

# Treves UK Limited

Company Registration No: 2434099

## Directors' report and financial statements

For the year ended 31 December 2008



# TREVES UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	B Treves G Treves
<b>Company secretary</b>	MH Secretaries Limited
<b>Company number</b>	2434099
<b>Registered office</b>	Staple Court 11 Staple Inn Buildings London WC1V 7QH
<b>Auditors</b>	Mazars LLP Mazars House Gelderd Road Gildersome Leeds West Yorkshire LS27 7JN
<b>Bankers</b>	National Westminster Bank plc 8 Park Row Leeds West Yorkshire LS1 5HD

# TREVES UK LIMITED

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# **TREVES UK LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and the financial statements for the year ended 31 December 2008.

### **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;
- 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 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.

### **Principal activities**

The principal activity of the company continued to be that of the manufacture of motor vehicle carpets, luggage systems and seat components.

### **Business review**

The 2008 financial year for Treves UK was significant for the business. During the first half of the year sales were at record high levels, with the business under pressure to deliver the additional volumes while maintaining good cost, delivery and quality control, and this was achieved. During the final quarter a substantial decline in volumes were met with decisive and immediate business restructuring to ensure cost control was achieved with customer delivery and quality performances maintained.

Overall, in the year the results of previous training and development programmes ensured the business was able to manage these two extremes delivering "best in class", scrap, delivery and quality levels throughout. It is anticipated that despite the significant business restructuring in 2008 these business standards will be maintained in 2009.

### **Results**

The profit for the year, after taxation, amounted to £2,018,114 (2007 - £1,899,571).

# TREVES UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

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### Directors

The directors who served during the year were:

B Treves  
G Treves

### Financial instruments

The company trades with customers who operate in foreign currencies. The directors consider this to be a key financial risk and as a result the company uses financing and banking facilities in these foreign currencies to mitigate the risk of any adverse currency movements.

### Research and development activities

The company's research and development activity is managed by another member of the Treves Group and the associated cost in these accounts is the amount recharged to the company on a commercial basis.

### Provision 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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

### Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 11 May 2009 and signed on its behalf.



**B Treves**  
Director

# **TREVES UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TREVES UK LIMITED**

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We have audited the financial statements of Treves UK Limited for the year ended 31 December 2008, set out on pages 5 to 18. 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 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 judgments 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.

# TREVES UK LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TREVES UK LIMITED

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### 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 December 2008 and of its profit for the year 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.

*Mazars LLP*

**Mazars LLP**  
Mazars House  
Gelderd Road  
Gildersome  
Leeds  
West Yorkshire  
LS27 7JN

Date: *19 May 2009*

# TREVES UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Turnover	1,2	39,870,843	39,687,919
Cost of sales		(28,471,999)	(30,397,965)
<b>Gross profit</b>		<b>11,398,844</b>	<b>9,289,954</b>
Administrative expenses		(8,163,840)	(6,536,427)
<b>Operating profit</b>	<b>3</b>	<b>3,235,004</b>	<b>2,753,527</b>
<b>Exceptional items</b>			
Other exceptional items	7	(306,188)	-
<b>Profit on ordinary activities before interest</b>		<b>2,928,816</b>	<b>2,753,527</b>
Interest receivable		34,366	19,498
Interest payable	6	(50,661)	(26,343)
<b>Profit on ordinary activities before taxation</b>		<b>2,912,521</b>	<b>2,746,682</b>
Tax on profit on ordinary activities	8	(894,407)	(847,111)
<b>Profit for the financial year</b>	<b>17</b>	<b>2,018,114</b>	<b>1,899,571</b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and loss account.

The notes on pages 7 to 18 form part of these financial statements.



# TREVES UK LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Intangible fixed assets	9		1,244,607		1,645,381
Tangible fixed assets	10		3,358,637		3,724,962
			<u>4,603,244</u>		<u>5,370,343</u>
<b>Current assets</b>					
Stocks	11	1,136,923		1,569,718	
Debtors	12	6,554,554		8,532,785	
Cash at bank and in hand		618,596		917,935	
		<u>8,310,073</u>		<u>11,020,438</u>	
<b>Creditors: amounts falling due within one year</b>	13	(6,319,911)		(8,976,677)	
<b>Net current assets</b>			<u>1,990,162</u>		<u>2,043,761</u>
<b>Total assets less current liabilities</b>			<u>6,593,406</u>		<u>7,414,104</u>
<b>Creditors: amounts falling due after more than one year</b>	14		(1,889,121)		-
<b>Provisions for liabilities</b>					
Deferred tax	15		(119,185)		(110,632)
<b>Net assets</b>			<u>4,585,100</u>		<u>7,303,472</u>
<b>Capital and Reserves</b>					
Called up share capital	16		450,000		450,000
Profit and loss account	17		4,135,100		6,853,472
<b>Shareholders' funds</b>	18		<u>4,585,100</u>		<u>7,303,472</u>

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

11 May 2009.



**B Treves**  
Director



**G Treves**  
Director

The notes on pages 7 to 18 form part of these financial statements.

