

CVS Holdings Limited

**Annual report and financial
statements**

Registered number 4027709

For the year ended 31 December 2018



Contents

| | |
|---|----|
| Strategic report | 1 |
| Directors' report | 2 |
| Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements | 3 |
| Independent auditor's report to the members of CVS Holdings Limited | 4 |
| Profit and loss account and other comprehensive income | 7 |
| Balance sheet | 8 |
| Statement of changes in equity | 9 |
| Notes | 10 |

Strategic report

Business review

The company did not trade in the year, however, has received income from shares in group undertaking of £869,000 (2017: £669,000) during the year.

During the current year, the company issued no further share capital (2017: £2,000,000) to its parent company, Commercial Vehicle Group Inc. In the same period the company invested £869,000 (2017: £2,669,000) in its subsidiary KAB Seating Limited.

Principal risks and uncertainties

The key risk faced by the company is the underperformance of its trading subsidiaries as the company is largely dependent on future cash flows from these subsidiaries. Should a trading subsidiary not perform to expectation this could potentially affect its ability to pay future dividends, which may result in an impairment to the investment carrying value.

By order of the board



K Feiler
Director

30 September 2019

Directors' report

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

Principal activity

The principal activity of the company is that of an investment holding company. The activities of its immediate subsidiaries are as described in Note 5 of the financial statements.

Directors

The directors who held office during the year were as follows:

| | | |
|-----------|-----|-------------------------|
| K Feiler | USA | |
| T Hammett | USA | (Resigned 5 April 2019) |
| S Fleming | USA | |

Results and dividend

The profit for the year was £869,000 (2017: profit £669,000).

The directors do not propose the payment of a dividend in the current year (2017: £Nil).

Disclosure of information to auditor

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

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



K Feiler
Director

Stone Circle Road
Round Spinney
Northampton
NN3 8RS

30 September 2019

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including *FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of CVS Holdings Limited

Opinion

We have audited the financial statements of CVS Holdings Limited ("the company") for the year ended 31 December 2018 which comprise the Profit and loss account and other comprehensive income, Balance sheet and Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

Independent auditor's report to the members of CVS Holdings Limited (continued)

Going concern (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and Directors' report

The directors are responsible for the Strategic report and the Directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic report and the Directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent auditor's report to the members of CVS Holdings Limited *(continued)*

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

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.



John Leech (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

30 September 2019

Profit and loss account and other comprehensive income
for the year ended 31 December 2018

| | <i>Note</i> | 2018 £000 | 2017 £000 |
|---|-------------|---------------------|---------------------|
| Income from shares in group undertaking | | 869 | 669 |
| Profit before taxation | 2 | 869 | 669 |
| Taxation | 4 | - | - |
| Profit for the financial year | | 869 | 669 |
| Other comprehensive income | | | |
| Other comprehensive income for the year net of income tax | | - | - |
| Total comprehensive income for the year | | 869 | 669 |

All figures relate to continuing operations.

The notes on pages 10 to 13 form an integral part of these financial statements.

Balance sheet
at 31 December 2018

| | <i>Note</i> | 2018 £000 | 2017 £000 |
|-----------------------------|-------------|----------------------|----------------------|
| Fixed assets | | | |
| Investments | 5 | 12,863 | 11,994 |
| Net assets | | <u>12,863</u> | <u>11,994</u> |
| Capital and reserves | | | |
| Called up share capital | 6 | 6,551 | 6,551 |
| Profit and loss account | | 6,312 | 5,443 |
| Shareholders' funds | | <u>12,863</u> | <u>11,994</u> |

The notes on pages 10 to 13 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 30 September 2019 and were signed on its behalf by:



K Feiler
Director

Company registered number: 4027709

Statement of changes in equity
for the year ended 31 December 2018

| | Called up Share capital | Profit and loss account | Total |
|---|----------------------------|----------------------------|--------|
| | £000 | £000 | £000 |
| Balance at 1 January 2017 | 4,551 | 4,774 | 9,325 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 669 | 669 |
| Total comprehensive income for the year | - | 669 | 669 |
| Transactions with owners, recorded directly in equity | | | |
| Issue of shares | 2,000 | - | 2,000 |
| Total contributions by and distributions to owners | 2,000 | - | 2,000 |
| Balance at 31 December 2017 | 6,551 | 5,443 | 11,994 |
| Balance at 1 January 2018 | 6,551 | 5,443 | 11,994 |
| Total comprehensive income for the year | | | |
| Profit for the year | - | 869 | 869 |
| Total comprehensive income for the year | - | 869 | 869 |
| Balance at 31 December 2018 | 6,551 | 6,312 | 12,863 |

The notes on pages 10 to 13 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

CVS Holdings Limited (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 4027709 and the registered address is Stone Circle Road, Round Spinney, Northampton NN3 8RS.

