Registered number
2860799

Aptiv Services UK Limited

(previously Delphi Automotive Systems UK Limited)

Report and Financial Statements

31 December 2018

Contents

Company Information

Directors
G S Gray
S P Corcoran

Secretary
Pinsent Masons LLP

Auditor
Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

Bankers
Citibank N.A.
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Solicitors
Pinsent Masons LLP
1 Park Row
Leeds
LS1 5AB

Registered office
1 Park Row
Leeds
LS1 5AB

Registered number
2860799

Strategic Report

Results and dividends
The loss for the year, before taxation, was £23,918,000 (2017: loss £3,596,000). There were no dividends paid in 2018 (2017: £2,841,000).

Principal activities and review of the business
Aptiv Services UK Limited (previously Delphi Automotive Systems UK Limited), (the "Company") supplies automotive products to vehicle manufacturers. The majority of sales are within the UK. In addition, the Company also performs the UK Head Office function providing such services as Tax or Human Resources support, serving the UK and some European, the Middle East and African ("EMEA") functions. All costs incurred are recharged and recovered from other Aptiv companies, and included as other operating income.

	2018 £000's	2017 £000's	Change %
Turnover	107,331	85,204	26%
Loss on operating activities before taxation	(23,918)	(3,596)	565%
Net (liabilities)/assets	(15,289)	9,231	-266%
Average number of employees	88	78	13%

2018 saw the continuous growth in the Company's product lines, which contributed to an increase in turnover by 26% year-on-year. The primary drivers of the loss before tax of £23.9 million were losses incurred on pre-existing contracts with the Company's main customer, JLR, as the Company was unable to achieve forecasted margins envisaged at the time of quoting those programs. Additionally there was an increase in pension costs (see note 17).

Future developments
We continue to work closely with our major customers on their current and future projects and anticipate further growth over the coming years.

Principal risks and uncertainties
Financial risk management
The Company does not use derivatives to manage its financial risk. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business, and the assets and liabilities contained within the Company's balance sheet, the only financial risks that directors consider relevant to this Company are credit risk and currency risk. Credit risk is mitigated by the Company's credit control policies.

Currency risk management
The Company undertakes some trade in foreign currencies, primarily Euros, and is exposed to a level of currency risk. Currency risk for the Aptiv group is managed by the central treasury function of the ultimate parent company on a portfolio basis across all of its subsidiaries.

Strategic Report

Principal risks and uncertainties (continued)

Pension risk

The Company operates a defined benefit pension scheme, which was closed to new employees in 2012. There is a risk to the Company's financial position associated with its requirement to meet pension scheme funding obligations. This risk is regularly monitored, taking into account variations in asset values and expectations of the pension fund liabilities. An affordable schedule of contributions is agreed with the Trustee of the pension scheme, taking into account the Company's business plans and cash needs. The directors engage external professional expertise where appropriate.

Approved by the Board of Directors and signed on behalf of the Board on 4 March 2020.

Gavin S Gray

Gavin S Gray
Director
Registered number 2860799

Directors' Report

The directors present their report and audited financial statements for the year ended 31 December 2018.

Going concern

The financial statements have been prepared on a going concern basis which assumes the Company will continue in operational existence for the foreseeable future.

The directors have a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. The Company is part of the Aptiv Group and is a party to cash pooling arrangements across the group. Accordingly, the directors have adopted a going concern basis in preparing the financial statements for the period presented.

Directors and their interests

The directors who held office during the year and since 31 December 2018 were as follows:

G S Gray
S P Corcoran

None of the directors had any interests in any shares of the Company. No director was or is materially interested in any contract subsisting during, or at the end of, the financial year.

Political or charitable donations

The Company made no political or charitable contributions during the period presented (2017: £nil).

Disabled employees

The Company gives full consideration to the possibility of employing disabled persons wherever suitable opportunities exist.

