

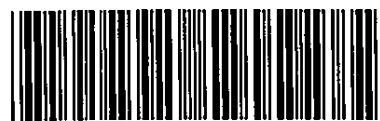
**MANN+HUMMEL FINANCE UK LIMITED**

**Directors' report and financial  
statements**

Registered number 4962644

For the year ended 31 December 2012

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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2012

### Principal activity and review of the business

The principal activity of the company is to provide financial services including loan finance to other companies within the MANN+HUMMEL Group. The directors believe that the company will continue to trade in a similar manner going forward. All transactions are noted in Euro (€) as this is the company's functional and presentational currency.

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

### Results and dividends

The results for the year are shown in the profit and loss account on page 5.

The directors do not recommend a dividend payment.

### Directors

The directors of the company who served during the year were as follows:

I Ng  
N Davies (resigned 14 September 2012)  
W Deißmann  
FB Jehle  
Dr A Naser (appointed 15 September 2012)

### Directors' liability

The company maintains an appropriate level of directors' and officers' insurance, whereby directors and officers are indemnified against liabilities to third parties to the extent permitted by the Companies Act. The directors and officers also benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### 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 auditor will be deemed to be appointed and KPMG LLP will therefore continue in office.

By order of the board



Director



Dr A Naser  
Director/Secretary

Hilton Cross Business Park  
Cannock Road  
Featherstone  
Wolverhampton  
West Midlands  
WV10 7QZ

24 April 2013

## **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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, 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
One Snowhill  
Snow Hill Queensway  
Birmingham  
B4 6GH  
United Kingdom

## **Independent auditor's report to the members of MANN+HUMMEL FINANCE UK LIMITED**

We have audited the financial statements of MANN+HUMMEL FINANCE UK LIMITED for the year ended 31 December 2012 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of MANN+HUMMEL FINANCE UK LIMITED** *(continued)*

**Matters on which we are required to report by exception**

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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Matthew Buckingham** (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*

24 April 2013

**Profit and loss account**  
*for the year ended 31 December 2012*

	<i>Note</i>	<b>2012</b> <b>€000</b>	<b>2011</b> <b>€000</b>
Reversal of impairment of loan		-	248
Administrative expenses		(27)	(25)
		<hr/>	<hr/>
<b>Operating (loss)/profit</b>		<b>(27)</b>	<b>223</b>
Interest receivable and similar income	2	1,916	2 339
Interest payable and similar charges	3	(422)	(437)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	4	<b>1,467</b>	<b>2,125</b>
Taxation on profit on ordinary activities	5	(367)	(470)
		<hr/>	<hr/>
<b>Profit for the financial year</b>	10	<b>1,100</b>	<b>1 655</b>
		<hr/>	<hr/>

The company had no recognised gains or losses other than those included in the profit and loss account shown above

All amounts relate to continuing operations

There are no differences between the profit as shown in the profit and loss account above and their historical cost equivalents

Movements in reserves are shown in note 10

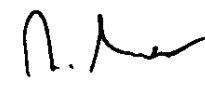
**Balance sheet**  
*at 31 December 2012*

	<i>Note</i>	<b>2012</b> <b>€000</b>	<b>2011</b> <b>€000</b>
<b>Current assets</b>			
Debtors	6	106,250	110,242
Cash at bank and in hand		7	8
		<u>106,257</u>	<u>110,250</u>
<b>Creditors</b> amounts falling due within one year	7	(151)	(244)
<b>Net current assets</b>		<u>106,106</u>	<u>110,006</u>
<b>Creditors</b> amounts falling due after more than one year	8	(4,500)	(9,500)
<b>Net assets</b>		<u>101,606</u>	<u>100,506</u>
<b>Capital and reserves</b>			
Ordinary share capital	9	1,000	1,000
Capital contribution	10	85,000	85,000
Profit and loss account	10	15,606	14,506
<b>Shareholder's funds</b>	11	<u>101,606</u>	<u>100,506</u>

These financial statements were approved by the board of directors on 24 April 2013 and were signed on its behalf by



Director



Dr A Naser  
 Director/Secretary

Company number 4962644



## Notes

(forming part of the financial statements)

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable UK Accounting Standards and under the historical cost convention

#### *Going concern*

The directors are satisfied, on the basis of their internal forecasts and group facilities available, that it is appropriate to continue to prepare the accounts on a going concern basis

#### *Cash flow statement*

The company is exempt from the requirements of FRS 1 (Revised) to prepare a cash flow statement as it is a wholly owned subsidiary and its results are included in the consolidated financial statements of MANN+HUMMEL Holding GmbH

#### *Foreign currencies*

The functional currency in which the company transacts its business is Euro. Consequently, all the assets and liabilities of the company are recorded in Euro in the financial statements

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date. Where there are related or matching forward contracts in respect of trading transactions the rates of exchange specified in those contracts are used.