The Company is exempt by virtue of Section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Commercial Vehicle Group Inc. includes the Company in its consolidated financial statements. The consolidated financial statements of Commercial Vehicle Group Inc. are available to the public and may be obtained from 7800 Walton Parkway, New Albany, Ohio 43054, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

As the consolidated financial statements of Commercial Vehicle Group Inc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.5.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has adequate resources to meet its obligations and continue in operational existence for the foreseeable future. For these reasons, the directors continue to adopt the going concern basis in preparing the annual financial statements.

Notes (continued)

1.3 Basic financial instruments

Investments in subsidiaries

Investments in subsidiaries are carried at cost less impairment.

1.4 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.5 Accounting estimates and judgements

The preparation of these financial statements requires the management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period impacted.

The key judgement and estimate employed in the financial statements is:

Impairment of investment in subsidiary companies

The subsidiary companies' investment balances are held at cost less any impairment. An impairment exists when their recoverable amount is less than the cost of investment held in the accounts. There are a number of factors which could impact the recoverable amount which creates a risk of this recoverable amount being lower than the investment balance held.

2 Profit on ordinary activities before taxation

During the year, the Company received dividend income from a group undertaking of £869,000 (2017: £669,000).

Auditor's remuneration of £500 in the current year (2017: £500) is borne by a fellow group company, KAB Seating Limited. There were no non audit services provided in the year.

3 Staff numbers and costs

Apart from the directors there are no employees. The remuneration for the services of the directors is borne by a fellow group company. No part of their remuneration is specifically attributable to their services to this company.

Notes (continued)

4 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

| | 2018 £000 | 2017 £000 |
|--------------------------------------|--------------|--------------|
| <i>Current tax</i> | | |
| Current tax on income for the period | - | - |
| | <hr/> | <hr/> |
| Total current tax | - | - |
| | <hr/> | <hr/> |
| Total tax | - | - |
| | <hr/> | <hr/> |

Reconciliation of effective tax rate

| | 2018 £000 | 2017 £000 |
|---|--------------|--------------|
| Profit for the year | 869 | 669 |
| Total tax expense | - | - |
| | <hr/> | <hr/> |
| Profit excluding taxation | 869 | 669 |
| | <hr/> | <hr/> |
| Tax using the UK corporation tax rate of 19% (2017: 19.25%) | 165 | 129 |
| Tax exempt revenues | (165) | (129) |
| | <hr/> | <hr/> |
| Total tax expense included in profit or loss | - | - |
| | <hr/> | <hr/> |

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

5 Fixed asset investments

| | Shares in subsidiary undertakings £000 |
|--------------------------------|---|
| <i>Cost and net book value</i> | |
| At beginning of year | 11,994 |
| Additions | 869 |
| | <hr/> |
| At end of year | 12,863 |
| | <hr/> |

Notes (continued)

5 Fixed asset investments (continued)

During the year, CVS Holdings Limited invested £869,000 in its subsidiary undertaking, KAB Seating Limited.

The subsidiaries of the Company at the year end are as follows:

| <i>Subsidiary undertakings</i> | Principal activity | Class and percentage of shares held |
|--------------------------------|---|-------------------------------------|
| KAB Seating Limited | Vehicle and office seating manufacturer | 100% ordinary |
| KAB Seating SA | Vehicle and office seating manufacturer | 99.99903% ordinary |
| KAB Seating Pty. Ltd | Vehicle and office seating manufacturer | 100% ordinary |

The registered address for the above entities are as follows:

KAB Seating Limited: Stone Circle Road, Round Spinney, Northampton, Northamptonshire, NN3 8RS.

KAB Seating SA: Avenue Ernest Solvay no 90, 1480, Saintes, Walloon, Belgium.

KAB Seating Pty. Ltd: Unit 1-3, Building 4, 29-41 Lysaght Street, Acacia Ridge, Queensland, 4110 Australia.

6 Share capital

| | Ordinary shares 2018 £000 |
|--|---------------------------------|
| On issue at 1 January 2018 | 6,551 |
| Shares issued | - |
| At 31 December 2018 | 6,551 |
| | <hr/> |
| | 2018 £000 |
| 2017 £000 | |
| <i>Allotted, called up and fully paid:</i> | |
| 6,551,000 (2017: 6,551,000) ordinary shares of £1 each | 6,551 |
| | <hr/> |

During the prior year, the company issued 2,000,000 ordinary shares at £1 each at par.

7 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Commercial Vehicle Group Inc., incorporated in the USA, which is the ultimate parent company and the largest group in which the results of the company are consolidated.

The consolidated financial statements of the group may be obtained from Commercial Vehicle Group Inc., 7800 Walton Parkway, New Albany, Ohio.