

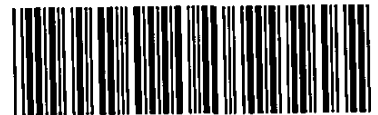
Company Registration No. 4302476

FTSS Finance Limited

Report and Financial Statements

31 January 2008

THURSDAY



A04ST7BH

A23

12/02/2009

313

COMPANIES HOUSE

FTSS Finance Limited

REPORT AND FINANCIAL STATEMENTS 2008

CONTENTS

Page

Officers and professional advisers

1

Directors' report

2

Statement of directors' responsibilities

4

Independent auditors' report

5

Profit and loss account

7

Balance sheet

8

Notes to the financial statements

9

FTSS Finance Limited

REPORT AND FINANCIAL STATEMENTS 2008

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T. Harris
D. Unkel (appointed 14 May 2007; resigned 18 December 2007)
C. O'Connor (appointed 10 September 2007)

SECRETARY

T. Harris
Codan Secretary Service Ltd. (appointed 1 August 2007)

REGISTERED OFFICE

5 Percy Street
Office 5
London
W1T 1DG

BANKERS

HSBC plc
Poultry and Princes Street
PO Box 648
London
EC2P 2BX

SOLICITORS

Weil, Gotshal & Manges
One South Place
London
EC2M 2WG

AUDITORS

Deloitte LLP
Reading

FTSS Finance Limited

DIRECTORS' REPORT

The directors present their report on the affairs of the company, together with the financial statements and the auditors' report, for the period from 1 May 2007 to 31 January 2008. This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

PRINCIPAL ACTIVITY

The company's principal activity is to provide services to other group companies. The directors do not envisage any change in the company's activities.

RESULTS AND DIVIDENDS

The profit for the period after taxation was £900,737 (2007: £893,002). The directors do not recommend the payment of a dividend (2007: £nil). The statutory period changed to 31 January 2008. Our statutory period going forward will run from 1 February to 31 January.

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. The Company is dependent on financial support provided by its ultimate parent company FTSA Holdings Limited (FTSA). The significant downturn of the global economy and, specifically, the impact of this on the FTSA Group's (the Group's) customer base of motor vehicle manufacturers is adversely affecting the Group's and Company's performance and ability to meet the financial covenants as currently set forth within the Group's banking facilities agreements. These facilities comprise a Mezzanine Facilities Agreement dated 10 August 2006 (as amended by an amendment and restatement agreement dated 23 November 2006 and a second amendment and restatement dated 10 July 2007) and a Senior Facilities Agreement dated 10 August 2006 (as amended by an amendment and restatement agreement dated 23 November 2006 and a second amendment and restatement dated 10 July 2007) between FTSA Holdings Limited and CIT Capital Finance (UK) Limited as agent and lead syndicate bank.

The Group is forecasting to be in breach of the financial covenants in its facility agreements as at 31 January 2009 and at each measurement date thereafter and is in negotiations with its syndicate of lenders to remedy the situation for the remainder of the facility agreements. In the event of a breach, these facilities become repayable on demand.

Based on the nature of current discussions, management is optimistic that these negotiations will bring about a favourable outcome.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the Group's and the Company's ability to continue as a going concern. Nevertheless, after making appropriate enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

DIRECTORS

The directors, who served during the period, and since the period-end, are listed on page 1.

AUDITORS

Each of the persons who is a director of the company at the date of approval of this report confirms that:

- 1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- 2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of the relevant audit information and to establish that the company's auditors are aware of that information.

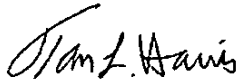
This confirmation is given and should be interpreted in accordance with s2347A of the Companies Act 1985.

FTSS Finance Limited

DIRECTORS' REPORT

The board of directors have proposed that KPMG LLP, or KPMG, serve as the Company's independent auditors commencing with financial year 2009. A resolution for the appointment of KPMG will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'T Harris', is written over a horizontal line.

T Harris

Director

3 February 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF FTSS FINANCE LIMITED

We have audited the financial statements of FTSS Finance Limited for the period ended 31 January 2008, which comprise the profit and loss account, the balance sheet, and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FTSS FINANCE LIMITED (CONTINUED)

Opinion

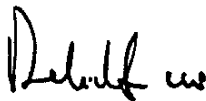
In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2008 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern.

As explained in note 1 to the financial statements, the company is forecasting breaches of financial covenants on the Group's banking facility agreements, which indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. The directors have prepared these financial statements on the going concern basis. If the adoption of the going concern basis was inappropriate, adjustments, which it is not practicable to quantify, would be required, including those to write down assets to their recoverable value and to provide for any further liabilities that may arise.



Deloitte LLP
Chartered Accountants and Registered Auditors

Reading, United Kingdom
February 2009

5

FTSS Finance Limited

PROFIT AND LOSS ACCOUNT

Period from 1 May 2007 to 31 January 2008 (2008) and 26 March 2006 to 30 April 2007 (2007)

	Note	2008 £	2007 £
Administrative expenses		(7,266)	(15,800)
OPERATING LOSS		(7,266)	(15,800)
Interest receivable and similar income	2	1,294,116	1,288,383
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	1,286,850	1,272,583
Tax on profit on ordinary activities	5	(386,113)	(379,581)
RETAINED PROFIT FOR THE PERIOD	9	900,737	893,002

There are no recognised gains or losses other than the profit for the respective periods. Accordingly, a statement of total recognised gains and losses has not been presented.

All results are derived from continuing operations.

