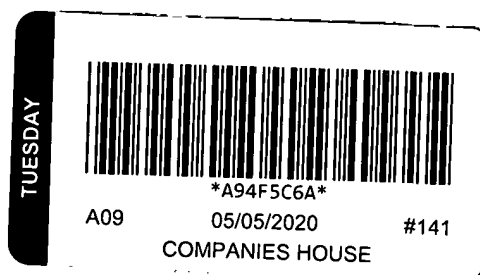

FAURECIA MIDLANDS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019



FAURECIA MIDLANDS LIMITED

COMPANY INFORMATION

Directors	Gabriele Herzog Olivier Durand
Company secretary	Eversheds
Registered number	02145693
Registered office	Cherwell III Middleton Close Banbury Oxfordshire IX16 4RS
Independent auditor	Mazars Birmingham B3 2RT
Bankers	HSBC City of London Corporate Office 8 Canada Square London E14 5XL
Solicitors	Eversecretary Limited 1 Wood Street London EC2V 7WS

FAURECIA MIDLANDS LIMITED

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FAURECIA MIDLANDS LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Introduction

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

As permitted by the Companies Act, certain items that are required to be included in the Directors' Report are included in the Strategic Report.

Faurecia Midlands Ltd is part of the Faurecia Group of companies ("the Group").

The Company has ceased to trade, however it continues to contribute to the Peugeot Main Plan Pension Scheme.

Business review

The loss for the year, before taxation was £329,185 (2018: loss of £512,153).

Principal risks and uncertainties

Due to the cessation of trade, there is risk and uncertainty relates to future contributions payable to the pension scheme.

The current uncertainty regarding the global spread and economic consequences of the COVID 19: Corona Virus pandemic also adds to the uncertainty regarding the Company's future.

This report was approved by the board on 29.04.2020 and signed on its behalf.



Gabriele Herzog
Director

FAURECIA MIDLANDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting 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;
- 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 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.

Results and dividends

The loss for the year, after taxation, amounted to £274,018 (2018 - loss £450,217).

The directors do not recommend the payment of a dividend (2018 : £nil).

Directors

The directors who served during the year were:

Gabriele Herzog
Olivier Durand

Going concern

The directors are currently considering the future of Faurecia Midlands Limited. As a result of the cessation of the Company's principle trading activity in 2006, the accounts have not been prepared on a going concern basis. Adjustments have been made to the accounts to write down assets to their recoverable amount and to recognise any additional liabilities, other than the liability which would arise in respect of a pension scheme buyout (as described in note 14), which require recognition in the absence of the going concern assumption.

FAURECIA MIDLANDS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31ST DECEMBER 2019**

Qualifying third party indemnity provisions

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. This qualifying third party indemnity provision remains in force as at the date of approval of the Directors' Report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

Since the year end the worldwide COVID 19 Corona Virus has had a significant impact on the worldwide economy. The only foreseeable impact on the Company is that on the pension scheme assets and liabilities - the quantification of which, at the present time, is difficult to gauge. This is a non-adjusting post balance sheet event.

Auditors

The auditors, Mazars, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the board on 29.04.2020 and signed on its behalf.



Gabriele Herzog
Director

FAURECIA MIDLANDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA MIDLANDS LIMITED

Opinion

We have audited the financial statements of Faurecia Midlands Limited (the 'Company') for the year ended 31st December 2019, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1-16, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 31st December 2019 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Emphasis of matter - Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 3 as a non adjusting post balance sheet event.

Since the balance sheet date, there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 2.3 to the financial statements which explains that the directors are currently considering the future of the company since the cessation of trade and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 2.3. Our opinion is not modified in respect of this matter.

