performing our audit procedures for any indicators of the impact of climate risk. Our procedures did not identify any material impact as a result of climate risk on the group's and company's financial statements.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements - group	**Financial statements - company**
Overall materiality	£1,329,185 (2021: £983,800).	£219,157 (2021: £219,000).
How we determined it	1% of Consolidated Turnover of £132,918,499	1% of Total assets
Rationale for benchmark applied	Over the last 5 years the Group's profit before tax has been volatile and as such it was deemed appropriate to use total revenues as the benchmark, which is a generally accepted auditing benchmark.	The entity is a holding company, whose purpose is to hold investments in subsidiaries of the Autosupply Holdings Group; no revenue has been, or is expected, to be recognised in the entity. As such, Total assets is the most appropriate and generally accepted auditing benchmark.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £500,000 and £1,000,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £996,889 (2021: £737,850) for the group financial statements and £164,370 (2021: £164,250) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £71,357 (group audit) (2021: £49,190) and £10,958 (company audit) (2021: £11,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Testing the model used for management's going concern assessment which is primarily a liquidity assessment given there are no external borrowings, except for intercompany funding from the Ultimate Parent Undertaking. Management's assessment covered the 12 months to the end of December 2024. We focussed on this period and also considered any adverse potential movements after this period.

- Management's base case forecasts are based on its normal budget and forecasting process for each of its businesses for the next five years. We understood and assessed this process by business by considering the historical forecasting accuracy. We considered any estimates of capital expenditure, intercompany interest payments, and tax payments and the phasing thereof.
- We applied a sensitivity to management's projections, considering the impact of an increase in capital expenditure and corporate recharges, and a decrease in EBITDA on an annual basis, in order to come up with a downside projection. We considered whether this downside prediction led to any indication on uncertainty on going concern.
- We assessed the adequacy of disclosures in the Going Concern statement and statements in note 1 of the consolidated and company financial statements and found these appropriately reflect the key areas of uncertainty identified.

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 group's and the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to relevant corporation tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent journal entries designed to manipulate the financial performance and/or position of the company and management bias in accounting, including management estimates or assumptions, most significantly in relation to the review for impairment of investments. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- Inquiry of management and the company's in-house legal and compliance team around actual and potential non-compliance with laws and regulations;
- Review of legal expense accounts, assessing whether the nature of costs were indicative of non-compliance with laws and regulations;
- Review of meeting minutes of those charged with governance;
- Testing journal entries meeting specific risk criteria, and
- Testing accounting estimates for indication of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Edward Moss

Edward Moss (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
21 November 2023

Consolidated statement of comprehensive income

for the year ended 31 December 2022

	Note	Consolidated 2022 £000	Consolidated 2021 £000
Turnover	4	132,619	98,380
Cost of sales		(105,793)	(75,054)
Gross profit		26,826	23,326
Distribution costs		(8,076)	(7,991)
Administrative expenses		(8,790)	(7,353)
Other operating expenses		(1,038)	(757)
Operating profit	5	8,922	7,225
Interest receivable and similar income	7	56	645
Interest payable and similar expenses	8	(1,608)	(1,392)
Profit before taxation		7,370	6,478
Tax on profit	9	(1,519)	(1,625)
Profit for the financial year		5,851	4,853
Other comprehensive income / (expense)			
Gain / (Loss) on translation of overseas subsidiaries		949	(268)
Actuarial gain / (loss)	19	124	(31)
Tax on components of other comprehensive expense	9	-	-
Other comprehensive income / (expense) for the year, net of tax		1,073	(299)
Total comprehensive income for the year		6,924	4,554

All results derive from continuing operations. There is no material difference between the profit before taxation and the profit for the financial year stated above and their historical cost equivalents.

The company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company statement of comprehensive income.

The loss for the company for the year was £1,622,000 (2021: loss £1,493,000)

The notes on pages 17 to 30 form part of these financial statements.

