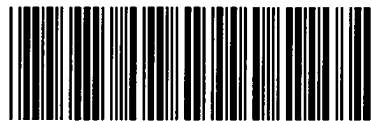


Registered number: 03226333

Dunlop Aircraft Tyres Limited  
Annual report and financial statements  
for the year ended 31 December 2021

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# **Dunlop Aircraft Tyres Limited**

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# **Dunlop Aircraft Tyres Limited**

## **Company information**

### **Directors**

S McKenna  
S Dhawan  
A Thompson  
A Goodier  
S Brady  
S Bentzen  
S Ray  
A Amadeo

### **Company Secretary**

S Ray

### **Registered number in England & Wales**

03226333

### **Registered office**

40 Fort Parkway  
Birmingham  
B24 9HL

### **Banker**

Royal Bank of Scotland

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Chamberlain Square  
Birmingham  
B3 3AX

# Dunlop Aircraft Tyres Limited

## Strategic report for the year ended 31 December 2021

### Business review

The profit before tax amounted to £2,204,000 (2020: loss before tax £4,319,000).

Turnover for the financial year amounted to £41,394,000 (2020: £42,453,000), representing a decrease of 3% year on year.

The financial performance in 2021 has been significantly impacted by the COVID 19 pandemic that has severely impacted the amount of civil aviation air traffic. However, the development of new business in the freighter sector in recent years successfully provided a robust revenue stream and the supply of aircraft tyres to the military sector has been less affected by the pandemic.

The retread processing and new tyre distribution facility owned by Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited, a 63% owned investment in China, is an important strategic investment supporting the global expansion of the Company, providing an important gateway to the growing Asia Pacific region.

Gross profit of the Company grew to £14,312,000 (2020: £10,812,000).

The overall operating profit in 2021 was £3,056,000 (2020: operating loss £3,998,000).

The Company has maintained its commitment to product development, both for new products, such as radial tyres, and improvements to existing products. Capital expenditure (including intangible spend) in the year totalling £2,151,000 (2020: £1,607,000) has increased in the year by 34%.

At 31 December 2021, total equity amounted to £69,116,000 (2020: £67,945,000) and cash at bank and in hand at the end of 2021 was £4,714,000 and an overdraft of £109,000 (2020: cash at bank £4,604,000 and overdraft of £93,000).

### Principal risks and uncertainties

The Company faces four main areas of risk and uncertainty, namely strategic, commercial, operational and financial. The Board, which meets on a monthly basis, reviews and considers these key risks as an integral part of its normal business.

#### Strategic risk

The Company trades on a global basis and does not have any significant exposure to one particular regional or national market, nor does any one customer make up a significant proportion of the Company's turnover or operating profit. The Company's future trade is somewhat dependent upon global economic performance and the resultant changes in the aviation industry.

The adverse impact on the civil aviation sector of the COVID 19 pandemic has been far reaching but there is now the visibility of an expected recovery in a number of regions.

#### Commercial risk

The Company's continued commitment to research and development ensures that new products are continually added to the range. The Company ensures that new product development is completed to a standard which allows it to undertake volume manufacturing, and to produce products against the high reliability and safety criteria demanded in the aviation industry.

## **Strategic report for the year ended 31 December 2021 (continued)**

### **Operational risk**

#### ***Health & safety***

The nature of the Company's manufacturing activities is such that the Company considers health and safety to be a key area of focus in managing risk. Accordingly, health and safety is included on the agenda for discussion at the monthly Executive Committee meeting and continues to involve a cross section of the workforce on a regular basis.

#### ***Business interruption***

The Company recognises that a significant incident at its Erdington site could result in the business being inoperable for a period of time. Crisis management and business recovery procedures are in place to prevent or mitigate any interruptions.

### **Financial risk**

#### ***Price risk***

The Company operates in a number of different markets with a wide range of customers. Market practices differ but wherever possible the Company seeks to obtain an agreed contractual price adjustment that may match the price movements of natural rubber, its primary raw material. Primary raw material costs are fixed for a period of time ranging from 3 to 12 months, dependent upon particular suppliers and market conditions at the time of negotiation. Electricity and gas prices are contracted on a forward basis to mitigate the risk of significant short term volatility.

#### ***Credit risk***

The Company seeks to insure its receivables relating to sales wherever possible via a third party credit insurance agency.

In circumstances where credit insurance is not available, the directors' will assess a wide range of factors and circumstances before offering credit terms and these are closely monitored on an ongoing basis.

#### ***Liquidity risk***

Liquidity risk is managed on a Group basis. Cash management reviews are performed on a daily basis supported by a rolling 13-week cash forecasting process together with the wider business quarterly forecasting and annual Budget processes.

The group has recently extended its senior financing arrangement for a period of three years while securing refinancing for its working capital requirement by way of asset-based facilities with Leumi ABL. Additionally, the shareholder have invested further share capital.

As a consequence of the above actions, it is considered that the group has adequate liquidity available based upon current forecasts.

#### ***Foreign exchange risk***

The Company typically exports approximately 90% of its products overseas and a large proportion of this turnover is denominated in either US Dollars or Euros. The majority of the Company's costs are Sterling denominated, although some raw materials are purchased in Euros. Consequently, surpluses are generated in US Dollars and, to a lesser extent, Euros. Wherever possible, these surpluses are used to pay overseas suppliers. Thereafter, the Company uses financial instruments to manage the foreign exchange risk and details of these can be found in note 24.

## Strategic report for the year ended 31 December 2021 (continued)

### **Interest rate cash flow risk**

Interest rate cash flow risk is managed on a Group basis and financial instruments are used to mitigate the risks identified where considered appropriate. No financial instruments to manage the interest rate risk were in place at 31 December 2021.

### **Brexit risk**

Some of the practical effects of Brexit remain uncertain. Sales to countries in the European Union, but excluding the UK, comprise approximately 20% of total sales. Brexit did result in some minor disruptions on the movement of goods between the UK and the EU but these have not had a significant impact on the business. The Company is part of a global group with facilities in the USA and China which would allow the movement of goods to the EU from these facilities if necessary.

A significant proportion of our sales are exported and priced in US dollars and Euros. Sterling weakness against other currencies, particularly US dollars, therefore has a net beneficial impact on the business although short term volatility is managed via foreign currency hedging policies.

