MSSL Ireland PVT. Limited

Annual Report for the year ended 31 March 2020

ANNUAL REPORT
for the year ended 31 March 2020

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DIRECTORS AND OTHER INFORMATION

DIRECTORS	Vivek Chaand Sehgal - Australian Bimal Dhar - Australian Pankaj Kumar Mital - Indian Anurag Gahlot – Indian Andreas Heuser- German
SECRETARY	Paul Breen
REGISTERED OFFICE	Moyne Lower, Old Dublin Road, Enniscorthy, Co Wexford.
REGISTERED NUMBER	335463
BANKERS	Bank of Ireland, Custom House Quay, Wexford.
AUDITORS	Ernst & Young, Chartered Accountants, The Atrium, Maritana Gate, Canada Street, Waterford.

DIRECTORS' REPORT
for the year ended 31 March 2020

The directors present their report and the financial statements of the company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES
The principal activity of the company is the provision of services in the design of Electrical Distribution Systems (EDS) for the automotive and non-automotive industries.

BUSINESS REVIEW
Both the level of business and the period end financial position were in line with the directors' expectations. The directors are confident that the company will continue trading for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks and uncertainties of the business as perceived by the directors are as follows:

- The company specialises in the design of wiring harnesses and hence its revenues are dependent upon the growth in the businesses of Original Equipment Manufacturers (OEMs) for whose products the harnesses are designed by the company. However, as the company is part of Samvardhana Motherson Group, which is increasing its global presence, the company is confident of the future.
- The design business of the company is highly dependent upon the availability of skilled people and key engineering manpower. However, the company can draw resources from group companies for any urgent needs.
- The group customers as well as the group face competition from low cost countries in view of the recent trend of shifting manufacturing bases to such countries. This may also affect the logistics business of the company. The group has manufacturing facilities in India as well as in the United Arab Emirates and hence offers good solutions to customers.

- *COVID-19 impact*
  - The spread of the COVID-19 outbreak has caused severe disruptions in many economies, including those impacting the company and its customers, which are facing into a recession of an undetermined extent and length.

  - We are closely monitoring the potential impact of COVID-19 on our 2020 financial results and cashflows and have prepared a detailed risk assessment for the company. Our top priority remains the health and safety of our staff and customers.

  - We expect that the most significant potential impact on our financial results and cashflows resulting from COVID-19 will be in relation to supply chain, customer orders, given the wider economic impact of the government restrictions, and order fulfilment.

BUSINESS REVIEW (Continued)

COVID-19 impact (continued)

- Based on information provided by the Government, the HSE, the WHO and also available publicly, we are taking a number of measures to reduce any potential impact, including adjusting outgoings to reflect current demand and preserving cash. Measures have also been taken to ensure operations adhere to current HSE guidelines.

- In terms of impact on risks outlined above, the company has financial resources at its disposal with the availability of group bank facilities; and has considered, through working with customers and suppliers, the ability of customers to honour their obligations and the availability of appropriate supplier credit terms; and as a consequence, the directors believe that the company is well placed to manage the impact of COVID-19 and indeed all of its business risks successfully.

GOING CONCERN

It is our view, to the best of our knowledge, that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern.

The company has financial resources at its disposal with the availability of group bank facilities; as a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources, including the provision of financial support if required, from the parent company which has confirmed its ability to provide such support, to meet its obligations for a period of at least 12 months from the date of approval of the financial statements, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIRECTORS

The names of the persons who were directors of the company who served as directors during the financial year are:

Vivek Chaand Sehgal - Australian
Bimal Dhar – Australian
Pankaj Kumar Mital - Indian
Anurag Gahlot – Indian
Andreas Heuser- German

Mr Andreas Heuser appointed as Director on 31 December 2019 and all other directors served for the entire financial year.

DIRECTORS' REPORT
for the year ended 31 March 2020 (Continued)

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES
The disclosable interests of the directors and secretary in the shares of the ultimate holding company, Motherson Sumi Systems Limited, were as follows:

	2020	*2019*
	Equity shares	*Equity shares*
Directors	*Number*	*Number*
Vivek Chaand Sehgal	73,165,402	73,165,402
Bimal Dhar	341,842	341,842
Pankaj Kumar Mital	99,273	99,273
Anurag Gahlot	24,200	23,000
Andreas Heuser	Nil	

The directors and secretary had no other disclosable interests in the shares of the company or other group companies at 31 March 2020 and 31 March 2019.

