Registered number: 00290012

APOLLO TYRES (UK) SALES LTD.

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2023

COMPANY INFORMATION

Directors	V K Mittal B R M Rivallant
Company secretary	Vistra Cosec Limited
Registered number	00290012
Registered office	1 Beechwood Cherry Hall Road Kettering Business Park Kettering NN14 1UE
Independent auditor	Cooper Parry Group Limited Statutory Auditor Sky View Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA

CONTENTS

APOLLO TYRES (UK) SALES LTD.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

Apollo Tyres (UK) Sales Ltd. is a subsidiary of Apollo Tyres NL B.V, a company registered in the Netherlands and ultimately owned by Apollo Tyres Ltd, a listed multinational organisation and a global tyre manufacturer headquartered in Gurgaon, India.

Apollo Tyres (UK) Sales Ltd. engages in the marketing, sales and distribution of rubber tyres and tubes, imported from the Apollo group of companies.

Business review

The company continues to trade successfully and the directors are fully committed to the growth plan of the business, by continuing their long term investment strategy for the foreseeable future. This investment includes marketing and promotion of both the Apollo and Vredestein brands in the PCT, OHT and TBR markets. The directors believe that by successfully executing the strategy, the company will increase sales, market share and profitability.

The company's turnover during the year is £17,847,022 (2022: £19,103,644). The sale declined majorly in the TBR category, where the growth remains poor due to low wholesale business. Also, the general UK market has gone down by 10%, leading to an extra impact. In the case of the PCT category, the situation has started to improve for new orders made by customers in the later stages of the year. Further, we are in discussions with some prospective customers to improve the situation. For the OHT category, corrective actions were already taken, and we are on track.

The company remains profit making during the year, with a profit after tax of £118,729 (2022: £245,392).

Principal risks and uncertainties

The directors consider the principal risks and uncertainties faced by the company are in the following categories:

Economic risk

The risk of exchange rate changes particularly between Pound Sterling and the Euro having an adverse impact on the cost of finished goods. These risks are mitigated by using both Pound Sterling and Euro Bank accounts.

Competition and supply risk

The directors of the company manage competition risk through excellent customer service and the continuous innovation and development of new products. The company works closely with the parent company, upon whom it relies on for timely delivery of innovative and competitive product lines.

Financial risks

The company has budgetary and financial reporting procedures, supported by appropriate key performance indicators to manage credit, liquidity and other financial risks. There were no transactions of a speculative nature undertaken. The main risks arising from the company are credit and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below:

Credit risk

The company’s principal financial assets are cash and trade debtors. The credit risks associated with cash is minimal as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk therefore arises from its trade debtors. In order to manage this credit risk, the directors set limits based on a combination of third-party credit insurance cover, customers credit rating obtained from third-party credit agencies and the customer’s payment history with the company. Credit limits are reviewed by the Finance Manager on a regular basis in conjunction with the ageing of the debt and collection history.

Liquidity risk

The company manages its liquidity risk by using liquidity ratios and other accounting techniques to ensure that there are sufficient resources available to meet its foreseeable financial obligations.

Financial key performance indicators

The company monitors its performance by reviewing its turnover and profit before tax for the financial year.

DocuSigned by:
Vishal kumar Mittal
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V K Mittal
Director

Date: 28 April 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Results and dividends

The profit for the year, after taxation, amounted to £118,729 (2022: £245,392).

The directors have not recomended payment of dividend in the year (2022: £Nil).

Directors

The directors who served during the year were:

V K Mittal
B R M Rivallant

Strategic report

The company has chosen in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out in the company's strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Schedule 7 to be contained in the directors' report.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the 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 auditors are aware of that information.

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

DocuSigned by:
Vishal Kumar Mittal
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V K Mittal
Director

Date: 28 April 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO TYRES (UK) SALES LTD.

Opinion

We have audited the financial statements of Apollo Tyres (UK) Sales Ltd. (the 'company') for the year ended 31 March 2023, which comprise the profit and loss account, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable Law. Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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.

Our assessment focused on key laws and regulations the company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularity included, but was not limited to, the following:

- an understanding of the legal and regulatory framework applicable to the entity and how the entity is complying with that framework, including a review of legal and professional nominal codes;
- obtaining an understanding of the entity’s policies and procedures and how the entity has complied with these through discussions and a walkthrough test of controls;
- designing our audit procedures to respond to our risk assessment; and
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias, such as the stock provision.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquires of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

While considering how audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities from fraud are inherently more difficult to detect than those ariisng from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occuring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO TYRES (UK) SALES LTD. (CONTINUED)

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Cooper Parry Group Limited

Steven Ellis (Senior Statutory Auditor)

for and on behalf of
Cooper Parry Group Limited

Statutory Auditor

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Date: 28/04/2023

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	3	17,847,022	19,103,644
Cost of sales		(14,711,585)	(16,014,015)
Gross profit		3,135,437	3,089,629
Distribution costs		(634,074)	(595,374)
Administrative expenses		(2,338,955)	(2,192,785)
Operating profit	4	162,408	301,470
Interest receivable		-	31
Interest payable		(7,754)	(10,354)
Profit before tax		154,654	291,147
Tax on profit	7	(35,925)	(45,755)
Profit after tax		118,729	245,392
Retained earnings at the beginning of the year		298,309	52,917
Profit for the year		118,729	245,392
Retained earnings at the end of the year		417,038	298,309

There were no recognised gains and losses for 2023 or 2022 other than those included in the profit and loss account.

The notes on pages 11 to 19 form part of these financial statements.

APOLLO TYRES (UK) SALES LTD.
REGISTERED NUMBER: 00290012

BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	8		566		1,577
Current assets					
Stocks	9	1,735,903		1,333,105	
Debtors: amounts falling due within one year	10	4,674,307		4,654,409	
Cash at bank and in hand		261,172		1,087,041	
		6,671,382		7,074,555	
Creditors: amounts falling due within one year	11	(4,003,910)		(4,526,823)	
Net current assets			2,667,472		2,547,732
Total assets less current liabilities			2,668,038		2,549,309
Net assets			2,668,038		2,549,309
Capital and reserves					
Called up share capital	13		1,001,000		1,001,000
Capital redemption reserve	14		1,250,000		1,250,000
Profit and loss account	14		417,038		298,309
Shareholders' funds			2,668,038		2,549,309

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

DocuSigned by:
Vishal kumar Mittal
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V K Mittal
Director

Date: 28 April 2023

The notes on pages 11 to 19 form part of these financial statements.

1. Accounting policies

1.1 Basis of preparation of financial statements

Apollo Tyres (UK) Sales Ltd. is a limited liability company incorporated and domiciled in the United Kingdom. The address of the registered office is shown on the company information page.

The financial statements are prepared in Pound Sterling (£), which is the company's presentational and functional currency. The financial statements are for the year ended 31 March 2023 (2022: year ended 31 March 2022).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to excercise judgement in applying the company's accounting policies (see note 2).

The following accounting policies have been applied consistently throughout the year:

1.2 Disclosure exemptions

The company has adopted the following disclosure exemptions:

Under FRS 102 section 1.12, the company is exempt from the requirement to prepare a statement of cash flows on the grounds that its ultimate parent company, includes the company's cash flows in its own published consolidated financial statements.

The entity is a 'qualifying entity' and has also taken advantage of the exemption from disclosing key management personnel (other than directors emoluments) under FRS 102 section 1.12.

As the company is a wholly owned subsidiary of Apollo Tyres Limited, the company has taken advantage of the exemption contained in section 33 of FRS 102 and has therefore not disclosed transactions or balances with entities which form part of the group.

1.3 Going concern

At the balance sheet date, the company had a strong cash balance and net current asset position. At the time of signing these accounts, the directors have considered the going concern position, and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these accounts.

On that basis, the directors have prepared these financial statements on a going concern basis.

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised on delivery of goods when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Fixtures and fittings	- 3 to 8 years on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

1. Accounting policies (continued)

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the profit and loss account.

1.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans with related parties.

All financial assets and liabilities are initially measured at transaction price subsequently at amortised cost.

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

1.8 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.9 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within admin expenses.

1.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

1. Accounting policies (continued)

1.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The company makes estimates and assumptions concerning the future. Management are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements 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.