The majority of raw materials are procured from within the UK or none EU countries. The main raw material supply risk would relate to practical delays and increased administration on the transportation of non-UK supplied materials across borders. The workforce in the UK are predominantly UK Nationals.

### **Financial key performance indicators**

The Company's strategy is underpinned by focusing on a number of key performance indicators.

### **Sales and gross margin**

The moving annual totals ("MAT's") for sales, gross margin and gross margin % looks at the trend in these categories for the preceding 12 months up to the reporting date. They are updated monthly.

	2021	2020
Moving annual total – sales £'000	41,394	42,453
Moving annual total – gross margin £'000	14,312	10,812
Moving annual totals – gross margin %	34.6	25.5

### **Earnings before interest, tax, depreciation and amortisation and exceptional items**

The Board considers that the EBITDA number is an important indicator of underlying profit and free cash flow.

	2021	2020
EBITDA - £'000	5,864	648
Interest	(852)	(321)
Tax	(1,033)	203
Amortisation	(170)	(338)
Depreciation	(2,638)	(2,412)
Profit / (Loss) for the financial year	1,171	(2,423)

As was indicated above in the Gross Margin section, the business has strengthened. There have been a number of notable improvements in efficiency measures and the business is well placed to benefit from a recovery in volume.

## Strategic report for the year ended 31 December 2021 (continued)

### **Debtor days**

The number of days sales in trade debtors is one part of a number of statistics used to monitor trade working capital (see also below):

	2021	2020
No of days sales in debtors	46	33

The number of debtor days has increased by 38%. The increase can be related to an increase in sales as the aviation industry began to adapt to the pandemic. This has led to trade debtors increasing by 35% in comparison to last year. It should be noted that due to some of the credit risks caused by the pandemic, some customers have been moved to cash-in-advance.

### **Trade working capital as a percentage of the sales moving annual total**

Trade working capital is defined as trade debtors less trade creditors (including some trade related accruals) plus stock. Maintaining the correct level of working capital is vital to ensure customer service levels are maintained while managing the overall financial position within prudent limits.

	2021	2020
Trade working capital as a percentage of sales (%)	14	18

Trade working capital as a proportion of turnover has remained the same.

### **Other non-financial indicators**

There are also various non-financial indicators that are monitored for a number of reasons including reportable injuries, diseases and dangerous occurrences ("RIDDOR") or near accidents and number of days lost through absence. However, these are not published here as they do not impact directly on the financial results.

## **Strategic report for the year ended 31 December 2021 (continued)**

### **Statement by the Directors on performance of their statutory duties in accordance with s172 (1) Companies Act 2006**

The Board of Directors of the Company have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company and the Group for the benefit of its members as a whole in the decisions taken during the year ended 31 December 2021.

#### ***Overview of how the Board performed its duties***

The Board sets out its vision for the long term, to be the first choice supplier of aircraft tyres, and then sets its strategic objectives, five year plan and annual budgets to help achieve that goal. More detailed objectives will be set and delegated to the appropriate level in the business, with these objectives being formally reviewed and re-prioritised on a quarterly basis.

Building on the investment in geographic expansion made in recent years, particularly in Mocksville, US the business is now better positioned to service global supply contracts. The impact of the pandemic on the business has created its challenges with the Board having to regularly assess the impact on sales volume combined with the likely timing of a recovery in the civil aviation market. The full Board formally meets four times per annum (January, April, July and October) with Operating Reviews involving the majority of the Board taking place one per month in the months when there isn't a formal meeting. The January Board meeting would formally approve the Budget for the year, taking into account the final results of the year just completed, with members of the Board actively participating in Budget reviews taking place ahead of this final approval process. The Board includes representatives of the shareholders.

The executive Senior Leadership Team work closely together and once per week review progress against the detailed quarterly objectives, agreeing appropriate involvement / intervention as necessary. Key Performance Indicators are used to monitor progress and these are part of the weekly review process.

#### ***Our people***

When it comes to the interests of our employees, we aim in our approach to be a socially responsible employer. The pay and benefits scheme is designed to ensure a professional and uniform approach across the business. We manage our employees' performance, striving to provide an environment that enables development and progression, whilst ensuring we operate as efficiently as possible. The health, safety and well-being of our employees is one of our primary considerations in the way we do business.

The Senior Leadership Team works closely with the Trade Union and employee representatives (including a Works Council in the UK) to ensure that employee views and recommendations are fully taken into account.

The company runs a 360 degree performance appraisal system and regular undertakes employee engagement via a Climate Index system to monitor progress and identify areas of improvement. The Climate Index was established in the UK business but has now been rolled out to our sites in China and USA.

#### ***Culture, values and standards***

Culture, values and standards underpin how a company creates and sustains value over the longer term. They are key elements of how high standards of business conduct are maintained. The standards set by the Board mandate certain requirements and behaviours with regards to the activities of its directors, employees and others associated with it.

The business operates an Internal Occurrence Reporting process for employees to report any concerns and additionally there is a separate whistleblowing policy & process.

## Strategic report for the year ended 31 December 2021 (continued)

### ***Business relationships***

Our strategy focuses on quality and growth, working closely with customers and suppliers. Developing strong and long term relationships with our customers is important and in recent years a growing proportion of our sales are secured by multi-year contracts.

We work closely with our suppliers to maintain and develop raw materials that meet the quality needs and product performance requirements of our customers. The critical importance of this in the context of aircraft tyre performance cannot be under estimated.

### ***Risk Management***

The Board and the executive Senior Leadership Team regularly review the risks that the company faces, recognising the importance of effectively identifying, evaluating, managing and mitigating the risks that we face.

Details of our principal risks and uncertainties, together with how we manage those risks, are reported upon separately within the Strategic Report.

This report was approved by the board on 04 October 2023 and signed on its behalf.

DocuSigned by:  
  
DD4D138A9C9E4F9...  
**Susan McKenna**  
**Director**

# Dunlop Aircraft Tyres Limited

## Directors' report for the year ended 31 December 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

### Principal activities

The Company's principal activity during the year continued to be the manufacture and retreading of bias and radial aircraft tyres.

### Results

The profit for the financial year amounted to £2,204,000 (2020: loss £3,756,000).

