

Bandvulc Tyres Limited  
Annual report and financial statements  
Year ended 31 December 2021

**Bandvulc Tyres Limited**

**Annual report and financial statements**

**Registered number 1350593**

**Year ended 31 December 2021**



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## Company information

<b>Directors</b>	Mr T Gorgun Mr L Fricke Mr M Owen
<b>Secretary</b>	Mr M Owen
<b>Auditor</b>	Pricewaterhousecooper LLP 1 Chamberlain Square Birmingham B3 3AX
<b>Bankers</b>	Royal Bank of Scotland Plc Bolton Customer Service Centre PO Box 2027 Parklands De Havilland Way Bolton BL6 4YU
<b>Solicitors</b>	Michelmores Woodwater House Pynes Hill Exeter EX2 5WR
<b>Registered office</b>	Gillard Way Lee Mill Industrial Estate Ivybridge Devon PL21 9LN
<b>Registered number</b>	1350593

## Strategic report

The Directors present their Strategic Report for the year ended 31 December 2021, the Directors Report and the audited financial statements for the year ended 31 December 2021 follow.

### Principal Activities and Business Review

The principal activity of the company during the year continued to be the manufacture of rubber products, in particular the recycling and re-treading of commercial truck tyres. The company also provides an integrated tyre management service and 24/7 breakdown service across the UK.

Being part of the Continental Group, the company is able not only to provide its customer with re-treaded tyres, but also new tyres, call centre facilities, tyre fitting services and its tyre casing and tyre management solutions. The company is able to offer a cradle to grave tyre solution thereby applying the Continental Lifecycle policy but also enhancing the overall customer experience through its customer centric philosophy. The company aims to lower operating costs for its customer through adopting the Continental Lifecycle policy, it does this whilst at the same time reducing the impact on our environment.

Turnover for the twelve months ended December 2021 was £70.4M (2020 - £68.6M). During the year the company has been largely successful in retaining key contracted business. Cost drivers in raw materials & ultimately in the market plus the competitive nature of the industry has meant that not all contracted business was renewed. Sales volume did however increase in 2021 following market demand which is reflected in the above increase in turnover.

The profit for the period, after taxation amounted to £6.3M (2020 £3.4M).

Continental continues to demonstrate its commitment to manufacturing within the UK. It continues to invest in both factory and tyre management facilities here at Bandvulc. As such the UK manufacturing facility remains of paramount importance to the Group. Such investment is a key component of the company's success and the enhancement of the customer experience from the wider group by manufacturing within the market itself.

Technology and product advancement is also key to the company core values. The company continues to strive to drive down costs to our customers by providing a product that aims to produce a competitive pence per kilometre whilst minimising the impact on the environment through Continental Lifecycle policy.

### Environmental matters

Bandvulc Tyres Ltd is primarily a tyre recycling manufacturer and as such environmental matters are at the heart of its core business. The company is also a member of the wider Continental AG Group which practices its responsibility for protecting the environment in its corporate ESH (Environment, security, safety & health) policy. The principles of environmental protection are used as a guideline and yardstick for all activities of the group which are of relevance to the environment.

### Employees

It is our policy to consider all applicants for employment, including the opportunity of promotions, in light of their abilities, skills and medical status to ensure that they may perform their functions without risk to their health or that of others. An employee becoming disabled, where appropriate is offered retraining.

### Financial Risk Management Objectives and Policies

Foreign exchange risk is minimised wherever possible by the company. The company trades in both sterling and euros and has a customer and supplier base trading in both currencies.

Credit risk is managed by spreading that risk over a large number of its customers. This has been successfully managed to avoid any single concentration of credit risk. This risk is further minimised with credit set-off agreements in place across accounts receivable & accounts payable where common entities exist across the UK immediate group of companies.

The company is also exposed to commodity price fluctuations in its acquisition price of natural rubber. Bandvulc utilises forward contracts to hedge such exposure but this is not entirely without risk.

Bandvulc is extremely vigilant to safeguard its working capital. The Directors are confident that the company and the wider group has the necessary resources available providing the means to re-invest in the business.

