

CVS Holdings Limited

Annual report and financial statements

Registered number 04027709

For the year ended 31 December 2021



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Strategic report

Business review

The company is an intermediate holding company. During the year, the Company received dividend income from a group undertaking of £667,000 (2020: £1,107,000). Based on the current situation and expected future cash flows the impairment recognised in the prior year of £2,029,000 was reversed.

Principal risks and uncertainties

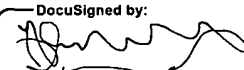
The key risk faced by the company is the underperformance of its trading subsidiaries as the company is largely dependent on future cash flows from these subsidiaries. Should a trading subsidiary not perform to expectation this could potentially affect its ability to pay future dividends, which may result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

COVID-19

Business continuity processes continued from 2020 into 2021 focusing on maintaining productivity and service levels while prioritising the health, welfare and safety of our employees and customers. These processes include employee communication on proper hand washing, social distancing and personal protective equipment, enhanced cleaning and disinfecting measures, eliminating non-essential travel, replacing internal and external meetings with video or teleconferences and remote work arrangements for non-production personnel. Production essential personnel have been issued with the necessary personal protective equipment and measures have been taken to ensure adequate social distancing is adhered to.

Despite the bleak outlook through 2020, the improvement in the order book during 2021 into 2022 has meant that sales have grown beyond expectation which alongside the action taken to right-size the business and working capital profile to protect profit margin and liquidity levels through 2020/21 has left the business in a stable position. Cost reduction initiatives alongside management of inventory, receivables and payables have proved effective in maintaining good cash management locally. These actions are continually worked on into 2022.

By order of the board

DocuSigned by:

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A Mohamed
Director

22 August 2022

CVS Holdings Limited
Annual report and financial statements
For the year ended 31 December 2021

Directors' report

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

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:

S Sennett	UK	(Resigned 23 June 2021)
A Mohamed	USA	

Results and dividend

The profit for the year was £2,695,000 (2020: loss £924,000).

The directors made a dividend payment in the year of £666,000 (2020: £1,095,000).

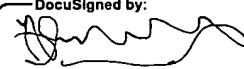
Disclosure of information to auditor

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.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the incumbent auditor (KPMG) is to be resigned and Mercer Hole is to be appointed.

By order of the board

DocuSigned by:

DACC764D14CA46A...

A Mohamed
Director

Stone Circle Road
Round Spinney
Northampton
NN3 8RS

22 August 2022

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.

CVS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CVS HOLDINGS LIMITED

Opinion

We have audited the financial statements of CVS Holdings Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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. 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

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CVS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CVS HOLDINGS LIMITED

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 director's report.

We have nothing to report in respect of the following matters where 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

CVS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

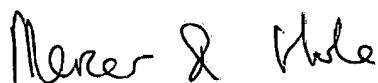
TO THE MEMBER OF CVS HOLDINGS LIMITED

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available 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 member 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 member those matters we are required to state to her 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 member for our audit work, for this report, or for the opinions we have formed.



Steve Robinson FCA (Senior Statutory Auditor)
For and on behalf of Mercer & Hole

Date: 22 August 2022

Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
Buckinghamshire
MK9 2AF

CVS Holdings Limited
Annual report and financial statements
For the year ended 31 December 2021

Profit and loss account and other comprehensive income
for the year ended 31 December 2021

	<i>Note</i>	2021 £000	2020 £000
Income from shares in group undertaking		667	1,107
Reversal of impairment/amounts written off investments	5	2,029	(2,029)
Administration expenses		(1)	(2)
		<hr/>	<hr/>
Profit/(Loss) before taxation	2	2,695	(924)
Taxation	4	-	-
		<hr/>	<hr/>
Profit/(Loss) for the financial year		2,695	(924)
		<hr/>	<hr/>
Other comprehensive income			
Other comprehensive income for the year net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive income/(expense) for the year		2,695	(924)
		<hr/>	<hr/>

All figures relate to continuing operations.

The notes on pages 10 to 14 form an integral part of these financial statements.