Employee involvement

Employee involvement is actively encouraged in all areas of the Company and is seen as fundamental to our continuing success. Regular and open communication is carried out to encourage participation and update all employees on objectives and progress towards them.

Pension scheme

The Company provides a contributory pension scheme administered by the Trustees. It provides defined benefits for certain employees of Aptiv Services UK Limited who qualify by age and service for membership. Further details are contained in note 17. The defined benefit pension scheme was closed to new entrants from 1 April 2012. New employees can join a defined contribution pension scheme.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' Report

Auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the annual general meeting for reappointment of Ernst & Young LLP as auditor of the Company.

Approved by the Board of Directors and signed on behalf of the Board on 4 March 2020.

Gavin S Gray

Gavin S Gray
Director

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs and of the profit or loss of the Company for that period.

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

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

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

Independent auditor's report to the members of Aptiv Services UK Limited (previously Delphi Automotive Systems UK Limited)

Opinion

We have audited the financial statements of Aptiv Services UK Limited (previously Delphi Automotive systems UK Limited) for the year ended 31 December 2018 which comprise the Income Statement, the Statement of Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 23, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the 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.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the Strategic Report and the Director's Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Nigel Meredith
Partner
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
4 March 2020

Income Statement
for the year ended 31 December 2018

	Notes	2018 £000's	2017 £000's
Turnover	3	107,331	85,204
Cost of sales		(111,132)	(77,855)
Gross (Loss)/Profit		**(3,801)**	**7,349**
Distribution costs		(2,689)	(2,829)
Administrative expenses		(17,625)	(7,892)
Other operating income		242	173
Operating loss	4	**(23,873)**	**(3,199)**
Interest receivable	7	203	175
Interest payable and similar charges	8	(248)	(572)
Loss before taxation		**(23,918)**	**(3,596)**
Tax on loss for the year	9	267	(248)
Loss for the year		**(23,651)**	**(3,844)**

All of the activities of the Company are classified as continuing.

Statement of Other Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 £000's	2017 £000's
Loss for the year		(23,651)	(3,844)
Other comprehensive (loss)/ income			
Remeasurement (loss)/gain of defined benefit obligation	17	(2,217)	10,367
Tax credit/(charge) relating to pension obligations	9	377	(1,762)
Share-based payments		971	357
Total other comprehensive (loss)/income for the year		(869)	8,962
Total comprehensive (loss)/income for the year		(24,520)	5,118

Statement of Financial Position
as at 31 December 2018

	Notes	2018 £000's	2017 £000's
Fixed assets			
Investments	10	-	-
Tangible assets	11	41	-
		41	-
Current assets			
Stocks	12	3,218	3,008
Debtors	13		
- amounts falling due after one year		3,065	2,421
- amounts falling due within one year		57,512	43,026
Cash at bank and in hand		1,125	297
		64,920	48,752
Creditors: amounts falling due within one year	14	(63,970)	(27,628)
Net current assets		950	21,124
Total assets less current liabilities		991	21,124
Creditors: amounts falling due after more than one year			
Defined benefit pension liability	17	(16,280)	(11,893)
Net (liabilities) / assets		(15,289)	9,231
Capital and reserves			
Called up share capital	15	100	100
Share premium	16	-	-
Profit and loss account		(15,389)	9,131
Shareholder's (deficit) / funds		(15,289)	9,231

Approved by the Board of Directors and signed on behalf of the Board on 4 March 2020.