## **Strategic Report (continued)**

### **Principal risks and uncertainties**

Bandvulc Tyres Limited remains resolute in providing the very best in quality of service to all of its customers. The company will continue to invest in technology, systems and training of its personnel. Investment in Bandvulc's manufacturing facility continues to enjoy access to the resources of wider Continental Group. All such innovation aims to enhance the overall customer experience provide by the company.

Being part of the wider Continental Group the directors are confident that the company will be well placed financially. A tremendous effort is being made by the Continental Group to ensure the company remains well placed, and is a sustainable business partner to all its customers.

Continued adherence to the Company's core values, such as its Lifecycle policy, its technological innovation and its Customer centric views builds long term customer relationships with common goals to ensure both product and quality of service remains of the highest priority and standard.

### **Section 172 Statement**

#### **How the board complied with its Section 172 duty**

The Companies (Miscellaneous Reporting) Regulation 2018 (2018 MRR) requires Directors to explain how they considered the interests of key shareholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006 ('S172') when performing their duty to promote the success of the Company under S172. This includes considering the interest of other stakeholders which will have an impact on the long-term success of the company:

The Board welcomes the direction of the UK Financial Reporting Council (the 'FRC'). This S172 statement, which is first reported in 31 December 19 explains how the Directors:

- have engaged with employees, suppliers, customers and others; and
- have had regard to employee interests, the need to foster the company's business relationships with suppliers, customers and other, and the effect of that regards, including on the principal decisions taken by the company during the financial year.

The S172 statement focuses on matters of strategic importance to the company, and the level of information disclosed is consistent with the size and the complexity of the business.

#### **Delegation of authority**

The board believes governance of the company is best achieved by delegation of its authority for the executive management of Bandvulc Tyres Ltd to the Senior Management Team (SMT), subject to defined limits and monitoring by the board. The board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

Which includes principles outlining:

- The conduct of board affairs and the tasks
- The board's focus on activities that enable it to promote shareholders' interests, including development of strategy, monitoring of executive action and ongoing board and executive management succession.

The framework is reviewed to ensure it is best suited to support the evolving strategy and Bandvulc's purpose, ambition and aims.

The current framework covers the following principal areas:

**Strategic Report (continued)**

**1. Company purpose:**

Pursuing Bandvulc's purpose and accountability to its stakeholder and shareholders for the company's actions. This means focusing primarily on strategic issues, while having regard to economic, political and social issues and other relevant external matters which may influence or affect the development of company's business and its expectations for the conduct of the company's business and its employees.

**2. Strategy:**

Responsibility for establishing and reviewing the long-term strategy and the annual plan (the plan) for Tyre Maintenance, based on proposals made by the SMT for achieving company's purpose.

**3. Monitoring decisions and actions of the SMT and the performance of Tyre Maintenance:**

Including implementation of, and performance against, the strategy and the plan; and the exercise of authority delegated to the SMT. The board satisfies itself that emerging and principal risks to the company are identified and understood, systems of risk management, compliance and controls are in place to mitigate such risks and expected conduct of Bandvulc's business and its employees is reflected in a set of values established by the SMT.

**4. Succession:**

Ensuring systems and processes are in place for succession, evaluation and compensation of the SMT and other members of the organisation. Those delegated to by the directors to take decisions have access to functional assurance support to identify matters which may have an impact on a proposed decision.

**S172(1) (A) "The likely consequences of any decision in the long term"**

The Directors understand the business and the evolving environment in which we operate, including the challenges of navigating through the industry megatrends. Therefore to support the business in meeting its strategic ambitions the Board along with the SMT regularly review its strategy to ensure it is harmonised with the wider Corporate Strategy whilst also meeting the short-term business demands. The objective is to always achieve sustainable value creation within our operations.

**S172(1) (B) "The interests of the company's employees"**

The Directors recognise that Bandvulc employees are fundamental and core to our business and delivery of our strategic ambitions. All employees share four fundamental Corporate Values and framework. They form the roots of our corporate culture: Trust, Passion To Win, Freedom To Act and For One Another. The success of our business depends on attracting, retaining and motivating employees. From ensuring that we remain a responsible employer, from pay and benefits to our health, safety and workplace environment, the Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible.