### Directors

The directors of the Company who served during the year or were in office up to the date of signing the financial statements were:

S McKenna - appointed on 20<sup>th</sup> January 2023

S Dhawan - appointed on 17<sup>th</sup> April 2023

A Thompson

A Goodier

S Brady

S Bentzen

S Ray

A Amadeo

G Roper – Resigned 31 January 2023

### Future developments

The civil aviation sector continues to be adversely affected by the COVID 19 pandemic. The Company's turnover remained consistent in comparison to 2020 and they also produced a profit. Pricing remains competitive in all of the Group's markets and, as expected, there are some signs of upward pressure on the price of certain raw materials and evidence of some cost inflation. The Group continues to hedge its foreign currency exposure in order to manage the risks associated with servicing a global customer base.

### Research and development activities

The directors consider that product development and innovation play an important role in the Company's future and, accordingly, will continue to further the Company's research and development programmes, including new design enhancements, development of materials and process improvements.

### Dividends

The directors do not recommend a dividend (2020: £nil) and no further dividends have been proposed.

### Going concern

An overview of the business activities of Dunlop Aircraft Tyres Limited, including a review of the key business risks that the Company faces, is given in the Strategic Report on page 2 to 4.

As explained in the Strategic report, 2021 presented several challenges which have been successfully overcome in the year. The business has refinanced its debt, repaying the Natwest bank debt, while raising fresh debt under a new ABL arrangement. The business has also rolled over its current senior lending facility, including interest and raised fresh equity, providing sufficient headroom under its financing facility.

We have continued to work proactively to improve costs and working capital management in the period. This has led to greater operational flexibility within the business. A key focus has been on improving

# **Dunlop Aircraft Tyres Limited**

## **Directors' report for the year ended 31 December 2021 (continued)**

sourcing and supply chain efficiency, and it is pleasing to note improvement in sourcing of key material costs as well as significant reduction in its air freight costs.

The Directors have prepared trading and cash flow forecasts for the 12-month period from the date of approval of these financial statements. These show that the Company has sufficient financial resources to meet its obligations as they fall due for the period of at least 12 months from the date of these financial statements. The forecasts make assumptions in respect of future market conditions and customer programme requirements and price changes. The forecasts take into account some variability of potential outcomes, to an extent which the Directors consider represents their best estimate of the future based on the information that is available to them at the time of approval of these financial statements.

The Directors have also prepared a downside forecast which incorporates certain adverse sensitivities which the Directors consider may potentially impact cash flows over the period of the forecast, including any downside risk on the sales or excess costs due to abnormal inflation. If these downsides materialise, the Directors have considered the mitigating actions that could be taken, including further reductions in the Company's cost base to ensure its ability to continue as a going concern.

The Directors are of the view that they can therefore conclude that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they can continue to adopt the going concern basis in preparing the financial statements.

### **Employee involvement**

The Company recognises that its employees are a key part of the business and strives to provide employees with information on matters of concern to them as employees.

Consultation, as appropriate, is undertaken with either the whole workforce or representatives from it so that the views of employees can be taken into account in making decisions which are likely to affect them.

During the year, the Company carried out regular briefings to achieve a common awareness of all employees to the financial and economic factors that affect the performance of the Company. In addition, a monthly letter is circulated to all employees providing an update on key events.

### **Disabled employees**

The Company is an equal opportunities employer and, as such, gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. In addition, the Company recognises the need to continue the employment of and to arrange appropriate training for, employees who have become disabled during the period they are employed by the Company and to ensure fair treatment in terms of training, career development and promotion of disabled employees.

### **Qualifying third party indemnity provisions**

All directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of signing this report.

### **Matters covered in the strategic report**

The business review, principal risks and uncertainties and financial key performances indicators are covered in the Strategic Report.

### **Energy & Carbon Report**

#### **Scope of emissions included in this report**

Electricity, natural gas and direct transport mileage.

# Dunlop Aircraft Tyres Limited

## Directors' report for the year ended 31 December 2021 (continued)

### Methodology

This report is aligned with the GHG Protocol methodology. The GHG Protocol establishes comprehensive global standardised frameworks to measure and manage greenhouse gas (GHG) emissions from private and public sector operations, value chains and mitigation actions. The framework has been in use since 2001, and forms a recognised structured format, to calculate a carbon footprint.

### Emissions factors applied

DEFRA 2019.

### Annual Energy Usage

Electricity consumption during 2021 was 4,994,059 kWh.

Natural Gas consumption during 2021 was 22,449,052 kWh

Direct transport consumption during 2021 was 10,172kWh

### Emissions Performance (tCO<sub>2</sub>e)

Scope 1 emissions during 2021 were 4,131 tCO<sub>2</sub>e.

Scope 2 emissions for 2021 were 1,164 tCO<sub>2</sub>e

### Intensity Ratio Performance

	kWh Energy Consumed YTD				tCO <sub>2</sub> e Emitted YTD				Intensity Ratio
	Electricity	Natural Gas	Transport	Total	Scope 1	Scope 2 (LB)	Scope 3	Scope 1+2	
2021	4,994,059	22,449,052	10,172	27,453,283	4,131	1,164	-	5,295	128.0
2020	5,013,839	25,835,834	9,058	30,858,731	4,752	1,282	-	6,034	142.0

Intensity Ratio Used tCO<sub>2</sub>e/£m

### Annual Energy Efficiency Statement

Dunlop Aircraft Tyres Limited have implemented the following improvements for the period 2019 through to 2021

#### Main Process Boilers

The company uses approximately 10Kg per hour of dry steam produced at 10.5bar. In 2020 we replaced two of our old Beel Minster 6,000Kg / hour boilers with new Cochran Equinox units rated at 7,000/Kg / hour. The Cochran ST37LN steam package boilers have been designed to achieve 100mg/Nm<sup>3</sup> NO<sub>x</sub> emissions for Natural gas firing, each boiler supplied with flue gas economiser to maximise efficiency providing Nett. efficiency up to 95% based on EN12953 calculations.

#### Lighting Improvements

Dunlop Aircraft Tyres commenced a program in 2019 to replace all of its internal and external lighting with high efficiency LED fittings. The majority of our factory lighting was achieved using 5' twin fluorescent fittings.

# Dunlop Aircraft Tyres Limited

## Directors' report for the year ended 31 December 2021 (continued)

### New Extruder

Dunlop Aircraft Tyres are at present completing the installation of a new duplex cold feed extrusion line replacing a 1950's hot feed line fed from three open mills. This extruder is still not being utilised as it is awaiting Process engineering to complete trials. The efficiency of this line will be considerably improved as the new system does not require open mills. As our current heaviest consumer of electricity, we expect over £100,000 per year in energy savings.

### New Factory Roof Cladding.

Dunlop Aircraft Tyres have started a process of completely renovating the roof cladding to provide a much improved and fully insulated roof, which will not only improve working conditions but will reduce the amount of energy required to heat the factory. Currently 4 bays have been completed and this equates to approximately 18% of the roof. This will continue in 2022.

### **Financial risk management**

Financial risk management has been detailed in the Strategic report.

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

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

### **Directors' confirmations**

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

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

# Dunlop Aircraft Tyres Limited

## Directors' report for the year ended 31 December 2021 (continued)

they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Disclosure of information to auditor

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

### Post Balance sheet events

The company through its parent has recently completed its refinancing facility under an asset-based lending arrangement with Leumi ABL. The parent group has also extended its senior financing facilities for a period of three years. In addition to this, existing shareholders have put a fresh injection of £11.8m during the current year.

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

This report was approved by the board on 04 October 2023 and signed on its behalf.

DocuSigned by:  
  
CA83802E5F7433...  
**S Dhawan**  
**Director**

**40 Fort Parkway**  
**Birmingham**  
**B24 9HL**

# Independent auditors' report to the members of Dunlop Aircraft Tyres Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Dunlop Aircraft Tyres Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

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

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

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

## **Reporting on other information**

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

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

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

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

### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety legislation, product specification requirements and employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as taxation legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue and profits, extraction of cash and the manipulation of accounting estimates and judgements which could be subject to management bias. Audit procedures performed by the engagement team included:

- Understanding and evaluating the key elements of the company's internal controls related to estimates;
- Reviewing accounting estimates for management bias and validating support behind assumptions and judgments made by management, including challenging possible alternatives;
- Reviewing minutes of meetings of those charged with governance to identify any inconsistencies with other information provided by management;
- Identifying and testing journal entries relating to unusual account combinations to revenue and cash; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

### Use of this report

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

### Other required reporting

#### Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.



Matt Palmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
04 October 2023

# Dunlop Aircraft Tyres Limited

## Profit and loss account for the year ended 31 December 2021

All amounts are in £ thousands unless otherwise stated

	Note	2021	2020
		Total	Total
<b>Turnover</b>	5	41,394	42,453
Cost of sales		(27,082)	(31,641)
<b>Gross profit</b>		14,312	10,812
Distribution costs		(4,467)	(5,896)
Administrative expenses		(7,030)	(11,070)
Other operating income	6	241	2,156
<b>Operating profit / (loss)</b>	7	3,056	(3,998)
Interest payable and similar expenses	11	(852)	(321)
<b>Profit / (Loss) before taxation</b>		2,204	(4,319)
Tax on (loss) / profit	12	(1,033)	563
<b>Profit / (Loss) for the financial year</b>		1,171	(3,756)

The notes on pages 19 to 39 form part of these financial statements.

# Dunlop Aircraft Tyres Limited

## Balance Sheet as at 31 December 2021

All amounts are in £ thousands unless otherwise stated

	Note	2021	2020
<b>Fixed assets</b>			
Intangible assets	13	4,678	3,834
Tangible assets	14	17,958	19,459
Investments	15	2,575	2,575
		<b>25,211</b>	<b>25,868</b>
<b>Current assets</b>			
Stocks	16	9,329	9,722
Debtors (including £35,375,768, (2020: £33,387,000) due after more than one year)	17	67,155	58,517
Cash at bank and in hand		4,714	4,604
		<b>81,198</b>	<b>72,843</b>
<b>Creditors: amounts falling due within one year</b>	18	<b>(29,966)</b>	<b>(17,567)</b>
<b>Net current assets</b>		<b>51,232</b>	<b>55,276</b>
<b>Total assets less current liabilities</b>		<b>76,444</b>	<b>81,144</b>
<b>Creditors: amounts falling due after more than one year</b>	19 and 20	<b>(4,456)</b>	<b>(11,057)</b>
<b>Provisions for liabilities</b>			
Deferred tax	21	(2,717)	(1,670)
Other provisions	22	(155)	(472)
<b>Net assets</b>		<b>69,116</b>	<b>67,945</b>
<b>Capital and reserves</b>			
Called up share capital	24	3,617	3,617
Share premium account		8,448	8,448
Capital redemption reserve		175	175
Other reserves		-	138
Profit and Loss Account		56,876	55,567
<b>Total equity</b>		<b>69,116</b>	<b>67,945</b>

The notes on pages 19 to 39 are an integral part of these financial statements.

The financial statements on pages 16 to 39 were authorised for issue by the board and were signed on its behalf on 04 October 2023.

DocuSigned by:

*Shashank Dhawan*

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**S Dhawan**

**Director**

**Dunlop Aircraft Tyres Limited (Registered number: 03226333)**

# Dunlop Aircraft Tyres Limited

## Statement of changes in equity for the year ended 31 December 2021

All amounts in £ thousands unless otherwise stated

	Called up share capital	Share premium account	Capital redemption reserve	Other Reserves	Profit and Loss Account	Total
<b>Balance as at 1 January 2021</b>	<b>3,617</b>	<b>8,448</b>	<b>175</b>	<b>138</b>	<b>55,567</b>	<b>67,945</b>
Profit for the year	-	-	-	-	1,171	1,171
Transfer Other reserves to Profit and loss account	-	-	-	(138)	138	-
<b>Balance as at 31 December 2021</b>	<b>3,617</b>	<b>8,448</b>	<b>175</b>	<b>-</b>	<b>56,876</b>	<b>69,116</b>

The notes on pages 19 to 39 are an integral part of these financial statements.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 1. General information

Dunlop Aircraft Tyres Limited ("the Company") is a private company limited by shares and incorporated in United Kingdom (England and Wales). The Company designs, manufactures and sells aircraft tyres. The Company has a manufacturing plant in the UK and a subsidiary in the People's Republic of China and sells its products worldwide. The address of its registered office is 40 Fort Parkway, Erdington, Birmingham, West Midlands, B24 9HL.

