ANNUAL REPORT AND ACCOUNTS 2023

AUTINS GROUP PLC

AGILE, ACOUSTIC AND THERMAL ENGINEERING PROBLEM SOLVERS

Autins Group plc
Central Point One Central Park Drive
Rugby CV23 0WE
T: +44 (0)1788 578 300
W: www.autins.com

CONTENTS

WWW.AUTINS.COM

STRATEGIC REPORT

INTRODUCTION

SOLVING YOUR ACOUSTIC AND THERMAL CHALLENGES

Our purpose

We are acoustic and thermal specialists and apply our in-house materials expertise to manufacture products that solve challenging engineering problems, primarily for the automotive, commercial vehicle and flooring sectors.

We can help electric vehicle manufacturers extend the range of their vehicles, by reducing the energy losses whilst heating or cooling the cabins. We improve the acoustic comfort in the vehicle for all passengers. We strive to maximise the use of sustainable materials.

We manufacture in the UK, Germany and Sweden and have world class quality and performance metrics, making us a truly trusted local European partner.

We have our own patented Neptune™ technology which is manufactured in our UK facilities and provides a real point of difference, as it is superior to all competitor materials in terms of reducing thermal losses and acoustic noise, whilst boasting leading levels of recycled material content and recyclability.

Financial overview

Revenue
FY23: £22.7 million +20.2%
FY22: **£18.9 million**

EBITDA
FY23: £1.2 million profit
FY22: £1.1 million loss

Cash from Operating Activities
FY23: £2.1 million inflow
FY22: -£0.5 million outflow

Net debt[1]
FY23: £1.6 million
FY22: £2.0 million

Gross profit
FY23: £ 6.7 million +57.8%
FY22: £ 4.2 million

Operating loss
FY23: -£0.7 million
FY22: -£3.0 million

Earnings per share
FY23: -1.67p loss
FY22: -6.34p loss

Final dividend
FY23 Nil
FY22: Nil

1 *Net debt is cash less bank overdrafts, loans, invoice discounting, hire purchase finance and excludes IFRS16 right of use lease liabilities.*

AT A GLANCE

Who we are

156
Employees

3
Countries

4
Operating locations

160
Customer locations

What we do

We design

We use our acoustic and thermal expertise and experience to research, test and develop bespoke solutions and products for our customers. Innovative design and the patent protected Neptune technology are our USPs.

We manufacture

We have a wide range of advanced manufacturing and conversion processes which deliver truly world-class quality products and services. We manufacture Neptune in our own Tamworth facility.

We support

We are agile and creative and will support the customer from cradle to grave, from design development and prototyping to engineering changes once in production.

Our specialist solutions

Acoustic

We have acoustic barrier materials and absorbers. Our range of unique Neptune nonwoven products are the lightest weight solutions available on the market and are particularly high performing in the range required by electric vehicles. Our flooring solutions, in our Decibex range, are bespoke developments designed for specific customer needs.

Thermal

Neptune has the best combination of acoustic and thermal resistance of any material we have tested, which is why it has been selected for use in the cabin of a number of very well-known car and truck brands. Our materials are being used to protect passengers from the heat of an engine or to provide thermal control such as extending battery life in electric engines. Our patented Neptune product has market leading low thermal conductivity, which is ideal for applications in automotive and commercial vehicles and when combined with reflective foils can be used in a diverse range of applications such as HVAC.

Our industries

Automotive

79 Customers

Other markets

12 Customers

AT A GLANCE

Where we operate

Tamworth, UK

Materials’ manufacturing, assembly and conversion operation

Rugby, UK

Group headquarters, Group technical centre (laboratory and test site), new product introduction centre, assembly and conversion operation

Dusseldorf, Germany

New product introduction centre, assembly and conversion operation

Gothenburg, Sweden

New product introduction centre, materials manufacturing, assembly and conversion operation

CHAIRMAN'S STATEMENT

Overview

FY23 has been a transitional year in which the Group has moved from a significant EBITDA loss to a positive EBITDA position. We have improved our commercial terms with our customers and focused on improving our operating performance, with a particular focus on better sourcing of raw materials and improved labour efficiencies in our production activities.

The overall trading environment is increasingly positive with European OEMs reporting increased production of vehicles and a reduction in supply chain disruptions. This is much welcomed after the key component shortages and uncertainty of recent years. It provides a much more stable footing for the Group to invest and grow. We benefitted from 11 new customer wins during FY23.

Over the year, we have made notable progress in many areas; we have been able to invest in new machinery, resume capital repayments of our CBILS loan and change and expand the composition of our Board. Further, the Group has focused on measuring and improving its environmental impacts with some notable success.

Financial performance

Group sales in the second half of the year were £11.9m, up 26% on the equivalent prior year period (H2 22: £9.5m). Overall Group sales for FY23 increased by 20% to £22.7m (FY22: £18.9m).

Group automotive component sales grew by 31% in the year to £19.9m (FY22: £15.2m). It was pleasing to see this growth across all of our geographies with the UK up 26%, Sweden up 23% and Germany up 55% (assisted by a full year effect of prior year new business wins). However, negative sentiment in the flooring market in Germany continued, albeit we still saw overall sales growth in that region of 14% to £7.5m (FY22: £6.6m).

Gross margin recovered to 29.5% (FY22: 22.4%) due to a combination of better commercial terms with our customers and continued focus on manufacturing efficiencies.

The operating loss for the Group has reduced to £0.7m (FY22: loss of £3.0m).

Net debt (excluding IFRS 16 debt) decreased to £1.6m (FY22: £2.0m) and cash and cash equivalents increased to £2.1m (FY22: £1.8m). This is due to the business generating net operating cash of £2.1m (FY22: net operating cash loss of £0.5m) driven by the Group's improved operating performance and positive working capital management in the period.

We recommenced repayments of our CBILS loan in July 23 and, post year end, we have obtained further banking support from both of our major lenders, with revised covenants and repayment profiles agreed with both.

People

Our staff have yet again demonstrated their unwavering commitment and enthusiasm for the business. They have reacted well to the increased activity within the business and continue to challenge costs and strive for more efficiency. I would like to thank them all for their hard work during the year.

In May 2023, we appointed Andrew Burn to the Board as a Non-Executive Director to replace Neil MacDonald, who stepped down in June 2023. Furthermore, after the year end we appointed Mark Taylor as a Non-Executive Director. Both Andrew and Mark bring significant new skills and experience to the Board which will strongly support the business in our strategic delivery.

We have also announced today the appointment of Andrew ('Andy') Bloomer as Chief Executive Officer with effect from 22 April 2024. Gareth Kaminski-Cook will step down from the Board and his role of CEO at the same time.

Andy brings extensive experience of the European automotive manufacturing industry, particularly with electric vehicles and specialist fibre applications, having most recently held the role of Sales & Marketing Director EMEA at London-listed Morgan Advanced Materials plc. Andy's very relevant industry experience and commercial focus will enable us to maximise the increasing opportunities that we are currently seeing in the automotive market and accelerate our growth.

I would like to thank Gareth personally and on behalf of the Board for his dedicated service over the past five years, resulting in the start of the recovery of the business over the past 12 months. We all wish Gareth well in the future.

Environmental, Social and Governance

Our commitment to lower the environmental impact of our products has continued in FY23. Our investment in R&D enabled us to launch our new recyclable Neptune-R material during the period. This has generated strong interest from our customers, where the material has already achieved the highest performance rating approval by one major OEM and others have partnered with us to develop new thermal ducting products. We also believe that our products can support the thermal efficiency of the cabins of vehicles which would have a beneficial impact for electric vehicles in reducing power loss to heating of the cabin to the detriment of range.

We have dedicated more time to understanding our environmental impact as a business and considering how we can seek to continuously improve such impact going-forward. We have reduced our carbon footprint significantly in the year by changing our energy sourcing from 27% to 100% renewable sources in both the UK and Germany. We will continue to focus on reducing overall energy used through ongoing operational efficiency improvements.

During the year, through our operational improvement programme, we were successful in recalibrating our Neptune production line to reduce off-cut waste. This contributed to a 64% reduction in waste year on year. We will continue to challenge ourselves to reduce our environmental impact in all aspects of our operations.

The Board remains committed to robust corporate governance and risk management to ensure the delivery of our strategic ambitions and the financial health of the Group. We apply the Quoted Companies Alliance Corporate Governance Code (the “QCA Code”). Since November 2023, the Board has increased to three independent non-executive directors in line with QCA Code guidelines.

Outlook

The automotive market appears to be stabilising after a number of years of turbulence and uncertainty. This should support the Group in delivering further growth in sales and profitability, a trend that has continued into Q1 FY24. However, we anticipate that profitability in H2 FY24 will be affected by plans to invest in sales, marketing and R&D, together with meeting statutory increases in salary costs.

Our focus now is to develop our commercial capability to deliver sales growth and embed Neptune-R material with our customer base, especially in electric vehicles. We will seek to leverage our technical capabilities to engineer innovative solutions for our customers and integrate ourselves further into their supply chain. We will also continue to invest in new product development.

Overall, the Board believes that the Group will continue to stabilise its operating performance in FY24, despite the risk of some fluctuations in model level volumes. However, the increasing level of opportunities that we are seeing in the automotive market provide optimism for future sales growth.

Adam Attwood
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Automotive sales growth, margin recovery and new sustainable materials

The Group has delivered a much-improved financial performance this year and continued to build its credentials as an agile engineering problem solver that specialises in providing innovative thermal and acoustic solutions for electric vehicles using sustainable materials.

With great patience and support from our shareholders, outstanding cooperation and understanding of our customers and exceptional commitment and hard work from the Autins team, we have transitioned from survival to growth, and this has flowed through to an EBITDA improvement of £2.3m in the year.

Automotive sales growth

31%

Neptune sales growth

35%

100% recyclable Neptune™-R launched

11 new automotive customers

Thermal and acoustic solutions that contribute to a quieter, cleaner and more energy-efficient world.

We are acoustic and thermal specialists and apply our in-house materials expertise to manufacture products that solve challenging engineering problems, primarily for the automotive, commercial vehicle and flooring sectors.

We manufacture in the UK, Germany and Sweden and have world class quality and performance metrics, making us a truly trusted, local European partner.

We have our own patented Neptune™ technology which is manufactured in our UK facilities and provides a real point of difference, as it is superior to all competitor materials in terms of reducing thermal losses and acoustic noise, whilst boasting leading levels of recycled material content and recyclability.

A year of turnaround

I am pleased to report that the improvements reported at the half year continued to gain momentum as the full impact of price increases, cost savings and better volumes further improved revenue, margins and profit. This resulted in revenue growing by £3.8m, or 20.2%, margin recovery of 7.1% to 29.5% and a £2.3m year on year improvement in EBITDA.

UK and Swedish automotive revenue grew 26% and 23% respectively and we were delighted to see our German automotive sales grow by 55% as project wins, primarily with Neptune for EVs, began production. The flooring market, however, remains depressed as European construction was negatively impacted by the tough economic background, which restricted the overall growth in Germany to 14%.

Our Neptune product range had another strong year as sales grew 35% and is a key factor for winning new business. In the year we won 11 new customers, 6 in UK and Sweden and 5 in Germany including to supply into the all-electric Nissan Leaf, various JLR vehicles, Fisker Ocean, Lamborghini and a number of tiers. The launch of our 100% recyclable Neptune-R is creating excitement in the customer base, as it satisfies the strong desire by customers to move to ever more environmentally friendly solutions. VW have approved it at a Class 1 acoustic level.

A value proposition built around strong ESG credentials

Customers increasingly want to source from companies genuinely committed to providing product solutions with the best environmental credentials. New European standards are being introduced requiring minimum recycled content in materials used and minimum recyclable content of the whole vehicle and this is why we have developed Neptune-R and SilentShell, both single material products that can be recycled and Neptune Green which has a higher recycled content. We are also maximising the recycled content within all our products. The innovation strategy is prioritising thermal and acoustic solutions for electric vehicles (EVs) made from materials with lower impact on the environment.

During the year we have worked with customers to reduce the thermal losses in their cars. In one case the customer had an urgent issue where the cabins were overheating – the cool air in the HVAC ducting was leaking out before it got to the cabin. Autins was drafted in and within 6 weeks had designed and moved to full production of an engineered solution that not only made the cabin comfortable, but also draws less energy from the battery and extends the vehicle range. We are now partnering on several strategic follow up thermal projects for EVs to solve similar issues and also reduce the number of materials being used, the process steps and the carbon footprint.

In last year's report I stated a target to reduce our carbon emissions across the Group by 84%. We managed to achieve a reduction of 88% across the Group by converting to renewable energy sources and improving efficiencies in the plants, particularly on the Neptune line in Tamworth, where we have introduced a "new to the world" in-line quality scanner. This gives us real-time quality control on every part of the material produced, enabling us to reduce scrap and waste and reduce energy used, whilst improving the customer experience. In the UK we also managed to reduce water usage by another 21%, by creating a closed loop system, and overall waste was reduced by 38%.

I also stated that we needed to reduce the churn of staff from a post-Covid high above 30% to below 10%. Through continuous engagement with our staff and a number of creative initiatives including the use of banked hours, increased rates for overtime work and efficiency bonus schemes, we have met that target and achieved a stable environment where the workforce and staff alike are again highly engaged and motivated.

Transitioning to agile, Acoustic and Thermal NVH engineered solutions

We continue to focus on the future and growth. We know that we are price competitive and have a very strong and trusted relationship with all of our customers, because of our culture and our quality and service performance. We do not let customers down and we communicate proactively.

We are now at a point where we need to start investing carefully so that we capture the growth that is available. We purchased a cut and seal machine for Germany so that we can keep up with demand from VW and meet the demand from new customer Fisker which began production in April 2023.

Demand for NVH continues to grow as OEM's seek more comfort, but now they also need to reduce the thermal losses to protect battery range in their EVs and they need to do this with sustainable insulation materials. Autins is perfectly placed to help our customers increase their vehicle range and increase acoustic comfort with environmentally friendly solutions.

The strategy has therefore shifted to increase the total number of enquiries that come into the business and the amount of time our commercial team can spend on proactively opening up new relationships and new customers.

We have recently launched new products, but we also have a very exciting product development pipeline coming through. These projects need pushing forward, so we have appointed a Thermal and Acoustic Technical lead to accelerate them.

We are also rolling out a CRM system to increase the efficiency and transparency of our commercial activities and to create more pull-through from our customer and prospect base, by running marketing campaigns. This will be supported by dedicated outsourced marketing support.

Our people have again been fantastic. Their commitment and resilience during the last couple of years has been inspiring and I would like to personally thank them for all their hard work and positive energy.

Much has been done, but there is much more to do. We will continue to manage our costs with prudence and protect our margins, but growth is again our number one priority.

Gareth Kaminski-Cook
Chief Executive Officer

STRATEGY IN ACTION

Improving battery range whilst solving an urgent thermal engineering problem

In June 2023, we received a phone call from a Senior Engineer at a large customer saying they needed help to solve a problem with the thermal insulation in their prestige vehicles. The existing solution wasn't working leading to numerous customer complaints. A new solution was needed urgently that could go into full production within six weeks. Programmes like this would normally take between 8-12 weeks.

From previous experience with Autins, this engineer knew that Neptune technology would be a better technical solution, because the thermal properties are superior, and Autins has the technical know-how, attitude, and agility to solve such problems efficiently. However, this project needed a complete redesign, approval of design, tools had to be ordered and only then could the production cells and staff be recruited and trained.

Full production of 6,000 parts per week was achieved to quality specification, on cost and within time. The thermal solution that we have provided is so well insulated that the cabin is now comfortable and energy loss is reduced. Therefore, l**ess energy is drawn from the battery, which protects the range of the vehicle – a major benefit for all EVs.**

Commenting on the project:

"This is exactly the kind of work in which Autins excels. Engineering problem solving of thermal or acoustic challenges to produce a workable design, develop production processes and finally manufacturing high quality products.

The Autins' team prides itself on being collaborative with our partners, agile, technically capable, practical, and fast. I am proud of the fact that on this project the cooperation and communication between all parties was exceptional and we enabled all three companies to meet their goals."

Gareth Kaminski-Cook CEO

OUR COMMITMENT TO ESG

Our future is about sustainable growth

- Autins recognises that ESG should be a central commitment of the business to support decarbonisation and a better environment, promote our social responsibilities and ensure fairness and promote diversity
- ESG is inexorably becoming a more important focus area for our customers and investors
- We now have a well-established range of measures being monitored to help identify where we should focus to improve our ESG performance
- During 2023 we have hit our key targets to reduce CO^2 emissions by 84% and to reduce staff churn to less than 10% in the UK

Monitoring Strategy for ESG:

i. Measure, monitor and manage continuous improvement of the key environmental data points (energy, CO_2 , water and waste)

ii. Maintain low churn of the permanent staff across the Group

iii. Reduce total energy used /£m of revenue through continuous operational efficiency improvements

Environmental

Energy usage and Carbon emissions

- Total energy usage:
  - **Energy usage Kw/h per £m of revenue reduced by 18%.**

Energy Usage kw/h

	Autins Plc			
	2019/20	2020/21	2021/22	2022/23
Total Energy used in buildings & process KWh	2,777,674	3,682,169	3,175,250	3,142,772
KW/h per million turnover	114,699	138,292	148,348	122,168
		21%	7%	-18%

- Carbon footprint:
  - This is the first year we have created a consolidated CO_2 calculation for the Group.
  - **Total CO_2 produced on a per £m of revenue basis, reduced by 88%, driven by our move to renewable energy sourcing and improved operational efficiencies.**

CO2e Emmissions

	Autins Plc			
	2019/20	2020/21	2021/22	2022/23
Total kgCO2	6,050,415	7,064,662	6,082,790	861,983
tCO2 per million of revenue	250	265	284	34
		6%	7%	-88%

- Water and Waste in UK:
  - **Water usage continued to reduce by a further 21% last year on a m3/£m of sales basis.**

- Total waste
    - **produced has reduced by 38%** measured on a tonnes/£m of sales. This means waste has halved over the last two years as we recycle more and reduce scrap.

Social

Autins Group is very proud of its safety record, the quality of our products and services and the integrity in the way we do business with all our partners and stakeholders. The way in which we do business is underpinned by a core set of company values and a code of business ethics, which are set out within our Annual Corporate Responsibility Report.