Gavin Gray

Gavin S Gray
Director
Registered number 2860799

Statement of Changes in Equity
for the year ended 31 December 2018

	Notes	Share capital £000's	Share premium £000's	Profit and loss account £000's	Total equity £000's
At 1 January 2017		100	11,007	(13,153)	(2,046)
Loss for the financial year		-	-	(3,844)	(3,844)
Remeasurement profit of defined benefit obligation		-	-	10,367	10,367
Tax charge relating to pension obligations		-	-	(1,762)	(1,762)
Share-based payments		-	-	357	357
Other comprehensive income for the year		-	-	8,962	8,962
Total comprehensive income for the year		-	-	5,118	5,118
Dividends	10	-	-	(2,841)	(2,841)
Shares issued	16	-	9,000	-	9,000
Shares capital reduction	16	-	(20,007)	20,007	-
At 31 December 2017		100	-	9,131	9,231
At 1 January 2018		100	-	9,131	9,231
Loss for the financial year		-	-	(23,651)	(23,651)
Remeasurement loss of defined benefit obligation		-	-	(2,217)	(2,217)
Tax credit relating to pension obligations		-	-	377	377
Share-based payments		-	-	971	971
Other comprehensive loss for the year		-	-	(869)	(869)
Total comprehensive loss for the year		-	-	(24,520)	(24,520)
At 31 December 2018		100	-	(15,389)	(15,289)

Notes to the Financial Statements
for the year ended 31 December 2018

1 Statement of compliance

The individual financial statements of Aptiv Services UK Limited (previously Delphi Automotive Systems UK Limited) have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company has adopted FRS 102 in these financial statements.

Basis of preparation
The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland.

As permitted by FRS 102, the Company has taken advantage of the following disclosure exemptions:
(a) The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
(b) The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
(c) The requirement of Section 33 Related Party Disclosures paragraph 33.7; and
(d) The requirement of Section 26, Share Based Payments.

Group accounts
As permitted by section 400 of the Companies Act 2006 the Company has not prepared consolidated financial statements as the Company is a subsidiary of a larger group, Aptiv PLC (note 22), which has prepared consolidated financial statements. These financial statements therefore present information about the Company and not its group.

Going concern
The directors are of the view that the Company has adequate resources to be able to meet its debts as and when they fall due, because of the support provided by the parent undertaking for a period of at least 12 months from the date the financial statements are signed.

Accordingly, they have concluded that the financial statements should be prepared on the going concern basis. The financial statements do not include any adjustments that would be necessary if the Company was no longer a going concern.

Notes to the Financial Statements for the year ended 31 December 2018

2 Significant accounting policies (continued)

Investments
Investments held as fixed assets are stated at cost less provision for any impairment.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses. Such costs include costs directly attributable to making the asset capable of operating as intended. Depreciation is calculated in order to write off the cost, less estimated residual value of tangible assets over their estimated useful lives using the straight line method as follows:

Machinery and equipment - 5 years

Stocks and work in progress
Stocks and work in progress are valued at the lower of cost and net realisable value. Costs used in the valuation are based on a weighted average basis, and relate to material, direct labour and appropriate overheads.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

A greater than one-year supply of inventory on hand (as determined based upon historical experience as well as forecasted use) is considered not recoverable (excess) and 100% reserved.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Functional and presentation currency
The functional currency of Aptiv Services UK Limited is pound sterling. The presentation currency is also pound sterling and all values are rounded to 000's except where otherwise indicated.

2 Significant accounting policies (continued)

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Income Statement.

Financial instruments

Intercompany loans
Intercompany loans are basic financial instruments. These loans are initially recognised at fair value, and subsequently measured at amortised costs.

Short-term debtors and creditors
Debtors and creditors with no stated interest rate or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Income Statement in operating expenses.

Leases
Rentals payable under operating leases are charged in the Income Statement on a straight line basis over the lease term.

Warranty costs
Warranty costs are provided for based on anticipated liabilities calculated using historical experience arising on sales made.

Revenue recognition
Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

Interest income
Revenue is recognised as interest accrues using the effective interest method.

2 Significant accounting policies (continued)

Pension costs

The Company operates two pension schemes: a defined contribution pension scheme and a defined benefit pension scheme. The defined benefit pension scheme was closed to new entrants from 1 April 2012. New employees can join a defined contribution pension scheme.

Defined contribution pension scheme

Contributions are charged to the Income Statement as they become payable in accordance with the rules of the scheme.