### 2. Statement of compliance

The individual financial statements of Dunlop Aircraft Tyres Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") including amendments introduced by the Triennial review 2017 and the Companies Act 2006.

### 3. Summary of significant accounting policies

#### a) Basis of preparation of financial statements

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by having certain financial assets and liabilities measured at fair value through profit and loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### b) Going concern

An overview of the business activities of Dunlop Aircraft Tyres Limited, including a review of the key business risks that the Company faces, is given in the Strategic Report on page 2 to 4.

As explained in the Strategic report, 2021 presented several challenges which have been successfully overcome in the year. The business has refinanced its debt, repaying the Natwest bank debt, while raising fresh debt under a new ABL arrangement. The business has also rolled over its current senior lending facility, including interest and raised fresh equity, providing sufficient headroom under its financing facility.

We have continued to work proactively to improve costs and working capital management in the period. This has led to greater operational flexibility within the business. A key focus has been on improving sourcing and supply chain efficiency, and it is pleasing to note improvement in sourcing of key material costs as well as significant reduction in its air freight costs.

The Directors have prepared trading and cash flow forecasts for the 12-month period from the date of approval of these financial statements. These show that the Company has sufficient financial resources to meet its obligations as they fall due for the period of at least 12 months from the date of these financial statements. The forecasts make assumptions in respect of future market conditions and customer programme requirements and price changes. The forecasts take into account some variability of potential outcomes, to an extent which the

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

*All amounts are in £ thousands unless otherwise stated*

### 3. Summary of significant accounting policies (Continued)

#### **b). Going concern (continued)**

Directors consider represents their best estimate of the future based on the information that is available to them at the time of approval of these financial statements.

The Directors have also prepared a downside forecast which incorporates certain adverse sensitivities which the Directors consider may potentially impact cash flows over the period of the forecast, including any downside risk on the sales or excess costs due to abnormal inflation. If these downsides materialise, the Directors have considered the mitigating actions that could be taken, including further reductions in the Company's cost base to ensure its ability to continue as a going concern.

The Directors are of the view that they can therefore conclude that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and they can continue to adopt the going concern basis in preparing the financial statements.

#### **c) Exemptions for qualifying entities under FRS 102**

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Tyre Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

#### **d) Consolidated financial statements**

The Company is exempt, by virtue of s400 of the Companies Act, from the requirement to prepare group financial statements as it and its subsidiary are included by full consolidation in the consolidated financial statements of Tyre Holdings Limited, a company incorporated in England and Wales. These financial statements are the Company's separate financial statements.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued)

#### e) Foreign currency

##### i. Functional and presentational currency

The Company's functional and presentation currency is the pound Sterling.

##### ii. Transactions and balances

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

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within "finance (expenses) / income". All other foreign exchange gains and losses are presented in the profit and loss account within "Other operating (losses) / gains".

#### f) Turnover and other operating income

Turnover comprises of revenue which is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company bases its estimate of returns on historical results, taking into consideration the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and when specific criteria relating to each of the Company's sales channels have been met, as described below.

##### i. Outright sale of goods and single unit price agreements

The Company manufactures and sells new and retread tyres to a range of markets both geographical and market types from distributors, stockist, original equipment manufacturers and airlines. Sales of goods under outright purchase and single unit price agreements are recognised when the agreed or contractual delivery conditions have been met, typically to the location specified by the customer, the risks of obsolescence or loss have been transferred to the

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued)

#### **f) Turnover and other operating income (continued)**

##### i. Outright sale of goods and single unit price agreements (continued)

customer, the customer has accepted the products in accordance with the sales contract or the Company has objective evidence that all criteria for acceptance have been satisfied.

Sales are normally made with a credit term of, on average 60 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

##### ii. Cost per landing contracts

The Company invoices the end user for the number of landings made by each tyre in an agreed period (typically a calendar month). Revenue is recognised in the month the landing is made.

##### iii. Testing income

The Company will charge third parties and its subsidiary companies for use of its testing facilities. Revenue is recognised on completion of the test report to the customer.

##### iv. Interest income

Interest income is recognised using the effective interest rate method.

##### v. Dividend income

Dividend income is recognised when the right to receive the payment is established.

#### **g) Employee benefits**

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

##### i. Short term benefits

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

##### ii. Defined contribution 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 when they are due. Amounts not paid are shown in other taxation and social security within creditors in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### iii. Annual bonus plan

The Company operates an annual bonus plan for some of its employees. An expense is recognised in the profit and loss account when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued)

#### *h) Taxation*

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

##### *i. Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the current year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *ii. Deferred tax*

Deferred tax arises from timing differences that are the difference between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

#### *i) Investments*

Investments held as fixed assets are stated at cost less provision for impairment. The investment in subsidiary undertakings is reviewed on a continuous basis for any impairment. To the extent that the carrying value exceeds the recoverable amount an impairment loss is recorded for the difference as an expense in the profit and loss account. The recoverable amount used for impairment testing is the higher of the value in use and its fair value less costs of disposal. For the purposes of impairment testing assets are grouped at the lowest levels for which there are separately identifiable cash flows.

#### *j) Intangible fixed assets*

- i. Intangible assets are being amortised over the length of the agreement (see note 13)*
- ii. Deferred development expenditure is amortised over the first five years of the related tyre's commercial life.*

Provision is made for any impairment if the commercial viability of the related tyres does not meet forecast demand.
- iii. Patents and trademarks are included at cost and amortised in equal instalments over period of 99 years, their estimated useful economic life. Cost includes external purchase costs.*
- iv. Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and five years, on a straight line basis.*

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued)

#### j) Intangible fixed assets (continued)

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The amortisation is recognised in administrative expenses in the profit and loss account.

#### k) Tangible fixed assets

Tangible fixed assets are stated at cost net of accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price external costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

##### i. Leasehold improvements

Leasehold improvements includes the cost of improvements made to the leasehold factory and a leasehold distribution centre. Improvements are made to the leasehold property for operational requirements.

##### ii. Plant & machinery, fixtures and fittings.

Plant and machinery, including tooling costs, fixtures and fittings, including computer hardware costs, are stated at cost less accumulated depreciation and accumulated impairment losses.