Reducing staff turnover rate in the UK, as a proxy for staff engagement, has been a target area for our attention and we are delighted to report that we have reduced churn in the year from 34% reported last year to 10% by the end of the financial year. Group churn rate was 6.5% for the year. We took a number of actions including:

- Salary increases ahead of the curve against role benchmarks and performance
- We reduced our dependence on temporary labour so that permanent employees had stronger work place stability, to engender better team work and given the increased need for overtime, provide more opportunity for staff to take more money home with improved overtime rates
- We introduced a banked hours scheme, so that we could guarantee a stable and steady monthly income for staff and retain flexibility to ask staff to go home when we did not need them and work extra hours when needed.
- Introduced a bonus scheme where the workers are rewarded if they have contributed to increased productivity.
- A suggestion scheme has been introduced which has generated a number of improvement ideas every week in each location and actions or responses are provided with 24 hours

Governance

The Autins Board is committed to maintaining the highest possible standards of Corporate Governance as set out in detail in the Investor section of the company website under the heading 'Governance'.

www.autins.co.uk/investors/governance/

The Board undertakes from time to time a full QCA Board Effectiveness Reviews and formal anti-bribery training, along with company management and staff.

"We are an international business operating in the global community – we take our responsibility to be a good corporate citizen seriously."

Gareth Kaminski-Cook
Chief Executive Officer

OUR STAKEHOLDERS

The Board believes that to maximise value and success in the long-term, it must engage and consult with its stakeholders to develop effective and mutually beneficial relationships with them and, ultimately, to make better business decisions. The Board considers the key stakeholders to be as detailed below.

Employees Striving to create a larger, more profitable Group, should create an exciting future where more people are employed doing work that is motivating. Our staff can expect to work in a safe environment where people will be treated fairly and with respect. Our teams will be challenged and constantly learn, so that we can empower them to be part of something important.
Customers We have a unique product offering, due to our breadth of materials, products, UK manufactured Neptune non-wovens and manufacturing processes and a highly responsive technical support service, which we believe is highly valued by our customers.
Shareholders Management is fully committed to execute a growth strategy and bring the business to a condition where it provides positive returns for our investors
Suppliers Our suppliers should share in the benefit of Autins' success, which will be founded on delivering exceptional service to our customers, proving our reliability, complete supply chain transparency and a willingness to align as partners including a commitment to meet UK Carbon emission targets
Regulators Autins will observe complete transparency in all dealings with the relevant regulators and in fulfilling its obligations of governance.
Communities Autins proactively engages with its local communities as part of its approach to Social Responsibility. This includes being aware of our impact on and taking a responsible approach to the environment, the communities we work within and governance compliance.

DIRECTORS' SECTION 172 STATEMENT

The Board of Directors consider that they, both individually and collectively, have acted in a way that would be most likely to promote the success of the Company for the benefits of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Act) in the decisions they have taken during the year ended 30 September 2023.

In making this statement the Directors considered the longer-term needs of stakeholders and the environment and have taken into account the following:-

- the likely consequences of any decisions in the long term;
- the interest of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Repositioning, Restructuring and Reaching for Gains

Significant financial performance improvement achieved in FY23 over FY22:

- Revenue increased by 20.2% to £22.7m
- Gross profit increased to £6.7m from £4.2m
- Gross margins recovered from 22.4% to 29.5%
- EBITDA improved by £2.3m to £1.2m
- Cashflow from operating activities significantly improved to £2.1m
- Operating working capital improved by £0.8m
- Cash and equivalents increased to £2.1m from £1.8m
- CBIL loan repayments were recommenced in July 2023

Key actions taken to reposition the business:

- New contracts were won which have growth potential for 2024 and beyond
- Contractual pricing and margin improvements achieved
- Restructuring and labour productivity gains continued to offset labour rate increases
- Materials projects for both cost and efficiency were instrumental to gross profit improvement
- Utilities costs were hedged in April 2022, helping to contain subsequent global rate increases
- In isolation, the completed actions had an annualised profitability run rate improvement that was greater than £2.5m
- Investment spend continued during the year, including new equipment and premises being acquired in Germany.

Trading Performance £000	**H1**	**H2**	**FY23**	**FY22**
Revenue	10,843	11,836	22,679	18,873
Gross Profit	3,063	£3,619	6,682	4,235
Gross Margin %	**28.2%**	**30.6%**	**29.5%**	**22.4%**
EBITDA	360	805	1,165	(1,150)
Cashflow from Operating Activities	357	1,711	2,068	(535)

Debt and Cash Headroom £m	**H1**	**H2**	**FY23**	**FY22**
Net Debt*	2.42	1.55	1.60	2.0
Cash and equivalents	1.3	2.1	2.1	1.8
Cash Headroom	3.5	4.1	4.1	3.5
Loans and Borrowings*	(3.7)	(3.7)	(3.7)	(3.8)

**Excluding IFRS16 lease liabilities.*

FY23 Performance Overview

A number of planned repositioning actions were taken during the year, which improved the financial performance of the Group. Significant customer contract and price improvements were largely concluded during H1, albeit some further improvements did continue into H2. Materials improvement projects were mostly implemented during H1 and these had full impact in H2.

Staff restructuring actions were initiated in October 2022, and these started to deliver benefits from December 2022 onwards. Our staff's response to this process was excellent, and all worked co-operatively with us throughout. Subsequently they accepted targets to improve productivity, adopted multi-skilling and simultaneously embraced a flexible two-way banked hours and enhanced overtime regime, which enabled them to improve their personal earnings, whilst assisting smooth production for the Group and improved cost control.

New waste management and recycling initiatives also assisted profitability, and reduced our carbon footprint. Utilities costs, driven by macroeconomic circumstances, increased year on year for the Group by c.£0.5m, albeit the impact was contained through forward contract arrangements. Ultimately these increases were more than offset by the other efficiency actions noted above. A decision was also taken to move towards renewable energy sources even though there were some adverse short term cost implications of this.

Overheads were largely consistent year on year with planned improvements offsetting general inflationary factors. In Germany, we invested in a further storage location, which added to overhead costs and also purchased new critical capital equipment. This was to help accommodate volume recovery for their key customer and growth in other automotive contracts, whilst simultaneously improving efficiency and capacity.

In summary, in FY23 the Group improved revenues, margins and costs resulting in a £2.3m EBITDA increase over the prior year. This, coupled with strong working capital management, improved Cashflow from operating activities to £2.1m. Enhanced backdated R&D cash tax credits of £0.3m were also received, and disposal of our JV share to our JV partner, Indica Industries, for £0.3m immediately prior to the year-end also realised a further gain of £0.2m. All actions combined with improved trading, meant that, as at 30 September 2023, cash and equivalents had improved by £0.3m and net debt, excluding IFRS16 liabilities, by £0.4m, as compared to the prior year, with H2 performance being markedly stronger than H1.

Revenues and Margins

Revenues increased significantly across all Group companies in FY23. Germany based automotive OEMs experienced solid volume recovery, which was mirrored in their purchases from Autins GmbH. However, flooring sales in Germany did decline in line with household economic conditions. Recovery in the UK was much more muted, and H1 actually experienced some volume reduction from extended semi-conductor and other supply chain disruption, which then eased in H2. The UK business won a significant new contract that commenced in July 2023, which added to H2 performance and will have a revenue impact in excess of £1m in FY24. In Sweden, revenues increased by 23%, mainly reflecting volume recovery as well as some small new contract wins.

Neptune sales continued to grow in both absolute value and as a proportion of overall Group revenue. This included new pioneering BEV range improving thermal applications, in which Neptune was technically proven to be the class leading material. Neptune growth usually improves overall Group margin as our internal fixed cost absorption also increases, as compared with fixed margins on bought in materials.

Group gross margins improved by 7.1%. Most of this improvement came from customer price and contract improvements and the impact of new contract wins. The remainder of the improvement primarily derived from materials projects and labour restructuring. Currency movements also assisted recovery in H2 as US$ denominated materials purchases, that were considerably impacted with weak GBP against US$ in Autumn 2022, then steadily improved as GBP recovered back towards US$1.30. Utilities cost increases had an impact as described above.

From a country perspective gross margins recovered in the UK by 11.8%, remained consistent in Sweden, and reduced in Germany by 2.3%, where materials costs and operational challenges restricted some of the expected recovery. Gross margin recovery is, of course, pivotal in repositioning the trading position of the Group for profitable future growth, and further actions are ongoing to assist with this.

Other operating costs and EBITDA

In the UK the national minimum wage increased to £10.42 from £9.50 in April 2023, a 9.7% increase. In line with this, we increased all our UK production hourly pay scales. Multi-skilling, productivity and other progressive performance criteria allow our staff to earn well above the minimum wage rate, and our flexible overtime and banked hours arrangements help give staff some control over total earnings and work life balance. This in turn improves production flows that optimise total labour and other variable costs, which improve profitability. Staff retention was also strong, and allowing for retirees and redundancies, was measured above 92% for the year.

Transport costs across the Group also improved, driven by rate negotiations with suppliers and improved planning and logistics, coupled with smoother schedule requirements from customers. Conversely, there were general inflationary factors in many other cost categories, the most notable being energy as described above. The Group also incurred some non-repeating expenditure and one significant key customer bad debt. The total cost of these items was £0.25m, charged in Administrative expenses. Combined Distribution and Administrative expenses were £7.4m, compared with £7.2m in the prior year. Again, these increases were more than offset by other actions and cost control measures already described resulting in EBITDA improving by £2.4m, as noted above.

H2 EBITDA at £0.81m was also significantly ahead of H1 EBITDA of £0.36m. H2 Cashflow from operating activities was £1.71m, being significantly ahead of H1 at £0.35m. This validates the impact of the profit improvement actions and helps demonstrate the performance run rate that we are building from into FY24.

Loss before tax

The total depreciation and amortisation charge for the year was consistent with the prior year at £1.9m. The finance expense reduced slightly to £0.5m (FY22 £0.54m) as some capital repayments were made on fixed rate borrowings. There was a £0.2m profit on disposal from our JV share to our JV partner Indica industries. Existing customer contract product supply was secured with a simultaneous new exclusive agreement signed with Indica UK.

Currency

The Group's overseas operations and certain key raw material suppliers require the Group to trade in currencies other than Sterling, its base currency. During the year, operational transactions were conducted in US Dollar, Swedish Krona and Euro. Certain key raw materials for production are currently imported from South Korea with transactions conducted in US Dollars. The Group has taken steps to mitigate overall sourcing and currency risks by establishing alternative purchase sources which can be transacted in alternative currencies.

With Euro revenues and Neptune sales both continuing to grow, the Group continues to benefit from natural hedging, arising from its structure and trading balances, which means that the Group's results in both FY23 and FY22 have only been marginally impacted as a result of currency translations. In H2 the Group has made use of a new forward currency buying facility to partially hedge currency exposure for between 6-12 months on a rolling basis. Formal hedge accounting has not been adopted.

Borrowing and Net finance expense

Total borrowings for the Group reduced slightly to £3.7m (FY22 £3.8m), with CBIL loan repayments recommencing in July 2023, whilst HP liabilities slightly increased following the purchase of new plant and equipment in Germany in H2. The UK Invoice Finance facility remained entirely undrawn at the year end. All term loans have fixed interest rates, and the slight reduction in the finance expense is a consequence of borrowing reduction following repayments made. As noted above, cash and cash equivalents increased year on year and overall cash headroom remains strong. This assists our ability to make significant capital repayments for both the CBIL and MEIF term loans in the coming year. The Group has agreed a revised repayment profile for the MEIF term loan, which requires full settlement by 31 December 2024. The lender has also waived covenants indefinitely. Payments for the MEIF loan had previously been paused, and repayment is subject to compliance with revised CBIL loan covenants, recently agreed with HSBC to facilitate this.

The Board continues to review the Group's banking and funding arrangements with a view to ensuring that they remain appropriate for its planned growth.

An analysis of the net finance expense is presented in note 8 on page 69.

Cash, working capital and net debt

The Group ended the year with an improved net debt position of £1.6m excluding IFRS16 calculated lease liabilities (FY22: £2.0m).

The Group has continued to optimise working capital during the year. Special focus remains on timely collection of trade debtors and timely payment of trade creditors. Active customer credit terms management also released in excess of £0.4m of cash across the Group. Far East purchases are obtained on open credit terms from the respective suppliers. The Group continues to hold c.£0.3m of strategic buffer stocks, albeit these have reduced since the prior year as supply chain issues eased. In total, operating working capital improved by £0.8m across the Group, despite increasing sales.

Taxation

The effective tax rate in the year was below that expected based on current UK corporation tax levels. Given the quantum of available tax losses compared to expected profitability in the next two years, the Group has not recognised the majority of current year losses as a deferred tax asset.

The Group's technical and R&D teams have, as in prior years, continued to enhance materials applications, improve processes and develop new products. The Group strategy remains to utilise losses to obtain actual R&D tax credit cash refunds to maximise liquidity. An R&D tax credit claim was submitted for FY22 in September 2023 and £0.1m of cash has been received subsequent to the FY23 year-end (FY22: £0.1m cash received).

The Group's German subsidiary has largely utilised its historical tax losses, which may result in a degree of tax at a higher rate on future profits in Germany. Brought forward taxable losses are available in Sweden that will, in the short term, at least partially offset their expected trading profits. Transfer pricing principles are actively considered and managed across the Group, which helps to optimise the combined tax position.

Earnings per share and Dividends

Loss per share was 1.67 pence (FY22: Loss per share 6.34 pence) reflecting the reduced loss in the year. The weighted average number of shares was 54,600,984 in the year (FY22: 51,683,793). The Board are not proposing a final dividend for the current year (FY22: £nil) and no interim dividend was paid (FY22: £nil).

Going concern

The financial statements, based on current and forecast trading, the annual cash flow forecasts, and the available sources of finance, have been prepared on the going concern basis, further details of which are provided in note 1 of the financial statements.

Financial risk management

Details of our financial risk management policies are disclosed in note 3 on pages 63 to 66.

Kamran Munir
Chief Financial Officer

1 March 2024

KEY PERFORMANCE INDICATORS (‘KPIS’)

Lost Time Injury Frequency Rate (‘LTIFR’)

2023: 3.4
2022: 0.0

KPI Definition

LTIFR is calculated as the number of lost time injuries leading to more than one day off work, divided by one million and multiplied by the number of hours worked.

(One incident would represent 3.4 for FY23)

Comment

One incident in the year resulted in lost time (being more than one day away from work as a result of an incident at work).

The business has had no RIDDOR reported incidents since 2017 and one lost time incident in the last five years. Given this consistent good performance, management continue to strive on being incident free and focus on mental health and wellbeing in the workplace.

Gross profit growth (£)

2023: +57.8%
2022: -33.1%

KPI Definition

Measure is calculated as the change in gross profit from continuing operations in the current year compared with prior year.

(Target: CAGR 15-20% over 3-5 years)

Comment

Gross profit increased, due to a 20.2% growth in revenue and actions taken to improve margins.

Non-UK revenue as a proportion of consolidated sales (%)

2023: 43%
2022: 44%

KPI Definition

Measure is calculated as the value of external sales for German and Swedish operations as a proportion of total revenues.

(Target: 35% over 3-5 years)

Comment

Sales grew in all three territories, however the recovery of UK automotive sales outweighed the growth in Germany and Sweden.

Organic revenue growth (%)

2023: 20.1%
2022: -19.5%

KPI Definition

Organic revenue growth measures the change in revenue in the current year compared with the prior year from continuing operations.

The effects of any acquisitions in the current or prior year are adjusted.

(Target: CAGR 15-20% over 3-5 years)

Comment

The strengthening automotive markets drove the growth of organic revenue despite weaker flooring sales.

EPS growth (%)

2023: 74.0%
2022: -131.0%

KPI Definition

EPS growth measures the change in basic earnings per share in the current year compared to that of the prior year.

(Target: CAGR 15% over 5 years)

Comment

There was a significant performance improvement in FY23 resulting in lower losses.

New product & customer sales as a % of Group sales (%)

2023: 67.9%
2022: 69.8%

KPI Definition

New product and customer sales are measured as the combined revenue generated from products (primarily Neptune) and customers secured by the Group in the current and previous three years, as a percentage of total revenue from continuing operations. This measure includes revenue from products related to renewed customer platforms that were subject to competitive bids.

(Target: over 20%)

Comment

New product and customer sales remained stable as a result of the steady replacement of product sales from existing customer platforms, complemented with new product launches, as well as significant new customer wins in FY23. Flooring business revenues were mostly won over the last four year period and so remain substantively within the calculation.

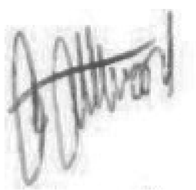
PRINCIPAL RISKS AND UNCERTAINTIES

Key Risk	Risk Details	Mitigation
European car sales remain lower than pre-Covid levels	European OEMs are looking to focus less on the more competitive low end of the market and post-Covid recovery is being slowed down because of consumer uncertainty as to how to navigate the transition to electric vehicles.	Autins has only a c.4% market share of the European market for Thermal and Acoustic NVH. Autins' core market is the executive and luxury vehicle segment, which is more resilient to the economic shocks and where overall demand per vehicle for Acoustic, Thermal protection and NVH treatment is still set to grow significantly. Our Neptune technology and sustainable product solutions, recyclable Neptune-R, Neptune Green and Silentshell have a superior performance and are well positioned to meet these Thermal and Acoustic needs.
Failing to successfully implement our growth strategies	Our future success requires continued success in diversifying the customer base and regional sales.	The Group has diversified its customer base from 9 to over 100 over the last 7 years, European sales represent 39% and Flooring 11% of Group turnover. We will continue to build the breadth and depth of relationship with our customer base and supplement that with pull through marketing activity.
Over-dependence on key customers	All countries have a high customer concentration with the largest customer representing c.60% of Group revenue.	Dependence on our major customer has reduced to c.60%, and the relationships with all major customers are very good as evidenced by the support given when we required price increases at the beginning of the financial year. Our value proposition and the unique selling points of Neptune has meant in the last financial year the Group has gained 5 new customers, with supply of prototypes to a further 6 companies. The target addressable market within our specialist area of automotive NVH is significant and therefore provides huge potential for more customer diversification and market share gain.
Retention of key staff in business-critical roles	The Group has a high level of reliance on certain individuals in key roles both for operational management and for key external relationships and growth.	We have a highly collaborative and respectful culture and regularly meet with all senior and key team members so that people feel included. This does seem to foster a highly engaged and motivated team. We conduct bi-annual staff surveys and hold site meetings with staff and the Leadership team at least twice a year. The employee turnover in the Group in the year was 6.5% and is considered to be at a healthy level indicating strong employee engagement.