FAURECIA MIDLANDS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA MIDLANDS LIMITED
(CONTINUED)**

Emphasis of Matter possible contribution to multi employer defined benefit pension scheme

We draw attention to the disclosures made in notes 14 and 15 to the financial statements concerning the possibility that the Company could be required to make future contributions to the multi-employer defined benefit pension scheme, if, as required, under current pension regulations, or if the Company's exit from the scheme gives rise to a statutory obligation based on a buy-out liability. The directors are unable to assess the Company's future liability and consequently no provision for any contribution the Company may be required to make has been recognised in the financial statements. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

FAURECIA MIDLANDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA MIDLANDS LIMITED (CONTINUED)

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 the Directors' report.

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

- adequate accounting records have not been kept, 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 2, 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.

Auditors' 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 Auditors' 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.

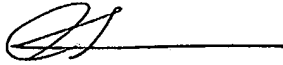
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members 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 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 for our audit work, for this report, or for the opinions we have formed.

FAURECIA MIDLANDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAURECIA MIDLANDS LIMITED
(CONTINUED)



Louis Burns (Senior statutory auditor)

for and on behalf of
Mazars

Birmingham
B3 2RT
Date: 30/04/2020

FAURECIA MIDLANDS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Administrative expenses		(92,136)	(156,338)
Operating loss	4	(92,136)	(156,338)
Interest payable and expenses	7	(237,049)	(355,815)
Loss before tax		(329,185)	(512,153)
Tax on loss	8	55,167	61,936
Loss for the financial year		(274,018)	(450,217)

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 12 to 20 form part of these financial statements.

FAURECIA MIDLANDS LIMITED
REGISTERED NUMBER: 02145693

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	9	55,167	101,512
		<u>55,167</u>	<u>101,512</u>
Creditors: amounts falling due within one year	10	(7,760,182)	(7,482,180)
		<u>(7,760,182)</u>	<u>(7,482,180)</u>
Net current liabilities		(7,705,015)	(7,380,668)
Total assets less current liabilities		(7,705,015)	(7,380,668)
Provisions for liabilities			
Other provisions	12	(45,471)	(95,800)
		<u>(45,471)</u>	<u>(95,800)</u>
Net liabilities		(7,750,486)	(7,476,468)
Capital and reserves			
Called up share capital	13	5,480,008	5,480,008
Profit and loss account		(13,230,494)	(12,956,476)
		<u>(13,230,494)</u>	<u>(12,956,476)</u>
		(7,750,486)	(7,476,468)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29.04.2020


Gabriele Herzog
 Director

The notes on pages 12 to 20 form part of these financial statements.

FAURECIA MIDLANDS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1st January 2019	5,480,008	(12,956,476)	(7,476,468)
Comprehensive expense for the year			
Loss for the year	-	(274,018)	(274,018)
Total comprehensive expense for the year	-	-	-
Total comprehensive expense for the year	-	(274,018)	(274,018)
Total transactions with owners	-	-	-
At 31st December 2019	5,480,008	(13,230,494)	(7,750,486)

The notes on pages 12 to 20 form part of these financial statements.

FAURECIA MIDLANDS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1st January 2018	5,480,008	(12,506,259)	(7,026,251)
Comprehensive income for the year			
Loss for the year	-	(450,217)	(450,217)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(450,217)	(450,217)
Total transactions with owners	-	-	-
At 31st December 2018	5,480,008	(12,956,476)	(7,476,468)

The notes on pages 12 to 20 form part of these financial statements.

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

1. Authorisation of financial statements and statement of compliance with FRS 101

Faurecia Midlands Ltd is a private company limited by share capital incorporated and domiciled in England and Wales. The address of its registered office is Cherwell III, Middleton Close, Banbury, Oxfordshire, OX16 4RS.

These financial statements of Faurecia Midlands Ltd for the year ended 31 December 2019 were authorised for issue by the board of directors and the balance sheet was signed on the Board's behalf by Gabriele Herzog.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

For certain disclosure exemptions listed above, the equivalent disclosures are included in the consolidated financial statements of the ultimate parent company as set out in note 16.