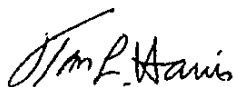
FTSS Finance Limited

BALANCE SHEET
31 January 2008

	Note	31 January 2008 £	30 April 20067 £
CURRENT ASSETS			
Debtors	6	26,698,736	25,404,620
CURRENT ASSETS		<u>26,698,736</u>	<u>25,404,620</u>
CREDITORS: amounts falling due within one year	7	(820,321)	(426,942)
NET ASSETS		<u>25,878,415</u>	<u>24,977,678</u>
CAPITAL AND RESERVES			
Called up share capital	8	6,370,757	6,370,757
Share Premium		17,348,140	17,348,140
Profit and loss account	9	2,159,518	1,258,781
SHAREHOLDER'S FUNDS	10	<u>25,878,415</u>	<u>24,977,678</u>

These financial statements were approved by the Board of Directors on 3 February 2009.

Signed on behalf of the Board of Directors



T Harris

Director

NOTES TO THE FINANCIAL STATEMENTS

For the period 1 May 2007 to 31 January 2008

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards. The particular accounting policies adopted are described below. They have all been applied consistently throughout the period, and the preceeding period.

Basis of preparation

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. The Company is dependent on financial support provided by its ultimate parent company FTSA Holdings Limited (FTSA). The significant downturn of the global economy and, specifically, the impact of this on the FTSA Group's (the Group's) customer base of motor vehicle manufacturers is adversely affecting the Group's and Company's performance and ability to meet the financial covenants as currently set forth within the Group's banking facilities agreements. These facilities comprise a Mezzanine Facilities Agreement dated 10 August 2006 (as amended by an amendment and restatement agreement dated 23 November 2006 and a second amendment and restatement dated 10 July 2007) and a Senior Facilities Agreement dated 10 August 2006 (as amended by an amendment and restatement agreement dated 23 November 2006 and a second amendment and restatement dated 10 July 2007) between FTSA Holdings Limited and CIT Capital Finance (UK) Limited as agent and lead syndicate bank.

The Group is forecasting to be in breach of the financial covenants in its facility agreements as at 31 January 2009 and at each measurement date thereafter and is in negotiations with its syndicate of lenders to remedy the situation for the remainder of the facility agreements. In the event of a breach, these facilities become repayable on demand.

Based on the nature of current discussions, management is optimistic that these negotiations will bring about a favourable outcome.

The directors have concluded that the combination of these circumstances represent a material uncertainty that casts significant doubt upon the Group's and the Company's ability to continue as a going concern. Nevertheless, after making appropriate enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

The company has utilised the exemption provided under Financial Reporting Standard No. 1 as a small company and has not presented a cash flow statement.

NOTES TO THE FINANCIAL STATEMENTS

For the period 1 May 2007 to 31 January 2008

Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

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 that result in an obligation to pay more tax on the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence it can be regarded as 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 not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard 8 from disclosing transactions with entities of the FTSA Holdings Ltd group on the basis that it is a wholly owned subsidiary of that company.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest receivable on loan to ultimate parent undertaking	965,913	875,203
Interest receivable on loan to group undertaking	328,203	389,020
Other interest income	-	24,160
	<u>1,294,116</u>	<u>1,288,383</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period 1 May 2007 to 31 January 2008

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' fees of £4,500 (2007: £15,800) have been charged in the current period.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company had no employees during the period under review or prior period other than the directors. No director received or waived any emoluments during the period or prior period in respect of their services to the company (2007: £nil). None of the directors' emoluments paid by other group companies were allocated to the company (2007: £nil).

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current tax		
UK corporation tax – current period	<u>386,113</u>	<u>379,581</u>

The total current tax equals the amount calculated by applying the standard rate of UK corporate tax of 30% to the profit before tax.

There is no provided or unprovided deferred tax.

6. DEBTORS

	31 January 2008 £	30 April 2007 £
Amounts owed by parent undertaking	19,206,560	18,240,646
Amounts owed by group undertaking	<u>7,492,176</u>	<u>7,163,974</u>
	<u>26,698,736</u>	<u>25,404,620</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 January 2008 £	30 April 2007 £
Amounts owed to parent undertaking	400,895	92,285
Amounts owed to group undertakings	406,460	290,841
Corporate tax	-	31,541
Other creditors	<u>12,966</u>	<u>12,275</u>
	<u>820,321</u>	<u>426,942</u>

FTSS Finance Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period 1 May 2007 to 31 January 2008

8. CALLED UP SHARE CAPITAL

	31 January 2008 £	30 April 2007 £
Authorised 10,000,000 (2007: 10,000,000) ordinary shares of £1 each	10,000,000	10,000,000
Called up, allotted and fully paid 6,370,757 (2007: 6,370,757) ordinary shares of £1 each	6,370,757	6,370,757

9. RESERVES

	Share Premium £	Profit and loss account £
At 30 April 2007	17,348,140	1,258,781
Profit for the period	-	900,737
At 31 January 2008	17,348,140	2,159,518

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	31 January 2008 £	30 April 2007 £
Profit for the period	900,737	893,002
Issue of ordinary share capital	-	2,357,303
Share premium paid	-	17,348,140
Net addition to shareholder's funds	900,737	20,598,445
Opening shareholder's funds	24,977,678	4,379,233
Closing shareholder's funds	25,878,415	24,977,678

11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

As at the period end, the immediate parent undertaking was First Technology Safety Systems Japan, a company registered in Japan. The company is consolidated within the results of FTSA Holdings Ltd and this is the smallest group in which the results of the company are included.

As at the date of these financial statements, the immediate parent company is FT Safety Holdings Limited, a company registered in England & Wales. The directors consider that the ultimate parent company and controlling party is FTSA Holdings Limited, a company registered in England and Wales.