Defined benefit pension scheme

The cost of providing benefits under the defined benefit plans is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in the Income Statement immediately. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the Income Statement. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The net interest on the net defined benefit liability is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest on the net defined benefit liability comprises interest cost on the defined benefit obligation and interest income on plan assets. Interest income on plan assets is a component of the return on plan assets, and is determined by multiplying the fair value of the plan assets by the discount rate, both as determined at the start of the annual reporting period, taking account of any changes in the plan assets held during the period as a result of contribution and benefit payments. The difference between the interest income on plan assets and the return on plan assets is included in the remeasurement of the net defined benefit liability.

Actuarial gains and losses are recognised in full in the Statement of Other Comprehensive Income in the period in which they occur.

The defined benefit pension asset or liability in the Statement of Financial Position comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Notes to the Financial Statements for the year ended 31 December 2018

2 Significant accounting policies (continued)

Share-based payments

Share-based payment arrangements consist of grants of restricted stock units (RSUs) governed by Aptiv PLC's compensation committee. These awards are granted directly to certain Company executives by the ultimate parent company. The RSU awards are treated as equity settled in the Aptiv group financial statements and are therefore treated as equity settled in the Company, as the Company benefits from the service of the executives. This results in relevant compensation expense being recorded in the Income Statement and an equal and opposite entry being taken to reserves. Any reimbursement paid by the Company to the ultimate parent company is netted off against the amount recognised in reserves.

The RSU awards include a time-based vesting portion and a performance-based vesting portion. The performance-based vesting portion includes performance and market conditions in addition to service conditions. The grant date fair value of the RSUs is determined based on the closing price of the parent company's ordinary shares on the date of the grant of the award, or a contemporaneous valuation performed by an independent valuation specialist with respect to awards with market conditions. Compensation expense is recognised based upon the grant date fair value, adjusted for forfeitures, of the awards applied to the parent company's best estimate of ultimate performance against the respective targets, over the requisite vesting period of the awards. The performance conditions require management to make assumptions regarding the likelihood of achieving certain performance goals. Changes in these performance assumptions, as well as differences in actual results from management's estimates, could result in estimated or actual fair values different from previously estimated fair values.

3 Analysis of turnover

	2018 £000's	2017 £000's
Sale of goods	107,331	85,204
By geographical market:		
UK	107,331	85,204

4 Operating loss

	2018 £000's	2017 £000's
This is stated after charging / (crediting):		
Depreciation of owned fixed assets	6	-
Operating lease rentals		
- Plant and machinery	126	128
- Land and buildings	38	78
Auditor's remuneration - audit of the financial statements	45	45
Foreign currency exchange loss/(gains)	88	(581)

Notes to the Financial Statements
for the year ended 31 December 2018

5 Directors' emoluments

No emoluments were paid by the Company to the directors in respect of their qualifying services during the year, and their remuneration is borne by other Aptiv group companies. The directors consider that the level of their qualifying services provided to the Company is inconsequential.

6 Staff costs

	2018 £000's	2017 £000's
Wages and salaries	6,635	5,213
Social security costs	887	673
Other pension costs	6,167	1,780
	13,689	7,666

Average number of employees during the year	**Number**	**Number**
Administration	88	78

7 Interest receivable

	2018 £000's	2017 £000's
Interest on amounts owed by group undertakings	118	175
Other interest	85	-
	203	175

8 Interest payable and similar charges

	2018 £000's	2017 £000's
Interest on amounts owed to group undertakings	9	2
Net interest on pension plan assets and liabilities	238	570
Other interest	1	-
	248	572

9 Taxation

a) Tax expense included in income statement	**2018 £000's**	**2017 £000's**
Current tax:		
UK corporation tax on profits of the period	-	-
Deferred tax:		
Origination and reversal of timing differences	(267)	142
Adjustment in respect of prior years	-	106
	(267)	248
Tax (income)/expense in the income statement	(267)	248