2.3 Going concern

The directors are currently considering the future of Faurecia Midlands Limited. As a result of the cessation of Company's principle trading activity in 2006, the accounts have not been prepared on a going concern basis. Adjustments have been made to the accounts to write down assets to their recoverable amount and to recognise any additional liabilities, other than the liability which would arise in respect of a pension scheme buyout (as described in note 14), which require recognition in the absence of the going concern assumption.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

2. Accounting policies (continued)

2.4 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.5 Taxation and Deferred income tax

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

2.6 Pension costs

The Company participates in a multi employer defined benefit pension scheme, the Peugeot Main Plan which requires contributions to be made to a separately administered fund.

The valuation used for the disclosures required by IAS 19 is the most recent valuation performed by Towers Watson Limited, carried out at 27 April 2017, consulting actuaries, is based on a full valuation dated 5 April 2016. This takes account of the requirements of IAS 19 in order to assess the liabilities of the schemes at 31 December 2019.

The directors consider it impracticable to identify the Company's share of the underlying assets of the scheme on a consistent and reliable basis. Therefore, in accordance with IAS 19, the contributions to the scheme are accounted for as if it were a defined contribution scheme and the employer contributions are charged to the profit and loss account on the basis of the contributions made.

However, from 1 August 2017, the Company was committed to paying an ongoing monthly rate of £14,334 (excluding employer contributions for the employees who remain in the scheme) per month, subject to review or potential immediate settlement. Given that only the amounts paid post year end are known with certainty, and, as the accounts are not being prepared on a going concern basis, all payments made post year end through to the date of approval of these financial statements, totalling £45,471 have been recognised in the period to 31 December 2019. Ongoing contributions are subject to review and therefore will be accounted for when known.

As at 31 December 2019, the latest available information shows the Peugeot Main Plan had a surplus of £53m (2018 : £53m).

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Deferred tax assets

Management's judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with an assessment of the effect of future tax planning strategies. A deferred tax asset on trading losses of £2,035,519 exists but has not been recognised, as disclosed in note 11.

4. Operating loss

The operating loss is stated after charging:

	2019 £	2018 £
Fees payable to the Company's auditor	5,136	9,000

5. Staff costs

The Company has two employees who are seconded, in a manufacturing capacity, to other companies in the Group. Their costs are fully borne by the companies to which they are seconded.

6. Directors' remuneration

The directors did not receive any remuneration for their services to the Company as they are deemed to be incidental and not material to their role as part of Faurecia Group management.

7. Interest payable and similar expenses

	2019 £	2018 £
Loans from group undertakings	237,049	355,815
	<u>237,049</u>	<u>355,815</u>

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

8. Taxation

	2019 £	2018 £
Corporation tax		
Adjustments in respect of previous periods	(10,128)	(4,459)
	<u>(10,128)</u>	<u>(4,459)</u>
Group taxation relief	(45,039)	(57,477)
	<u>(55,167)</u>	<u>(61,936)</u>
Total current tax	<u>(55,167)</u>	<u>(61,936)</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on loss on ordinary activities	<u>(55,167)</u>	<u>(61,936)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(329,185)</u>	<u>(512,153)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(62,545)	(97,309)
Effects of:		
Adjustments to tax charge in respect of prior periods	(10,128)	(4,459)
Deferred tax not recognised	17,506	39,832
Total tax charge for the year	<u>(55,167)</u>	<u>(61,936)</u>

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

8. Taxation (continued)

Factors that may affect future tax charges

A reduction of the tax rate to 17% (effective 1 April 2020) was announced in the Chancellor's 2016 budget and was substantively enacted on 6 September 2016. In the March 2020 budget, it was announced that the reduction to 17% will not be actioned, the tax rate remaining at 19%.

9. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	55,167	101,512
	<u>55,167</u>	<u>101,512</u>

Amounts owed by group undertakings relate to the payment of group relief.

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	7,738,543	7,466,042
Accruals and deferred income	21,639	16,138
	<u>7,760,182</u>	<u>7,482,180</u>

Amounts owed to group undertakings are interest bearing intercompany loans. The interest is calculated at 3.5% above LIBOR.

