

Arrinera Automotive Holding Limited (Formerly Arrinera Automotive Holding Plc)

Registered number: 08783213

Directors' report and financial statements

For the period ended 31 December 2014

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COMPANIES HOUSE

ARRINERA AUTOMOTIVE HOLDING LIMITED

COMPANY INFORMATION

DIRECTORS

A S Kuich
L P Tomkiewicz

COMPANY SECRETARY

H T Corporate Services Limited

REGISTERED NUMBER

08783213

REGISTERED OFFICE

Innovation Centre
Gallows Hill
Warwick
CV34 6UW

INDEPENDENT AUDITOR

Mazars LLP
Chartered Accountants & Statutory Auditor
6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

ARRINERA AUTOMOTIVE HOLDING LIMITED

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ARRINERA AUTOMOTIVE HOLDING LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the period ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INCORPORATION

The company was incorporated on 20 November 2013.

RESULTS

The loss for the period, after taxation, amounted to £2,949,854.

DIRECTORS

The directors who served during the period were:

A S Kuich (appointed 20 November 2013)
L P Tomkiewicz (appointed 20 November 2013)
D J Mapley (appointed 20 November 2013, resigned 19 February 2015)

STRATEGIC REPORT

The company is not preparing a strategic report under section 414B(b) of the Companies Act 2006 as it would be entitled to the exemption but for having been part of an ineligible group during the period.

ARRINERA AUTOMOTIVE HOLDING LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

AUDITOR

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 August 2015 and signed on its behalf.



M C Williams on behalf of H T Corporate Services Limited
Secretary

ARRINERA AUTOMOTIVE HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARRINERA AUTOMOTIVE HOLDING LIMITED

We have audited the financial statements of Arrinera Automotive Holding Limited for the period ended 31 December 2014 which comprise the profit and loss account, the balance sheet, the cash flow and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON THE OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ARRINERA AUTOMOTIVE HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARRINERA AUTOMOTIVE HOLDING LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Christopher Darlington (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

6 Dominus Way
Meridian Business Park
Leicester
LE19 1RP

18 August 2015

ARRINERA AUTOMOTIVE HOLDING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	2014 £
Administrative expenses		(16,971)
OPERATING LOSS	2	(16,971)
Amounts written off investments		(2,932,883)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,949,854)
Tax on loss on ordinary activities	5	-
LOSS FOR THE FINANCIAL PERIOD	10	(2,949,854)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 other than those included in the profit and loss account.

The notes on pages 8 to 13 form part of these financial statements.

ARRINERA AUTOMOTIVE HOLDING LIMITED

Registered number: 08783213

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	£	2014 £
FIXED ASSETS			
Investments	6		433,277
CURRENT ASSETS			
Debtors	7	70,400	
Cash at bank		141	
		<u>70,541</u>	
CREDITORS: amounts falling due within one year	8	<u>(17,112)</u>	
NET CURRENT ASSETS			<u>53,429</u>
NET ASSETS			<u>486,706</u>
CAPITAL AND RESERVES			
Called up share capital	9		490,580
Share premium account	10		2,945,980
Profit and loss account	10		<u>(2,949,854)</u>
SHAREHOLDERS' FUNDS	11		<u>486,706</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 August 2015.


A.S. Kuich
Director

The notes on pages 8 to 13 form part of these financial statements.

ARRINERA AUTOMOTIVE HOLDING LIMITED

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2014

	Note	2014 £
Net cash flow from operating activities	12	141
INCREASE IN CASH IN THE PERIOD		<u>141</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE PERIOD ENDED 31 DECEMBER 2014

	2014 £
Increase in cash in the period	141
MOVEMENT IN NET FUNDS IN THE PERIOD	<u>141</u>
NET FUNDS AT 31 DECEMBER 2014	<u>141</u>

The notes on pages 8 to 13 form part of these financial statements.

ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Investments

Investments held as fixed assets are shown at cost, less provision for impairment.

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

1.4 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. OPERATING LOSS

The operating loss is stated after charging:

	2014
	£
Auditor's remuneration	3,250
Auditor's remuneration non audit fees - taxation compliance services	750
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3. STAFF COSTS

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

	2014
	£
Wages and salaries	7,000
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ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

3. STAFF COSTS (continued)

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

	2014 No.
Directors	3

4. DIRECTORS' REMUNERATION

	2014 £
Remuneration	7,000

5. TAXATION

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 21%. The differences are explained below:

	2014 £
Loss on ordinary activities before tax	(2,949,854)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21%	(619,469)
Effects of:	
Non-tax deductible impairment	615,905
Expenses not deductible for tax purposes	1,222
Unrelieved tax losses carried forward	2,342
Current tax charge for the period (see note above)	-

Factors that may affect future tax charges

The company has £11,000 of tax losses to carry forward.

ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary company £
Cost or valuation	
At 20 November 2013	-
Additions	3,366,160
At 31 December 2014	<u>3,366,160</u>
Impairment	
At 20 November 2013	-
Charge for the period	2,932,883
At 31 December 2014	<u>2,932,883</u>
Net book value	
At 31 December 2014	<u><u>433,277</u></u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Arrinera Automotive S.A.	Ordinary Shares	95.15%

The aggregate of the share capital and reserves as at 31 December 2014 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Arrinera Automotive S.A.	<u>433,277</u>	<u>(163,385)</u>

On 10 February 2014 the company acquired 95.15% of the issued ordinary share capital of Arrinera Automotive S.A., a company incorporated in Poland. The acquisition was made through a share for share exchange (note 9).

7. DEBTORS

	2014 £
Amounts owed by group undertakings	<u><u>70,400</u></u>

ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

8. CREDITORS: Amounts falling due within one year

	2014 £
Amounts owed to group undertakings	13,188
Other creditors	3,924
	<u>17,112</u>

9. SHARE CAPITAL

	2014 £
Authorised	
1,000,000 Ordinary A or B shares of £1 each	<u>1,000,000</u>
Allotted, called up and fully paid	
490,580 Ordinary A shares of £1 each	<u>490,580</u>

On incorporation, the company issued 480,000 Ordinary "A" shares of £1 at par and 120,000 Ordinary "B" shares of £1 at par.

On 15 January 2014 2,571 Ordinary A shares were allotted for a consideration of £18,000.

During February 2014 472,800 Ordinary A shares and 120,000 Ordinary B shares were cancelled from the total issued share capital. 475,739 Ordinary A shares were allotted as part of a share for share exchange, for consideration amounting to £3,366,160 for the acquisition of 95.15% of the issued equity share capital of Arrinera Automotive Holding S.A. (note 6). 5,070 Ordinary A shares were allotted for consideration of £45,200.

10. RESERVES

	Share premium account £	Profit and loss account £
At 20 November 2013	2,945,980	-
Loss for the period	-	(2,949,854)
At 31 December 2014	<u>2,945,980</u>	<u>(2,949,854)</u>

ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

11. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £
Opening shareholders' funds	-
Loss for the financial period	(2,949,854)
Shares issued during the period	490,580
Share premium on shares issued (net of expenses)	2,945,980
	<u>486,706</u>
Closing shareholders' funds	<u>486,706</u>

12. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £
Operating loss	(16,971)
Increase in other creditors	3,924
Increase in amounts owed to group undertakings	13,188
	<u>141</u>
Net cash inflow from operating activities	<u>141</u>

13. ANALYSIS OF CHANGES IN NET FUNDS

	20 November 2013 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	-	141	-	141
	<u>-</u>	<u>141</u>	<u>-</u>	<u>141</u>
Net funds	<u>-</u>	<u>141</u>	<u>-</u>	<u>141</u>

14. RELATED PARTY TRANSACTIONS

Within other creditors is £13,188 owed to Arrinera S.A, the majority shareholder of the company at the period end. The amount owed relates to invoices paid by Arrinera S.A. on behalf of the company.

At the period end £70,400 was due from Arrinera Automotive S.A., a 95.15% subsidiary of the company. The amount due relates to advances made to Arrinera Automotive S.A. by the company.

15. POST BALANCE SHEET EVENTS

On 10 August 2015 the company de-listed from GXG Markets, a public listing in Denmark.

ARRINERA AUTOMOTIVE HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

16. IMMEDIATE AND ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Arrinera S.A. a company registered in Poland.

The ultimate parent undertaking is Erne Ventures S.A. a company registered in Poland.

The largest group in which these accounts are consolidated is the group headed by Erne Ventures S.A., copies of whose financial statements may be requested from Al. Jana Pawla II 27, 00-867 Warsaw, Poland.

The smallest group in which these accounts are consolidated is the group headed by Arrinera S.A., copies of whose financial statements may be requested from Alfreda Nobla 9/1, 03-930 Warsaw, Poland.

The directors do not consider the company to have an ultimate controlling party,