Notes to the Financial Statements for the year ended 31 December 2018

9 Taxation (continued)

b) Total tax (income)/expense included in other comprehensive income

	2018 £000's	2017 £000's
Current tax:		
UK corporation tax on profits of the period	-	-
	-	-
Deferred tax:		
Origination and reversal of timing differences	(377)	1,762
	(377)	1,762
Total tax (income)/expense included in other comprehensive income	(377)	1,762

c) Reconciliation of tax charge

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2018 £000's	2017 £000's
Loss before tax	(23,918)	(3,596)
Standard rate of corporation tax in the UK	19.00%	19.25%
	£000's	£000's
Loss multiplied by the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(4,545)	(692)
Effects of:		
Expenses not deductible for tax purposes	5	2
Excess deductions on exercise of share options	-	51
Adjustments to tax in respect of prior years	-	106
Difference between standard rate and closing deferred tax rate	120	(281)
Group relief surrendered free of charge	4,153	1,062
Tax (credit)/charge for the period	(267)	248

Notes to the Financial Statements
for the year ended 31 December 2018

9 Taxation (continued)

d) Tax rate changes
The tax rate for the current year is lower than the prior year, due to changes in the UK corporation tax rate, which decreased from 20% to 19% from 1 April 2017. Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

e) Deferred tax
The provision for deferred tax consists of the following deferred tax assets:

	2018 £000's	2017 £000's
Post employment benefits	(2,845)	(2,192)
Capital allowances	(104)	(119)
Other timing differences	(116)	(110)
Total provision	(3,065)	(2,421)
At 1 January	2,421	4,431
Deferred tax credit/(charge) in income statement	267	(248)
Deferred tax credit/(charge) in other comprehensive income	377	(1,762)
At 31 December	3,065	2,421

There are no unused tax losses or tax credits.

The deferred tax asset is expected to decrease in 2019 by £681,269 being the reversal of fixed asset and pension timing differences.

10 Investments	2018 £000's	2017 £000's
Cost		
At 1 January	-	22,541
Disposal	-	(22,541)
At 31 December	-	-
Provisions		
At 1 January	-	(19,700)
Disposal	-	19,700
At 31 December	-	-
Net book value at 31 December	-	-

On 31 October 2017 the Company transferred 100% of the ordinary shares in Delphi Lockheed Automotive Limited to Delphi Automotive Operations UK Limited, the Company's sole shareholder via a distribution in specie in the amount of £2,841,000. This transfer in ownership occured as part of the restructuring of Delphi Automotive PLC.

Notes to the Financial Statements for the year ended 31 December 2018

11 Tangible fixed assets

	Machinery & Equipment £000's	Total £000's
Cost		
At 1 January 2018	-	-
Additions	47	47
At 31 December 2018	47	47
Depreciation		
At 1 January 2018	-	-
Provided during the year	(6)	(6)
At 31 December 2018	(6)	(6)
Carrying amount		
At 31 December 2018	41	41
At 31 December 2017	-	-

12 Stocks

	2018 £000's	2017 £000's
Finished goods and goods for resale	3,218	3,008
	3,218	3,008

13 Debtors

	2018 £000's	2017 £000's
Amounts due within one year:		
Trade debtors	24,601	22,866
Amounts due from group undertakings	32,365	20,156
Prepayments and accrued income	546	4
	57,512	43,026

£20.7m (2017: £17.5m) included in the amounts due from group undertakings represent cash balances held in a group treasury function and are readily convertible to cash.

Other amounts owed by group undertakings are unsecured and are repayable within one year of granting.