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.

Carrying value of stocks

Management review the market value of and demand for its stocks on a periodic basis to ensure stock is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

3. Turnover

Turnover and profit before tax of the company is attributable to its principal activity.

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets	1,011	1,796
Exchange differences	(64,228)	18,361
Other operating lease rentals	143,773	137,353
Auditor's remuneration	19,295	15,950

5. Directors remuneration

The directors did not receive any remuneration during the year (2022: £Nil). Directors' remuneration is borne by other group companies.

6. Staff costs

Staff costs were as follows:

	2023 £	2022 £
Wages and salaries	732,788	746,916
Social security costs	82,294	65,196
Pension costs	81,151	67,414
	896,233	879,526

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

	2023 No.	2022 No.
Sales and marketing	14	14
Administration	1	1
	15	15

7. Taxation

	2023 £	2022 £
Current tax		
UK corporation tax charge on profit for the year	23,811	68,458
Adjustments in respect of prior periods	(12,861)	17
Total current tax	10,950	68,475
Deferred tax		
Origination and reversal of timing differences	6,098	(16,423)
Adjustment in respect of prior periods	16,951	-
Tax rate changes on opening balances	1,926	(6,297)
Total deferred tax	24,975	(22,720)
Tax on profit	35,925	45,755

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	154,654	291,147
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2022: 19%)	29,384	55,318
Effects of:		
Expenses not deductible for tax purposes	525	659
Adjustments to tax charge in respect of previous period - corporation tax	(12,861)	17
Adjustments to tax charge in respect of previous period - deferred tax	16,951	-
Remeasurement of deferred tax for changes in tax rates	1,926	(10,239)
Total tax charge for the year	35,925	45,755

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 April 2022	127,653
Disposals	(16,669)
At 31 March 2023	110,984
Depreciation	
At 1 April 2022	126,076
Charge for the year	1,011
Disposals	(16,669)
At 31 March 2023	110,418
Net book value	
At 31 March 2023	566
At 31 March 2022	1,577

9. Stocks

	2023 £	2022 £
Finished goods and goods for resale	1,735,903	1,333,105

10. Debtors

	2023 £	2022 £
Trade debtors	4,335,371	4,368,142
Other debtors	174,023	38,553
Prepayments and accrued income	147,225	205,051
Deferred taxation	17,688	42,663
	4,674,307	4,654,409

11. Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	207,879	171,099
Amounts owed to group undertakings	2,735,845	3,055,453
Corporation tax	10,968	68,475
Other taxation and social security	598,143	694,012
Other creditors	322,913	242,363
Accruals and deferred income	128,162	295,421
	4,003,910	4,526,823

12. Deferred taxation

	2023 £
At beginning of year	42,663
Charged to the profit and loss account	(24,975)
At end of year	17,688

The deferred tax asset is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	1,902	2,098
Short term timing differences	15,786	40,565
	17,688	42,663

13. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,001,000 Ordinary shares of £1.00 each	1,001,000	1,001,000

14. Reserves

Share capital

Share capital represents the nominal value of shares that have been issued.

Capital redemption reserve

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account

The profit and loss account includes all current and prior periods retained profits and losses less dividends.

15. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension charge represents contributions payable by the company to the fund and amounted to £81,151 (2022: £67,414). Contributions totalling to £9,546 (2022: £9,251) were payable to the fund at the balance sheet date and are included in the creditors.

16. Operating lease commitments

At 31 March 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Within 1 year	54,041	109,172
Between 2 and 5 years	39,228	17,777
	93,269	126,949

17. Ultimate parent undertaking and controlling party

The immediate parent company is Apollo Tyres NL B.V, a company registered in The Netherlands. The company is controlled by Apollo Tyres Limited, a company registered in India, the ultimate parent undertaking.

The smallest and largest group where group accounts are prepared are Apollo Tyres NL B.V and Apollo Tyres Limited respectively.

The consolidated accounts of Apollo Tyres Limited are available to the public on its website www.apollotyres.com/en-gb/ or can be obtained from its registered office, 3rd Floor, Areekal Mansion, Panampilly Nagar, Kochi 682036, Kerala, India.