**S172(1) (C) "The need to foster the company's business relationships with suppliers, customers and others"**

For our strategy to continue to be delivered we are clear we need the support of suppliers, customers as other external stakeholders. Likewise, with our products and services we create value not only for ourselves but our business partners, employees and society in general. To ensure consistence within the Corporation worldwide to reinforce this the Business Partner Code of Conduct conveys the important of standards which are consistent with our values that we expect business partners to adhere to.

**S172(1) (D) "The impact of the company's operations on the community and the environment"**

This aspect is intrinsic with the business strategy. As such, the board receives relevant data to make decisions (e.g. investments or divestments proposals and business strategy reviews) and to provide ongoing overviews at the board level. Corporately one such initiative is the Taraxagum Project which seeks to supply an alternate source to natural rubber from dandelion plants. Locally in the UK with the addition of Bandvulc Group to the Continental family the business now has a local retread solution to meet the local requirements. Every retreaded tyre produced in the plant in Ivybridge saves the environment 68 litres of oil. Wider information can be found with the Corporate Social Responsibility (CSR) publication.

**S172(1) (E) "The desirability of the company maintaining a reputation for high standards of business conduct"**

Our spirit and ethics (e.g. integrity, honesty and compliance with the law) are documented in the Corporations Code of Conduct which was revised in 2019 which are fully adhered to locally. The Board reviews Code of Conduct as well as addition Modern Slavery Statements, to ensure that its high standards are maintained both within the business and the business relationships maintained.

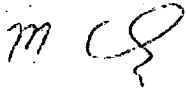
**S172(1) (F) "The need to act fairly as between members of the company"**

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as

**Strategic Report (continued)**

between the Company's members but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

By order of the board



**Mr M Owen**  
*Company Secretary*

Gillard Way  
Lee Mill Industrial Estate  
Ivybridge  
Devon  
PL219LN

21st December 2022

## Directors' report

The Directors present their directors' report and the audited financial statements for the year ended 31<sup>st</sup> December 2021.

### Principal Activities

The principal activity of the company during the year remained the manufacture of rubber products, in particular the recycling and retreading of truck tyres. The company also offers an integrated tyre management and 24/7 breakdown service solution for larger logistic and customer owned transport fleets. It does this by managing its own call centre based here in the UK.

### Dividends

The Directors did not recommend a payment of a dividend (2020 - £5m).

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### Directors and Directors' Interests

The following directors who held office during the year and up to the date of approval of these financial statements were as follows;

Mr D Smith (Resigned 31 March 2022)  
Mr L Fricke  
Mr M Owen  
Mr T Gorgun (Appointed 31 March 2022)

### Political Donations

During the year the company made no political donations (2020 - £Nil).

### Streamlined Energy and Carbon Reporting

#### Quantification and Reporting Methodology

In calculating the exact quantities of carbon emissions, this report predominantly used the UK Government's 2021 Conversion factors for Carbon Reporting, as published - see <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2020/>

In the layout of this SECR Report, we have followed but graphically extended the report format provided in the UK government's Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance dated March 2019 (Appendix H) see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/791529/Env-reporting\\_guidance\\_inc\\_SECR\\_31March.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/791529/Env-reporting_guidance_inc_SECR_31March.pdf).

This assessment has been carried out in accordance with the World Business Council for Sustainable Development and World Resources Institute's (WBCSD/WRI) Greenhouse Gas Protocol; a Corporate Accounting and Reporting Standard. This protocol is considered current best practice for corporate or organisational greenhouse gas emissions reporting. GHG emissions have been reported by the three WBCSD/WRI Scopes:

- Scope 1 This includes direct GHG emissions from sources that are owned or controlled by the company such as natural gas combustion and company owned vehicles. 0
- Scope 2 These are indirect GHG emissions from the consumption of purchased electricity, heat or steam.