Amounts due after more than one year:		
Deferred tax asset (see note 9)	3,065	2,421

Notes to the Financial Statements
for the year ended 31 December 2018

14 Creditors: amounts falling due within one year	2018 £000's	2017 £000's
Bank loans and overdrafts	15,140	3
Trade creditors	6,703	3,531
Amounts owed to group undertakings	39,310	21,132
Other taxes and social security costs	247	244
Other creditors	1,680	1,706
Accruals and deferred income	890	1,012
	63,970	27,628

15 Share capital	Nominal value	2018 Number	2018 £000's	2017 £000's
Allotted, called up and fully paid:				
Ordinary shares of £1 each	£1 each	100,003	100	100
			100	100

As at 31 December 2018, the authorised share capital amounted to £100,003.

16 Share premium account	2018 £000's	2017 £000's
At 1 January	-	11,007
Shares issued	-	9,000
Capital reduction	-	(20,007)
At 31 December	-	-

On 30 October 2017, the sole shareholder of the Company, Delphi Automotive Operations UK Limited, made a contribution of cash in the amount of £9,000,000 to the Company in return for the issue and allotment of 1 ordinary share of £1 at an aggregate premium of £8,999,999.

On the same date, the Company reduced its share capital by cancelling and extinguishing the entire amount standing to the credit of the share premium of the Company. The sum of £20,006,982 arising from the reduction was credited to the profit and loss reserves of the Company.

Notes to the Financial Statements for the year ended 31 December 2018

17 Pensions

The Company operates a funded Defined Benefit pension scheme (DB scheme) which was closed for new entrants from 1 April 2012. New employees can join a defined contribution pension plan.

Defined contribution pension plan

The expense for the period was £452,340 (2017: £286,000).

Defined benefit pension scheme

The assets of the DB scheme are held in a separate trustee administered fund. The scheme is subject to valuation by independent actuaries. Funding of the DB scheme is provided at a level determined after taking independent professional actuarial advice, with the Company meeting the balance of the costs not covered by members' contributions. The recovery plan implemented to address the DB scheme's funding deficit revealed by the actuarial valuation as at 1 January 2012 was designed to achieve full funding on the technical provisions assumptions.

During 2018 the Company made contributions to the DB scheme of £3.8m (2017: £4.1m). Contributions for 2019 are estimated to be £3.9m.

The last funding valuation was as at 1 January 2018.

For purposes of determining liabilities as of period end date, participant data as of census date, 1 October 2018, are used. The defined benefit obligation is projected to the period end date by assuming no actuarial gains and losses in the interim, except for those assumption changes necessary to reflect the situation at the period end date. There were no significant events that would render the projection inappropriate.

Changes in the present value of the defined benefit obligations are analysed as follows:

	2018 £000's	2017 £000's
At beginning of period	209,368	208,481
Current service costs	5,307	1,099
Interest cost on plan liabilities	4,917	5,094
Actuarial (gain)/loss	(6,867)	3,610
Contributions by participants	18	17
Benefits paid	(8,410)	(8,933)
At 31 December	204,333	209,368

Notes to the Financial Statements
for the year ended 31 December 2018

17 Pensions (continued)

Changes in the fair value of plan assets are analysed as follows:

	2018 £000's	2017 £000's
At beginning of period	197,475	184,177
Interest income on plan assets	4,679	4,524
Return on plan assets (lower)/higher than discount rate	(9,084)	13,977
Employer contributions	3,783	4,108
Contributions by participants	18	17
Benefits paid	(8,410)	(8,933)
Administrative costs	(408)	(395)
At 31 December	188,053	197,475

The amount recognised in the income statement and in the statement of other comprehensive income (OCI) for the period are analysed as follows:

	2018 £000's	2017 £000's
Recognised in the income statement		
Current service costs	5,307	1,099
Administrative costs	408	395
Recognised in arriving at operating profit	5,715	1,494
Interest expense	238	570
Total recognised in the income statement	5,953	2,064