Key Risk	Risk Details	Mitigation
Dependence on relationship with IKSung, and supply interruption	The licensor of the intellectual property rights related to Neptune, IKSung, are the supplier of patented and non-patented ingredients used in manufacture of the patented materials. There is potentially a risk if this relationship were to deteriorate and if we have not reduced dependence on the materials and support they supply.	Relationships with IKSung are stable, but alternative suppliers have been secured for all non-patented materials within Neptune. The licensing agreement conveys the right to source the proprietary fibre directly from the manufacturer (a large third party material producer) in the event of IKSung being unable to do so and alternative emergency supply sources have been identified. The development of Neptune-R reduces our dependence on IKSung as this specific product does not use material sourced from IKSung.
Major failure of Neptune line	The Group's Neptune production line is the only such facility in Europe.	Investments made during the extended installation and commissioning phase included automated process control and diagnostic systems not employed by IKSung that allow for more effective identification and resolution of faults. In addition, the Group maintains a critical spares package for the line and has a number of specialist engineers who have received maintenance training. The Group has a schedule of preventative maintenance and repairs in addition to the extensive clean down and inspection completed at the end of each production run. The Group also has an ongoing technical support agreement with IKSung for major machine failures and a back-to-back agreement is held which would allow material to be imported to support demand. We have arrangements in place with IPC (North American based manufacturer of Neptune) to provide backup volumes as and when needed .
New technologies emerging to render traditional passive NVH solutions for Thermal, Acoustic and NVH treatments obsolete or less attractive and Neptune less unique and less competitive	Risk of new NVH technologies (e.g. active sound control) emerging that usurp passive resistance solutions reducing our NVH market size and/or emerging technologies that reduce the competitiveness of Neptune	New technologies such as active sound control will only be used to provide more "luxury experiences", such that it does not replace the traditional passive NVH solutions that Autins can provide. In addition, the industry is consistent in stating that no new material technologies are expected to replace the very cost and performance efficient existing materials - nano treatments will be expensive and specialist for some time. Having developed Neptune-R, Neptune Green and SilentShell we must continue innovating to find ever higher performance and more sustainable solutions. We have also filed our own applications based patents, such as for encapsulation and Trademarks such as SilentShell™. In addition we have also innovated our manufacturing processes, notably introducing a "new to the world" in-line density scanner to the Neptune manufacturing line, which uniquely measures material quality across the whole width of the material as it is being manufactured.

Key Risk	Risk Details	Mitigation
Security of the software systems, hardware and Cyber Security	Interruption of access, or loss of the systems could negatively affect the Group's ability to produce, despatch and invoice customers as well as interrupt the smooth running of its own supply chain. The latter could also be impacted by cyber-security issues, for example if data transfer or integrity was impacted. In addition, the Automotive industry is moving to adopt ISO27001, or in Europe the TISAX protocol, so that we will need to meet these standards.	The Group has invested in its IT infrastructure in order to both improve operational functionality and also protect sensitive and proprietary data from cyber-attacks. Specialist third party IT support consultants are employed, with the use of multi-layer data backup and storage. A working group has been established to ensure the company conforms with ISO27001 and TISAX, so that we maintain our supplier status to the automotive OEMs.
Currency and foreign exchange	A growing proportion of the Group's business is carried out in currencies other than Sterling. The Group's financial position or results of operations may be impacted to the extent that there are fluctuations in exchange rates.	The Group maintains banking facilities in the functional currency of overseas operations and continues to seek, where possible, to buy materials and services locally to the procuring site so as to minimise transactional risk. Some natural hedging prevails between Euro income and US$ purchases, against our £GBP base currency. We have recently started placing forward currency contracts between US$/Euro to cover residual risk.
Sustainability and ESG	Sustainability and ESG are becoming ever more important topics for our stakeholders, particularly shareholders and customers.	We have a Sustainability Policy document and issue a CSR Report annually. We have targets for Carbon zero and we are already ahead of target to achieve 68% improvement by 2030, having achieved an 84% reduction last year in Scope 1 emissions. We also reduced waste by 66% and water usage. We are rated on the FinnCap ESG monitor as top quartile in governance.

The Strategic Report was approved by the Board on 1 March 2024 and signed by order of the Board by the Chairman.



Adam Attwood
Chairman

1 March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE ANNUAL REPORT AND ACCOUNTS

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

Company law requires the Directors to prepare Group and Parent Company financial statements for each financial year. As required by the AIM Rules for Companies, they are required to prepare the Group financial statements in accordance with applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and have elected to prepare the Parent Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework. 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 Group and Parent Company and of the profit or loss of the Group for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006;
- for the Parent Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Parent Company and to prevent and detect fraud and other irregularities.

Website publication

The Directors are responsible for ensuring that the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Adam Attwood
Non-Executive Chairman

Adam joined the Autins' Board in January 2016 as Non-Executive Chairman. He has many years' experience of working with growth-focused SMEs. Originally a corporate solicitor with Norton Rose Fulbright, he moved into quoted company advisory and European M&A with Charterhouse Bank. He progressed to direct private equity investment with Livingbridge Equity Partners focusing on investments in the Midlands region. Adam has a portfolio of non-executive roles with manufacturing and branded businesses. Adam chairs the Group's Nominations Committee.

Gareth Kaminski-Cook
Chief Executive Officer

Gareth joined Autins in October 2018 and has 30 years of international business experience in market-leading industrial organisations across several business sectors, having worked previously for Low & Bonar, Saint-Gobain, Rexam, BPB and Danaher. He has a deep understanding of the manufacture and application of technical material-based solutions in relevant industrial sectors including automotive, flooring and building products.

Mark Taylor (appointed 13 November 2023)
Non-Executive Director

Mark was appointed to the Board on 13 November 2023 as a Non-Executive Director and is Chair of the Audit Committee. He is a highly experienced chartered accountant and a member of the ICAEW. He has worked in the accountancy profession throughout his career at KPMG, Baker Tilly and ultimately for 19 years as a partner in Grant Thornton, before retiring in 2019. He was an audit and transaction support partner specialising in due diligence in his final eight years with Grant Thornton. Mark's experience covered many sectors including the automotive supply chain. He has also served as a non-executive director and chair of the audit and remuneration committee of Tandem Group plc since 2019.

Andrew Burn
Non-Executive Director

Andrew is a chartered accountant and a fellow of the ICAEW. He spent over 20 years at KPMG where he was a partner and during COVID-19 was the Head of Automotive in the UK. He has advised extensively in the sector and has a strong network of senior relationships with many automotive OEMs and suppliers. Prior to KPMG Andrew worked for a number of years at N M Rothschild & Sons Limited.

Kamran Munir
Chief Financial Officer and Company Secretary

Kamran is a highly experienced strategic and operational CFO, with a 20-year background of large corporate and VC roles in manufacturing, aerospace and technology companies. Prior to Autins, Kamran worked for Precision Castparts Corp, as Finance Director for Special Metals Limited and more recently European Finance Director for Timet Division, driving integration, culture change and improvements in profitability and value. Kamran was also European Financial Controller for SPX Corporation, and CEO of Spectral Fusion Technologies. On a voluntary basis, he remains CFO for the Coventry Refugee & Migrant Centre, as well as being the founding trustee and CEO of The Open Hearts, Open Minds Foundation, which focuses on the relief of poverty and sickness and the advancement of education. Kamran holds the ACA qualification and is a graduate from the University of Cambridge (MA).

Henrik Pettersson
Operations Manager, Autins AB

Henrik brings 20 years' experience in the automotive industry, progressing rapidly from operator to operational manager for Schenker Automotive's direct sequenced supply to Volvo. Henrik played a leading role in the creation, management and development of Autins' Swedish site, with a keen eye on cost, agility and automotive best practice. Since April 2019, Henrik has been the in-country manager for Autins' Swedish operations bringing in Group support to facilitate operational scaling as required. Henrik has a master's degree in Electricity and Signal Technology from the University of Borås, Sweden.

Matthias Migl
Managing Director, Autins GmbH

Matthias has 25 years' experience in the automotive industry including with the specialist NVH and soft trim component manufacturer HP Pelzer Group, with a particular focus on acoustics. Matthias has been Managing Director of Autins GmbH since 2013 and holds a degree in Chemical Engineering from Friedrich – Alexander University, Erlangen, Germany.

CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Group has adopted the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies (the 'QCA Code') since September 2018. This is in line with the Board's stated aims of seeking to apply, or work towards, best practice for smaller quoted companies. The Group remains subject to the UK City Code on Takeovers and Mergers.

The Directors note that a revised QCA Corporate Governance Code was issued on 13 November 2023, which will apply to financial years commencing on or after 1 April 2024. The Directors will consider the implications it has on the Group's corporate governance over the coming year.

The statement on Corporate Governance below should be read in conjunction with relevant sections of the of this Annual Report and Account which are cross referred from these pages and the Group's website – www.autins.com.

QCA Principle 1: Establish a strategy and business model which promote long-term value for shareholders

Leadership and day-to-day management of the Group is the responsibility of the Chief Executive. The executive directors, in conjunction with the leadership team formulate, review and recommend the Group's strategy for Board approval as part of the annual planning cycle. The leadership team will then take ownership of specific policy deployment plans that are designed to implement and promote the approved strategy in addition to delivery of annual financial plans.

The Group's business model has been designed to deliver sustainable, long term, profitable growth. As a partner of choice for the automotive industry, we generate growth by providing differentiated acoustic and thermal products with a clear benefit to the customer. We do this through a high-performing, values-led organisation focused on delivering our strategic goals.

QCA Principle 2: Seek to understand and meet shareholders needs and expectations

The Group seeks regular dialogue with both existing and potential shareholders in order to confirm that our wider investor relations plan has allowed investors to clearly understand the strategy, business model and performance.

The executive directors meet regularly with investors and analysts and also host tours of our facilities in order to facilitate open communications regarding the Group's business performance (both current and expected future) and reconfirm the Board's understanding of shareholders' expectations and needs with regards the Group.

The Board recognises the importance of the Annual General Meeting ('AGM') and therefore encourages participation by all investors at the AGM. All Board members present at the AGM therefore make themselves available to answer any questions from shareholders that may arise.

The results of the AGM are subsequently published on the Company's corporate website and are announced through a regulatory information service. The Board will also disclose any actions to be taken as a result of resolutions, for which, votes against have been received from at least 20 per cent of independent shareholders.

The Group has not appointed a Senior Independent Director but considers annually whether one should be appointed.

QCA Principle 3: Take into account wider stakeholder and social responsibilities and their implications for long-term success

The Group has adopted the finnCap Environmental, Social and Governance ('ESG') framework (as recommended by the QCA) to measure and improve its ESG policies and procedures. The Group recognises the need to maintain effective working relationships across a range of stakeholder groups including its employees, customers, suppliers, shareholders and the wider community in which it operates – the Group's commitment to stakeholder engagement is set out on page 13. The Group's commitment to effective ESG governance is set out on pages 11 to 12.

The Board's primary responsibility is to promote the success of the Group for the benefit of its members, but the Board recognises its obligation to balance the Group's operations and working methodologies to take account of, and balance with, the needs of all of the wider shareholder groups. Where feedback is received from stakeholders, the Group endeavours to make appropriate amendments to working arrangements and operational plans to address this feedback whilst remaining consistent with the Group's longer-term strategies.

The Group continues to promote Autins' Values, a set of six principles designed to influence the way we work together, drive performance and inform our response to stakeholder needs and the Group's responsibilities to them.

QCA Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Audit Committee provides guidance; having taken feedback from management and third party advisors, to the Board with regards the effectiveness of the Group's system of Internal Control. The Group has designed and implemented systems to manage, limit and control the risk of failure to achieve business objectives. As with all systems, the Group's processes cannot eliminate all risk completely, but provide reasonable rather than absolute assurance against material loss or misstatement.

The Chief Financial Officer leads a continuous process, with support from the leadership and finance team, to identify, evaluate and manage the Group's significant risks. The Group's register of potentially material or significant risks are reviewed by the Board twice per annum.

As an SME, the executive directors, supported by the Group's leadership team, are actively involved in the daily management of all aspects of Group operations and meet on a regular basis to discuss:

- Quality, environmental and health and safety performance.
- Monthly financial and commercial results of the business compared to forecast.
- Achievement against annual policy deployment activities that support the Board's delivery of the strategic plans.
- Business risks and appropriate control systems improvements to manage those risks.
- Progress on performance improvement projects.
- Steps taken to embed internal control and risk management further into the Group's operations.

On a monthly basis, agreed financial and non-financial KPIs together with management accounts are reviewed by the Board to assess progress against its key objectives for the year. The executive directors' provide a supporting written commentary in order to highlight key areas of performance and address previously agreed areas of interest. These KPI's, management accounts and more detailed departmental level data are cascaded via the leadership team throughout the organisation.

The Board further considers whether any significant strategic, organisational or compliance issues have occurred (or are at risk) to ensure that the Group's assets are safeguarded and financial information and accounting records can be relied upon.

A summary of the principal risks and uncertainties facing the Group, as well as mitigating actions, are set out on pages 21 to 23 of this report.

QCA Principle 5: Maintain the Board as a well-functioning, balanced team led by the Chair

Role of the Board

The Company and Group are managed by a Board of Directors, chaired by Adam Attwood, who are ultimately responsible for taking all major strategic decisions and also addressing any significant operational matters whilst overseeing that good governance is maintained across the Group. Deployment of the Group's strategy and management of day-to-day decisions is delegated to the executive directors and the leadership team. The Board also reviews the Group's risk profile and the adequacy of the implemented systems of internal control that are in place. The management information systems continue to be evolved to adapt to changing data enquiry needs and to ensure that they are capable of facilitating informed decisions by the Board to allow them to properly discharge their duties.

Delegation of responsibilities

The Group maintains a formal schedule of matters reserved for the Board which is reviewed at least annually. A schedule of delegated authorities under which management can operate without reference to the Board exists and was last reviewed, revised and approved by the Board in January 2022.

Board composition

The Board from 13 November 2023 consists of two executive directors, a non-executive chair and two independent non-executive directors. During the year ended 30 September 2023 there were two non-executive directors who were considered to be independent of management by the Board and were free from any business or other relationship that could materially interfere with the exercise of their independent judgement in accordance with the QCA Code. .

The Group considers annually whether a Senior Independent Director should be appointed but has not currently chosen to do so.

The Board are satisfied that they have sufficient members and with an appropriate balance of skills and experience to allow it to operate effectively and exert control over, and provide challenge and guidance to, the business and its management team. No individual Board member has unconstrained powers to make decisions of a material nature.

Role of Chair and Chief Executive

The Chair and Chief Executive Board positions are separate with clearly defined individual duties and responsibilities. The Chair is responsible for the leadership and management of the Board and its governance and as such meets regularly and separately with the executive and non-executive directors to discuss matters for the Board.

The Chief Executive is responsible for day-to-day management and leadership of the Group. This includes guiding the leadership team, in its formulation, review and confirmation of the Group strategy for Board approval and subsequent execution.

The Board convenes regularly with at least 10 scheduled meetings per year. These meetings incorporate an annual strategy day and scheduled presentations by leadership team members to provide the Board with additional insight into their area of expertise. Additional meetings are held in person or via online audio and web conferencing platforms, whichever provides the most efficient, timely, or safe solution at a given time.

Details of Directors' attendance at scheduled Board and Committee meetings during the year can be found on page 32 within the Director's report.

QCA Principle 6: Ensure that between them, the Directors have the necessary up-to-date experience, skills and capabilities

The Board is considered to have all appropriate skills, experience and knowledge sufficient to give it the ability to constructively challenge strategy, decision making and scrutinise business performance.

The Board's biographical details are set out on the Group's website and within this Annual Report and Accounts on pages 25 to 26.

Board composition remains under review to ensure it remains appropriate to the strategic and managerial requirements of the Group. One third of the Directors are required, in accordance with the Company's Articles of Association, to retire annually in rotation. This enables the Shareholders to decide on the election of the Company's Board.

Attendance and participation in relevant training, networking and update events are encouraged in order to create, maintain or enhance relevant skills and knowledge. Updates from the Quoted Companies Alliance and external advisers are utilised to ensure relevant knowledge of Corporate Governance matters where appropriate.

All Directors have access to the Group's (or independent) professional advice at the Company's expense. In addition, they have access to the advice and services of the Company Secretary who is responsible to the Board for advice on corporate governance matters.

QCA Principle 7: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

As part of his responsibilities with regards Board effectiveness and governance, the Chair, informally assesses the performance of the Board and its Directors on an ongoing basis and brings to the relevant party's attention any areas for improvement.

The Board has committed to using the QCA Board effectiveness review to assess the 12 defined key areas of Board effectiveness.

The Board is satisfied that its operating culture is open and dynamic enough not to warrant the use of Group resources for an externally facilitated review at this time. This approach will be reviewed on an annual basis.

The effectiveness of the Board and its Committees are reviewed on at least an annual basis but kept under review in accordance with Corporate Governance best practice.

QCA Principle 8: Promote a corporate culture that is based on ethical values and behaviours

As an SME, we recognise that it's our people that will underpin delivery of our business model. We therefore aim to create systems and roles that support the recruitment, retention, engagement and development of our staff in response to ever-changing customer demands.

Autins operates its core Values that seek to establish a framework which all employees can support, will govern our behaviours and underpin a high performance culture that the Board believes is required in order to deliver our strategy.

Our aim is that the Group's culture will be built on these Autins Values and they will inform the expected behaviours that will be an integral part of our induction, appraisal and performance management and remuneration processes. We have already established a twice yearly leadership organisational management review which allows for peer to peer review of critical business challenges, staff performance and reward.