**Directors Report (continued)**

**UK Energy Consumption (2021) (kWh)**

Electricity	4,199,522	kWh
Gas	9,574,650	kWh
Fuel Oil	0	kWh
LPG	0	kWh
Solid Fuel	0	kWh
Transport Fuel	7,136,635	kWh

**UK Energy Consumption (previous year)  
(kWh)**

Electricity	3,629,334	kWh
Gas	8,445,790	kWh
Fuel Oil	0	kWh
LPG	0	kWh
Solid Fuel	0	kWh
Transport Fuel	8,587,932	kWh

**Energy efficiency**

As a large enterprise under the requirements of the The Energy Savings Opportunity Scheme Regulations 2014 (ESOS) The Bandvulc Group were obligated to examine the Energy Efficiency Improvement Opportunities available to them. The ESOS report highlighted the fact that many of the usual improvements available to similar businesses were not relevant to The Bandvulc Group as the Organisation uses leased accommodation and the capital costs of major building improvements could not be justified, however a new boiler was fitted in 2020 and is now coming on line. In addition, the ESOS report recommended 'Workforce Engagement' following on from this Bandvulc have set up an internal team called 'BEEE' (Be Energy Efficient). This is a dedicated team who will perform audits for energy and help the company put things in place – initially, this will be focused mainly on insulation of curing presses, and regenerating energy.

Bandvulc are pushing forward on the automatisisation of production processes – This will increase output and output efficiency lowering the carbon intensity of each tyre produced. This includes:

- Automated Robot Skiving (repair of tyres after buffing) – implemented in 2021 in use
- Automated spraying of adhesive from solvent to water
- Automated Build cell – another robot process to be installed in 2022

**Carbon Offsetting**

The Bandvulc Group have utilised PV Panels to generate electricity throughout many of the Company's sites. Over the financial year covered by this report this amounted to 93,676 kWh which is equivalent to 27.29 Tonnes of CO2(e). Continental AG, Bandvulc's parent company based in Germany have elected to offset the Bandvulc Group's carbon impact by purchasing 100% of its electrical energy from renewable sources which is equivalent to 1,250.61 Tonnes of CO2(e).

**Directors Report** *(continued)*

<b>Greenhouse Gas Emissions</b>			
<b>Scope 1 in metric tonnes CO2e</b>	<b>% Activity</b>	<b>2021</b>	<b>2020 (Baseline year)</b>
Gas combustion	50.36%	1,754	1,553
Fugitive emissions	0.41%	14	14
Fuel used in owned Transport	49.23%	1,715	2,060
<b>Total Scope 1 CO2e</b>		<b>3,483</b>	<b>3,627</b>
<b>Scope 1 in metric tonnes CO2e</b>	<b>% Activity</b>	<b>2021</b>	<b>2020 (Baseline year)</b>
Electricity consumption	100%	892	846
<b>Total Scope 2 CO2e</b>		<b>2,913</b>	<b>846</b>

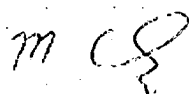
**Disclosure of information to the independent auditors**

The Directors who held office at the date of approval of the Directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent Auditors**

Following a competitive tender process PricewaterhouseCoopers LLP have been appointed to succeed KPMG LLP.

By order of the board



**Mr M Owen**  
*Company Secretary*

Gillard Way  
Lee Mill Industrial Estate  
Ivybridge  
Devon  
PL219LN

21st December 2022

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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 FRS 101 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 company will continue in business.

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

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

### **Directors' confirmations**

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 company's 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 company's auditors are aware of that information.

# Independent auditors' report to the members of Bandvulc Tyres Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Bandvulc Tyres Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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, which comprise: Balance sheet as at 31 December 2021; Profit and loss account, Other comprehensive income and Statement 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 company 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.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 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 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 2021 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 company and its 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 Directors' Report and 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment and taxation legislations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. 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 posting inappropriate journal entries to increase revenue and profits. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries relating to unusual account combinations, and entries with specific words;
- Designing audit procedures to incorporate unpredictability around the nature, timing and extent of our testing;

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;

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.

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](http://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.