##### iii. Assets under construction

Assets under construction are stated at cost plus any external costs incurred in the installation, commissioning and final production development phases. On final hand over to production, the costs associated with the asset are transferred to the appropriate category.

##### iv. Depreciation and residual values

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of fixed assets, less estimated residual value, of each asset over its expected useful lives as follows:

- Plant and machinery - 3 years to 20 years
- Fixtures and fittings - 3 years to 5 years
- Assets under construction - not depreciated

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

##### v. Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying value or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the costs can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

#### l) Borrowing costs and Investments

All borrowing costs are recognised in profit or loss in the period in which they are incurred. Investment in subsidiary companies are held at cost less accumulated impairment losses.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued)

#### m) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessments consider whether the arrangement is, or contains, a lease based on the substance of the arrangement.

##### i. Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at the commencement of the lease as assets at the fair value of the leased asset or, if lower, 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 direct costs, are included in the cost of the asset.

Assets are depreciated over the estimated useful life of the asset.

The capital element of the lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

##### ii. Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

##### iii. Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight line basis over the period of the lease.

#### n) Impairment of non-financial assets

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

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

*All amounts are in £ thousands unless otherwise stated*

### 3. Summary of significant accounting policies (continued)

#### *n) Impairment of non-financial assets (continued)*

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

If the recoverable amount of the asset (or the asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account.

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

#### *o) Stock*

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on a first in first out (FIFO) method. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition. The cost of manufactured finished goods and work in progress includes raw materials, direct labour and other direct costs and related production overheads (based on normal operating capacity).

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

#### *p) Cash and cash equivalents*

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank balances. Bank overdrafts are shown within borrowings in current liabilities.

#### *q) Provisions and contingencies*

##### *i. Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 3. Summary of significant accounting policies (continued) q) Provisions and contingencies (continued)

#### i. Provisions (continued)

In particular the Company has made a provision for warranty costs based upon the 12 months warranty period offered by the Company on all products.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

#### ii. Contingencies

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

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

### r) Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

#### i. Financial assets

Basic financial instruments, including trade and other debtors, cash and bank balances and amounts owed by group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying value does not exceed what the carrying value would have been had the impairment 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 the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

*All amounts are in £ thousands unless otherwise stated*

### 3. Summary of significant accounting policies (continued)

#### *r) Financial instruments (continued)*

##### ii. Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, amounts owed to group undertakings and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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 current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate.

The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

#### *s) Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### *t) Distributions to equity holders*

Dividends and other distributions to Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the statement of changes in equity.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

*All amounts are in £ thousands unless otherwise stated*

### 4. Critical accounting judgements and estimation uncertainty

In 2019, the group undertook a Sale & Leaseback transaction of the main UK site in Erdington. The lease is for a minimum period of 25 years and is considered to be an operating lease, not a finance lease, with the rental costs being charge on a straight line basis over the term of the lease. There were no rent free periods or lump sum incentives.

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

#### i. Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based upon technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 14 for the carrying amount of the tangible fixed assets and note 3.k.iv for the useful economic lives for each class of asset.

#### ii. Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit insurance arrangements for and credit rating of the debtor, the aging profile of debtors and historical experience. See note 17 for the net carrying amount of the debtors and associated impairment provision.

#### iii. Warranty costs

The Company offers a basic 12 month warranty for all tyres sold by the Company and its subsidiaries.

The Company evaluates returned tyres and customer issues to assess responsibility or at fault status and determines future liabilities based on historic records, using that evaluation to set an appropriate provision for warranty costs.

#### iv. Valuation of stock

The Company designs, manufactures and supplies aircraft tyres and services to the world's aerospace industry which is subject to changing customer demands and technological change. As a result it is necessary to consider the valuation and provisioning. Management considers the nature and condition of stock, as well as assumptions for expected future demand for the products, when calculating the level of stock provisioning. See note 16 for the net carrying value of stock and associated provision.

#### v. Valuation of derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in administration costs or income as appropriate.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 4. Critical accounting judgements and estimation uncertainty (continued)

#### vi. Capitalised development costs

Time incurred on development projects is capitalised based on time records of individual staff members working on the respective projects.

### 5. Turnover

An analysis of turnover by class of business is as follows:

	2021	2020
Manufacturing of tyres	41,394	42,453

A geographical analysis of turnover by destination is as follows:

	2021	2020
United Kingdom	4,813	5,305
Rest of European Union	10,255	8,423
The Americas	15,574	20,307
Middle East and Africa	5,803	3,640
Asia Pacific	4,949	4,778
	41,394	42,453

All the Company's turnover originated in the United Kingdom.

During 2021 and 2020, turnover invoiced in foreign currency was translated at the HMRC yearly average FX rate against the Pound Sterling.

### 6. Other operating income

	2021	2020
Other operating income	241	2,156
	241	2,156

Other operating income consists of mainly of monies received from a customer for a product development programme. (2020 consisted mainly of Furlough Corona virus job retention scheme (£2,087,000) and the rest was development programme income).

### 7. Operating profit/ (loss)

Operating profit/ (loss) is stated after (crediting)/charging:

	2021	2020
Depreciation of owned fixed assets	2,638	2,412
Amortisation of intangible fixed assets	170	338
Operating lease rentals	1,330	1,476
Foreign exchange losses	351	1,367

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 8. Fees payable to the auditors

	2021	2020
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	95	104
	<b>95</b>	<b>104</b>

Amounts receivable by the Company's auditor and its associates in respect of services to the company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Tyre Holdings Limited.

### 9. Staff costs

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

	2021	2020
Wages and salaries	12,514	13,417
Social security costs	1,276	2,619
Other pension costs – see note 26	633	718
	<b>14,423</b>	<b>16,754</b>

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

	2021 No.	2020 No.
Administration	85	106
Manufacturing	228	326
	<b>313</b>	<b>432</b>

There is £107,000 of outstanding pension contributions in the current year (2020: £126,000).

### 10. Directors' remuneration

	2021	2020
Directors' remuneration	844	762
Company pension contributions to defined contribution pension schemes	45	41

During the year retirement benefits were accruing to 5 directors (2020: 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £235,000 (2020: £213,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,000 (2020: £13,000).