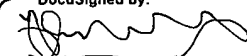
CVS Holdings Limited
Annual report and financial statements
For the year ended 31 December 2021

Balance sheet
at 31 December 2021

	<i>Note</i>	2021 £000	£000	2020 £000
Fixed assets				
Investments	5		13,579	11,550
Current assets				
Cash at bank and in hand		10		10
		<hr/>	<hr/>	<hr/>
Net assets			13,589	11,560
			<hr/>	<hr/>
Capital and reserves				
Called up share capital	6		6,551	6,551
Profit and loss account			7,038	5,009
			<hr/>	<hr/>
Shareholders' funds			13,589	11,560
			<hr/>	<hr/>

The notes on pages 10 to 14 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 22 August 2022 and were signed on its behalf by:

DocuSigned by:

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A Mohamed
Director

Company registered number: 04027709

CVS Holdings Limited
Annual report and financial statements
For the year ended 31 December 2021

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance 1 January 2020	6,551	7,028	13,579
Total comprehensive income for the year			
Profit or loss	-	(924)	(924)
	<hr/>	<hr/>	<hr/>
Total other comprehensive income	-	-	-
Dividend's paid	-	(1,095)	(1,095)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	6,551	5,009	11,560
	<hr/>	<hr/>	<hr/>
Balance 1 January 2021	6,551	5,009	11,560
Total comprehensive income for the year			
Profit or (loss)	-	2,695	2,695
	<hr/>	<hr/>	<hr/>
Total other comprehensive expense	-	2,695	2,695
	<hr/>	<hr/>	<hr/>
Transactions with owners, recorded directly in equity			
Dividends Paid	-	(666)	(666)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	6,551	7,038	13,589
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 14 form 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 04027709 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 financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The directors have prepared a cash flow forecast for a period of at least 12 months from the date of approval of these financial statements. The economic outlook resulting from the global COVID-19 pandemic appears to be stabilising somewhat and the Company's directors have considered the impact to the business activities by conducting scenario analysis on the Company's profitability and the availability of cash to meet liabilities as they fall due. This indicates that the Company will have sufficient funds to continue in operational existence for at least 12 months from the date of signing these financial statements.

Notes (continued)

Therefore, the Directors of the Company consider, after making appropriate enquiries, that the Company has adequate resources to continue in operation as a going concern and that the Company will be able to meet its obligations for the period covered by the Company's cash flow forecasts. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

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/(Loss) on ordinary activities before taxation

During the year, the Company received dividend income (which was subsequently declared in full) from a group undertaking of £667,000 (2020: £1,107,000). The prior year investment impairment of £2,029,000 was reversed due to the recovered position of the company's subsidiary undertaking in the current climate and expected future cash flows recognising continuing trends. The directors consider this approach to be appropriate.

Auditor's remuneration is borne by a fellow group company, KAB Seating Limited. There were no non audit services provided in the year.

Notes (continued)

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.

4 Taxation

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

	2021 £000	2020 £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

	2021 £000	2020 £000
Profit/(Loss) for the year	2,695	(924)
Total tax expense	-	-
	<hr/>	<hr/>
Profit/(Loss) including taxation	2,695	(924)
	<hr/>	<hr/>
Tax using the UK corporation tax rate of 19% (2020: 19%)	519	(178)
Tax exempt revenues	(128)	(213)
Non taxable expense	(391)	(391)
	<hr/>	<hr/>
Total tax expense included in profit or loss	-	-
	<hr/>	<hr/>

Factors that may affect future current and total tax charges

In the 3 March 2021 Budget it was announced that the UK tax rate will increase from the current 19% to 25% from 1 April 2023. This will have a consequential effect on the company's future tax charge.

Notes (continued)

5 Fixed asset investments

	Shares in Subsidiary Undertakings £000
Cost	
At beginning and end of year	13,579
Impairment provision	
At the beginning of the year	(2,029)
Reversal of provision	2,029
Net Book Value	
At 31 December 2021	13,579
At 31 December 2020	11,550

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

	Principal activity	Class and percentage of shares held
Subsidiary undertakings		
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

At 31 December 2021 and 2020

	2021 £000	2020 £000
6,551,000 (2020: 6,551,000) ordinary shares of £1 each	6,551	6,551

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.