DISCLOSURE OF INFORMATION TO AUDITORS
The directors in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

DIVIDENDS
The directors do not recommend the payment of a dividend for the year ended 31 March 2020.

ACCOUNTING RECORDS
The measures taken by directors to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Moyne Lower, Old Dublin Road, Enniscorthy, Co. Wexford.

STATUTORY AUDITORS
The auditors, Ernst & Young, Chartered Accountants and Statutory Audit Firm, will continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the board

Pankaj Kumar Mital
Director

Anurag Gahlot
Director

Date: 05/08/2020

DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended 31 March 2020

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

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

On behalf of the board

Pankaj Kumar Mital
Director

Anurag Gahlot
Director

Date: 05/08/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MSSL IRELAND PVT. LIMITED

Opinion

We have audited the financial statements of MSSL Ireland PVT. Limited ('the Company') for the year ended 31 March 2020, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and Accounting Standards including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Irish Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with Irish Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters, in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate: or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF MSSL IRELAND PVT. LIMITED

Other information

The directors are responsible for the other information. The other information comprises the directors’ report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors’ report is consistent with the financial statements; and

- in our opinion, the directors’ report has been prepared in accordance with Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.
The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors’ remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MSSL IRELAND PVT. LIMITED
Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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.
A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.
This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

James Dower
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm
Waterford, Ireland
Date: 5 August 2020

PROFIT AND LOSS ACCOUNT
for the financial year ended 31 March 2020

	Note	*2020* €	*2019* €
Turnover	5	410,925	382,212
Cost of sales		(340,221)	(323,618)
Gross profit		70,704	58,594
Administrative expenses		(37,407)	(53,044)
Operating profit	6	33,297	5,550
Interest payable and similar charges	8	(278)	(368)
Profit on ordinary activities before taxation		33,019	5,182
Tax on profit on ordinary activities	9	(4,121)	(624)
Profit for the financial year		28,898	4,558

Operating profit arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the profit and loss account that would be required to be included in a statement of comprehensive income.

BALANCE SHEET
as at 31 March 2020

	Note	*2020* €	*2019* €
CURRENT ASSETS			
Debtors	10	419,380	394,190
Cash at bank and in hand		14,411	5,983
		433,791	400,173
CREDITORS (amounts falling due within One year)	11	(46,184)	(41,464)
NET CURRENT ASSETS		387,607	358,709
NET ASSETS		387,607	358,709
CAPITAL AND RESERVES			
Called up share capital presented as equity	13	50,000	50,000
Profit and loss account		337,607	308,709
TOTAL EQUITY		387,607	358,709

Approved by the board on

Pankaj

Pankaj Kumar Mital
Director

Anurag Gahlot
Director

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2020

	Called up share capital presented as equity €	*Profit and loss account* €	*Total* €
Balance at 1 April 2018	50,000	304,151	354,151
Profit for the financial year	–	4,558	4,558
Balance at 31 March 2019	50,000	308,709	358,709
Balance at 1 April 2019	50,000	308,709	358,709
Profit for the financial year	-	28,898	28,898
Balance at 31 March 2020	50,000	337,607	387,607

1 GENERAL INFORMATION

MSSL Ireland PVT. Limited is involved in the provision of services in the design of Electrical Distribution Systems (EDS) for the automotive and non-automotive industries. MSSL Ireland PVT. Limited is incorporated as a company limited by shares in the Republic of Ireland. The address of its registered office is Moyne Lower, Old Dublin Road, Enniscorthy, Co Wexford.

MSSL (GB) Limited, a company incorporated in England, owns 100% of the equity share capital of MSSL Ireland PVT. Limited. These shares were previously held by MSSL Mauritius Holdings Limited, a company incorporated in Mauritius, and transferred to MSSL (GB) Limited on 1 October 2016.

MSSL Ireland PVT. Limited's ultimate parent and ultimate controlling party is Motherson Sumi Systems Limited. Motherson Sumi Systems Limited prepares group financial statements and is both the smallest and largest group for which group financial statements are drawn up and of which MSSL Ireland PVT. Limited is a member. Copies of the Motherson Sumi Systems Limited group financial statements are available at www.motherson.com.