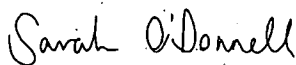
## Other required reporting

### 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Sarah O'Donnell (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
21 December 2022

**Profit and loss account**  
*for the year ending 31 December 2021*

	Note	Year ended 31 December 2021 £	Year ended 31 December 2020 £
<b>Turnover</b>	2	<b>70,411,325</b>	68,615,608
Cost of sales		(55,934,810)	(56,097,981)
<b>Gross profit</b>		<b>14,476,515</b>	12,517,627
Distribution costs		(3,320,112)	(3,816,319)
Administrative expenses		(3,949,447)	(5,042,905)
Other operating income	4	32,237	596,568
<b>Operating profit</b>	3	<b>7,239,193</b>	4,254,971
Interest receivable and similar income		50,141	59,193
Interest payable and similar expenses		(12,331)	(14,339)
<b>Profit before taxation</b>		<b>7,277,003</b>	4,299,825
Income tax expense	7	(995,043)	(917,666)
<b>Profit for the financial year</b>		<b>6,281,960</b>	3,382,159

The above results relate to continuing activities.

**Other comprehensive income**  
*for the year ended 31 December 2021*

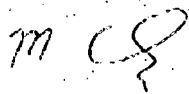
The company had no items of Other Comprehensive Income in either the current or preceeding periods.

The notes on pages 19 to 31 form an integral part of these financial statements.

**Balance sheet**  
**at 31 December 2021**

	<i>Note</i>	<b>2021</b> £	<b>2020</b> £
<b>Fixed assets</b>			
Tangible assets	8	7,712,658	7,962,246
Right of use asset	14	859,711	1,266,318
		<u>8,572,369</u>	<u>9,228,564</u>
<b>Current assets</b>			
Stocks	9	1,562,116	2,265,227
Debtors	10	34,228,716	30,678,421
Cash at bank and in hand		444,535	514,125
		<u>36,235,367</u>	<u>33,457,773</u>
<b>Creditors: Amounts falling due within one year</b>	11	<u>(12,401,245)</u>	<u>(15,779,545)</u>
<b>Net current assets</b>		<u>23,834,122</u>	<u>17,678,228</u>
<b>Total assets less current liabilities</b>		<u>32,406,491</u>	<u>26,906,792</u>
<b>Non Current Liabilities</b>			
Deferred taxation	12	(1,130,493)	(823,590)
Other provisions	13	(166,132)	(933,268)
Lease liabilities	14	(510,176)	(832,204)
		<u>30,599,690</u>	<u>24,317,730</u>
<b>Net assets</b>		<u>30,599,690</u>	<u>24,317,730</u>
<b>Capital and reserves</b>			
Called up equity share capital	16	100	100
Revaluation reserve		3,979,281	3,979,281
Profit and loss account		26,620,309	20,338,349
		<u>30,599,690</u>	<u>24,317,730</u>
<b>Shareholders' funds</b>		<u>30,599,690</u>	<u>24,317,730</u>

These financial statements were approved by the board of directors on 14<sup>th</sup> December 2022 and were signed on its behalf by:



**Mr M Owen**  
*Director*

Company registered number: 1350593

The Accompanying notes on pages 19 to 31 form part of these financial statements.



## Statement of changes in equity

	Called up share capital £	Profit and loss account £	Revaluation Reserve £	Total equity £
Balance at 1 January 2020	100	21,956,190	3,979,281	25,935,571
<i>Total comprehensive income for the period:</i>				
Profit for the year	-	3,382,159	-	3,382,159
<i>Total Contributions by and distributions to shareholders:</i>				
Dividends	-	(5,000,000)	-	(5,000,000)
<b>Balance at 31 December 2020</b>	<b>100</b>	<b>20,338,349</b>	<b>3,979,281</b>	<b>24,317,730</b>
	Called up share capital £	Profit and loss account £	Revaluation Reserve £	Total equity £
Balance at 1 January 2021	100	20,338,349	3,979,281	24,317,730
<i>Total comprehensive income for the year:</i>				
Profit for the year	-	6,281,960	-	6,281,960
<b>Balance at 31 December 2021</b>	<b>100</b>	<b>26,620,309</b>	<b>3,979,281</b>	<b>30,599,690</b>

The Accompanying notes on pages 19 to 31 form part of these financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting policies

Bandvulc Tyres Limited (the 'company') is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2016 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Related party transactions entered into between two or more wholly owned members of the group.

The Company's ultimate parent undertaking, Continental AG, includes the Company in its consolidated financial statements. The consolidated financial statements of Continental AG are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Continental AG, Vahrenwalder Strasse 9, 30001 Hannover, Germany.