FAURECIA MIDLANDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

11. Deferred taxation

A deferred tax asset of £2,035,519 (2018: £2,028,917) has not been recognised in the financial statements because the Company is no longer trading as a going concern and as such, the directors are not confident of its recoverability.

The unprovided deferred tax is as follows;

	2019 £	2018 £
Short term timing differences	7,730	16,286
Post cessation trade losses	2,027,789	2,012,631
	<u>2,035,519</u>	<u>2,028,917</u>

12. Provisions

	Pension Scheme £
At 1st January 2019	95,800
Charged to profit or loss	75,833
Utilised in year	(126,162)
At 31st December 2019	<u>45,471</u>

Pension scheme

A provision of £45,471 has been made as at 31 December 2019 in respect of contributions up to and including 31st March 2020 for the company's liability to the multi employer pension scheme as per note 14.

13. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
5,480,008 (2018 - 5,480,008) Ordinary shares shares of £1.00 each	<u>5,480,008</u>	<u>5,480,008</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019

14. Contingent liabilities

As explained in note 12, the Company participates in a multi employer defined benefit pension scheme, the Peugeot Main Plan ("the Pension Fund"). The directors consider it impracticable to identify the Company's share of the underlying assets of the scheme on a consistent and reliable basis. Therefore, in accordance with IAS 19, the contributions to the scheme are accounted for as if it were a defined contribution scheme and the employer contributions are charged to the profit and loss account on the basis of the contributions made.

The directors have historically considered jointly with the management of Peugeot and the Pension Fund trustees how a deficit that may arise in the future on the Pension Fund should be funded. However, it is not currently practicable to estimate the Company's share of any future deficit.

Under current pension regulations, the Company's exit from the scheme would give rise to a statutory obligation based on a buy out liability. The Company has not announced or actioned an exit from the scheme.

At 31 December 2019 the pension scheme has a deficit as calculated on an accounting basis in accordance with IAS 19. However, on an actuarial basis or a buy out basis, the funding status of the scheme and the obligations of the Company in relation to any required funding are not known. As the Company has ceased trading and the accounts are prepared on a break up basis, this represents a material uncertainty related to the Company's obligations to the future funding requirements of its pension liability. The Faurecia Group have committed to settle any liability that may arise from any buy-out.

15. Pension commitments

The Company participates in a multi employer defined benefit pension scheme, the Peugeot Main Plan, which requires contributions to be made to a separately administered fund.

The valuation used for the disclosures required by IAS 19 is the most recent valuation performed by Towers Watson Limited, carried out at 27 April 2017, consulting actuaries, is based on a full valuation dated 5 April 2016. This takes account of the requirements of IAS 19 in order to assess the liabilities of the schemes at 31 December 2019.

The directors consider it impracticable to identify the Company's share of the underlying assets of the scheme on a consistent and reliable basis. Therefore, in accordance with IAS 19, the contributions to the scheme are accounted for as if it were a defined contribution scheme and the employer contributions are charged to the profit and loss account on the basis of the contributions made.

From 1 July 2017, the Company was committed to paying an ongoing monthly rate of £14,334 (excluding employer contributions for the employees who remain in the scheme) per month, subject to review or potential immediate settlement. Given that only the amounts paid post year end are known with certainty, and, as the accounts are not being prepared on a going concern basis, all payments made post year end through to the date of approval of these financial statements, totalling £45,471 have been recognised in the period to 31 December 2019. Ongoing contributions are subject to review and therefore will be accounted for when known.

As at 31st March 2020, the latest available information on The Peugeot Main Plan is that it had a surplus of £53m (2018 : £53m).

FAURECIA MIDLANDS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2019**

16. Controlling party

The Company's immediate parent company is Faurecia Automotive Seating UK Limited, a company incorporated in the United Kingdom.

In the directors' opinion, the Company's ultimate parent undertaking and controlling party is Peugeot SA, a company incorporated in France. Copies of its consolidated financial statements, which include SAI Automotive Fradley Limited, are available from the Secretary, Peugeot SA, 75 Avenue de la Grande Armée, Paris, France.