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### 1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	-	2.5%	- 10% straight line
Plant and machinery	-	10%	- 33% straight line
Fixtures, fittings and equipment	-	10%	- 33% straight line

#### 1.5 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.6 Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

#### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

# **TREVES UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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### **1. Accounting policies (continued)**

#### **1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### **1.9 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

#### **1.10 Research and development**

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

#### **1.11 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

#### **1.12 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable accounting standards, which have been applied consistently (except as otherwise stated).

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 2. Turnover

A geographical analysis of turnover is as follows:

	2008 £	2007 £
United Kingdom	35,118,189	33,075,881
Rest of European Union	4,752,654	6,612,038
	<u>39,870,843</u>	<u>39,687,919</u>

### 3. Operating profit

The operating profit is stated after charging/(crediting):

	2008 £	2007 £
Depreciation of tangible fixed assets:		
- owned by the company	545,376	680,699
- held under finance leases	1,950	-
Operating lease rentals:		
- plant and machinery	49,381	54,032
Difference on foreign exchange	1,110,115	(304,685)
Amortisation of deferred research and development expenditure	871,620	736,273
Research and development (revenue)/expenditure written off	(314,034)	(390,794)
	<u></u>	<u></u>

During the year, no director received any emoluments (2007 - £NIL).

### 4. Auditors' remuneration

	2008 £	2007 £
Fees payable to the company's auditor for the audit of the company's annual accounts	21,496	21,000
Fees payable to the company's auditor and its associates in respect of:		
Underprovision from prior year	<u>4,887</u>	<u>578</u>

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 5. Staff costs

Staff costs were as follows:

	2008 £	2007 £
Wages and salaries	4,208,627	4,567,697
Social security costs	408,424	417,316
Other pension costs	267,719	231,755
	<u>4,884,770</u>	<u>5,216,768</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2008 Number	2007 Number
Administration	57	65
Manufacturing	115	136
	<u>172</u>	<u>201</u>

### 6. Interest payable

	2008 £	2007 £
On bank loans and overdrafts	38,446	24,094
On finance leases and hire purchase contracts	618	-
Other interest payable	11,597	2,249
	<u>50,661</u>	<u>26,343</u>

### 7. Exceptional items

	2008 £	2007 £
Restructuring costs	<u>306,188</u>	<u>-</u>

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 8. Taxation

	2008 £	2007 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	879,853	890,907
Adjustments in respect of prior periods	6,001	6,343
<b>Total current tax</b>	<u>885,854</u>	<u>897,250</u>
<b>Deferred tax</b> (see note 15)		
Deferred tax credit current year	8,553	(50,139)
<b>Tax on profit on ordinary activities</b>	<u>894,407</u>	<u>847,111</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - higher than) the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before tax	<u>2,912,521</u>	<u>2,746,682</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	815,506	824,005
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,813	25,130
Depreciation for year in excess of capital allowances	29,641	41,772
Provisions tax adjustment	11,540	-
Other tax adjustments	15,353	-
Adjustments to tax charge in respect of prior periods	6,001	6,343
<b>Current tax charge for the year</b> (see note above)	<u>885,854</u>	<u>897,250</u>

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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### 9. Intangible fixed assets

	Development costs £
<b>Cost</b>	
At 1 January 2008	2,893,224
Additions	470,846
	<hr/>
At 31 December 2008	3,364,070
	<hr/>
<b>Amortisation</b>	
At 1 January 2008	1,247,843
Charge for the year	871,620
	<hr/>
At 31 December 2008	2,119,463
	<hr/>
<b>Net book value</b>	
At 31 December 2008	1,244,607
	<hr/>
At 31 December 2007	1,645,381
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Deferred development costs comprise design, tooling and development costs on separately identifiable projects which are reasonably expected to generate income in future periods. Development costs will be amortised in relation to production volumes over the life of the projects.