	2018 £000's	2017 £000's
Recognised in OCI		
Actuarial (gain)/loss	(6,867)	3,610
Return on plan assets (less)/greater than discount rate	9,084	(13,977)
Remeasurement effects recognised in OCI	2,217	(10,367)
Total defined benefit cost/(credit)		
Cost recognised in the income statement	5,953	2,064
Remeasurement effects recognised in OCI	2,217	(10,367)
Defined benefit cost/(credit)	8,170	(8,303)

Notes to the Financial Statements
for the year ended 31 December 2018

17 Pensions (continued)

The assets and liabilities of the scheme at 31 December were:	2018 £000's	2017 £000's
UK equities	1,385	5,918
Emerging market equities	5,308	25,980
International equities	12,978	52,156
Real estate	18,349	9,841
Interest rate risk hedge	36,849	31,357
Corporate bonds	48,616	16,815
High yield bonds	30,736	21,111
Alternative investments	16,818	19,861
Cash and net current assets	17,014	14,436
Total market value of scheme assets	188,053	197,475
Present value of scheme liabilities	(204,333)	(209,368)
Deficit in the scheme	(16,280)	(11,893)

The pension scheme has not invested in any of the Aptiv group's own financial instruments nor in properties or other assets used by the group.

Return on plan assets:	2018 £000's	2017 £000's
Interest income on plan assets	4,679	4,524
Return on plan assets (lower)/higher than discount rate	(9,084)	13,977
Return on plan assets	(4,405)	18,501

Principal actuarial assumptions used:	2018 % p.a.	2017 % p.a.
RPI inflation	3.4%	3.4%
CPI inflation	2.4%	2.4%
Salary growth	3.9%	3.9%
Pension increases	3.1%	3.1%
Discount rate	2.6%	2.4%

The mortality tables adopted as at 31 December 2018 are the Self Administered Pension Schemes ('SAPS 2') normal health tables with a multiplier of 106% (men), 107% (women) and with CMI (Continuous Mortality Investigation) 2014 core improvements with a 1.25% long-term trend from 2007 onwards. For each individual member the mortality makes allowance for that individual's year of birth.

Notes to the Financial Statements
for the year ended 31 December 2018

18 Share-based payments

The Company has taken advantage of the disclosures exemptions within FRS 102 Section 1.12(d), Share Based Payments, because the share based payments concerns the instruments of another group entity.The full disclosure of information relating to the share based payments within the Company can be found in the group financial statements of Aptiv PLC, available from the Securities and Exchange Commission in the United States.

19 Other financial commitments

Total future minimum lease payments under non-cancellable operating leases:

	Land and buildings 2018 £000's	Land and buildings 2017 £000's	Other 2018 £000's	Other 2017 £000's
Falling due:				
within one year	-	38	100	110
within two to five years	-	-	90	191
	-	38	190	301

20 Related party transactions

The Company has taken advantage of the exemption within FRS 102 Section 33.1A, not to disclose transactions with directly or indirectly wholly owned group companies. During the year there were no transactions with associates that were not directly or indirectly wholly owned group companies of the Aptiv group.

21 Events after the reporting date

There were no significant events after the reporting date.

22 Ultimate controlling party

The immediate parent undertaking is Aptiv (UK) Holdings Limited (previously Delphi (UK) Holdings Limited) with registered office 1 Park Row, Leeds, LS1 5AB.

The ultimate parent undertaking and controlling entity is Aptiv PLC (previously Delphi Automotive PLC). Aptiv PLC is incorporated in Jersey and is traded on the New York Stock Exchange. Its registered address is: Queensway House, Hillgrove Street, St. Helier, Jersey, JE1 1ES

The parent of both the smallest and largest group for which the results of the Company were consolidated as of 31 December 2018 was Aptiv PLC (previously Delphi Automotive PLC). The group financial statements of Aptiv PLC are available from the Securities and Exchange Commission in the United States.

Notes to the Financial Statements
for the year ended 31 December 2018

23 Legal form of entity and country of incorporation

Aptiv Services UK Limited is a limited liability company incorporated in England, registration number 2860799. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.