A positive health and safety culture is promoted within the business and the Group seek to reflect this in all of our policies and procedures, as well as in our approach to the training and development of the people involved in our operations. Health and Safety is the standing first agenda item at all Board and leadership meetings. The Group's Health and Safety Manager, who reports ultimately to the Chief Executive, has direct access to the executive directors should he wish to raise any urgent concerns.

The Group's policies and procedures are given to all new employees at induction, and are available to both permanent and temporary staff via our employee engagement app. The app is also the Group's portal for anti-bribery, corruption and whistle-blowing policy. Any concerns raised are passed directly to the Chair of the Audit Committee for independent review. All policies and procedures are subject to a periodic review and re-approval to ensure they continue to meet their aims.

The Group's share dealing code is applicable to all staff and available for review on the employment engagement app. All staff are subject to a closed period from the last day of each full or half year until 48 hours after the results for that period have been published and require authorisation from the Company Secretary for any trading activity outside of a close period.

QCA Principle 9: Maintain Governance structures and processes that are fit for purpose and support good decision making by the Board

The Board maintains separate Audit, Nomination and Remuneration Committees whose purpose is to consider and oversee issues of policy outside main Board meetings.

Audit Committee

The Audit Committee is comprised of the non-executive Directors and is chaired by Mark Taylor.

The Committee's role is described within the Audit Committee Report set on pages 38 to 39.

Remuneration Committee

The Remuneration Committee comprises the three non-executive directors and is chaired by Andrew Burn. The Committee is responsible, within its agreed terms of reference, for the following remuneration matters:

- Setting and reviewing the remuneration policy for all executive directors and the senior leadership team.
- Confirm that remuneration payments made to directors and the senior leadership team are consistent with approved policy.
- Ensuring that remuneration payments are in accordance with appropriate benchmarks as well as assessing changes in practice that may have future remuneration impacts.
- Overseeing incentives-based remuneration for senior management or other employees identified as relevant by the Committee.

In carrying out these duties the Committee shall ensure the appropriateness, relevance and market practice in respect of such remuneration policy.

Nomination Committee

The Nomination Committee comprises the three non-executive directors and is chaired by Adam Attwood. It has responsibility for reviewing the size, composition and structure of the Board (and its committees) and making recommendations of any changes it believes are required for succession planning. The Committee identifies and nominates for approval by the Board candidates to fill vacancies as and when they arise as well as reviewing the results of any Board performance evaluations and proposing corrective actions if required. The Committee, in conjunction with the Chief Executive, reviews annually the succession planning strategy for the senior leadership team.

Whilst the Committee has ultimate responsibility for reviewing the structure, size and composition of the Board and recommending any changes required, in practice the Board, as a whole, considers any recommendations for appointments.

Interaction with the Board and governance

During the year, the Chair of each committee will provide the Board with a summary of key issues considered, and conclusions drawn, at the committee meetings. Details regarding the frequency and attendance of meetings for these committees are contained in the Director's Report.

Written terms of reference have been established (and are regularly reviewed) for all Board committees. These terms of reference are available on the Group's Investor website and confirm the duties, authority, reporting responsibilities and minimum meeting frequency for each committee.

Board committees are authorised, in the furtherance of their duties, to engage the services of external advisers as they deem necessary at the Company's expense.

QCA Principle 10: Communicate how the Group is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The Group communicates formally with shareholders via the Annual Report and Accounts, the full-year and half-year results announcements and associated presentations, periodic market announcements and trading updates (as appropriate) and the AGM.

The executive directors periodically meet with analysts and shareholders in face-to-face meetings as well as hosting investor road shows and events both at the Group's and investors' premises.

The Group's website has been designed to allow a more accessible platform to communicate the Group's strategy, products and processes to the wider community. A dedicated Investors section is maintained within the main site and is updated regularly. The Investors' website contains all financial reports and associated Investor presentations since the Group's Initial Public Offering, together with downloadable copies of standing data (including the terms of reference of the Board's subcommittees) that are of use to stakeholders. We continue to use social media platforms primarily for companywide announcements and to promote success stories.

This governance statement was last reviewed and approved on 1 March 2024.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The Directors present their report and the audited financial statements for the Group and the Company for the year ended 30 September 2023.

In accordance with section 415 of the Companies Act 2006 particulars of important events affecting the Group, together with the factors likely to affect its future development, performance and position are set out in the strategic report on pages 3 to 23 which is incorporated into this report by reference.

The Directors' statement on corporate governance is set out on pages 27 to 31. This report should be read in conjunction with information concerning Directors' Remuneration and employee share schemes in the Remuneration report on pages 36 to 37 and which is incorporated by way of cross-reference into the Directors' Report.

The principal activities of the Group are the manufacture and sale of insulating materials primarily to the automotive industry. The Company is an investment holding company. The Directors are not aware, at the date of this report, of any likely changes in the Group's activities in the next year.

Results and dividends

The results for the year are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 47 and 48. Following the year-end, the Directors assessed the appropriateness of the Group declaring a final dividend and concluded that no dividend would be appropriate.

Directors

The Directors who served during the year under review and up to the date of approving the Annual Report and Accounts were:

- Adam Attwood;
- Gareth Kaminski-Cook;
- Neil MacDonald (resigned 30 June 2023);
- Andrew Burn (appointed 15 May 2023);
- Mark Taylor (appointed 13 November 2023);
- Kamran Munir.

Corporate governance

The Directors' statement regarding corporate governance can be found on pages 27 to 31. The Company is a member of the Quoted Company Alliance ('QCA') and has adopted the QCA Corporate Governance Code for Small and Mid-Size Quoted Companies (the implementation of corporate governance standards through the year).

Board of Directors and Board committees

Biographical details of all the Directors at the date of this report are set out on pages 25 to 26.

The Board has formally delegated certain duties and responsibilities to the Audit, Remuneration and Nomination Committees. These committees seek advice from the Company's advisors as the need arises and operated throughout the year. Their roles and membership are stated on pages 30 to 31 as part of the corporate governance statement.

Meetings of the Board and its Committees

The following table sets out the number of meetings of the Board and Committees during the year under review and individual attendance by the relevant members at these meetings:

	Board		Audit Committee		Remuneration Committee		Nomination Committee	
	Number	Attended	Number	Attended	Number	Attended	Number	Attended
Adam Attwood	12	12	3	3	2	2	1	1
Gareth Kaminski-Cook	12	12	3	3				
Kamran Munir	12	12	3	3				
Andrew Burn (appointed 15 May 2023])	12	4	3	1				
Neil MacDonald (resigned 30 June 2023)	12	9	3	3	2	2	1	1

Should a director be unable to attend a meeting, their comments on the business to be considered at the meeting are discussed with the Chair ahead of the meeting so that their contribution can be included in the wider Board discussion.

Auditor independence

The Audit Committee and the Group's external auditor, Dains Audit Limited, have safeguards in place to avoid the possibility that the auditor's objectivity and independence could be compromised. These safeguards include the auditor's report to the Audit Committee on the actions they take to comply with the professional and regulatory requirements and best practice designed to ensure their independence from the Company.

The Group's auditor, Dains Audit Limited did not undertake any non-audit work in the year.

Re-election of Directors

At every Annual General Meeting, one-third of the directors (excluding any director appointed since the previous AGM) or, if their number is not a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation.

Gareth Kaminski-Cook was re-elected at the AGM which took place in March 2023.

Directors' interests and indemnity arrangements

At no time during the year did any director hold a material interest in any contract of significance with the Company or any of its subsidiary undertakings excepting an indemnity provision between each Director and the Company and employment contracts between each Executive Director and the Group. The Group has purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of all Group companies.

Directors' interests in shares

The beneficial interests in the shares of the Company of those Directors serving at 30 September 2022 are noted in the Directors Remuneration report set on pages 36 to 37.

Share capital

Full details of the Company's authorised and issued share capital are set out in note 20 to the consolidated financial statements.

The Company has one class of ordinary share capital with a nominal value of £0.02 each. The rights and obligations attached to the ordinary shares are governed by UK law and the Company's Articles of Association.

Major interests in shares

The following substantial interests (3% or more) in voting rights attaching to the Company's ordinary shares had been notified to the Company:

Shareholder	Number of voting rights as at 30 September 2023	% voting rights as at 30 September 2023	Number of voting rights as at 30 September 2022	% voting rights as at 30 September 2022
Schroder Investment Management	13.252.730	24.27%	13,252,730	24.27%
Stonehage Fleming Family & Partners	10,400,000	19.05%	10,400,000	19.05%
Braveheart Investment Group (UK)	8,785,000	16.09%	4,750,000	8.70%
Premier Miton Group (formerly Miton Group plc)	4,775,156	8.75%	6,275,156	11.49%
Ruffer LLP	3,590,741	6.58%	3,690,741	6.76%
Toscafund Asset Management (London)	2,215,300	4.06%	2,215,300	4.06%
Kevin Westwood	2,025,000	3.71%	2,025,000	3.71%
Karen Holdback	2,025,000	3.71%	2,025,000	3.71%
Killik Asset Management (London)	1,604,363	2.94%	-	-

Financial risk management

In certain circumstances, the Group uses financial instruments to manage specific types of financial risks, including those relating to credit and foreign currency exchange. The Group's objectives and policies on financial risk management including information on liquidity, capital, credit and risk can be found on pages 63 to 66 of the financial statements.

Future business development

Our Strategy is to focus primarily on the automotive, commercial vehicle and flooring markets:

- Build broader and deeper relationships across auto and commercial OEM's and Tiers, particularly in Engineering, Purchasing, and technology partners.
- Create a more technical product offering, which has higher recycled content or is fully recyclable, particularly leveraging our Neptune technology.
- Continue to bring new innovative products to flooring manufacturers.
- Create pull through demand and enquiries using a variety of marketing channels.

Research & Development

The Group has a Research and Product Development Strategy and a prioritised programme of projects which is led jointly by the UK Commercial Director and the Group R&D Manager. The Board reviews the programme twice a year and has a standing agenda item for each Board meeting to review key projects.

Strategic priority is given to environmental projects and maximising profit improvement. Notable in 2023 was the launch Neptune-R, a fully recyclable version of Neptune.

Health and safety

The Chief Executive, with support from a full time Environmental, Health and Safety professional, has overall accountability for health and safety across the organisation.

The Group remains committed to providing a safe and healthy working environment for staff and contractors alike. Groupwide health and safety standards and systems exist to set out, in support of a one company approach, the required range of policies and procedures designed to manage risks and promote wellbeing at all sites.

Management and the Board regularly review a range of health and safety performance measures and take appropriate steps to address any areas for concern including ensuring lessons learned from incidents that occur are shared across the Group for best practice improvements.

Since 2020 an increased level of attention has been given to knowledge and awareness around mental health in the workplace, including home working. This included external training for the Group H&S Manager and UK HR Manager.

Charitable and political donations in the year

The Company did not make any political or charitable donations during the year.

Going concern

Going concern is considered in note 1 to the financial statements.

Auditor

As recommended by the Audit Committee and pursuant to section 487 of the Companies Act 2006, the Company will propose a resolution at the AGM to reappoint Dains Audit Limited as auditor and authorise the Directors to agree their remuneration.

Audit information

The Directors who were in office on the date of approval of the Directors' Report have confirmed that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware. Each of the directors has confirmed they have taken all the reasonable steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Annual General Meeting

Details of the Company's Annual General Meeting and the resolutions to be proposed are set out in the separate Notice of Meeting.

The meeting will be held at 11am on 28 March 2024 at the Company's main offices at Central Point One, Central Park Drive, Rugby, Warwickshire, CV23 0WE.

The Directors' Report has been approved by the Board of Directors on 1 March 2024.

By order of the Board.

Kamran Munir
Company Secretary

1 March 2024

Autins Group plc
Central Point One
Central Park Drive
Rugby
Warwickshire CV23 0WE

Company number: 08958960

DIRECTORS REMUNERATION REPORT

The remuneration of the executive directors and certain other key management team members is subject to the approval and oversight of the Remuneration Committee which is chaired by Andrew Burn.

The Company's remuneration policy is designed to promote the achievement of its strategic goals with regard to growth and diversification and to attract and retain staff and directors capable of accelerating achievement of the strategic plans.

In setting the measurement of executive performance, due notice is taken of the risk profile of the business and to reward progress. The Committee believes that the Executive Directors and Leadership team should be rewarded for securing long-term growth that provides for a sustained growth of investor returns.

Fixed pay is based on a market-based approach which takes into account the size of the Company, peer review of compensation packages and the experience and qualifications of the executive in question. Variable pay is designed to promote outperformance, which is achievable, repeatable and sustainable.

Directors

The Directors who served during the year under review and up to the date of approving the Annual Report and Accounts are disclosed in the Directors' Report.

At every Annual General Meeting, one-third of the Directors (excluding any Director appointed since the previous AGM) or, if their number is not a multiple of three, the number nearest to but not exceeding one-third, shall retire from office by rotation.

Directors' interests – interests in shares

	2p ordinary shares at 30 September 2023	% of issued ordinary share capital	2p ordinary shares at 1 October 2022	% of issued ordinary share capital
Adam Attwood	**675,000**	**1.24**	**675,000**	**1.24**
Gareth Kaminski-Cook	**245,228**	**0.45**	**245,228**	**0.45**
Kamran Munir	**45,000**	**0.08**	**45,000**	**0.08**
Neil MacDonald (resigned 30 June 2023)	**200,000**	**0.37**	**200,000**	**0.37**
Andrew Burn (appointed 15 May 2023)				

Directors' interests – interests in share options

Details of options that were held by Directors who were in office at 30 September 2023 are set out below. These options lapsed on 30 September 2023 as the performance conditions had not been met. Company's option schemes are set out in more detail in notes 21 and 24 to the financial statements.

	Date of Grant	Number	Exercise Price	Expiry Date
Kamran Munir	20 January 2021	1,064,189	£nil	1 October 2025
Gareth Kaminski-Cook	20 January 2021	1,459,459	£nil	1October 2025

The market price of the Company's shares at 30 September 2023 was 12.5 pence. The range of market prices during the year was 8.0 pence to 14.0 pence per share.

Contracts of service

The Executive Directors, Gareth Kaminski-Cook and Kamran Munir, each have a service agreement containing one year's and six months' notice respectively, and claw back and malus clauses with regard to any paid or unpaid bonuses.

The non-Executive Directors, Adam Attwood, Andrew Burn and Mark Taylor, have service agreements with a three month notice period.

Salaries and benefits

The Remuneration Committee meets at least twice per year to consider, review and set the remuneration packages for the Executive Directors.

Remuneration is benchmarked annually to ensure it remains comparable and competitive with companies of a similar size and complexity. Remuneration for the executive directors comprises basic salary, pension contributions and benefits in kind (including healthcare, company cars and life insurance). The non-Executive Directors' remuneration consists of basic salaries but they are also reimbursed for travel and other out-of-pocket expenses. Remuneration for Executive Directors also includes share options as detailed above.

Year ended 30 September 2023	Salary £000	Benefits £000	Pension £000	**Total FY23 £000**	Total FY22 £000
G Kaminski-Cook	254	11	-	**265**	284
K Munir	188	3	17	**208**	218
A Attwood	60	-	-	**60**	60
N MacDonald (resigned 30 June 2023)	34	-	-	**34**	45
A Burn (appointed 15 May 2023)	17	-	-	**17**	0
	553	**14**	**17**	**585**	608

Mark Taylor was appointed on 13 November 2023.

By order of the Board

Andrew Burn
Non- Executive Director and Chair of the Remuneration Committee

1 March 2024

AUDIT COMMITTEE REPORT

Members of the Audit Committee

The Committee currently consists of all serving non-executive directors. The Committee was chaired by Neil MacDonald during the year and since 13 November 2023 is chaired by Mark Taylor.

The Board is satisfied that as Chair of the Committee in the period, Neil MacDonald had relevant and recent financial experience as well as being a Chartered Accountant who has served as Finance Director and Chair of Audit Committees in other organisations. The Board is also satisfied that as Chair of the Committee since 13 November 2023, Mark Taylor, had relevant and recent financial experience as well as being a Chartered Accountant who has served as an audit partner and Chair of Audit Committee in another organisation.

Meetings of the Committee may, by invitation, be attended by the Chief Executive and the Chief Financial Officer. The Committee met formally three times in the year. There were also several informal meetings with the external auditors.

The Committee reports the outcome of its deliberations at the subsequent Board meeting and minutes of each meeting are made available to all members of the Board.

Duties

The Audit Committee's duties are set out in its terms of reference, which are available on the Company's website (www.autins.com/investors) and on request from the Company Secretary.

The normal items of business considered by the Audit Committee during the year included:

- Review of the risk management and internal control framework;
- Review of the financial statements, Annual Report and investor presentations;
- Consideration of the external audit report and management representation letter;
- Review of the interim results and associated presentation for investors;
- Review of the FY23 audit plan and audit engagement letter; and
- Meetings with the auditor with and without management present.

Role of the Auditor

The Audit Committee monitors the relationship with the auditor, Dains Audit Limited, to ensure that auditor independence and objectivity is maintained.

The Committee monitors the provision of any non-audit services by the external auditor (if any). During the year no non-audit services have been provided to the Company by the auditor.

The Audit Committee recommends Dains Audit Limited be reappointed as auditor at the next AGM.

Audit process

The auditor prepares and presents a plan for the audit of the full year financial statements that establishes the scope, areas of special focus and audit timetable. This plan is reviewed and agreed by the Audit Committee.

Following the audit of the annual financial statements the auditor presents its findings to the Audit Committee for discussion. There were no major areas of concern highlighted by the auditor during the year beyond those areas of significant risk and audit judgment that are routinely discussed and disclosed in their report to the members of the Group.

Internal audit

The Committee considers that, taking account of the size and structure of the Group's trading and assets, an internal audit function is not required. The Committee will keep this under review to ensure that as the Group develops and complexity increases appropriate resources are dedicated to the creation of an internal audit function.

Risk management and internal controls

As described on page 28 of the Corporate Governance Report, the Group has established a framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. During the year, the Committee has reviewed the framework and the Committee is satisfied that it is currently operating effectively.