2 STATEMENT OF COMPLIANCE

The financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The financial statements comply with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The financial statements have been prepared on the going concern basis as the directors believe that COVID-19 will not have a material adverse impact on the company's ability to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The company has financial resources at its disposal with the availability of group bank facilities; as a consequence, the directors believe that the company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources, including the provision of financial support if required, from the parent company which has confirmed its ability to provide such support, to meet its obligations for a period of at least 12 months from the date of approval of the financial statements, to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

(b) Disclosure exemptions for qualifying entities under FRS 102

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS 102 3.17(d) of Section 7 from disclosure to prepare a Statement of Cash Flows
- The company has taken advantage of the exemption under FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

(c) Foreign currencies

(i) Functional and presenting currency

The company's functional and presentation currency is the Euro denominated by the symbol "€".

(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 the end of each financial year foreign currency monetary items are translated to Euro 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 exchange rates at the end of the financial year of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(d) Turnover

Turnover represents the value of services performed in Ireland during the financial year at invoiced value, exclusive of value added tax and trade discounts. Where services are performed over time, turnover is recognised as the service is carried out to reflect the company's partial performance of its contractual obligations.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) *Employee benefits*

The company provides a range of benefits to employees, including short term employee benefits such as paid holiday arrangements.

(i) Short term employee benefits

Short term employee benefits, including wages and salaries and paid holiday arrangements are recognised as an expense in the financial year in which employees render the service.

(f) *Income tax*

Income tax expense for the financial year comprises current and deferred tax recognised in the financial year. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred 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 financial year or past financial years. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial year.

The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and is measured on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax is recognised in respect of timing differences, which 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 financial years different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial year with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only 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 end of each financial year end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Leased assets

(i) Finance leases
Finance leases transfer substantially all the risks and rewards incidental to ownership to the lessee.

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

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

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

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

(h) Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost. Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(i) Financial Instruments
The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial Instruments (continued)

(i) Financial assets (continued)
Trade and other debtors and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

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

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

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

(ii) Financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest.

Trade and other creditors and financial liabilities from arrangements which constitute financing transactions 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 creditors are classified as due within one year if payment is due within one year or less. If not, they are presented as falling due after more than one year. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) *Share capital presented as equity*

Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATION UNCERTAINTY

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The directors make estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no 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.

5 TURNOVER

Turnover represents the value of services performed in the Republic of Ireland during the financial year.

6 OPERATING PROFIT

	2020	*2019*
	€	€
Operating profit is stated after charging:		
Operating lease expenses	70,336	55,336
Auditor’s remuneration – audit of accounts	7,987	7,900
Auditor’s remuneration – taxation services	2,000	2,000
Auditor’s remuneration – compliance services	850	850

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

7 EMPLOYEES AND DIRECTORS

(i) Employees
The average number of persons employed by the company during the financial year was:

	Number employed	
	2020	*2019*
Production and distribution	2	2

Staff costs comprise:	*2020* €	*2019* €
Wages and salaries	116,916	111,936
Social insurance costs	12,832	12,173
Staff costs	129,748	124,109

(ii) Directors	*2020* €	*2019* €
Emoluments	-	–

8 INTEREST PAYABLE AND SIMILAR CHARGES	*2020* €	*2019* €
Bank interest and charges	278	368

9 INCOME TAX

(a) Tax expense included in profit or loss	*2020* €	*2019* €
Current tax:		
Irish corporation tax on profit for the financial year	4,121	624
Current tax charge for the financial year	4,121	624

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

9 INCOME TAX (Continued)

(a) *Tax expense included in profit or loss (continued)*	*2020* €	*2019* €
Deferred tax:		
Origination and reversal of timing differences	-	–
Deferred tax charge for the financial year	-	–
Tax on profit on ordinary activities	4,121	624

(b) Reconciliation of tax expense

Tax assessed for the financial year is different than the standard rate of corporation tax in the Republic of Ireland for the financial year ended 31 March 2020 of 12.5% (2019: 12.5%). The differences are explained below:

	2020 €	*2019* €
Profit on ordinary activities before tax	33,019	5,182
Profit multiplied by the standard rate of tax in the Republic of Ireland for the financial year ended 31 March 2020 of 12.5% (2019: 12.5%)	4,127	648
Effects of:		
Depreciation in excess of capital allowances	(6)	(24)
Tax on profit on ordinary activities	4,121	624

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

10	DEBTORS (amounts falling due within one year)	*2020* €	*2019* €
	Amounts due from group companies	412,787	382,328
	Prepayments	6,593	8,583
	Corporation tax	-	3,279
		419,380	394,190

Amounts due from group companies are unsecured, interest free, have no fixed date of repayment and are therefore treated as repayable on demand.

11	CREDITORS (amounts falling due within one one year)	*2020* €	*2019* €
	Trade creditors	16,183	11,217
	Accruals	16,226	20,358
	PAYE/PRSI	10,278	9,889
	Corporation tax	3,497	-
		46,184	41,464

Trade and other creditors are payable at various dates in the three months after the end of the financial year in accordance with creditors usual and customary credit terms.

Certain trade creditors have reserved title to goods supplied. Since the extent to which these creditors are effectively secured at any time depends on a number of conditions, the validity of some of which is not readily determinable, it is not possible to indicate how much of the above amount was effectively secured by reservation of title.

Creditors for tax and social insurance are payable in the timeframe set down in the relevant legislation.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

12 FINANCIAL INSTRUMENTS

	2020	*2019*
	€	€
The company has the following financial instruments:		
Financial assets that are debt instruments measured at amortised cost:		
Amounts due from group companies *(Note 10)*	412,787	382,328
Cash at bank and on hand	14,411	5,983
Financial liabilities measured at amortised cost:		
Trade creditors *(Note 11)*	16,183	11,217

13 SHARE CAPITAL AND RESERVES

	2020	*2019*
	€	€
Equity shares of €10 each:		
Authorised:		
1,000,000 shares (2019: 1,000,000 shares)	10,000,000	10,000,000
Allotted and fully paid - presented as equity:		
5,000 shares (2019: 5,000 shares)	50,000	50,000

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (Continued)

15 CAPITAL AND OTHER COMMITMENTS

(a) The company had no capital commitments at 31 March 2020 and 31 March 2019.

(b) Future minimum lease payments under non-cancellable operating leases at the end of the financial year were:

	2020	*2019*
	€	€
Payments due not later than one year	62,500	62,500
Later than one year and not later Than five years	140,625	203,125
	203,125	265,625

(c) The company had no other off-balance sheet arrangements.

16 RELATED PARTY TRANSACTIONS

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Motherson Sumi Systems Limited group.

17 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 5th August 2020 and were signed on its behalf on that date.

PAGES 23 AND 24 DO NOT FORM PART

OF THE STATUTORY FINANCIAL STATEMENTS

DETAILED TRADING PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2020

	Schedule	*2020* €	*2019* €
Turnover		410,925	382,212
Direct expenses	1	(340,221)	(323,618)
Gross profit		70,704	58,594
Administrative expenses	2	(37,407)	(53,044)
Operating profit		33,297	5,550
Interest payable		(278)	(368)
Profit on ordinary activities before taxation		33,019	5,182

SCHEDULES TO THE DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2020

		2020	2019
1	DIRECT EXPENSES	*2020*	*2019*
		€	€
	Salaries and wages	129,748	124,109
	Depreciation	–	–
	Contractors	120,586	119,992
	Light and heat	5,475	4,120
	Hire charges	6,916	6,916
	Purchases	3,106	8,862
	Rent - factory	62,500	47,500
	Rates	11,459	12,119
	Factory Expenses	431	-
		340,221	323,618

2	ADMINISTRATIVE EXPENSES	*2020*	*2019*
		€	€
	Canteen expenses	2,432	2,431
	Cleaning and waste disposal	5,295	4,935
	Insurance	5,859	9,641
	Hire charges	920	920
	Miscellaneous expenses	698	11,986
	Printing, postage and stationery	2,407	2,472
	Repairs and maintenance	1,927	1,222
	Telephone	1,944	2,146
	Audit and professional fees	15,811	15,899
	Light and heat	114	1,392
		37,407	53,044