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 10. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 2008	2,874,716	5,519,125	215,758	8,609,599
Additions	-	188,083	-	188,083
Disposals	-	(119,346)	-	(119,346)
At 31 December 2008	2,874,716	5,587,862	215,758	8,678,336
<b>Depreciation</b>				
At 1 January 2008	538,605	4,167,013	179,019	4,884,637
Charge for the year	65,378	472,161	9,787	547,326
On disposals	-	(112,264)	-	(112,264)
At 31 December 2008	603,983	4,526,910	188,806	5,319,699
<b>Net book value</b>				
At 31 December 2008	2,270,733	1,060,952	26,952	3,358,637
At 31 December 2007	2,336,111	1,352,112	36,739	3,724,962

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2008 £	2007 £
Plant and machinery	11,050	-

### 11. Stocks

	2008 £	2007 £
Raw materials	1,003,506	1,300,271
Finished goods	133,417	269,447
	1,136,923	1,569,718



# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 12. Debtors

	2008 £	2007 £
Trade debtors	2,317,484	4,294,448
Amounts owed by group undertakings	17,107	46,936
Other debtors	3,993,658	3,885,135
Prepayments and accrued income	226,305	306,266
	<u>6,554,554</u>	<u>8,532,785</u>

### 13. Creditors: Amounts falling due within one year

	2008 £	2007 £
Bank loans and overdrafts	975,101	881,278
Net obligations under finance leases and hire purchase contracts	4,904	-
Trade creditors	1,634,491	3,436,000
Amounts owed to group undertakings	812,759	2,492,504
Corporation tax	277,814	550,653
Social security and other taxes	393,714	625,959
Other creditors	1,264,518	523,805
Accruals and deferred income	956,610	466,478
	<u>6,319,911</u>	<u>8,976,677</u>

The bank loan and overdrafts are secured by a first legal mortgage over the freehold property at Farnham Road, Knaresborough and a letter of support from the ultimate parent company, Treves SA.

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 14. Creditors: Amounts falling due after more than one year

	2008 £	2007 £
Bank loans	1,885,720	-
Net obligations under finance leases and hire purchase contracts	3,401	-
	<u>1,889,121</u>	<u>-</u>

Included within the above are amounts falling due as follows:

	2008 £	2007 £
<b>Between one and two years</b>		
Bank loans	1,257,148	-
	<u>1,257,148</u>	<u>-</u>
<b>Over five years</b>		
Bank loans	628,571	-
	<u>628,571</u>	<u>-</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2008 £	2007 £
Repayable by instalments	628,571	-
	<u>628,571</u>	<u>-</u>

The bank loan is repayable by quarterly capital instalments over a period of seven years. Interest is charged on the loan at a rate of LIBOR + 1.125% per annum.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2008 £	2007 £
Between one and five years	3,401	-
	<u>3,401</u>	<u>-</u>

The bank loan is secured by a first legal mortgage over the freehold property at Farnham Road, Knaresborough and a letter of support from the ultimate parent company, Treves SA.

Net obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 15. Deferred taxation

	2008 £	2007 £
At beginning of year	110,632	160,771
Charge for/(released during) year	8,553	(50,139)
At end of year	<u>119,185</u>	<u>110,632</u>

The provision for deferred taxation is made up as follows:

	2008 £	2007 £
Accelerated capital allowances	<u>119,185</u>	<u>110,632</u>

### 16. Share capital

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
225,000 'A' ordinary shares of £1 each	225,000	225,000
225,000 'B' ordinary shares of £1 each	225,000	225,000
	<u>450,000</u>	<u>450,000</u>

### 17. Reserves

	Profit and loss account £
At 1 January 2008	6,853,472
Profit for the year	2,018,114
Dividends	(4,736,486)
At 31 December 2008	<u>4,135,100</u>

# TREVES UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

### 18. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
Opening shareholders' funds	7,303,472	6,757,404
Profit for the year	2,018,114	1,899,571
Dividends (Note 19)	(4,736,486)	(1,353,503)
Closing shareholders' funds	<u>4,585,100</u>	<u>7,303,472</u>

### 19. Dividends

	2008 £	2007 £
Dividends paid on equity capital	<u>4,736,486</u>	<u>1,353,503</u>

### 20. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £267,719 (2007 - £231,755). Contributions totalling £29,402 (2007 - £29,469) were payable to the fund at the balance sheet date and are included in creditors.

### 21. Operating lease commitments

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	2008 £	2007 £
<b>Expiry date:</b>		
Within 1 year	26,205	97,691
Between 2 and 5 years	<u>61,783</u>	<u>61,783</u>

### 22. Related party transactions

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8 from the requirement to make disclosures concerning related parties within the group as its results are included in the consolidated accounts of its ultimate parent company which are publicly available.

## **TREVES UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **23. Ultimate parent undertaking and controlling party**

The ultimate parent company is Treves SA, a company registered in France. Treves SA prepares group financial statements and copies can be obtained from -

109 Rue de Fauborg St Honore  
75008 Paris  
France