Whistleblowing

As noted in the Corporate Governance Report, the Group has a formal whistleblowing policy which sets out the process for any employee of the Group to raise, in confidence, any concerns about possible improprieties in financial reporting or other governance matters. The Chair of the Audit Committee acts as the independent reviewer for any concerns that are raised, with any relevant matters and actions recorded at the next appropriate meeting. During the year, there have been no incidents recorded or raised for consideration.

By order of the Board

Mark Taylor
Non-Executive Director and Chair of the Audit Committee

1 March 2024

FINANCIAL STATEMENTS

Independent auditor's report to the members of Autins Group Plc

Opinion

We have audited the financial statements of Autins Group Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

Our approach to the audit

As part of designing our audit approach, we obtained an understanding of the Group and its environment, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of five reporting units, comprising the Group's operating businesses and holding companies.

In establishing the overall approach to the Group audit, we assessed the audit significance of each reporting unit in the Group by reference to both its financial significance and other indicators of audit risk, such as the complexity of operations and the degree of estimation and judgement in the financial results.

All of the Group's three significant components (Autins Group Plc, Autins Limited and Autins GmbH) were subjected to full scope audits for Group purposes by the Group engagement team. The remaining components were not significant and so were subject to analytical review procedures and specified audit procedures over certain account balances and transaction classes by the Group engagement team.

The significant components within the scope of our work accounted for 95% of group revenues and 92% of total assets.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our scope addressed this matter
Impairment risks The Group has goodwill, other intangibles, property, plant and equipment and right of use assets of £15.5m. In accordance with accounting standards, goodwill is not amortised but is subject to an annual impairment review through assessment of the value in use of the Automotive Noise, Vibration and Harshness ("NVH") CGU to which it is attributable. The existence of continuing operating losses and the Group's market capitalisation being lower than the consolidated net assets, provide indicators that impairments may be present. In addition, property, plant and equipment within the NVH CGU includes the Neptune production facility with a net book value of £4.5m. This facility was completed and brought into use in 2018 and whilst volumes continue to increase, it is currently still operating below full capacity. Therefore we consider there to be a significant risk in relation to the achievement of the forecast future trading and cash flows used to determine the value in use supporting the carrying value of the goodwill, other intangible assets, property, plant and equipment and right of use assets in the NVH CGU and the Neptune facility within the NVH CGU. No other CGU's have any assets which could be subject to material impairment. Details of the accounting policies, significant estimates and	We have tested the judgements made by management in undertaking the impairment tests. This included: • The identification of the Cash Generating Units (CGUs) and validating the assumptions and evidence supporting the allocation of the associated revenue, costs and assets to CGUs; • Reconciling the information used in the value in use models to the underlying accounting records and the budgets and forecasts for the Group; • The recalculation of the discount rate used to discount the cash flows in each CGU and changes made to incorporate the risks in the business and sector; • Comparing the forecasts to the information used to assess the going concern assumption and challenging the robustness of the key assumptions, including revenue and profit growth; • Considering the appropriateness of the sensitivities applied by management. This included reviewing the stress testing undertaken by management to assess the appropriateness of the assumptions applied for the relevant scenarios, assessing the level of underperformance against management's forecasts required to eliminate the headroom for both the NVH CGU and the Neptune facility and considering the level of headroom after the application of the relevant sensitivities; and • Engaging our internal valuation experts, working with them to confirm the appropriateness of the models used by management to calculate the value in use for each CGU, and the calculation of the discount rates. • Reviewing the disclosures prepared by the Directors set out in Notes 1, 2, 11, 12 and 13 to ensure we consider them to be appropriate. **Key observations:** Nothing has come to our attention as a result of performing the above procedures that causes us to

Key audit matters	How our scope addressed this matter
judgements, property, plant and equipment, right-of-use assets and intangible assets are provided in notes 1, 2, 11, 12 and 13.	believe that the assumptions and judgements used as inputs in the impairment considerations were inappropriately applied.
Going concern We have determined going concern to be a key audit matter because of challenging trading circumstances and a further year of the Group reporting a trading loss. These matters, and the further uncertainty created by the wider economy have therefore increased the level of estimation and judgement involved in relation to going concern assessments and was a key area of focus during our audit. Details of the Directors' going concern assessment are disclosed in note 1.	We have tested the judgements made by management in assessing the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting. This included: • Critically assessing management's trading and cash flow budgets and forecasts, which cover the period to 30 September 2025. This included challenging the key estimates and judgements and the evidence underpinning them. In doing so, we specifically considered the principal trading and cash flow assumptions, the quantum of the banking facilities used in the calculation of the available liquidity and the impact of the confirmed lender covenants position. Our challenge of the revenue assumptions included consideration of customer enquiries, current order levels and information from customers regarding expected future volumes and prices and included information available up to the date of issuance of our report; • Testing the various scenarios and sensitivities performed by management in respect of the key assumptions underpinning the budgets and forecasts and challenged the sensitivities to ensure they reflected all reasonably foreseeable events and circumstances; • Reviewing the reverse stress-testing performed by management and considering the headroom between the budgets and forecasts and the reverse stress-test assumptions, together with considering the likelihood that unforeseen events and circumstances might occur resulting in the reverse stress test becoming a reality; • Considering the information provided to management by their major customers relating to future activity levels and the previous experience of these activity levels being met; and • Reviewing the disclosure prepared by the Directors set out in Note 1 to ensure we consider it to be appropriate. **Key observations:** As a result of performing the above procedures, we have not identified any material uncertainties relating to events of conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		**Parent company financial statements**	
	2023 £'000	**2022 £'000**	**2023 £'000**	**2022 £'000**
Materiality	450	375	265	300
Basis for determining materiality	2% of Group turnover	2% of Group turnover	2.0% of net assets	2.0% of net assets
Rationale for the benchmark applied	Revenue is the key driver of the business value and is the underlying driver for management's key measure of performance.	Revenue is the key driver of the business value and is the underlying driver for management's key measure of performance.	The Parent Company does not trade so the key measure of performance is net assets.	The Parent Company does not trade so the key measure of performance is net assets.
Performance materiality	385	320	225	255
Basis for determining performance materiality	Set at 85% of materiality after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	Set at 85% of materiality after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year.	Set at 85% of materiality after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year	Set at 85% of materiality after having considered a number of factors including the expected total value of known and likely misstatements and the level of transactions in the year

Component materiality

We set materiality for each component of the Group which ranged from £225,000 to £265,000. In the audit of each component, we further applied performance materiality levels of 85% of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £23,000 (2022 - £18,800). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Conclusions relating to going concern

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

To evaluate the directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting, we completed the following audit procedures:

- Obtained an understanding of the relevant controls relating to the Group's budgeting and forecasting process;
- Challenged the key assumptions underpinning the Group's forecasts; and
- Assessed the appropriateness of the Group's disclosure concerning the adopting of the going concern basis of account.

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 Group and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

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

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (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:

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. These included, but were not limited, to compliance with the Companies Act 2006, the AIM listing rules and accounting standards.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the manufacturing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the financial reporting legislation, Companies Act 2006, the AIM listing rules, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the Group's legal advisors.

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

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

Use of our report

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

Mark Hargate FCA (Senior Statutory Auditor)
For and on behalf of
Dains Audit Limited
Statutory Auditor
Chartered Accountants

Birmingham
United Kingdom

1 March 2024

Consolidated income statement
For the year ended 30 September 2023

	Note	***2023*** ***£000***	*2022* *£000*
Revenue	4	**22,679**	18,873
Cost of sales		**(15,997)**	(14,638)
Gross profit		**6,682**	4,235
Other operating income	5	**6**	28
Distribution expenses		**(562)**	(501)
Administrative expenses		**(6,872)**	(6,746)
Operating loss	5	**(746)**	(2,984)
Finance expense	8	**(501)**	(542)
Share of post-tax profit/(loss) of equity accounted joint ventures	14	**5**	(26)
Profit on disposal of interest in joint venture	14	**201**	-
Loss before tax		**(1,041)**	(3,552)
Tax credit	9	**128**	277
Loss after tax for the year		**(913)**	(3,275)
Earnings per share for loss attributable to the owners of the parent during the year			
Basic (pence)	10	**(1.67)p**	**(6.34)p**
Diluted (pence)	10	**(1.67)p**	**(6.34)p**

All amounts relate to continuing operations.

The notes on pages 55 to 80 form part of these financial statements.

Consolidated statement of comprehensive income
For the year ended 30 September 2023

	2023	*2022*
	£000	*£000*
Loss after tax for the year	**(913)**	**(3,275)**
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(7)**	**(15)**
Total comprehensive expense for the year	**(920)**	**(3,290)**

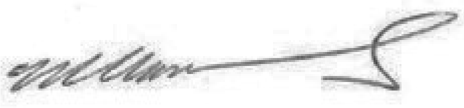
The notes on pages 55 to 80 form part of these financial statements.

Consolidated statement of financial position
As at 30 September 2023

	Note	***2023 £000***	*2022 £000*
Non-current assets			
Property, plant and equipment	11	**8,407**	8,949
Right-of-use assets	12	**4,302**	4,549
Intangible assets	13	**2,839**	2,987
Investments in equity-accounted joint ventures	14	**-**	74
Total non-current assets		**15,548**	16,559
Current assets			
Inventories	15	**2,343**	2,669
Trade and other receivables	16	**4,275**	3,433
Cash and cash equivalents		**2,090**	1,786
Total current assets		**8,708**	7,888
Total assets		**24,256**	24,447
Current liabilities			
Trade and other payables	17	**4,468**	3,358
Loans and borrowings	18	**1,306**	860
Lease liabilities	12	**889**	825
Total current liabilities		**6,663**	5,043
Non-current liabilities			
Trade and other payables	17	**99**	105
Loans and borrowings	18	**2,387**	2,907
Lease liabilities	12	**4,280**	4,627
Deferred tax liability	19	**12**	30
Total non-current liabilities		**6,778**	7,669
Total liabilities		**13,441**	12,712
Net assets		**10,815**	11,735
Equity attributable to equity holders of the company			
Share capital	20	**1,092**	1,092
Share premium account	22	**18,366**	18,366
Other reserves	22	**1,886**	1,886
Currency differences reserve	22	**(147)**	(140)
Profit and loss account	22	**(10,382)**	(9,469)
Total equity		**10,815**	11,735

The notes on pages 55 to 80 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 1 March 2024



Kamran Munir
Group Chief Financial Officer

Autins Group plc Registered number: 08958960

Parent company statement of financial position
As at 30 September 2023

	Note	*2023* *£000*	*2022* *£000*
Non-current assets			
Property, plant and equipment	11	**-**	1
Intangible assets	13	**56**	56
Investments	14	**16,239**	16,239
Total non-current assets		**16,295**	16,296
Current assets			
Trade and other receivables	16	**9,008**	10,911
Cash and cash equivalents		**247**	244
Total current assets		**9,255**	11,155
Total assets		**25,550**	27,451
Current liabilities			
Trade and other payables	17	**8,458**	8,990
Loans and borrowings	18	**1,195**	739
Total current liabilities		**9,653**	9,729
Non-current liabilities			
Loans and borrowings	18	**2,042**	2,628
Total non-current liabilities		**2,042**	2,628
Total liabilities		**11,695**	12,357
Net assets		**13,855**	15,094
Equity attributable to equity holders of the company			
Share capital	20	**1,092**	1,092
Share premium account	22	**18,366**	18,366
Other reserves	22	**1,886**	1,886
Profit and loss account	22	**(7,489)**	(6,250)
Total equity		**13,855**	15,094

The Company has elected to take the exemption under section 408 of the Companies Act not to present the parent Company profit and loss account. The loss for the parent Company for the year was £1,239,000 (2022: loss of £1,709,000).

The notes on pages 55 to 80 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 1 March 2024.

Kamran Munir
Group Chief Financial Officer

Consolidated statement of changes in equity
For the year ended 30 September 2023

	Share capital £000	*Share premium account £000*	*Other reserves £000*	*Currency differences reserve £000*	*Profit and loss account £000*	*Total Equity £000*
At 30 September 2022	1,092	18,366	1,886	(140)	(9,469)	11,735
Comprehensive income for the year						
Loss for the year	-	-	-	-	**(913)**	**(913)**
Other comprehensive income	-	-	-	**(7)**	-	**(7)**
Total comprehensive expense for the year	-	-	-	**(7)**	**(913)**	**(920)**
At 30 September 2023	**1,092**	**18,366**	**1,866**	**(147)**	**(10,382)**	**10,815)**

Consolidated statement of changes in equity
For the year ended 30 September 2022

	Share capital £000	*Share premium account £000*	*Other reserves £000*	*Currency differences reserve £000*	*Profit and loss account £000*	*Total Equity £000*
At 30 September 2021	792	15,866	1,866	(125)	(6,194)	12,225
Comprehensive income for the year						
Loss for the year	-	-	-	-	**(3,275)**	**(3,275)**
Other comprehensive income	-	-	-	**(15)**	-	**(15)**
Total comprehensive expense for the year	-	-	-	**(15)**	**(3,275)**	**(3,290)**
Contributions by owners						
Shares issued in the year (net of expenses)	**300**	**2,500**	-	-	-	**2,800**
At 30 September 2022	**1,092**	**18,366**	**1,866**	**(140)**	**(9,469)**	**11,735**

Parent company statement of changes in equity
For the year ended 30 September 2023

	Share capital £000	*Share premium account £000*	*Other reserves £000*	*Profit and loss account £000*	*Total Equity £000*
At 30 September 2022	1,092	18,366	1,886	(6,250)	15,094
Comprehensive income for the year					
Loss for the year and total comprehensive expense	**-**	**-**	**-**	**(1,239)**	**(1,239)**
Total comprehensive expense for the year	**-**	**-**	**-**	**(1,239)**	**(1,239)**
At 30 September 2023	**1,092**	**18,366**	**1,886**	**(7,489)**	**13,855**
At 30 September 2021	**792**	**15,866**	**1,886**	**(4,541)**	**14,003**
Comprehensive income for the year					
Loss for the year and total comprehensive expense	-	-	-	(1,709)	(1,709)
Total comprehensive expense for the year	-	-	-	(1,709)	(1,709)
Contributions by owners					
Shares issued in the year (net of expenses)	300	2,500	-	-	2,800
At 30 September 2022	**1,092**	**18,366**	**1,866**	**(6,250)**	**15,094**

Consolidated statement of cash flows
For the year ended 30 September 2023

	2023	*2022*
	£000	*£000*
Operating activities		
Loss after tax	**(913)**	(3,275)
Adjustments for:		
Income tax	**(128)**	(277)
Finance expense	**501**	542
Depreciation of property, plant and equipment	**895**	884
Depreciation of right-of-use assets	**817**	831
Amortisation of intangible assets	**199**	163
Profit on disposal of interest in joint venture	**(201)**	-
Share of post-tax profit of equity accounted joint ventures	**(5)**	26
	1,165	(1,106)
(Increase)/decrease in trade and other receivables	**(723)**	261
Decrease/(increase) in inventories	**291**	(236)
Increase in trade and other payables	**1,274**	255
	842	280
Cash generated from/(used in) operations	**2,007**	(826)
Income taxes received	**67**	291
Net cash flows from/(used in) operating activities	**2,074**	(535)
Investing activities		
Purchase of property, plant and equipment	**(531)**	(219)
Purchase of intangible assets	**(82)**	(112)
Proceeds from disposal of tangible fixed assets	**118**	-
Proceeds from disposal of interest in joint venture	**180**	-
Dividend received from equity-accounted for joint venture	**-**	20
Net cash used in investing activities	**(315)**	(311)
Financing activities		
Interest paid	**(501)**	(527)
Proceeds from issue of shares	**-**	3,000
Share issue expenses paid	**-**	(200)
Loan issue expenses paid	**-**	(3)
Bank loans repaid	**(179)**	(108)
Principal paid on lease liabilities	**(851)**	(688)
Hire purchase finance advanced	**205**	-
Hire purchase agreements repaid	**(110)**	(87)
Net cash (used in)/generated from financing activities	**(1,436)**	1,387
Net increase in cash and cash equivalents	**323**	541
Cash and cash equivalents at beginning of year	**1,786**	1,238
Foreign exchange movements	**(19)**	7
Cash and cash equivalents at end of year	**2,090**	1,786

	2023	*2022*
	£000	*£000*
Cash and cash equivalents comprise:		
Cash balances	**2,090**	1,786

Reconciliation of movements in net cash/financing liabilities

Year ended 30 September 2023	*Opening £000*	*Cash flows £000*	*Non-cash movements £000*	*Closing £000*
Cash and cash equivalents				
Cash balances	1,786	323	(19)	**2,090**
Financing liabilities				
Bank loans	(3,625)	179	(10)	**(3,456)**
Hire purchase liabilities	(142)	(95)	-	**(237)**
Lease liabilities	(5,452)	1,116	(833)	**(5,169)**
	(9,219)	1,200	(843)	**(8,862)**
	(7,433)	1,523	(862)	**(6,772)**

Year ended 30 September 2022	*Opening £000*	*Cash flows £000*	*Non-cash movements £000*	*Closing £000*
Cash and cash equivalents				
Cash balances	1,262	517	7	**1,786**
Bank overdrafts	(24)	24	-	**-**
	1,238	541	7	**1,786**
Financing liabilities				
Bank loans	(3,714)	103	(14)	**(3,625)**
Hire purchase liabilities	(229)	87	-	**(142)**
Lease liabilities	(5,636)	987	(803)	**(5,452)**
	(9,579)	1,177	(817)	**(9,219)**
	(8,341)	1,718	(810)	**(7,433)**

Material non cash transactions

Financing liabilities include lease liabilities, primarily in respect of property leases, following the adoption of IFRS 16 from 1 October 2019. Additions of £610,000 net of foreign exchange movements of £42,000 are shown in non-cash movements together with financing charges of £265,000 (FY22: £534,000 of additions net of foreign exchange movements of £30,000 together with financing charges of £299,000).

Notes to the financial statements

1. Accounting policies

Description of business
Autins Group is a public limited company (Plc) registered and domiciled in England and Wales and listed on AIM, a market operated by the London Stock Exchange. The principal activity of the Group is the supply of Noise Vibration and Harshness (NVH) insulating materials. Supply is primarily to the automotive industry but, more recently, the Group has diversified supply into other industries such as commercial vehicles, flooring, office pods and building applications. The address of the registered office is Central Point One, Central Park Drive, Rugby, Warwickshire, CV23 0WE.