The consolidated financial statements of Continental AG include the disclosures required by IAS 36 *Impairment of assets* and IFRS 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurements*, both relating to financial instruments. As a consequence, the Company has also taken the exemptions under FRS 101 not to include the equivalent disclosures in respect of the financial instruments apart from those which are relevant for financial instruments held at fair value and are not either held as part of a trading portfolio or derivatives.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 18.

### Measurement convention

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

#### *Turnover*

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of value added tax.

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### *Going concern*

The Directors have prepared the financial statements on a going concern basis. The company is profitable and has net current assets including a strong cash balance and no external debt. The Directors forecast that the company will continue to generate profits and cash going forward.

The company is a member of the UK cash pooling facility managed by Continental UK Group Holdings Limited whereby the cash balance of the Company is swept into an intercompany bank account on a daily basis. To the extent that working capital requirements arise these are met through access to the cash pooling facility. As at 31<sup>st</sup> December 2021, the company is in a net receivable position from that facility.

The Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### *Fixed assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land and Buildings	-	Building 4% straight line and Land not depreciated
Plant & Machinery	-	3-20 years straight line
Motor Vehicles	-	4-5 years straight line
Fixtures & Fittings	-	4-7 years straight line

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

## Notes (continued)

### 1 Accounting policies (continued)

#### *Inventories*

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### *Leases*

##### *As a lessee*

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the Company accounts for each lease component separately from the non-lease components. The Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

## **Notes (continued)**

### **1 Accounting policies (continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

#### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Pension costs*

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### *Foreign currencies*

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### *Dividends*

Equity dividends unpaid at the balance sheet date are only recognised as a liability at that date due to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

**Notes** *(continued)*

**1** **Accounting policies** *(continued)*

***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**Notes (continued)**

**2 Turnover**

An analysis of turnover is given below:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
United Kingdom	68,421,674	67,093,044
Overseas	1,989,651	1,522,564
	<u>70,411,325</u>	<u>68,615,608</u>

**3 Operating profit**

Operating profit is stated after charging/(crediting):

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Depreciation of owned fixed assets	1,350,939	1,398,919
Depreciation of Leased Fixed assets	439,114	408,471
Profit on disposal of fixed assets	(10,844)	(19,336)
Auditors' remuneration:		
Audit fees	47,834	39,385
	<u>1,727,043</u>	<u>1,827,440</u>

**4 Other Operating Income**

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Government Grants – "Furlough"	<u>32,237</u>	<u>596,568</u>

## Notes (continued)

### 5 Particulars of employees

The average number of staff employed by the company during the financial year was as follows:

	Year ended 31 December 2021 No	Year ended 31 December 2020 No
Production staff	135	138
Distribution staff	50	57
Administrative staff	112	120
Sales staff	2	9
	<u>299</u>	<u>324</u>

The aggregate payroll costs of the above were:

	£	£
Wages and salaries	7,712,348	8,190,083
Social security costs	712,492	757,060
Other pension costs	340,180	361,639
	<u>8,765,020</u>	<u>9,308,782</u>

### 6 Directors' remuneration

During the current year the Directors were remunerated by a fellow subsidiary company. The amount estimated to relate to their services to this company is nil due to the cessation of the role (2020: £145,894).

### 7 Taxation on profit

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
<i>Recognised in the profit and loss account</i>		
UK corporation tax	1,313,314	983,631
Adjustment in respect of prior periods	(664,655)	-
Total current tax	<u>648,659</u>	<u>983,631</u>
<i>Deferred tax</i>		
Current year	26,121	(164,954)
Adjustments in respect of prior periods	51,023	-
Effect of Changes in tax period	269,240	98,989
Total deferred tax	<u>346,384</u>	<u>(65,965)</u>
Tax charge for the year	<u>995,043</u>	<u>917,666</u>



## Notes (continued)

### Reconciliation of effective tax rate

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
Profit for the financial year		
Tax charge	6,281,960	3,382,159
	<u>995,043</u>	<u>917,666</u>
Profit for period – continuing activities	7,277,003	4,299,825
Tax on Profit at Standard tax rate 19% (2020 19%)	1,382,631	816,967
Expenses not deductible for tax purposes	2,094	1,719
Adjustments in respect of prior periods	(613,632)	-
Tax rate changes	269,240	98,989
Impact of Super Deduction	(45,290)	-
Income not taxable	-	(9)
Total tax	<u>995,043</u>	<u>917,666</u>

The corporation tax rate applicable to the company for 2021 was 19.00% (2020: 19.00%).