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 11. Interest payable and similar expenses

	2021	2020
Interest payable	459	345
Total interest expense on financial liabilities not measured at fair value through profit or loss	459	345
Loss on derivative financial instruments	393	(24)
<b>Total interest payable and similar expenses</b>	<b>852</b>	<b>321</b>

### 12. Tax on profit

	2021	2020
<b>Current tax</b>		
UK corporation tax charge on profit / (loss) for the year	279	(535)
Adjustments in respect of prior periods	(293)	(299)
<b>Total current tax</b>	<b>(14)</b>	<b>(834)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	167	(192)
Effect of increased tax on opening liability	228	203
Adjustments in respect of prior periods	652	260
<b>Total deferred tax (see note 22)</b>	<b>1,047</b>	<b>271</b>
<b>Tax on profit / (loss)</b>	<b>1,033</b>	<b>(563)</b>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021	2020
<b>Profit / (Loss) before tax</b>	<b>2,204</b>	<b>(4,319)</b>
Profit / (Loss) before taxation multiplied by standard of corporation tax in the UK 19.00% (2020: 19.00%)	419	(820)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27	93
Adjustments in respect of prior years	(65)	(39)
Tax rate changes	652	203
<b>Tax charge / (credit) for the year</b>	<b>1,033</b>	<b>(563)</b>

#### Factors that may affect future tax charges

The Company is continuing to invest in new plant and machinery to increase productive capacity and reduce energy costs. This will result in capital allowances continuing to exceed depreciation.

The UK Government announced in the Spring Budget on 3<sup>rd</sup> March 2021 that the rate of Corporation Tax will increase from 1<sup>st</sup> April 2023 to 25%.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 13. Intangible assets

	Patents and trademarks	Deferred development expenditure	Software	Total
<b>At 31 December 2020</b>				
Cost	4	5,402	490	5,896
Accumulated amortisation and impairment	(4)	(1,651)	(407)	(2,062)
<b>Net book amount</b>	<b>-</b>	<b>3,751</b>	<b>83</b>	<b>3,834</b>
<b>Opening net book amount</b>	<b>-</b>	<b>3,751</b>	<b>83</b>	<b>3,834</b>
Additions	-	1,014	-	1,014
Amortisation	-	(106)	(64)	(170)
<b>Closing net book amount</b>	<b>-</b>	<b>4,659</b>	<b>19</b>	<b>4,678</b>
<b>At 31 December 2021</b>				
Cost	4	6,416	490	6,910
Accumulated amortisation and impairment	(4)	(1,757)	(471)	(2,232)
<b>Net book amount</b>	<b>-</b>	<b>4,659</b>	<b>19</b>	<b>4,678</b>

### 14. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Assets under construction	Total
<b>At 31 December 2020</b>				
Cost	24,475	1,825	4,893	31,193
Accumulated depreciation	(11,028)	(706)	-	(11,734)
<b>Net Book amount</b>	<b>13,447</b>	<b>1,119</b>	<b>4,893</b>	<b>19,459</b>
<b>Opening net book amount</b>	<b>13,447</b>	<b>1,119</b>	<b>4,893</b>	<b>19,459</b>
Additions	674	141	322	1,137
Depreciation	(2,433)	(205)	-	(2,638)
<b>Closing net book amount</b>	<b>11,688</b>	<b>1,055</b>	<b>5,215</b>	<b>17,958</b>
<b>At 31 December 2021</b>				
Cost	25,149	1,966	5,215	32,330
Accumulated depreciation	(13,461)	(911)	-	(14,372)
<b>Net Book amount</b>	<b>11,688</b>	<b>1,055</b>	<b>5,215</b>	<b>17,958</b>

The depreciation is recognised in administrative expenses in the profit and loss account.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 15. Investments

	2021	2020
<b>Cost or valuation and net book value</b>		
At 1 January	2,575	2,575
Disposals	-	-
At 31 December	<b>2,575</b>	<b>2,575</b>
Analysed as:		
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited	<b>2,575</b>	<b>2,575</b>
<b>Net book value</b>	<b>2,575</b>	<b>2,575</b>

The Company's investments at the balance sheet date in the ordinary share capital of companies include the following:

Company name	Country of incorporation	Nature of business	Class of shares held	2021 ownership	2020 ownership
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited	China	Retreading and distribution of aircraft tyres	Ordinary	63%	63%

The registered office of Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited incorporated in China is No.2 Taikoo Road, Quanzhou Export Processing Zone, Cizao, Jinjiang, 362200, Fujian, China.

### 16. Stocks

	2021	2020
Raw materials	<b>856</b>	917
Work in progress	<b>566</b>	242
Finished goods and goods for resale	<b>7,907</b>	8,563
	<b>9,329</b>	9,722

There is no significant difference between the replacement cost of the inventory and its carrying amount.

The write-down of stocks to net realisable value amounted to £419,000 (2020: £Nil).

### 17. Debtors

	2021	2020
Trade debtors	<b>5,189</b>	3,834
Amounts owed by group undertakings	<b>59,356</b>	52,113
Other debtors	<b>802</b>	993
Corporation tax	<b>558</b>	544
Derivative financial instruments	<b>60</b>	80
Prepayments and accrued income	<b>1,190</b>	953
	<b>67,155</b>	<b>58,517</b>

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 17. Debtors (continued)

Amounts owed by group undertakings consist of trading balances that are subject to normal trading terms, a long term loan extended to Castle Mezzanine Limited, the Company's immediate parent and a long term loan to another group company, Dunlop Aircraft Tyres Inc. Both of the intercompany loans totalling to £33,467,354 (2020: £31,982,906) are unsecured, interest is not charged on these loans (2020: nil) and are due after more than one year. Trade debtors are stated after provision for impairment of £121,000 (2020: £168,000).

### 18. Creditors: amounts falling due within one year

	2021	2020
Interest bearing loans and borrowings	9,183	-
Amounts owed to group undertakings	10,866	9,083
Other taxation and social security	32	62
Other creditors	640	519
Corporation tax	-	-
Derivative financial instruments	161	-
Accruals and deferred income	3,172	2,015
Trade creditors	5,912	5,795
	<b>29,966</b>	<b>17,567</b>

Amounts owed to group undertakings consist of trading balances that are subject to normal trading terms and previous carry forward loan balances to Turret Bond Limited and Tyre Interco Limited, the Company's group companies. Both intercompany loans totalling to £718,454 (2021: £718,454) are unsecured, and no interest is charged on these loans (2021: nil).