Accounting convention and basis of preparation

The financial statements have been prepared in accordance with the historical cost convention and International Accounting Standards in conformity with the requirements of the Companies Act 2006. The stated accounting policies have been consistently applied to all periods presented.

The parent company financial statements have been prepared under applicable United Kingdom Accounting Standards (FRS101) in order to apply International Accounting Standards in conformity with the requirements of the Companies Act 2006. The following FRS 101 disclosure exemptions have been taken in respect of the parent company only information:

- IAS 7 Statement of cash flows;
- IFRS 7 Financial instruments disclosures and;
- IAS 24 Key management remuneration.

The consolidated financial statements are drawn up in sterling, the functional currency of Autins Group plc. The level of rounding for the financial statements is the nearest thousand pounds.

Going concern
The Directors have concluded that, based on current and forecast trading, the annual cash flow forecasts, and the available sources of finance, that it is appropriate to prepare these financial statements on the going concern basis.

The Directors have prepared trading and cash flow forecasts through to 30 September 2025. The forecasts incorporate the actual trading and cash flow performance through to 31 January 2024, which show an improved position compared to the same period in the prior year.

The trading forecasts take into consideration:

- the current and expected demand schedules from the Group's key automotive customers, changes in expected demand for flooring products in Germany and the levels of enquiries for new business;
- the impact of current and future expected demand levels for new vehicles, the migration to EV's and publicly available forward looking market information on market sizes and dynamics; and
- the current cost structure of the Group and an allowance for known increases, for example in relation to increases in the minimum wage from April 2024, and various projects to improve efficiency in the production and procurement processes.

The key sensitivities in the trading forecasts are automotive revenue levels, end market vehicle sales mix and the timing of orders placed by customers. These sensitivities have been factored into the forecasts.

The cash flow forecasts are derived from the trading forecasts and include the repayment of loans in accordance with the agreements with the lenders, further details of which are provided below. The cash flow forecasts also assume that working capital is managed in line with the commercial agreements and provide a contingency.

The facilities available to the Group comprise a UK invoice finance facility of up to £3.5 million and combined overdraft facilities in Germany and Sweden of £0.2 million, none of which are currently drawn. As at 26 February 2024, shortly before the reporting date, the cash headroom, including the undrawn facilities is £3.7 million (30 September 2023: £4.1 million). The minimum cash headroom, comprising cash at bank and available facilities, in the forecasts for a period of 12 months from the date of signing these financial statements is £1.0 million in March 2025, following the full repayment of the MEIF term loan.

As at 30 September 2023, the Group had:

- a UK CBILS loan of £1.7 million;
- a MEIF loan of £1.5 million; and
- a German Government loan of £0.2 million.

The UK CBILS loan is repayable in quarterly instalments of £146,154 through to 2026. A revised facility agreement was signed in relation to this loan on 29February 2024 which included covenants in relation to minimum EBITDA levels, minimum levels of cash at bank plus available facilities (liquidity) and maximum net leverage (total debt, excluding IFRS 16 liabilities, as a multiple of EBITDA), which are measured quarterly and minimum debt service (EBITDA as a multiple of debt service costs, excluding the IFRS 16 debt service cost and the MEIF term loan repayment), which is measured annually. The forecasts demonstrate that in the period of 12 months from signing these financial statements the covenants are fully complied with.

A revised facility agreement was also signed on 29 February 2024 in relation to the MEIF loan, which schedules full repayment of the loan by 31 December 2024. This facility does not include any covenants.

The German Government loan is repayable in quarterly instalments of £8,000 through to 2030.

Composition of the Group
A list of the subsidiary undertakings is given in note 14 to the financial statements.

Changes in accounting policies
These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 for periods beginning on or after 1 October 2022 with no new standards adopted in these financial statements

New accounting standards applicable to future periods
There are no new standards, interpretations and amendments which are not yet effective in these financial statements, expected to have a material effect on the Group's future financial statements. After Brexit, the UK continues to apply International Accounting Standards in conformity with the requirements of the Companies Act 2006.

Basis of consolidation
The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the statement of financial position, the acquiree's identifiable assets (both tangible and intangible), liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date.

The consolidated financial statements present the results of the Company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Any non-controlling interest in a subsidiary entity is recognised at a proportionate share of the subsidiary's net assets or liabilities. On acquisition of a non-controlling interest, the difference between the consideration paid and the non-controlling interest at that date is taken to equity reserves.

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable when performance obligations are satisfied and represents the amount receivable for goods supplied, net of returns, discounts and rebates allowed by the Group and value added taxes.

Revenue from the sale of goods is recognised when the customer has taken control of the goods and is able to benefit from or direct the use of the goods, which is usually when the goods have been accepted by the customer.

The Group recognises revenue from the sale of tooling when the obligation for it to be capable of the specified production use are satisfied which is considered to be when the specific tool has passed pre-production assessment and sign off by the relevant customer engineer.

Where the costs of developing a specific automotive tooling component for a customer do not result in a product that will enter volume production, the revenue arising from cost recovery for obsolete materials, tooling and design and development work is recognised at the point of customer acceptance of the claim.

Expenditure
Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when a present obligation exists for a future liability relating to a past

event and where the amount of the obligation can be reliably estimated.

Goodwill
Goodwill arising on acquisitions is the excess of the fair value of the cost of acquisition, over the fair value of identifiable net assets acquired. Any direct costs are expensed in the income statement. Goodwill on acquisition is recorded as an intangible fixed asset and represents the residual amount remaining after taking account of the fair values attributed to the identifiable assets, liabilities and contingent liabilities that existed at the date of acquisition, reflecting their condition at that date. Adjustments are also made to align the accounting policies of acquired businesses with those of the Group. This is applied either on initial acquisition or where control is gained over a previously equity accounted interest in an entity. A fair value is measured for the entire holding on taking control and in respect of all assets and liabilities resulting in a gain or loss on a previously held and equity accounted investment.

Goodwill is assigned an indefinite useful economic life. Impairment reviews are performed annually, or more frequently if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of non-financial assets
Impairment tests on goodwill are undertaken annually at the financial year end. All other individual non-financial assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying value exceeds the recoverable amount of the asset or cash-generating unit. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use based on an internal discounted cash flow evaluation.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

Intangible assets acquired as part of a business combination
Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they are separable from the acquired entity or give rise to other contractual/legal rights. Amounts assigned to intangibles acquired as part of a business combination are arrived at by using an appropriate valuation technique for the asset concerned.

All intangible assets acquired through a business combination are amortised on a straight-line basis over their estimated useful lives. Amortisation is reported within administrative expenses in the consolidated statement of comprehensive income.

The intangibles currently recognised by the Group; their useful economic lives and the methods used to determine the separable cost of the intangibles acquired in business combinations are as follows:

Intangible asset	*Useful economic life*	*Valuation method*
Tooling intellectual property	10 years	Estimated discounted cash flow of post-tax royalty earnings potential
Key customer relationships	7 years	Estimated discounted cash flow

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and impairment losses.

Property, plant and equipment
Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs, pre-production plant commissioning costs and interest incurred during the course of construction.

Depreciation is provided on all items of property, plant and equipment so as to write off their cost, less expected residual value over the expected useful economic lives. It is provided at the following rates:

Plant and machinery	-	5-20 years straight line or units of production (see below)
Leasehold improvements	-	Period of the lease
Fixtures and fittings	-	3-15 years straight line

Depreciation of the Group's Neptune material production line has been provided based on a fixed unit of production method since the commencement of commercial production.

The unit of production has been calculated based on the original equipment manufacturer's warranted minimum annual capacity, adjusted for management's recent experience, and management's assessment of expected life. Any re-assessment of this lifetime capacity will affect the depreciation rate prospectively.

Right-of-use assets
Assets and liabilities arising from a lease are initially measured at the present value of the lease payments and payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease or the incremental borrowing rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal, presented as a separate category within liabilities, and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received and any initial direct costs. Depreciation is charged on a straight line basis over the period of the lease and assets are subject to impairment reviews where circumstances indicate their value may not be recoverable or if they are not being utilised.

Profit/loss on disposal of property, plant and equipment and intangible assets
Profits and losses on the disposal of property, plant and equipment and intangible assets represent the difference between the net proceeds and net book value at the date of sale. Disposals are accounted for when the relevant transaction becomes unconditional.

Inventories
Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and an appropriate proportion of fixed and variable overheads incurred in bringing the inventories to their present location and condition. Net realisable value being the estimated selling price less costs to complete and sell. Where necessary, provision is made to reduce cost to no more than net realisable value having regard to the nature and condition of inventory, as well as its anticipated utilisation and saleability.

Tooling for resale - contract assets
Where a customer project or component is secured, the Group may be required to source and test production tooling in advance of volume production. Tooling sourced for a customer is recognised at cost and held as a contract asset in receivables when the Group has a documented commitment from the customer and is valued at the lower of cost and net realisable value. The cost is expensed when the revenue is recognised and where the Group has no customer commitment to meet the costs of tooling production. The costs are expensed within cost of sales as incurred.

Research and development
An internally generated intangible asset arising from development (or the development phase) of an internal project is recognised if, and only if, all of the following have been demonstrated:

- It is technically feasible to complete the development such that it will be available for use, sale or licence;
- There is an intention to complete the development;
- The method by which probable future economic benefits will be generated is known;
- There are adequate technical, financial and other resources required to complete the development and;
- There are reliable measures that can identify the expenditure directly attributable to the project during its development.

The amount recognised is the expenditure incurred from the date when the project first meets the recognition criteria listed above. Expenses capitalised consist of employee costs incurred on development and an apportionment of appropriate overheads.

Where the above criteria are not met, development expenditure is charged to the consolidated income statement in the period in which it is incurred. The expected life of internally generated intangible assets varies based on the anticipated useful life, currently ranging from five to ten years.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and impairment losses.

Amortisation is charged on a straight-line basis over the estimated period in which the intangible asset has economic benefit from the commencement of related product sales and is reported within administrative expenses in the consolidated statement of comprehensive income.

Research expenditure is recognised as an expense in the period in which it is incurred.

Revenue based grants
Revenue based grants, including those related to government coronavirus job and business support schemes, are recognised as income based on the specific terms related to them as follows:

- A grant is recognised in other operating income when the grant proceeds are received (or receivable) provided that the terms of the grant do not impose future performance-related conditions.
- If the terms of a grant do impose performance-related conditions then the grant is only recognised in income when the performance-related conditions are met.
- Any grants that are received before the revenue recognition criteria are met are recognised in the statement of financial position as another creditor within liabilities.

Capital grants
Grants received relating to property, plant and equipment are treated as deferred income and released to the income statement over the expected useful lives of the assets concerned.

Foreign currencies
Transactions entered into by Group entities in a currency other than the currency of the primary economic environment in which they operate (their 'functional currency') are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the consolidated income statement.

Translation of the results of overseas businesses
The results of overseas subsidiaries and joint ventures are translated into the Group's presentational currency of sterling each month at the weighted average exchange rate for the month. The weighted average exchange rate is used, as it is considered to approximate the actual exchange rates on the date of the transactions. The assets and liabilities of such undertakings are translated at the year-end exchange rate. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income and accumulated in a separate equity reserve.

Hire purchase liabilities
Hire purchase agreements where the Group has substantially all the risks and rewards of ownership and retains the asset at the end of the payment term are classified as hire purchase liabilities within loans and borrowings. Assets are capitalised at the agreement's commencement at the lower of the fair value of the related asset and the present value of the minimum lease payments.

Each payment is allocated between the liability and finance charges. The remaining future rental obligations, net of finance charges, are included in hire purchase obligations in current or non-current liabilities. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under hire purchase contracts is depreciated over the useful life of the asset.

Borrowing costs
Borrowings are recognised initially at fair value, net of transaction costs incurred. They are subsequently carried at amortised cost and the difference between the proceeds (net of transaction costs) and the total redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Operating leases
From 1 October 2019 IFRS 16 was applied with additional right-of-use-assets and related liabilities recognised as set out in the policy above. Payments associated with short-term leases of property, plant and equipment and leases of low-value assets continue to be recognised on a straight-line basis as an expense. Short-term leases are leases with a lease term of 12 months or less.

Employee benefit costs
The Group operates a defined contribution pension scheme. Contributions payable to the pension scheme are charged to the consolidated statement of comprehensive income in the period to which they relate.

Share based payment
The Group operates an equity-settled share based compensation plan in which the Group receives services from directors and certain employees as consideration for share options. The fair value of the

services is recognised as an expense, determined by reference to the fair value of the options granted.

Invoice discounting
The Group has an agreement with HSBC whereby its trade receivables are discounted, with recourse after 120 days. On the basis that the benefits and risks attaching to the debts remained with the Group, the gross debts are included as an asset within trade receivables (net of any provisions and discounts) and the proceeds received are included within current liabilities as short-term borrowings under invoice discounting facilities. The net cash advances or repayments are presented as financing cash flows.

Charges and interest are recognised in the finance expense in the consolidated statement of comprehensive income as they accrue.

Investments in subsidiaries
Investments in subsidiaries are stated at cost or at the fair value of shares issued as consideration less provision for any impairment.

Investments in joint ventures
A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group accounts for its interests in joint ventures using the equity method. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture.

When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses, unless and only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture for those losses.

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in the joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

Financial assets
The Group classifies its financial assets based upon the purpose for which the asset was acquired. The Group has not classified any of its financial assets as held at fair value through profit and loss or through other comprehensive income.

The classes of financial assets are commented upon further below:

(a) Receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods to customers (e.g. trade receivables and contract balances). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest method.

The Group's receivables comprise trade and other receivables included within the consolidated statement of financial position.

The Group applies the simplified IFRS 9 approach and recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost to the extent that these are experienced and significant for assets subject to similar credit risks and ageing. The group measures loss allowances for trade receivables and contract assets at an amount equal to lifetime ECL and the expected loss rates are based on a three year period adjusted where required for current and forward looking information on the group's customers. The potential default of receivables from other group companies is measured using a 12 month ECL and assessment for any significant changes in risk related to changes in underlying trading or prospects. The gross carrying amount of a financial asset is written off (either partially or in full) against the allowance to the extent that there is no realistic prospect of recovery.

(b) Cash and cash equivalents
Cash and cash equivalents comprise cash held at bank which is available on demand.

Financial liabilities
The Group classifies its financial liabilities as other financial liabilities and does not enter into any financial liabilities which are held at fair value through profit or loss or through other comprehensive income. This reflects the purpose for which the liabilities were acquired.

Other financial liabilities comprise:

- Trade payables, amounts owed to equity accounted joint ventures, accruals and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

- Bank loans, bank overdrafts, invoice discounting, lease liabilities and hire purchase agreements are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost ensuring the interest (effective rate) element of the borrowing is expensed over the repayment period at a constant rate.

Share capital
Financial instruments issued by the Group are treated as equity only to the extent that they do not meet the definition of a financial liability. The Group's ordinary shares are classified as equity instruments.

Dividends
Dividend distributions to the Group's shareholders are recognised as a liability in the period in which the dividend becomes a committed obligation.

Final dividends are recognised when they are approved by the shareholders. Interim dividends are recognised when paid.

Taxation
Current taxes are based on the results and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the date of the statement of financial position.

Deferred taxation
Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;

- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable Group company; or
- different entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets and liabilities are expected to be settled or recovered.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker has been identified as the management team including the Chief Executive Officer, Chief Financial Officer and Chair.

The Board considers that the Group's activity constitutes one primary operating and one separable reporting segment as defined under IFRS 8. Management considers the reportable segment to be Automotive Noise, Vibration and Harshness (NVH). Revenue and profit before tax primarily arises from the principal activity based in the UK. Management reviews the performance of the Group by reference to total results against budget.

The total profit measure is operating profit as disclosed on the face of the consolidated income statement. No differences exist between the basis of preparation of the performance measures used by management and the figures in the Group financial statements.

2. Critical accounting estimates and judgements
The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances and any further evidence that arises relevant to judgements taken. In the future, actual experience may differ from these estimates and assumptions. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property, plant and equipment and right-of-use assets (Notes 11 and 12)
Judgement
Depreciation commences once an asset is considered to be capable of operating in the manner intended and to the specification set by management when ordering the equipment. Judgement is applied based on testing of the equipment and trial products which impacts the commencement and charge in a period. Depreciation on right-of-use property assets commences from the start of the lease.

Estimates
Property, plant and equipment are depreciated over the estimated useful lives of the assets. Useful lives are based on management's estimates of the period that the assets will generate revenue, which are reviewed annually for continued appropriateness and events which may cause the estimate to be revised.

The key areas of estimation uncertainty regarding depreciation is the use of the unit of production method for the Neptune assets and the determination of the lifetime capacity; risk of obsolescence from technological and regulatory changes; and required future capital expenditure (refurbishment or replacement of key components). The lifetime capacity has initially been assessed using an assumed 2.7 million linear metres production per annum (based on a weighted average of the original equipment manufacturer's warranted minimum annual production capacity for each of three primary material grades produced) and fifteen years use at full line speed when refurbishment and replacement of key components would be considered likely. Management will continue to monitor the position for future periods.

In respect of right-of-use leased assets a key estimate is the incremental borrowing rate used to discount the total cash flows and derive both the opening asset value and lease liability as well as the consequential depreciation and financing charges. Assessment of the rate, particularly for property, takes account of the Group's borrowing rates, financial position and factors specific to leases, including property yields. If the rate applied had been 1% lower at 4%, it would have increased the transition asset by £350,000, the transition liability by £280,000 and reduced the debit to retained earnings by £70,000. The depreciation charge for the year ended 30 September 2023 would have been £32,000 higher and financing charges £33,000 lower with a net £1,000 impact on the profit and loss account.

The carrying values are tested for impairment when there is an indication that the value of the assets might not be realisable or impaired. When carrying out impairment tests these are based upon future cash flow forecasts and these forecasts include management estimates for sales pricing and volumes informed by external market forecasts and experience. Future events or changes in the market could cause the assumptions to change, therefore this could have an adverse effect on the future results of the Group.