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The UK deferred tax liability as at 31 December 2020 was calculated at 19% (2019: 17%).

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly and have a increase in the deferred tax liability of £46,527.

### 8 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures & Fittings £	Land and Buildings £	Total £
<b>Cost</b>					
At 1 January 2021	15,739,645	3,493,143	878,453	2,170,241	22,281,482
Additions	516,390	534,544	175,280	-	1,226,214
Disposals	(61,409)	(547,859)	(39,505)	-	(648,773)
<b>At 31 December 2021</b>	<u>16,194,626</u>	<u>3,479,828</u>	<u>1,014,228</u>	<u>2,170,241</u>	<u>22,858,923</u>
<b>Accumulated depreciation</b>					
At 1 January 2021	10,519,584	1,644,187	590,548	298,599	13,052,918
Charge for year	995,070	578,542	150,081	66,359	1,790,052
On disposals	(57,125)	(464,660)	(34,631)	-	(556,416)
<b>At 31 December 2021</b>	<u>11,457,529</u>	<u>1,758,069</u>	<u>705,998</u>	<u>364,958</u>	<u>14,286,554</u>
<b>Net book value</b>					
<b>At 31 December 2021</b>	<u>4,737,097</u>	<u>1,721,759</u>	<u>308,230</u>	<u>1,805,283</u>	<u>8,572,369</u>
<b>At 31 December 2020</b>	<u>5,220,061</u>	<u>1,848,956</u>	<u>287,905</u>	<u>1,871,642</u>	<u>9,228,564</u>

## Notes (continued)

### 9 Stocks

	2021 £	2020 £
Raw materials	849,762	1,040,910
Work in progress	43,447	51,061
Finished goods	668,907	1,173,256
	<u>1,562,116</u>	<u>2,265,227</u>

Finished goods recognised as cost of sales in the period amounted to £18,721,151 (2020: £18,202,248). The stock provision amounted to £1,366 (2020: £18,960).

### 10 Debtors

	2021 £	2020 £
Trade debtors	10,639,678	12,291,063
Amounts owed by group undertakings	19,872,073	13,803,079
Other debtors	66,784	82,213
Prepayments and accrued income	3,525,842	4,338,246
Corporation Tax	115,680	115,680
Deferred tax assets (see note 12)	8,659	48,140
	<u>34,228,716</u>	<u>30,678,421</u>

Amounts owed by group undertakings are non-interest bearing and payable on demand. Included within the intercompany receivable balance is an amount of £2,704,046 (2020: £2,239,939) payable to Continental Group Holdings in respect of corporation tax payable under the Group Payment Arrangement (GPA).

### 11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	8,718,322	9,006,602
Amounts owed to group undertakings	543,754	512,309
Other creditors	11,753	8,089
Other taxation including social security	536,840	1,818,444
Accruals and deferred income	2,233,497	3,993,867
Right of use liability	357,079	440,234
	<u>12,401,245</u>	<u>15,779,545</u>

Included within other taxation including social security is £96,708 (2020: £246,685) in respect of pension contributions due.

Amounts due to group undertakings stated above are legally due on demand and are thus payable within one year although it is not expected that the demand would be made or that these amounts will be paid within the next year.