### 19. Creditors: amounts falling due after more than one year

	2021	2020
Lombard Finance Lease	356	-
Revolving credit facility	-	8,957
CLBILS	4,100	2,100
	<b>4,456</b>	<b>11,057</b>

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 20. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2021	2020
<b>Creditors: amounts falling due within one year</b>		
Lombard Finance Lease	203	-
Revolving Credit Facility	8,980	-
	<b>9,183</b>	
<b>Creditors: amounts falling due after more than one year</b>		
Lombard Finance Lease	356	-
Revolving Credit Facility	-	8,957
CLBILS	4,100	2,100
	<b>4,456</b>	<b>11,057</b>

#### Terms and debt repayment schedule:

	Currency	Nominal interest rate	Year of maturity	Repayment schedule	2021	2020
RCF	GBP	LIBOR + 3.25%	2022	On maturity	6,953	6,596
RCF	USD	LIBOR + 3.25%	2022	On maturity	2,027	2,001
CLBILS	GBP	LIBOR + 2.30%	2023	On maturity	4,100	2,100

The loans are secured through a fixed and floating charge over the group's assets and cross guarantee structure.

The company has recently concluded its refinancing exercise. As part of this, the maturing RCF and CLBIL debts have been repaid in full and replaced by new asset based lending facilities with Leumi ABL.

### 21. Deferred tax

Movement in deferred tax during the year:

	2021	2020
At beginning of year	1,670	1,399
Adjustment in respect of prior years	228	260
Deferred tax charge to income statement for the year	819	11
At end of year	<b>2,717</b>	<b>1,670</b>

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 21. Deferred tax (continued)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
Accelerated capital allowances	-	-	-	-	-	-
Fixed asset timing differences	-	-	2,843	2,197	2,843	2,197
Short term timing differences – trading	(126)	(77)	-	-	(126)	(77)
Losses	-	(380)	-	-	-	(380)
R&D expenditure credit	-	(70)	-	-	-	(70)
<b>Net assets</b>	<b>(126)</b>	<b>(510)</b>	<b>2,843</b>	<b>2,197</b>	<b>2,717</b>	<b>1,670</b>

### 22. Other provisions

	Dilapidation Provision	Warranty provision	Total Provisions
<b>At 1 January 2021</b>	330	142	472
Additional provisions made during the year	-	61	61
Amounts utilised in the year	(330)	(48)	(378)
<b>At 31 December 2021</b>	<b>-</b>	<b>155</b>	<b>155</b>

The warranty provision represents future costs expected to be incurred under warranty agreements for certain product lines. The warranty period is 12 months.

The dilapidation provision is for costs relating to a lease on the Company's distribution warehouse ending during 2019. Although the warehouse has now been exited, the dilapidations cost were only agreed or settled in March 2021.

### 23. Derivative financial instruments

The Company enters into forward exchange contracts to mitigate the exchange rate risk for certain foreign currency receivables. At the 31 December 2021, the outstanding contracts matured within 12 months (2020: 12 months) of the year end. The Company is committed to sell \$13,650,000 (2020: US\$8,800,000) and receive a fixed sterling amount.

The forward currency contracts are measured at fair value, which is determined using the valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP: USD

### 24. Called up share capital and Share premium account

	2021	2020
<b>Allotted, called up and fully paid</b>		
3,616,950 (2020: 3,616,950) Ordinary shares of £1 each	3,617	3,617

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 25. Pension commitments

The Company operates a defined contribution scheme. The pension cost charge for the year represents contributions payable by the Company which amounted to £633,000 (2020: £718,000).

Contributions amounting to £107,000 (2020: £126,000) were payable to the scheme at the end of the year and are included in other creditors within creditors (note 19).

### 26. Operating lease commitments

At 31 December 2020 the Company had the following commitments under non-cancellable operating leases as follows:

	2021	2020
<b>Future minimum lease payments</b>		
Within 1 year	1,330	1,330
Between 2 and 5 years	5,320	5,320
After more than 5 years	15,860	17,190

### 27. Capital commitments

	2021	2020
Amounts contracted for but not provided in the financial statements	269	146

The Company continues to modernise its production facilities at Fort Dunlop and continues to invest in new tyre building equipment and ancillary building work.

### 28. Contingent liabilities

The Company has provided a £27,350 (2020: £27,350) guarantee to the Royal Bank of Scotland in respect of deferred duty claims from HM Revenue and Customs, £18,000 guarantee to the Royal Bank of Scotland in respect of EC Community Transit from HM Revenue and Customs (2020: £18,000), and guarantees of £159,294 (2020: £278,250) for performance bonds and warranties also to the Royal Bank of Scotland.

# Dunlop Aircraft Tyres Limited

## Notes to the financial statements for the year ended 31 December 2021 (continued)

All amounts are in £ thousands unless otherwise stated

### 29. Related parties

The Company has applied the exemptions available under paragraph 33.11 of FRS 102 not to disclose transactions with fellow wholly owned subsidiaries.

As Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited is not a wholly owned subsidiary, we disclose the Company's transactions with Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited below.

	Sales to related party		Administrative expenses incurred from related party	
	2021	2020	2021	2020
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited	2,113	2,045	1,676	1,208

	Receivables outstanding		Creditors outstanding	
	2021	2020	2021	2020
Dunlop Taikoo (Jinjiang) Aircraft Tyres Company Limited	658	2,779	84	1,125

### 30. Ultimate controlling party

The ultimate parent and controlling party is Liberty Hall Capital Partners LP.

Tyre Holdings Limited is the immediate parent of the smallest and largest group of which Dunlop Aircraft Tyres Limited is a member and for which consolidated financial statements are prepared. Copies of the financial statements of Tyre Holdings Limited are available from:

40 Fort Parkway  
Erdington  
Birmingham  
West Midlands  
B24 9HL

The direct parent is Castle Mezzanine Limited.

### 31. Post Balance sheet events

The company through its parent has recently completed its refinancing facility under an asset-based lending arrangement with Leumi ABL. The parent group has also extended its senior financing facilities for a period of three years. In addition to this, existing shareholders have put a fresh injection of £11.8m during the current year.