Other intangible assets (Note 13)
As set out in the policy in note 1, intangible assets acquired in a business combination are capitalised and amortised over their estimated useful lives which may be impacted by future events.

Estimate
Both initial valuations and subsequent impairment tests for intangible assets are based on risk adjusted future cash flows discounted using appropriate discount rates. These future cash flows will be based on forecasts for the individual assets or, where the specific cash flows cannot be separately identified, the

CGU to which the assets are attributable which include estimated factors and are inherently judgemental. Future events could cause the assumptions to change which could have an adverse effect on the future results of the Group.

Judgement
The capitalisation of development costs is also subject to a degree of judgement in respect of the viability of new products, supported by the results of testing and customer trials, and by forecasts for the overall value and timing of sales which may be impacted by other future factors which could impact the assumptions made.

Trade receivables (Note 16)
Estimate Trade receivables are initially recognised at invoiced value. Where specific amounts remain outstanding or disputed beyond their agreed settlement date management, having reviewed all commercial documentation, proof of delivery and credit risk of the customer, apply judgement as to the likelihood of the future settlement. This judgement will be influenced by the passage of time, the documentation available and previous experience of collection of past due invoices with that customer and the Group's customer base in general.

In addition, where the Group has historic experience of a rate of loss against a specific group of receivables (or where circumstances are indicative of a likely future change in the rate of estimated loss) then a change in that estimated loss rate would alter the impairment provision recognised.

3. Financial instruments – risk management
The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. All funding requirements and financial risks are managed based on policies and procedures adopted by the Board of Directors.

The Group is exposed to the following financial risks:

- Credit risk
- Liquidity risk
- Foreign exchange risk
- Interest rate risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Fixed and floating rate bank loans
- Floating rate overdrafts
- Fixed rate hire purchase agreements
- Fixed rate lease liabilities
- Floating rate invoice discounting facilities

Group financial instruments by category

Financial assets

	Financial assets at amortised cost	
	2023	2022
	£000	£000
Cash and cash equivalents	**2,090**	1,786
Trade and other receivables	**3,586**	3,041
Total financial assets	**5,676**	4,827

Financial liabilities

	Financial liabilities at amortised cost	
	2023	2022
	£000	£000
Trade and other payables	**4,131**	3,148
Borrowings	**3,693**	3,767
Lease liabilities	**5,169**	5,452
Total financial liabilities	**12,993**	12,367

All financial instruments are carried at amortised cost and the carrying value of the Group's financial assets and liabilities is considered to approximate to their fair value at the current reporting date. Cash and cash equivalents are held in sterling, euro, and krona and placed on deposit in UK, German and Swedish banks.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. At 30 September 2023, the Group has net trade receivables of £3,286,000 (2022: £2,990,000).

The Group is exposed to credit risk in respect of these balances such that, if one or more customers encounter financial difficulties, this could materially and adversely affect the Group's financial results. The Group attempts to mitigate credit risk by assessing the creditworthiness of customers and closely monitoring payment history.

The ageing of debtors past due and not impaired is included in note 16. Having assessed the recoverability of past due invoices, including consideration of time elapsed and associated commercial documents, the directors have made provision, using the Expected Credit Loss methodology, of £116,000 at 30 September 2023 (2022: £44,000) for doubtful debts.

Credit risk on cash and cash equivalents is considered to be minimal as the counterparties are all substantial banks with high credit ratings.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the continued availability of its other funding facilities. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. The Group actively manages its cash generation and maintains sufficient cash holdings to cover its immediate obligations. Cash and cash equivalents at the year-end were £2.1m (2022: £1.8m). There was an unutilised invoice discounting facility at 30 September 2023 of up to £3.5m subject to eligible receivables (2022: £3.5m discounting facility) and unutilised overdrafts in Germany and Sweden totalling £0.2 million, together with the existing undrawn hire purchase facilities of £0.4m (2022: £0.4m) for capex. The parent company has drawn down on term loan facilities of £3.5m in July 2020 in order to improve the overall liquidity and has loaned this to subsidiary companies where required for their working capital requirements. Repayments of £0.15m have been made during the year, following a period of agreed payment deferments.

The tables below set out the maturities of the Group's financial liabilities, including interest payments as at the year-end dates:

At 30 September 2023	***Up to 1 year £000***	***1 to 2 years £000***	***2 to 5 years £000***	***Over 5 years £000***
Trade and other payables	4,131	-	-	-
Bank loans	1,410	1,548	696	58
Hire purchase liabilities	86	172	-	-
Lease liabilities	934	923	2,665	1,126
Total	**6,561**	**2,643**	**3,361**	**1,184**

At 30 September 2022	*Up to 1 year £000*	*1 to 2 years £000*	*2 to 5 years £000*	*Over 5 years £000*
Trade and other payables	3,148	-	-	-
Bank loans	1,003	1,070	1,939	93
Hire purchase liabilities	105	54	-	-
Lease liabilities	1,073	1,017	2,455	1,880
Total	**5,329**	**2,141**	**4,394**	**1,973**

Subsequent to the year end, term loan capital repayments have continued according to the most recent repayment schedules agreed with the Group's lenders.

Foreign exchange risk
Foreign exchange risk is the risk that movements in exchange rates adversely affect the profitability or cash flows of the business.

The majority of the Group's financial assets are held in Sterling but movements in the exchange rate of the Euro, the US Dollar and the Swedish Krona against Sterling have an impact on both the result for the year and equity. The Group considers its most significant exposure is to movements in the Euro, although there are no material net foreign currency denominated assets/liabilities in the Group other than the Swedish Krona denominated goodwill in respect of Autins AB at 30 September 2023.

Interest rate risk
The Group's exposure to market risk for changes in interest rates relates primarily to cash and external borrowings (including overdrafts and invoice discounting arrangements).

The Group has a limited exposure to cash flow interest rate risk. Borrowings under asset finance/hire purchase arrangements are at a fixed interest rate over their term, a fixed rate of 7.5% applies to the £1.5m MEIF growth funding loan and 1.03% to a German bank loan of £0.3m. The CBIL term loan was also converted to a fixed rate of 4.69% from October 2022. Lease liabilities have been derived by applying an incremental borrowing rate of 5% for the major property leases which were in place at transition to IFRS 16 in 2019 and 8% to the new lease additions since then.

The interest rates applicable to the fixed rate borrowings are lower than current market rates and the estimated fair value is considered to be some £180,000 lower than the carrying value of the liabilities as a result of the interest rates fixed at less than current market rates (2022: no material difference between their carrying value and fair value).

All borrowing is approved by the Board of Directors to ensure that it is conducted at the most competitive rates available to it.

Capital management
The Group is financed by a mixture of equity, term loans and invoice discounting facilities as required for working capital purposes and with hire purchase finance used for certain capital projects. The capital comprises all components of equity which includes share capital, retained earnings and other reserves.

The Company's and Group's objectives when maintaining capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

All working capital requirements are financed from existing cash with invoice discounting resources available if required.

The Company and Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

4. Revenue and segmental information

Revenue analysis

	2023	*2022*
	£000	*£000*
Revenue, recognised at a point in time, arises from:		
Sales of components	**22,513**	18,577
Sales of tooling	**166**	296
	22,679	18,873

Segmental information
The Group currently has one main reportable segment in each year, namely Automotive (NVH) which involves provision of insulation materials to reduce noise, vibration and harshness to automotive manufacturing. Turnover and operating profit are disclosed for other segments in aggregate, mainly flooring, as they individually do not have a significant impact on the Group result. These segments have no material identifiable assets or liabilities.

Factors that management used to identify the Group's reportable segments
The Group's reportable segments are strategic business units that offer different products and services.

Measurement of operating segment profit or loss
The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of operating profit/(loss). Automotive remained the only significant segment in the year although the German subsidiary has developed and maintained acoustic flooring sales to offset some of the impact of the depressed automotive market.

The Group's non-automotive revenues, mainly acoustic flooring, is included within the others segment.

Segmental analysis for the year ended 30 September 2023

	Automotive NVH £000	Others £000	2023 Total £000
Group's revenue per consolidated statement of comprehensive income	20,074	2,605	**22,679**
Depreciation	1,712		
Amortisation	199		
Segment operating loss	(687)	(59)	**(746)**
Finance expense			**(501)**
Profit on disposal of joint venture interest			**201**
Share of post-tax loss of equity accounted joint ventures			**5**
Group loss before tax			**(1,041)**
Additions to non-current assets	1,225	-	**1,225**
Reportable segment assets/total Group assets	24,256	-	**24,256**
Reportable segment liabilities/total Group liabilities	13,441	-	**13,441**

Segmental analysis for the year ended 30 September 2022

	Automotive NVH £000	Others £000	2022 Total £000
Group's revenue per consolidated statement of comprehensive income	15,271	3,602	**18,873**
Depreciation	1,715		
Amortisation	163		
Segment operating loss	(2,968)	(16)	**(2,984)**
Finance expense			**(542)**
Share of post-tax loss of equity accounted joint ventures			**(26)**
Group loss before tax			**(3,552)**
Additions to non-current assets	865	-	**865**
Reportable segment assets	24,373	-	**24,373**
Investment in joint ventures	-	-	**74**
Reportable segment assets/total Group assets	24,373		**24,447**
Reportable segment liabilities/total Group liabilities	12,712	-	**12,712**

Revenues from one UK customer in FY23 total £7,658,000 and £3,800,000 of revenue arose from two other European customers (FY22: one customer £6,673,000 and £2,287,000 of revenue arose from another European customer). This largest customer purchases goods from Autins Limited in the United Kingdom and there are no other customers which account for more than 10% of total revenue.

External revenues by location of customers

	2023 £000	*2022 £000*
United Kingdom	**12,832**	10,570
Sweden	**709**	645
Germany	**6,434**	5,917
Other European	**2,595**	1,706
Rest of the World	**109**	35
	22,679	18,873

The material non-current assets outside of the United Kingdom are £892,000 (2022: £788,000) of fixed assets including right-of-use assets and £488,000 (FY22: £519,000) of goodwill in respect of the Swedish subsidiary, together with £564,000 of fixed assets (FY22: £264,000) in Germany. £268,000 (FY22: £491,000) of cash balances are held in Germany with the cash partly utilised to repay intercompany debt owed to a UK group company.

5. Operating loss

The operating loss is stated after charging/(crediting):

	2023 £000	*2022 £000*
Foreign exchange losses/(gains)	**43**	(8)
Depreciation of property, plant and equipment	**895**	884
Depreciation of right-of-use assets	**817**	831
Amortisation of intangible assets	**199**	163
Cost of inventory sold	**14,910**	13,652
Impairment of trade receivables	**72**	-
Research and development expenditure	**11**	12
Other government assistance and grants	**(6)**	(28)
Employee benefit expenses (see note 6)	**6,210**	6,273
Lease payments (short term leases only)	**164**	123
Auditors' remuneration:		
Fees for audit of the Group	**70**	69

6. Staff costs

	Group	Group	**Company**	Company
	2023 £000	*2022 £000*	***2023 £000***	*2022 £000*
Wages and salaries	**5,295**	5,371	**1,106**	1,322
Social security costs	**751**	753	**143**	181
Other pension costs	**164**	149	**49**	53
	6,210	6,273	**1,298**	1,556

The average monthly number of employees during each year was as follows:

	2023 Number	*2022 Number*	***2023 Number***	*2022 Number*
Directors	**4**	4	**4**	4
Administrative and development	**44**	43	**13**	13
Production	**110**	117	**-**	-
	158	164	**17**	17

Group key personnel are considered to be the directors and senior management team of Autins Group plc and Autins Limited which is the largest trading entity in the Group. The remuneration of Group key personnel is disclosed in note 24.

7. *Directors remuneration*

Year ended 30 September 2023	***Salary £000***	***Benefits £000***	***Pension £000***	***Total £000***
A Attwood	60	-	-	**60**
A Burn (appointed 15 May 2023)	17	-	-	**17**
G Kaminski-Cook	254	11	-	**265**
K Munir	188	3	17	**208**
N MacDonald (resigned 30 June 2023)	34	-	-	**34**
	553	**14**	**17**	**585**

Year ended 30 September 2022	***Salary £000***	***Benefits £000***	***Pension £000***	***Total £000***
A Attwood	60	-	-	**60**
G Kaminski-Cook	254	20	-	**274**
K Munir	187	13	19	**219**
N MacDonald	45	-	-	**45**
	546	**33**	**19**	**598**

Retirement benefits are accruing to 2 directors under defined contribution schemes (2022: 2).

8. *Finance expense*

	2023 £000	*2022 £000*
Bank interest	**200**	208
Amortisation of loan issue costs	**16**	15
Right-of-use asset financing charges	**265**	299
Interest element of hire purchase agreements	**20**	20
`	**501**	542

9. *Income tax*

	2023 £000	*2022 £000*
(i) Tax credit in income statement excluding share of tax of equity accounted for joint ventures		
Current tax expense		
Current tax on loss for the period	**(52)**	(108)
Prior year adjustments	**(58)**	(248)
Total current tax	**(110)**	(356)
Deferred tax credit		
Origination and reversal of timing differences	**(18)**	**46**
Prior year adjustments	**-**	**33**
Total deferred tax	**(18)**	**79**
Total tax credit	**(128)**	**(277)**

	2023 £000	2022 £000
(ii) Total tax credit		
Tax credit excluding share of tax of equity accounted for joint ventures (as stated above)	**(128)**	(277)
Share of tax (credit) of equity accounted joint ventures	**-**	-
	(128)	(277)

No tax arises in respect of other comprehensive income.

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to the loss for the year are as follows:

	2023 £000	2022 £000
Loss for the year	**(913)**	(3,275)
Income tax credit (including tax on joint ventures)	**(128)**	(277)
Loss before income taxes	**(1,041)**	(3,552)
Expected tax credit based on corporation tax rate of 22% in 2023 (2022: 19%)	**(229)**	(675)
Expenses not deductible for tax purposes	**4**	3
Enhanced R&D tax relief	**(48)**	(80)
Tax credit claimed at lower rate of 14.5%	**41**	34
Tax losses not recognised	**162**	656
Prior year adjustments	**(58)**	(215)
Total tax including joint ventures	**(128)**	(277)

In May 2021 the corporation tax rate was increased to 25% by the Finance Bill 2021, effective from April 2023. Deferred taxes at the balance sheet date have been measured using the enacted tax rates and the expected timing of reversals. The rate of 25% is accordingly applied to UK deferred taxation balances at 30 September 2023 (2022: 25%).

The current rate of corporation tax in Sweden is 21% and the current rate of corporation tax in Germany is 30%. The Group's Swedish subsidiary did not have taxable profits during the years under review and the German subsidiary profits have to date been substantially offset by losses brought forward.

10. Earnings per share

	2023 £000	2022 £000
Loss used in calculating basic and diluted EPS	**(913)**	(3,275)
Number of shares		
Weighted average number of £0.02 shares for the purpose of basic earnings per share ('000s)	**54,601**	51,683
Weighted average number of £0.02 shares for the purpose of diluted earnings per share ('000s)	**54,601**	51,683
Earnings per share (pence)	**(1.67)p**	(6.34)p
Diluted earnings per share (pence)	**(1.67)p**	(6.34)p

Earnings per share have been calculated based on the share capital of Autins Group plc and the earnings of the Group for both years. There are options in place over nil (FY22: 2,523,648) shares that were anti-dilutive at the year-end but which may dilute future earnings per share.

11. *Property, plant and equipment*

Group	*Plant and machinery £000*	*Leasehold improvement £000*	*Fixtures and fittings £000*	*Total £000*
COST				
At 1 October 2021	13,915	171	571	14,657
Additions	160	28	31	219
Foreign exchange movement	(23)	-	-	(23)
At 30 September 2022	**14,052**	**199**	**602**	**14,853**
Additions	524	1	8	533
Disposals	(229)	-	-	(229)
Foreign exchange movement	(107)	-	-	(107)
At 30 September 2023	**14,240**	**200**	**610**	**15,050**
DEPRECIATION				
At 1 October 2021	4,661	57	303	5,021
Charge for year	831	14	39	884
Foreign exchange movement	(1)	-	-	(1)
At 30 September 2022	**5,491**	**71**	**342**	**5,904**
Charge for year	841	15	39	895
Disposals	(112)	-	-	(112)
Foreign exchange movement	(44)	-	-	(44)
At 30 September 2023	**6,176**	**86**	**381**	**6,643**
NET BOOK VALUE				
At 30 September 2023	**8,064**	**114**	**229**	**8,407**
At 30 September 2022	8,561	128	260	8,949
At 30 September 2021	9,254	114	268	9,636

In the prior year, given the backdrop of difficult global economic fundamentals, a detailed review of fixed assets was conducted considering remaining economic life, utilisation rates, and potential disposal values. This resulted in £181,000 of additional depreciation being charged against plant and machinery in the prior year.

Net book value of assets held under hire purchase contracts are as follows:

	Plant and machinery £000
At 30 September 2023	**576**
At 30 September 2022	330

Depreciation of £52,000 was charged on these assets in the year (2022: £56,000).

The Neptune plant and equipment represents £4.7m (2022: £4.7m) of the net book value. The Directors, having prepared discounted cash flow assessments for both the NVH segment within which the goodwill is allocated and the Neptune facility as a standalone cash generating unit, are satisfied that the carrying values remain appropriate. The profit improvement actions already taken have significantly improved margins, meaning that the overall carrying value of the Neptune plant and equipment is supported at an annual revenue level of £4m. This assessment is made considering Neptune materials sales value only. When considering component sales margins incorporating Neptune material, the annualised sales volumes in FY23 exceeded £8m. Latest sales enquiry levels and actual conversion into orders indicate that even a slow growth rate means that we should continue exceeding consolidated sales of £8m per annum. Accordingly, no impairment of the Neptune assets is required.

The Company has fixed assets with a cost for office equipment of £3,000 at 30 September 2021, 2022 and 2023, with £1,000 of depreciation in FY22 and FY23 and a net book value of £nil (2022: £1,000).