All exchange differences thus arising are dealt with in the profit and loss account

#### *Taxation*

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, with discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

#### *Interest*

Interest receivable and payable are accounted for on an accruals basis

### 2 Interest receivable and similar income

	2012 €000	2011 €000
Receivable from group undertakings	1,916	2,231
Net exchange gains	-	108
	<u>1,916</u>	<u>2,339</u>

### 3 Interest payable and similar charges

	2012 €000	2011 €000
Interest payable to group undertakings	379	437
Net exchange loss	43	-
	<u>422</u>	<u>437</u>

**Notes** (continued)

**4 Profit on ordinary activities before taxation**

	2012 €000	2011 €000
<i>Profit on ordinary activities before taxation is stated after crediting/(charging)</i>		
Reversal of impairment of loan	-	248
<i>Auditor's remuneration</i>		
Audit of these financial statements	(7)	(7)
	<u>          </u>	<u>          </u>

In 2009, a loan made to a former group subsidiary was fully impaired. The Directors reassessed the carrying value of the loan in 2011 and accordingly reversed the impairment by €248,000.

No salary or pension contributions were paid by the company on behalf of the directors.

The company has no employees.

**5 Taxation**

*Analysis of charge in period*

	2012 €000	2011 €000
<i>UK corporation tax</i>		
Current tax on income for the year	359	497
Adjustments in respect of prior periods	8	(27)
	<u>          </u>	<u>          </u>
	367	470
	<u>          </u>	<u>          </u>

*Factors affecting the tax charge for the current period*

The current tax charge for the period is higher (2011: lower) than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below.

	2012 €000	2011 €000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,467	2,125
	<u>          </u>	<u>          </u>
Current tax at 24.5% (2011: 26.5%)	359	563
<i>Effects of</i>		
Adjustments to tax charge in respect of previous periods	8	(27)
Reversal of impairment not taxable	-	(66)
	<u>          </u>	<u>          </u>
Total current tax charge (see above)	367	470
	<u>          </u>	<u>          </u>

## Notes (continued)

### 5 Taxation (continued)

#### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future current tax charge accordingly.

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement. It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge.

### 6 Debtors

	2012 €000	2011 €000
Amounts owed by group undertakings	106,250	109,994
Other debtors	-	248
	<u>106,250</u>	<u>110,242</u>

The amounts owed by group undertakings are unsecured and interest bearing.

### 7 Creditors: amounts falling due within one year

	2012 €000	2011 €000
Amounts owed to group undertakings	71	23
Corporation tax	80	221
	<u>151</u>	<u>244</u>

### 8 Creditors: amounts falling due after more than one year

	2012 €000	2011 €000
Amounts owed to group undertakings	4,500	9,500
	<u>4,500</u>	<u>9,500</u>

The amounts owed to group undertakings are unsecured and interest bearing.

### 9 Called up share capital

	2012 €000	2011 €000
<i>Allotted and fully paid</i>		
1,000,000 ordinary shares of €1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

## Notes (continued)

### 10 Reserves

	Capital Contribution €000	Profit and loss account €000
At 31 December 2011	85 000	14,506
Profit for the year	-	1,100
<b>At 31 December 2012</b>	<b>85,000</b>	<b>15,606</b>

The capital contribution from the parent company was an unconditional gift with no terms for repayment

### 11 Reconciliation of movements in Shareholder's funds

	2012 €000	2011 €000
<b>Profit for the financial year</b>		
Being net addition to shareholders funds	1,100	1,655
<b>Opening shareholder's funds</b>	<b>100,506</b>	<b>98,851</b>
<b>Closing shareholder's funds</b>	<b>101,606</b>	<b>100,506</b>

### 12 Related party transactions

The company regards its controlling party as MANN+HUMMEL Holding GmbH, its ultimate parent undertaking. As a wholly owned subsidiary of MANN+HUMMEL Holding GmbH, whose consolidated financial statements incorporate the company's own results and are publicly available, the company is accordingly exempt from the requirements of Financial Reporting Standard 8 to disclose balances and transactions with 100% owned group undertakings.

### 13 Contingent guarantee

MANN+HUMMEL FINANCE (UK) LIMITED has put in place a contingent guarantee to provide comfort to the stakeholders of its sister company, MANN+HUMMEL (UK) LIMITED, with regards to a final salary pension scheme that is operated by the latter. The value of this guarantee is up to a maximum value of £5,000,000. This is the Section 179/Pension Protection Fund valuation of the deficit and would only become active should MANN+HUMMEL (UK) LIMITED become insolvent.

### 14 Immediate and ultimate parent company

The company is a subsidiary undertaking of MANN+HUMMEL Holding GmbH, which is the ultimate parent company incorporated in Germany.

The largest and smallest group in which the results of the company are consolidated is that headed by MANN+HUMMEL Holding GmbH and incorporated in Germany. The consolidated financial statements of this company are available to the public and may be obtained from Hindenburgstrasse 45, 71638 Ludwigsburg, Germany.