**Notes (continued)**

**12 Deferred taxation**

*Recognised deferred tax assets and liabilities*

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 £	2020 £	2021 £	2020 £	2021 £	2020 £
Tangible fixed assets	-	-	1,130,493	823,590	1,130,493	823,590
Other	(8,659)	(48,140)	-	-	(8,659)	(48,140)
	<u>(8,659)</u>	<u>(48,140)</u>	<u>1,130,493</u>	<u>823,590</u>	<u>1,121,834</u>	<u>775,450</u>
Tax (assets) / liabilities	(8,659)	(48,140)	1,130,493	823,590	1,121,834	775,450
Net of tax liabilities/(assets)	8,659	48,140	(8,659)	(48,140)	-	-
	<u>-</u>	<u>-</u>	<u>1,121,834</u>	<u>775,450</u>	<u>1,121,834</u>	<u>775,450</u>
Net tax (assets) / liabilities	-	-	1,121,834	775,450	1,121,834	775,450

*Movement in deferred tax during the year*

	1 January 2021 £	Recognised in income £	Prior year adjustment £	31 December 2021 £
Tangible fixed assets	823,590	285,497	21,406	1,130,493
Other	(48,140)	9,864	29,617	(8,659)
	<u>775,450</u>	<u>295,361</u>	<u>51,023</u>	<u>1,121,834</u>

*Movement in deferred tax during the prior year*

	1 January 2020 £	Recognised in income £	Recognised in equity £	31 December 2020 £
Tangible fixed assets	861,827	(38,237)	-	823,590
Other	(20,412)	(27,728)	-	(48,140)
	<u>841,415</u>	<u>(65,965)</u>	<u>-</u>	<u>775,450</u>

**Notes (continued)**

**13 Other provisions**

	<b>Onerous contracts 2021 £</b>
<i>Provision for onerous contracts</i>	
Balance brought forward	933,268
Created	962,292
Released	(758,626)
Utilised	(970,802)
	<hr/>
Balance Carried Forward	<b>166,132</b>
	<hr/>

**14 Right of use leases**

Right of Use Assets	Fixtures and fittings £	Motor vehicles £	Total £
Balance as at 1 January 2020	67,693	1,187,957	1,255,650
Additions to Right of Use Assets	-	454,746	454,746
Depreciation charge for the year	(21,377)	(387,094)	(408,471)
Derecognition of right-of-use assets	-	(35,607)	(35,607)
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2020</b>	<b>46,316</b>	<b>1,220,002</b>	<b>1,266,318</b>

Right of Use Assets	Fixtures and fittings £	Motor vehicles £	Total £
Balance as at 1 January 2021	46,316	1,220,002	1,266,318
Additions to Right of Use Assets	-	25,200	25,200
Depreciation charge for the year	(21,377)	(417,737)	(439,114)
Derecognition of right-of-use assets	-	7,307	7,307
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<b>24,939</b>	<b>834,772</b>	<b>859,711</b>

## Notes (continued)

### 14 Right of use leases (continued)

#### Amounts recognised in profit and loss

The following amounts have been recognised in profit or loss for which Company is a lessee.

	2021	2020
	£	£
Interest expense on lease liabilities	12,331	14,159
Expenses relating to short-term Leases	96,685	92,347
	<u>109,016</u>	<u>106,506</u>

The following table sets out the maturity analysis of lease payments to be paid, showing the undiscounted lease payments to be paid after the reporting date:

	2021	2020
	£	£
Less than one year	397,756	439,674
Between one and two years	298,954	359,765
Between two and three years	164,450	293,832
Between three and four years	59,149	159,328
Between four and five years	-	54,881
More than five years	-	-
Total undiscounted lease receivable	920,309	1,307,480
Impact of finance expense	(53,054)	(35,042)
	<u>867,255</u>	<u>1,272,438</u>

### 15 Related party transactions

The company is a wholly owned subsidiary of Continental AG and has taken advantage of the exemption in FRS 101 from disclosing transactions with members of the group.

### 16 Called up share capital

#### Allotted, called up and fully paid:

	2021		2020	
	No	£	No	£
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

## **Notes** *(continued)*

### **17 Ultimate parent company**

The Company is a wholly owned subsidiary undertaking of Continental UK Group Holdings Limited the ultimate parent company is Continental AG, a company incorporated in Germany.

The consolidated financial statements of Continental AG are available to the public and may be obtained from:

Continental AG  
Vahrenwalder Strasse 9  
30001 Hannover  
Germany

### **18 Accounting estimates and judgements**

#### ***Key sources of estimation uncertainty***

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### ***Onerous contract provision***

The Company provides for onerous contracts where the outcome is expected to be loss making. An assessment is made by the company based on performance to date and forecasted costs to complete against agreed billings.