Consolidated and Company balance sheets

as at 31 December 2022

	Note	Consolidated 2022 £000	*Company 2022 £000*	Consolidated 2021 £000	*Company 2021 £000*
Fixed assets					
Intangible assets	11	20,709	-	22,041	-
Tangible assets	12	3,285	-	3,153	-
Investments	13	753	*21,892*	732	*21,892*
		24,747	*21,892*	25,926	*21,892*
Current assets					
Stocks	14	13,182	-	11,707	-
Debtors: amounts falling due within one year	15	36,053	-	22,967	-
Cash at bank and in hand		16,909	*24*	15,186	*21*
		66,144	*24*	49,860	*21*
Creditors: amounts falling due within one year	16	(41,886)	*(193)*	(34,144)	*(175)*
Net current assets / (liabilities)		24,258	*(169)*	15,716	*(154)*
Total assets less current liabilities		49,005	*21,723*	41,642	*21,738*
Creditors: amounts falling due after more than one year	17	(24,338)	*(29,918)*	(23,785)	*(28,311)*
Net assets / (liabilities) excluding pension liability		24,667	*(8,195)*	17,857	*(6,573)*
Pension Liability	19	(457)	-	(571)	-
Net assets / (liabilities)		24,210	*(8,195)*	17,286	*(6,573)*
Capital and reserves					
Called up share capital	20	0	*0*	0	*0*
Share premium account	21	8,439	*8,439*	8,439	*8,439*
Foreign currency translation reserve		1,670	*(105)*	721	*(105)*
Retained earnings / (accumulated losses)		8,126	*(14,907)*	3,304	*(13,414)*
Profit / (loss) for the financial year		5,975	*(1,622)*	4,822	*(1,493)*
Total equity		24,210	*(8,195)*	17,286	*(6,573)*

The notes on pages 17 to 30 form part of these financial statements.

The financial statements on page 13 to 30 were approved by the board of directors on 21 November 2023 and were signed on its behalf by:

Matthew D. Marland
Director

Consolidated statement of changes in equity
for the year ended 31 December 2022

	Note	Called up share capital £000	Share premium account £000	Foreign currency translation reserve £000	Retained earnings £000	Total Equity £000
Balance as at 1 January 2021	20	0	8,439	989	3,304	12,732
Profit for the financial year		-	-	-	4,853	4,853
Other comprehensive expense						
Foreign currency translation		-	-	(268)	-	(268)
Actuarial loss		-	-	-	(31)	(31)
Total comprehensive income for the year		-	-	(268)	4,822	4,554
Dividend paid		-	-	-	-	-
Total transactions with owners recognised directly in equity		-	-	-	-	-
Balance as at 31 December 2021	20	0	8,439	721	8,126	17,286
Profit for the financial year		-	-	-	5,851	5,851
Other comprehensive income						
Foreign currency translation		-	-	949	-	949
Actuarial gain		-	-	-	124	124
Total comprehensive income for the year		-	-	949	5,975	6,924
Dividend paid		-	-	-	-	-
Total transactions with owners recognised directly in equity		-	-	-	-	-
Balance as at 31 December 2022		0	8,439	1,670	14,101	24,210

Company statement of changes in equity
for the year ended 31 December 2022

	Note	Called up share capital £000	Share premium account £000	Foreign currency translation reserve £000	Accumulated losses £000	Total Equity £000
Balance as at 1 January 2021	20	0	8,439	(105)	(13,414)	(5,080)
Loss for the financial year		-	-	-	(1,493)	(1,493)
Other comprehensive expense						
Foreign currency translation		-	-	-	-	-
Total comprehensive expense for the year		-	-	-	(1,493)	(1,493)
Dividend paid		-	-	-	-	-
Total transactions with owners recognised directly in equity		-	-	-	-	-
Balance as at 31 December 2021	20	0	8,439	(105)	(14,907)	(6,573)
Loss for the financial year		-	-	-	(1,622)	(1,622)
Other comprehensive expense						
Foreign currency translation		-	-	-	-	-
Total comprehensive expense for the year		-	-	-	(1,622)	(1,622)
Dividend paid		-	-	-	-	-
Total transactions with owners recognised directly in equity		-	-	-	-	-
Balance as at 31 December 2022		0	8,439	(105)	(16,529)	(8,195)

Consolidated statement of cash flows

for the year ended 31 December 2022

	Note	2022	Consolidated 2022	2021	Consolidated 2021
		£000	£000	£000	£000
Net cash from operating activities	24	4,792		5,615	
Taxation paid		(2,606)		(1,542)	
Net cash generated from operating activities			2,186		4,073
Cash flow from investing activities					
Payments for tangible fixed assets		(412)		(273)	
Repayment from sale of tangible fixed assets		(2)		(3)	
Net cash used in investing activities			(414)		(276)
Cash flow from financing activities					
Interest paid		(1,350)		(702)	
Proceeds from related party loans		553		2,403	
Repayment of borrowings from fellow group companies		-		-	
Net cash (used in) / generated from financing activities			(797)		1,701
Net increase in cash and cash equivalents			975		5,498
Cash and cash equivalents at the beginning of the year			15,186		9,783
Exchange gains /(losses) on cash and cash equivalents			748		(95)
Cash and cash equivalents at end of year			16,909		15,186

The notes on pages 17 to 30 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2022

1. General information
Autosupply Holdings UK Limited is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Unit 100 Barton Dock Road, Stretford, Greater Manchester, England M32 0YQ.
The company's registered number is 09977356.

The Group's principal activity during the year was the manufacture, marketing and distribution of car care and speciality chemical products in the UK, Eastern & Western Europe, Mexico, Middle East and Asia. The principal activity of the Company is that of a holding company.

2. Statement of compliances
The group and individual financial statements of Autosupply Holdings UK 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 consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation
These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, including FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed "Critical accounting judgements and key source of estimation uncertainty" included within this note.

b) Going concern
The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant financial and non-financial information, including forecasts, budgets and the maturity of the Group's long term liabilities. The directors, in considering the going concern assessment, have received confirmation from its parent company that there is no intention to recall the long term loans in place (£24,338,000 at 31 December 2022, £23,785,000 at 31 December 2021 and repayable on one years notice) and at the date of signing no request for repayment of the loans has been received.
In addition, the directors have modelled the impact of a severe, but plausible, challenge to the Group's operations by considering what the impact of a reduction of profitability by 50% would have on the future cash flows.
After assessing all the relevant information available to the directors they have concluded that the Group has sufficient resources to enable the Group to continue to trade at their current level for the foreseeable future ensuring all liabilities are met as they fall due and as such the going concern basis of preparation has been deemed appropriate.

c) Exemptions for qualifying entities under FRS 102
FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Autosupply Holdings UK Limited can take exemptions in its standalone financial statements.

As a qualifying entity, the company has taken advantage of the following exemptions:
(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102; and
(iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Basis of consolidation
The consolidated financial statements include those of the parent company and its subsidiaries undertakings up to 31 December 2022. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. Intra-group transactions are eliminated fully on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

An investor that is a parent shall, in its consolidated financial statements, account for all of its investments in associates using the equity method.

Equity method of accounting
Under the equity method of accounting, the investments are initially recognised at cost (including transaction costs) and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in the profit or loss. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy "Impairment of non-financial assets" mentioned above. *Any subsidiary undertakings or joint venture undertakings sold or acquired during the year are included up to, or from, the dates of change of control or change of joint control respectively.*

3. Summary of significant accounting policies (continued)

e) Foreign currencies

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling rounded in thousands. The Company's functional and presentation currency is 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 year 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 year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'Interest receivable and similar income'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'Other operating expense'.

(iii) Translations

The trading results of overseas subsidiaries are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive expense'.

f) Turnover recognition

Turnover comprises sales of goods to customers net of value added tax. Revenue from product sales is recognised on delivery to the customer. Revenue is shown net of discounts and rebates offered to customers.

g) Exceptional items

Exceptional items are items in the consolidated statement of comprehensive income which individually or, if of a similar type, in aggregate, are relevant to an understanding of the company's financial performance. The Directors in assessing the particular items, which by virtue of their scale and nature are disclosed in the consolidated statement of comprehensive income and related notes as exceptional items, use judgement.

h) Employee benefits

The group provides a range of benefits to employees, including paid holiday arrangement, defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the year in which the service is received.

(ii) Defined contribution pension plans

Defined contribution schemes are externally funded, with the assets of the scheme held separately from those of the Group in separate trustee administered funds and contributions to such schemes are charged to the consolidated statement of comprehensive income as they become payable.

(iii) Defined benefits pension plan

The Group operates a defined benefit plan for one employee. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon factors including age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date. The defined benefit obligation is calculated using the projected unit credit method. Periodically the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating the estimated period of the future payments ('discount rate').
The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs except where included in the cost of an asset, comprises:
a) the increase in pension benefit liability arising from employee service during the year; and
b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as 'Interest receivable and similar income'.

3. Summary of significant accounting policies (continued)

i) Taxation
Taxation expense for the year comprises current and deferred tax recognised in the reporting year.
Tax is recognised in the consolidated statement of comprehensive income.

Current or deferred taxation 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 year 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 taxation
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. 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 year end and that are expected to apply to the reversal of the timing difference.

j) Business combination and goodwill
Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Purchased goodwill is stated at purchase cost and amortised on a straight line basis over its estimated useful life. Purchased goodwill is assessed on a business by business basis to determine its useful life, the useful life being the period of amortisation. The period of amortisation is over 20 years.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent year. On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group has taken transition exemption under Paragraph 35.10(a) of FRS 102 from the treatment of business combination that were affected before the date of transition.

k) Intangible assets and amortisation
Intangible assets are stated at historical cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method.
The period of amortisation for both Trademarks and Customer Relationship assets is 20 years, with 13 years 3 months remaining.
Intangible assets are assessd annually for impairment using a discounted cash flow model for each of the cash generating units to which the assets apply.

l) Tangible assets and depreciation
Tangible assets are stated at historical purchase cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using the straight line method at rates calculated to write down the cost to the estimated residual value over the estimated useful life. Cost comprises purchase cost, together with any incidental costs of acquisition. The annual depreciation rates used for the major assets are:

Buildings - freehold buildings	2%
Buildings - short leasehold	Shorter of 10 years and remaining life of lease
Plant & machinery	10% - 20%
Fixtures & fittings	10% - 33%

Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting year. The effect of any change is accounted for prospectively. Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible 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 and included in 'Other operating expense'.

3. Summary of significant accounting policies (continued)

m) Leased assets
At inception the Group 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.

Operating leased assets
Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the consolidated statement of comprehensive income on a straight line basis over the period of the lease.

n) Impairment of non-financial assets
At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the consolidated statement of comprehensive income unless the asset has been revalued when the amount is recognised in the consolidated statement of comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the consolidated statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in the consolidated statement of comprehensive income.

o) Investments
(i) Investment in subsidiary company
The Company's interest in subsidiary undertakings is shown at cost less provision for permanent impairment. The value of investments is reviewed annually by the Directors or more frequently if there is a triggering event, and provision made where it is considered that there has been a permanent impairment of value.

(ii) Investment in associate
An associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

p) Stocks
Stocks are stated at the lower of cost and estimated selling price less costs to sell. Cost represents materials, direct labour and appropriate production overheads. Where necessary, provision has been made for slow moving, obsolete and defective stocks. Stocks are recognised as an expense in the period in which the related revenue is recognised.

At the end of each reporting year inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the consolidated statement of comprehensive income. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the consolidated statement of comprehensive income.

Purchase price variances are amortised to the balance sheet using the FIFO formula method.

q) Cash and cash equivalents
Cash and cash equivalents includes cash in hand, other short-term highly liquid investments with original maturities of three months.

r) Contingent liabilities
Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

3. Summary of significant accounting policies (continued)

s) Financial instruments
The group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets
Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the consolidated statement of comprehensive income.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at their fair values. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities
Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. 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. The group does not hold or issue derivative financial instruments.

(iii) Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set 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.

t) Related party transactions
The group has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The group discloses transactions with related parties which are not wholly owned with the same group in note 25.

u) Critical accounting judgements and estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

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.

- Useful economic lives of intangible assets and tangible assets (Sections 18 and 17)
The annual amortisation or depreciation charge for intangible and tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates, based on technological advancements, future investments, economic utilisation and the physical condition of the assets. See note 11/12 for the carrying amount of intangible and tangible fixed assets and note 3 for the useful economic lives for each class of asset.

4. Turnover

Turnover, stated net of value added tax, is attributable to the principal activity of the Group. The business is carried on in the UK, Asia, EMEA and Americas regions.

	Consolidated 2022	Consolidated 2021
Analysis of turnover by geographical market	£000	£000
United Kingdom	51,155	36,033
Rest of Europe	16,969	15,098
Mexico & Central America	38,908	21,638
Japan	13,271	14,244
China & Singapore	2,822	5,235
Rest of World	9,494	6,132
Total	132,619	98,380

	2022	2021
Analysis of turnover by category	£000	£000
Sale of goods	132,460	98,290
Royalties	159	90
Total	132,619	98,380

5. Operating profit	2022	2021
Operating profit is stated after charging (crediting):	£000	£000
Acquisition, integration & restructuring costs	386	25
Depreciation and amortisation		
Tangible assets - owned	317	358
Intangible assets	1,520	1,532
Impairment losses		
Intangible assets impairment loss	-	-
Rental charges under operating leases		
Plant and machinery	258	253
Other operating leases	931	670
Loss on foreign exchange	105	314
Auditors' remuneration		
Fees payable to the Company's Auditors and its associates for the audit of the Parent Company and the Group financial statements	85	91
Fees payable to the Company's Auditors and its associates for the audit of the Company's subsidiaries	131	134
Non-audit services: tax compliance	64	65

6. Employees and directors	Consolidated 2022	Consolidated 2021
Average monthly number of persons employed during the year		
(including executive directors)	number	number
Factory and engineering	160	145
Selling, servicing and marketing	87	90
General and administration	42	42
	289	277
Staff costs	£000	£000
Wages and salaries	10,365	9,215
Social security costs	2,122	1,915
Other pension costs	2	3
	12,489	11,133
Directors' remuneration		
Aggregate remuneration	227	261
Defined contribution pension costs	12	11
	239	272
Highest paid director		
Aggregate remuneration	128	150
Defined contribution pension costs	7	6
	135	156

The company has no employees. (2021: Nil)

Notes to the financial statements (continued)

for the year ended 31 December 2022

7. Interest receivable and similar income	2022	2021
	£000	£000
FX gain on intercompany loans and cash at bank	-	599
Pension cost	(2)	(3)
Bank interest	58	38
Interest income on interco loans	-	11
	56	645

8. Interest payable and similar expenses	2022	2021
	£000	£000
Bank interest	-	-
FX loss on intercompany loans and cash at bank	212	-
Interest expense on group borrowings	1,396	1,392
	1,608	1,392

9. Tax on profit	Consolidated	Consolidated
	2022	2021
Current tax	£000	£000
UK Corporation Tax on profits for the year	916	869
Adjustments in respect of previous years	-	-
Overseas corporation tax on profits for the year	1,352	1,151
Foreign tax relief	-	-
Foreign tax suffered on branches	-	-
UK corporation tax on profits for the year	2,268	2,020
Deferred tax		
Accelerated capital allowances	-	-
Other timing differences	(741)	(387)
Adjustments in respect of previous years	-	-
Effect of change of tax rates	-	-
Effects of overseas tax rates	(8)	(8)
	(749)	(395)
Tax on profit	1,519	1,625

Tax expense included in other comprehensive income

Deferred tax	-	-
Total tax income/(expense) included in other comprehensive income	-	-

The tax assessed for the year is greater than (2021: greater than) the standard rate of UK corporation tax rate of 19.00% (2021: 19.00%) and the differences are explained below:

	Consolidated	Consolidated
	2022	2021
	£000	£000
Profit before taxation	7,370	6,478
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,400	1,231
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	854	610
Income not taxable	(1,069)	(460)
Losses	-	-
Differences between overseas tax rates	316	218
Adjustments in respect of previous years	-	8
Tax rate changes	-	(1)
Other	-	-
Change in unrecognised deferred tax assets	-	-
Roundings	-	-
Movement on unrecognised tax	18	19
Total tax charge for the year	1,519	1,625

Factors affecting future tax charges

The income tax expense for the year is based on the effective United Kingdom statutory rate of corporation tax of 19% (2021: 19%)
In the March 2021 Budget, the UK Government announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of UK Corporation Tax from 19% to 25%, effective 1 April 2023. The new legislation was substantively enacted in May 2021 and was fully enacted on 10 June 2021. The closing deferred tax balances (see note 10) as at 31 December 2022 have therefore been calculated at 25%, reflecting the rates at which they are to be expected to be utilised in future periods. The liability being an average over the respective periods.

10. Deferred taxation	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Accelerated capital allowances	(111)	-	(749)	-
Short term temporary differences	25	-	25	-
Tax gains for the year	-	-	-	-
Trademarks	(824)	-	*(854)*	-
Customer Relationships	(557)	-	*(606)*	-
	(1,467)	-	(2,184)	-
Movement in deferred tax excluding that relating to pension liability				
At 1 January	*(2,184)*	-	*(2,787)*	-
Balance arising from acquisition	-	-	-	-
Charge to the consolidated statement of comprehensive income	*749*	-	*395*	-
Adjustments in respect of prior years	*(49)*	-	-	-
Movements arising from disposal	-	-	-	-
Foreign currency impact	*17*	-	*208*	-
At 31 December	(1,467)	-	(2,184)	-

Unrecognised deferred tax asset at 25% (2021: 19%)	Group 2022 £000 Gross Amount	£000 Tax effect	Group 2021 £000 Gross Amount	£000 Tax effect
Losses	2,079	*520*	2,079	395
Other timing differences	149	*37*	149	28
Pensions	457	*114*	571	108
	2,685	671	2,799	531

There is no unrecognised deferred tax assets to disclose for the company.

The Directors consider that it is less likely than not that future taxable profits will be sufficient to realise the deferred tax asset on other timing differences. This asset has therefore not been recognised in these financial statements.

11. Intangible assets	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Cost				
At 1 January	33,839	-	34,090	-
Additions	-	-	-	-
Business dispositions	-	-	-	-
Foreign currency revaluation	186	-	(251)	-
At 31 December	34,025	-	33,839	-
Accumulated amortisation				
At 1 January	9,255	-	7,755	-
Business dispositions	-	-	-	-
Charge for the year	1,520	-	1,532	-
Foreign currency revaluation	(2)	-	(32)	-
At 31 December	10,773	-	9,255	-
Impairment provision				
At 1 January	2,543	-	2,543	-
Charge for the year	-	-	-	-
At 31 December	2,543	-	2,543	-
Net book value				
At 31 December	20,709	-	22,041	-

Consolidated group intangible assets split by asset type	Trademarks £000	Customer relationships £000	Goodwill £000	Total £000
Cost				
At 1 January 2022	6,842	6,023	20,974	33,839
Business combinations	-	-	-	-
Additions	-	-	-	-
Business dispositions	-	-	-	-
Foreign currency revaluation	(33)	(12)	231	186
At 31 December 2022	6,809	6,011	21,205	34,025
Accumulated amortisation				
At 1 January 2022	2,012	1,603	5,640	9,255
Business dispositions	-	-	-	-
Charge for the year	351	226	943	1,520
Foreign currency revaluation	(6)	5	(1)	(2)
At 31 December 2022	2,357	1,834	6,582	10,773
Impairment provision				
At 1 January 2022	-	1,177	1,366	2,543
Charge for the year	-	-	-	-
At 31 December 2022	-	1,177	1,366	2,543
Net book value				
At 31 December 2022	4,452	3,000	13,257	20,709

Notes to the financial statements (continued)

for the year ended 31 December 2022

12. Tangible assets Consolidated *Cost*	Land & buildings £000	Plant & machinery £000	2022 Total £000	Land & buildings £000	Plant & machinery £000	2021 Total £000
At 1 January	891	4,064	4,955	844	3,939	4,783
Business combinations	-	-	-	-	-	-
Additions	-	412	412	47	226	273
Business dispositions	-	-	-	-	-	-
Disposals	-	(32)	(32)	-	(62)	(62)
Reclass	-	(31)	(31)	-	(18)	(18)
FX movement	10	92	102	(0)	(21)	(21)
At 31 December	901	4,505	5,406	891	4,064	4,955
Accumulated depreciation						
At 1 January	227	1,575	1,802	202	1,314	1,516
Charge for the year	24	293	317	25	333	358
Business dispositions	-	-	-	-	-	-
Disposals	-	(30)	(30)	-	(59)	(59)
Reclass	(1)	(1)	(2)	-	-	-
FX movement	2	32	34	0	(13)	(13)
At 31 December	252	1,869	2,121	227	1,575	1,802
Net book value at 31 December	649	2,636	3,285	664	2,489	3,153

Within land and buildings is freehold land with a net book value of £447,882 (2021: £447,882), which is not depreciated.
Within plant and machinery are short leasehold assets with a net book value of £32,651 (2021: £39,775).
Fixtures and fittings are included in land and buildings.

13. Investments	Consolidated 2022	Company 2022	Consolidated 2021	Company 2021
Cost or valuation	£000	£000	£000	£000
At 1 January	732	27,124	767	27,124
Increase in investments	-	-	-	-
Disposition of businesses	-	-	-	-
Additional Shares received as dividend	15	-	15	-
Shares revaluation	13	-	(7)	-
FX Revaluation	(7)	-	(43)	-
At 31 December	753	27,124	732	27,124
Provision				
At 1 January	-	(5,232)	-	(5,232)
Impairment booked in year	-	-	-	-
At 31 December	-	(5,232)	-	(5,232)
Net book value At 31 December	753	21,892	732	21,892

Group – The Group recognises investments in non-group entities at the balance sheet date totalling £753,000 (2021: £732,000), of which, £449,000 (2021: £428,000) relates to shares held by Musashi Holt Co. Ltd. in a major Japanese customer, which hold less than 1% of the total issued share capital, and £304,000 (2021: £304,000) relates to Holt Lloyd International Limited's 35% share in Holt Lloyd & Raposo Lda, a joint venture in Portugal.

The Company's principal subsidiary undertakings as at 31 December 2022, all of which are 100% owned unless otherwise indicated, are as follows:

Name of company	Principal activities	Country of incorporation	Registered office
Directly held subsidiaries			
Holt Holdings (UK) Limited	Holding Company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
AutoSupply Holding Company B.V.	Holding Company	Holland	Prins Bernhardplein 200, 1097JB Amsterdam
Prestone Singapore Pte. Ltd. *	Car care products	Singapore	80 Robinson Road #02-00 Singapore 068898
Prestone Group (Hong Kong) Holdings Limited **	Holding Company	Hong Kong	Baker & MacKenzie, Hutchinson House 14th Floor, 10 Harcourt Road Hong Kong, SAR
Indirectly			
Holt Lloyd International Limited	Car care products	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd Group Limited	Holding Company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd Services (UK) Ltd	Car care products	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Musashi Holt Co. Ltd.	Car care products	Japan	7F Kokusai Chusei-Kaikan, 14 Goban-Cho, Chiyoda-ku, Tokyo, Japan, 102-0076
UCI (Shanghai) Trading Company Ltd.	Car care products	China	Room705, Yongda International Tower, # 2277 Longyang Road., Pudong, Shanghai 201204, P.R.China
ASG Services Mexico S. de R.L. de C.V. ****	Car care products	Mexico	Carretera México-Cuautitlán, KM 31.5, Nave 5, Col. Loma Bonita, Cuautitlán, Estado de México, 54800, México
ASG Operations Mexico S. de R.L. de C.V. ***	Car care products	Mexico	Carretera México-Cuautitlán, KM 31.5, Nave 5, Col. Loma Bonita, Cuautitlán, Estado de México, 54800, México
Holt Lloyd BV Netherlands	Car care products	Holland	Strawinskylaan 3127, 1077 ZX Amsterdam, The Netherlands.
Holt Lloyd Holdings Ltd	Holding Company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd Limited	Dormant company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Entred 9 Limited	Dormant company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Redex Limited	Dormant company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd CDM Limited	Dormant company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Products Limited	Dormant company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ

* Formerly FRAM Group (Singapore) Pte. Ltd.
** Formerly UCI (Hong Kong) Holding Company Limited.
*** Formerly FRAM Group Operations Mexico City S.A. de C.V.
**** Formerly FRAM Group Services Mexico S.A. de C.V.

14. Stocks	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Raw materials	4,333	-	3,900	-
Work in progress	386	-	394	-
Finished goods	8,463	-	7,413	-
	13,182	-	11,707	-

The amount of inventories recognised as an expense during the year is £88,433,000 (2021: £62,264,000)
The directors do not believe there is a material difference between the book value and the replacement value of stocks.

15. Debtors : amounts falling due within one year	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Trade debtors	32,509	-	21,089	-
Amounts owed by group undertakings	-	-	-	-
Deferred tax (note 10)	-	-	-	-
Other debtors	2,554	-	1,397	-
Prepayments and accrued income	990	-	481	-
	36,053	-	22,967	-

Included within the consolidated group trade debtors is a provision of £136,000 (2021: £135,000) for doubtful accounts.

16. Creditors: amounts falling due within one year	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Trade creditors	30,274	-	20,097	-
Amounts owed to group undertakings	-	192	-	166
Corporation tax	1,097	-	1,398	-
Deferred tax liability	1,467	-	2,184	-
Accruals and deferred income	9,048	1	10,465	9
	41,886	193	34,144	175

17. Creditors: amounts falling due after more than one year	Consolidated 2022 £000	Company 2022 £000	Consolidated 2021 £000	Company 2021 £000
Amounts owed to group undertakings	24,338	29,918	23,785	28,311
	24,338	29,918	23,785	28,311

Included within amounts owed to group undertakings is a fixed rate loan of £19,600,000, which is unsecured and bears interest at a fixed rate of 6.75%.
The loan is not due to be repaid until April 2026. Other amounts owed to group undertakings are unsecured and repayable on demand and bear interest.

At the time of signing the financial statements, and at the balance sheet date, the one year demand notice had not been called by the group undertakings, and confirmation has been received that there are no plans to call the demand notice.

18. Financial instrument by category	Note	Consolidated 2022 £000	Consolidated 2021 £000
Financial assets:			
Financial assets at fair value through profit or loss			
Investment in Autobacs		449	428
		449	428
Financial assets that are debt instruments measured at amortised cost:			
Trade debtors	15	32,509	21,089
Amounts owed by group undertakings	15	-	-
Other debtors	15	2,554	1,397
Cash at bank and in hand		16,909	15,186
		51,972	37,672
		52,421	38,100
Financial liabilities:			
Financial liabilities measured at amortised cost:			
Bank loans and overdrafts	16	-	-
Trade creditors	16	30,274	20,097
Amounts owed to group undertakings (Non- current)	17	24,338	23,785
Accruals and deferred income	16	9,048	10,465
		63,660	54,347

Investments in Autobacs are measured at fair value through quoted market prices from Nikkei stock exchange.

19. Pension liability
Defined benefit sections

The Group operates an unfunded defined benefit pension arrangement for an overseas employee. The arrangement is wholly unfunded and is expected to remain unfunded through 2023.

The defined benefit obligation for 2022 is based on managements assessment of the liabilities, following a full assesment by an independent actuary, KPMG, as at 31 December 2021 using the projected unit credit method. The external independant assessment is conducted every three years.

	Consolidated 2022	Consolidated 2021
Main actuarial assumptions		
Inflation	2.25%	2.25%
Pension increases	2.25%	2.25%
Discount rate for scheme liabilities	3.00%	0.45%

Mortality assumptions
Mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member who retires in 2029 at age 65 will live on average for a further 23 years after retirement if they are male and a further 24 years after retirement if they are female.

	2022 £000	2021 £000
Reconciliation of funded status to balance sheet		
Fair value of assets	-	-
Present value of funded defined benefit obligations	(457)	(571)
Net pension liability	(457)	(571)
Deferred tax asset	-	-
	(457)	(571)
Analysis of profit and loss charge		
Current service cost	-	-
Interest cost	(2)	(3)
Charge recognised in consolidated statement of comprehensive income	(2)	(3)
Changes in present value of defined benefit obligation		
At 1 January	(571)	(597)
Liabilities acquired	-	-
Current service cost	-	-
Interest cost	(2)	(3)
Benefit payments made	23	22
Actuarial gain / (loss)	124	(31)
Remeasurement - Impact of exchange rate movement	(31)	38
At 31 December	(457)	(571)
Amounts recognised in other comprehensive income / (expense)		
Total actuarial gain / (loss)	124	(31)
Cumulative amount of losses recognised in other comprehensive income / (expense)	(148)	(272)

History of asset values, DBO and surplus/(deficit)	2022 £000	2021 £000
Fair value of assets	-	-
Defined benefit obligation (DBO)	(457)	(571)
Deficit in scheme	(457)	(571)

	2022 £000	2021 £000
Defined contributions sections		
Contributions payable during the year	2	3

Contributions accrued at year end amounted to £Nil. (2021: nil)

The Company has no (2021: no) defined benefit obligations and made no contributions into defined contribution schemes in the year.

20. Called up share capital

	Consolidated 2022	Company 2022	Consolidated 2021	Company 2021
Issued and fully called up	£000	£000	£000	£000
3 (2021: 3) ordinary shares at £1.00 each	0	0	0	0
	0	0	0	0

Each share entitles the shareholder to one vote on a written resolution, one share (per shareholding) on a resolution on a show of hands at a meeting and one vote on a resolution on a poll taken at a meeting.

21. Share premium account

	Consolidated 2022	Company 2022	Consolidated 2021	Company 2021
	£000	£000	£000	£000
As at 1 January	8,439	8,439	8,439	8,439
Premium on shares issued during the year	-	-	-	-
At the end of the year	8,439	8,439	8,439	8,439

22. Other reserves

Included in other reserves is a Foreign Currency Translation reserve of £1,670,000 (2021: £721,000), being the impact of consolidating GBP, Euro, Japanese Yen, Chinese Renminbi, USD, and Mexican Peso denominated entities into the GBP consolidated financial statements for the group.

23. Operating lease commitments

At 31 December 2022 and 31 December 2021 the Group and company had future minimum lease payments under non-cancellable operating leases expiring as follows:

Payments due	Consolidated 2022	Company 2022	Consolidated 2021	Company 2021
Land and buildings	£000	£000	£000	£000
Not later than one year	1,041	-	575	-
Later than one year, but no later than five years	1,740	-	445	-
Later than five years	-	-	206	-
	2,781	-	1,226	-
Other operating leases				
Not later than one year	391	-	266	-
Later than one year, but no later than five years	414	-	359	-
Later than five years	-	-	-	-
	805	-	625	-

24. Net cash from operating activities

Operating profit is reconciled to net cash inflow from operating activities as follows:	Consolidated 2022	Consolidated 2021
	£000	£000
Profit before taxation	7,370	6,478
Interest payable and similar expenses	1,608	1,392
Interest receivable and similar income	(56)	(645)
Operating profit	8,922	7,225
Amortisation of intangible assets	1,520	1,532
Impairment of intangible assets	-	-
Depreciation	317	358
(Gain) Loss on financial instruments	(28)	(7)
Change in debtors	(10,530)	(4,597)
Change in stocks	(875)	(1,808)
Change in creditors	6,100	3,147
Change in provisions and employee benefits	3	(3)
Change in other assets and liabilities	(637)	(232)
Net cash inflow from operating activities	4,792	5,615

25. Related party transactions

The Company has taken advantage of the exemption from providing certain related party transaction disclosures as mentioned in the accounting policy.

26. Subsidiary Undertakings
Subsidiary financial statements audit exemption

The Group's UK subsidiary companies listed below are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of Section 479A.

Name of company	Principal activities	Country of incorporation	Registered office
Holt Holdings (UK) Limited	Holding Company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd International Limited	Car care products	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd Group Limited	Holding Company	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ
Holt Lloyd Services (UK) Ltd	Car care products	England	Unit 100, Barton Dock Road, Stretford, Manchester, UK, M32 0YQ

All the above subsidiaries are included in these consolidated financial statements

27. Ultimate parent undertakings
The company's immediate parent company is Autosupply Finance Company (Cayman Island).
The largest and smallest undertaking for which the group accounts are drawn up is Kronos Acquisition Holdings Inc.
Kronos Acquisitions Holdings Inc. is incorporated in Delaware USA. As a private company the accounts are not available for publication.

Kronos Acquisition Holdings Inc. is a wholly owned subsidiary of Kronos Acquisition Intermediate Inc. and is indirectly controlled by affiliates of Centerbridge Partners, L.P. together with its controlled affiliates and funds managed or advised by it or its controlled affiliates, and certain co-investors.
Kronos Acquisition Intermediate Inc. is incorporated in Delaware USA.