12. Right-of-use assets

The right-of-use assets are as follows:

Group	*Property £'000*	*Plant and machinery £'000*	*Total £000*
At 1 October 2022	4,468	81	4,549
Additions	330	280	610
Foreign exchange movements	(40)	-	(40)
Depreciation charge for the year	(745)	(72)	(817)
At 30 September 2023	**4,013**	**289**	**4,302**
At 1 October 2021	4,768	108	4,876
Additions	480	54	534
Foreign exchange movements	(30)	-	(30)
Depreciation charge for the year	(750)	(81)	(831)
At 30 September 2022	**4,468**	**81**	**4,549**

The lease liabilities relating to these are:

Group	*£000*
At 1 October 2022	5,452
Additions	610
Foreign exchange movements	(42)
Lease payments	(1,116)
Financing charge for the year	265
At 30 September 2023	**5,169**
Current	**889**
Payable in 2-5 Years	**3,207**
Payable after 5 Years	**1,073**

Group	*£000*
At 1 October 2021	5,636
Additions	534
Foreign exchange movements	(30)
Lease payments	(987)
Financing charge for the year	299
At 30 September 2022	**5,452**
Current	**825**
Payable in 2-5 Years	**2,866**
Payable after 5 Years	**1,761**

13. *Intangible assets*

Group	Goodwill £000	Development costs £000	Customer relationships £000	Tooling intellectual property £000	Total £000
COST					
At 1 October 2021	2,206	969	1,079	830	5,084
Additions	-	112	-	-	112
Disposals	-	(135)	-	-	(135)
Foreign currency differences	(21)	-	-	-	(21)
At 30 September 2022	**2,185**	**946**	**1,079**	**830**	**5,040**
Additions	-	82	-	-	82
Foreign currency differences	(31)	-	-	-	(31)
At 30 September 2023	**2,154**	**1,028**	**1,079**	**830**	**5,091**
AMORTISATION AND IMPAIRMENT					
At 1 October 2021	-	330	1,079	616	2,025
Charge for the year	-	80		83	163
Disposals	-	(135)		-	(135)
At 30 September 2022	**-**	**275**	**1,079**	**699**	**2,053**
Charge for the year	-	116	-	83	199
At 30 September 2023	**-**	**391**	**1,079**	**782**	**2,252**
NET BOOK VALUE					
At 30 September 2023	**2,154**	**637**	**-**	**48**	**2,839**
At 30 September 2022	2,185	671	-	131	2,987
At 30 September 2021	2,206	639	-	214	3,059

The development costs relate to know-how and expertise held by the Group in respect of the production and use of new materials and design of insulation products.

The Group tests goodwill for impairment annually or where there is an indication that goodwill might be impaired. The Directors have, in considering impairment of goodwill, reviewed the operating activities and structure of the Group and considers the goodwill is attributable to a single cash generating unit related to the existing established products of the automotive NVH segment.

The recoverable amount of that cash generating unit has been determined on a value-in-use basis. Value-in-use calculations for the cash generating unit are based on projected three-year (2022: three-year) discounted cash flows, together with a terminal value which assumes a 2.5% (2022: 1%) long term growth rate currently considered appropriate to the industry in the UK and European markets the Group operates in. The cash flows have been discounted at pre-tax rates of 11.9% (2022: 11.8%) reflecting the Group's weighted average cost of capital adjusted for country-specific tax rates and risks.

Noting that EBITDA improved in FY23 by £2.3m, and cashflow from operating activities improved to £2.1m, the Directors have reviewed a range of reasonably foreseeable trading forecasts for future periods. The key assumption which underpins these forecasts relates to the rate of revenue and profit growth and reflects trading experience, as adjusted for the expected growth from current customer, industry and global economic data. We have continued to reduce the cost base and improve operational efficiency over the last 3 years which has significantly improved gross margin. Revenue, supported by demand for new vehicles, agreed contractual improvements, and new contract wins is expected to show further growth in FY24 and continue improving into FY25, aided by the continued diversification of the customer base and product range, a return to profitability and cash generation is expected in the foreseeable future. Recurring revenues from automotive NVH need to recover to a level of c.£30m a year, which is consistent with budgeted levels for future years, in order to support the carrying value of the goodwill. Historically, these revenues were £27m in FY18, prior to the pandemic and before contractual price improvements and further restructuring actions had been taken. The key sensitivity in the forecasts is the level of revenue. Each 1% fall in revenue would reduce the headroom of £2.9m by £0.6m.

The Company had a closing net book value of £50,000 (2022: £50,000) for goodwill and £6,000 (2022: £6,000) for development costs in intangible assets.

14. Fixed asset investments

Group	***Interest in joint ventures £000***
COST AND NET BOOK VALUE	
At 30 September 2021	**120**
Share of loss for the year	(26)
Dividend paid by JV	(20)
Net book value at 30 September 2022	**74**
Share of profit for the year	5
Disposal of interest in joint venture	(79)
Net book value at 30 September 2023	**-**

The Group's share of joint venture profit in each year was as follows:

	2023 £000	*2022 £000*
Profit/(loss) before tax	**5**	(26)
Taxation	**-**	-
Profit/(loss) after tax	**5**	(26)

Summarised aggregated financial information in relation to the joint venture's results included in the consolidated financial statements is presented below.

Year ended 30 September	***2023 £'000***	***2022 £'000***
Revenues	**2,048**	1,705
Profit/(loss) after tax	**10**	(52)
Total comprehensive income/(expense)	**10**	(52)
Group share of total comprehensive income	**5**	(26)
Included in the above amounts are:		
Depreciation and amortisation	**25**	11
Right-of-use asset depreciation	**65**	65
Interest expense	**16**	10

As at 30 September 2022	*£000*
Current assets	717
Non-current assets	242
Current liabilities	(464)
Non-current liabilities	(347)
Included in the above amounts are:	
Cash and cash equivalents	94
Current financial liabilities (excluding trade payables)	(154)
Non-current financial liabilities (excluding trade payables)	(345)
Net assets (100%)	148
Group share of net assets	74

Company	*Investments in subsidiaries £000*
COST AND NET BOOK VALUE	
At 30 September 2022 and 2023	**16,239**

The Directors have considered the carrying value of the investments and consider that this remains supported by the projections and impairment tests referred to in notes 11 and 13 in respect of the trading prospects and value in use of the subsidiaries.

The subsidiaries of the Company, which have all been included in the consolidated financial statements based on their results to 30 September 2023, are as follows:

Name	*Principal activity*	*30 Sept 2023 and 2022* Ownership %
UK subsidiaries:		
Autins Limited	Supply of insulating materials	100
Automotive Insulations Limited	Dormant	100
Solar Nonwovens Limited	Supply of insulating materials	100
Autins Technical Centre Limited	Dormant	100
Acoustic Insulations Limited	Dormant	100
European subsidiaries:		
Autins GmbH	Supply of insulating materials	100
Autins AB	Supply of insulating materials	100
DBX Acoustics AB	Dormant	100

The Group has agreed to guarantee the liabilities of Solar Nonwovens Limited and Autins Technical Centre Limited, thereby allowing these companies to take the exemption from an audit under Section 479A of the Companies Act 2006.

All UK companies are incorporated in England with a registered office at Central Point One, Central Park Drive, Rugby, Warwickshire, CV23 0WE.

Autins AB and DBX Acoustics AB operate in and are incorporated in Sweden with a registered office at Hamneviksvägen 12, SE-418 79 Gothenburg. Autins GmbH operates in and is incorporated in Germany with a registered office at Hilden Amtsgericht, Düsseldorf HRB 70344. They are held by Autins Limited.

The Group held a 50% interest in a joint venture, Indica Automotive Limited, until disposal of this interest on 29 September 2023. The sale consideration, net of the related fees, was £280,000. A consolidated profit on disposal of £201,000 has been recorded compared to the carrying value at the date of sale of £79,000.

15. *Inventories*

Group	***2023 £000***	*2022 £000*
Raw materials	**1,652**	2,040
Work in progress	**33**	57
Finished goods	**658**	572
	2,343	2,669

Inventory is stated net of impairment provisions of £383,000 (2022: £245,000). The Company has no inventories.

16. *Trade and other receivables*

	Group 2023 £000	*Group 2022 £000*	**Company 2023 £000**	*Company 2022 £000*
Trade receivables	**3,402**	3,034	**-**	-
Provisions for impairment	**(116)**	(44)	**-**	-
Trade receivables net	**3,286**	2,990	**-**	-
Amounts owed by subsidiaries	**-**	-	**8,935**	10,738
Amount owed by equity-accounted joint venture controlled entities	**-**	15	**-**	10
Tooling contract balances	**57**	-	**-**	-
Other receivables	**243**	36	**10**	-
Total financial assets other than cash equivalents classified as receivables	**3,586**	3,041	**8,945**	10,748
Corporation tax debtor	**166**	123	**-**	-
Other receivables	**22**	-	**11**	108
Prepayments	**501**	269	**52**	55
Total trade and other receivables	**4,275**	3,433	**9,008**	10,911
The analysis of trade receivables is as follows:				
Not yet due gross amount	**3,011**	2,615	**-**	-
Past due gross amount	**391**	419	**-**	-
Past due impairment loss allowance	**(116)**	(44)	**-**	-
	3,286	2,990	**-**	-

With the exception of one customer which accounts for 49% (2022: 32%) of the net trade receivable balance at the year end, credit risk with respect to accounts receivable is dispersed due to the number of customers. An impairment allowance of £72,000 has been charged (2022: £nil) in respect of specific trade receivables for the year ended 30 September 2023. The expected credit loss in respect of debt not due and past due is otherwise considered immaterial.

The Group has financing agreements whereby certain trade debts can be subject to an invoice discounting agreement which is secured against the associated trade receivables. The amounts outstanding at 30 September 2023 were £nil (2022: £nil).

The movement in the provision for trade receivables is as follows:

Group	**2023 £000**	*2022 £000*
At 1 October	**44**	48
Charged in year	**72**	-
Receivables written off in year	**-**	(4)
At 30 September	**116**	44

The movement in the tooling contract assets balances are as follows:

	2023 £'000	2022 £'000
Brought forward at 1 October	**-**	-
Additions during the year	**153**	204
Recognised as cost of sales in the year	**(96)**	(204)
Assets as at 30 September	**57**	-
Revenue yet to be recognised on tooling contract balances	**98**	-

17. *Trade and other payables*

	Group 2023 £000	Group 2022 £000	**Company 2023 £000**	Company 2022 £000
Current				
Trade payables	**2,351**	1,551	**208**	66
Amounts owed to subsidiaries	**-**	-	**7,963**	8,585
Amount owed to equity-accounted joint venture controlled entities	**-**	175	**-**	-
Accruals	**1,780**	1,422	**240**	291
Total financial liabilities, excluding loans borrowings, classified as financial liabilities measured at amortised cost	**4,131**	3,148	**8,411**	8,942
Social security and other taxes	**331**	204	**47**	48
Deferred income	**6**	6	**-**	-
Total current trade and other payables	**4,468**	3,358	**8,458**	8,990
Non-current liabilities				
Deferred income	**99**	105	**-**	-

No interest is payable on the amounts owed to the company or by the company to its subsidiaries except for a loan to the German subsidiary of €1.74m on which a rate of 5.0% is charged.

18. *Borrowings*

	Group 2023 £000	Group 2022 £000	**Company 2023 £000**	Company 2022 £000
Bank loans and overdrafts	**3,473**	3,658	**3,254**	3,400
Unamortised issue costs	**(17)**	(33)	**(17)**	(33)
Hire purchase liabilities	**237**	142	**-**	-
Total borrowings	**3,693**	3,767	**3,237**	3,367
Bank loans	**1,228**	772	**1,195**	739
Hire purchase liabilities	**78**	88	**-**	-
Current	**1,306**	860	**1,195**	739
Bank loans – instalments due in 2 to 5 years	**2,171**	2,761	**2,042**	2,628
Bank loans – instalments due in more than 5 years	**57**	92	**-**	-
Hire purchase liabilities due in 2 to 5 years	**159**	54	**-**	-
Non-current	**2,387**	2,907	**2,042**	2,628

Bank loans and overdrafts are secured by fixed and floating charges over the Group's assets.

Principal terms and the debt repayment schedule of the Group's bank borrowings are as follows:

	Nominal Currency	*Conditions*		*Rate %*	*Year of Maturity*
Bank term CBIL	GBP	Secured	Repayable by quarterly instalments	4.69% fixed rate	2026
MEIF term loan	GBP	Secured	Repayable by instalments	7.50% fixed rate	2024
German bank loan	Euro	Secured	Repayable by instalments	1.03% fixed rate	2030

Net obligations under hire purchase contracts are denominated in sterling and secured on the assets to which they relate.

Details of financing facilities are also included in note 3, liquidity risk.

Hire purchase liabilities
The future minimum lease payments in respect of hire purchase liabilities are as follows:

Group	***2023 £000***	*2022 £000*
Less than one year	**85**	105
Between one and five years	**173**	54
Total gross payments	**258**	159
Less: interest charge allocated to future periods	**(21)**	(17)
Carrying amount of liability	**237**	142

19. *Deferred tax*

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25% (2022:25%) for the UK, 21% (2022: 21%) for Sweden and 30% for Germany (2022: 30%). The movement on the deferred tax account is as shown below:

	2023 £000	*2022 £000*
Opening net liability/(asset)	**30**	(49)
Total (credit)/charge recognised in profit and loss	**(18)**	79
Closing net liability	**12**	30

Group	***2023 £000***	*2022 £000*
Deferred tax (asset)		
Accelerated capital allowances	**768**	855
Losses	**(826)**	(894)
Other temporary differences	**58**	39
Closing asset	**-**	-
Deferred tax liability		
Deferred tax on intangible assets	**12**	30
Closing liability	**12**	30

The Group's deferred tax balances have arisen primarily due to the timing differences on accelerated capital allowances, recognition of intangible assets on acquisition or development costs and tax losses carried forward.

The Company deferred tax asset recognised is £nil (2022: £nil). The company has an unrecognised deferred tax asset of approximately £1,500,000 (2022: £1,424,000) in respect of losses carried forward.

The Group has an unrecognised deferred tax asset of approximately £2,100,000 at 30 September 2023 (2022: £2,033,000) in respect of losses carried forward as it is, as yet, uncertain when these will be utilised.

Group tax losses have been recognised where there is capacity to utilise them against specific group or joint venture profits or where budgets and forecasts indicate that they can be used to offset overseas trading profits within the next two years, supported by the trend in trading results and order books in these entities.

20. Share capital

Allotted, issued and fully paid ordinary shares of £0.02 each

	Number	*£'000*
At 30 September 2022 and 2023	54,600,984	1,092

All of the ordinary shares are non-redeemable, have voting rights and participate equally in any income or capital distributions.

21. Share based payment (Company and Group)

Share options are granted to directors and selected employees.

2,858,107 share options were granted in January 2021 with an effective nil cost exercise price. These were exercisable in 3 tranches subject to meeting EBITDA targets for the 3 years ending 30 September 2023 and with 1,587,837 of them also dependent on growth in the share price. The fair value of the options issued was primarily determined using a Black Scholes model and was calculated at 20 pence per share option for the EBITDA performance only options and 15p per share option for those subject to both conditions.

334,459 options lapsed in 2021 and 2,523,648 at 30 September 2023 as, following the difficult trading conditions, no options will vest. The cumulative share based payment charge is therefore nil.

There were no unexpired options in place at 30 September 2023 (2022: 2,523,648 and with an average exercise price of £nil and a remaining average exercise period of 2 years).

22. Reserves

The share premium account represents the amounts subscribed for shares in excess of the nominal value, net of any directly attributable issue costs.

Retained earnings are the cumulative net profits in the consolidated statement of comprehensive income. Movements on these reserves are set out in the consolidated statement of changes in equity.

The cumulative currency differences reserve represents translation differences in respect of the net assets of overseas subsidiaries.

Other reserves of £1,391,000 arose from the difference between the fair value and nominal value of shares issued in partial satisfaction of the acquisition of 100% of the equity of Autins Limited (formerly Automotive Insulations Limited) in April 2014 and £495,000 from the difference between the fair value of shares issued and the existing cost of investment in order to acquire the remaining 50% of Autins AB and 10% of Autins GmbH in April 2016.

23. Commitments

The Group leases all its office and manufacturing properties as well as a number of vehicles and forklifts used by the business. The lease terms vary from 3 years for vehicles, property rentals with an annual rolling renewal for certain overseas properties through to 15 year terms for the principal UK manufacturing sites, which are subject to three yearly rent reviews.

The Group had capital commitments at 30 September 2023 of £nil (2022: £nil).

The Company had no lease or capital commitments.

24. *Related party transactions*

Share options

Directors held the following unexpired share options at 30 September 2022. These lapsed at 30 September 2023 as the conditions were not met.

	Number
G Kaminski-Cook	1,459,459
K Munir	1,064,189
	2,523,648

Transactions with related parties and key management personnel

Group key management personnel costs

	2023 £000	*2022 £000*
Group aggregate salaries and short term benefits	**1,310**	1,401
Post employment benefits	**66**	38
	1,376	1,439

Indica Automotive Limited is a joint venture undertaking in which the Group had joint control until 29 September 2023.

	2023 £000	*2022 £000*
Transactions:		
Sales and costs recharged to joint venture in year	**81**	86
Purchases from joint venture in the year	**1,089**	1,084
Balance at the year-end owed to the Group (unsecured)	**n/a**	15
Balance at the year-end (owed by) the Group (unsecured)	**n/a**	(175)

25. *Control*

In the opinion of the Directors there is no one ultimate controlling party.

Directors, Secretary, Registered Office and Advisors

Directors	Adam Attwood, Non-Executive Chairman Andrew Burn, Non-Executive Director Gareth Kaminski-Cook, Chief Executive Officer Mark Taylor, Non-Executive Director Kamran Munir, Chief Financial Officer
Company Secretary	Kamran Munir
Registered Office	Central Point One Central Park Drive Rugby Warwickshire CV23 0WE
Telephone Number	+44(0)1788 578 300
Website	www.autins.com
Nominated Advisor and Broker	Singer Capital Markets 1 Bartholomew Lane London EC2N 2AX
Solicitors to the Company	Freeths LLP 1 Vine Street Mayfair London W1J 0AH
Auditors	Dains Audit Ltd 15 Colmore Row Birmingham B3 2BH
Public Relations	Newgate Communications 50 Basinghall Street London EC2V 5DE
Registrars	Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU