

Registered No 898822

Autoliv Spring Dynamics Limited

Report and Financial Statements

31 December 2009

FRIDAY



AIMODJ0A

A27

09/04/2010

161

COMPANIES HOUSE

Autoliv Spring Dynamics Limited

Directors

B M O Wallin

J Bentley

R Green

Secretary

J Bentley

Auditors

Ernst & Young LLP

Wessex House

19 Threefield Lane

Southampton SO14 3QB

Bankers

Skandinaviska Enskilda Banken

Scandinavian House

2 Cannon Street

London EC4M 6XX

Registered office

44 Welbeck Street

London W1G 8DY

Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

Results and dividends

The loss for the year amounted to £2,784,000 (2008 – loss of £435,000) The directors do not recommend the payment of any dividends (2008 – £Nil)

Principal activities and review of the business

The company's principal activity during the year was the manufacture of constant force spring assemblies for the automotive industry and the provision of supply chain management services for other Autoliv group entities in Europe

The company's key financial and other performance indicators during the year were as follows

	2009 £'000	2008 £'000	Change %
Turnover	6,333	12,793	50
Total operating (loss) profit before exceptional	(542)	587	192
Loss after tax	(2,784)	(435)	540
Shareholders' deficit	(3,200)	(416)	669
Current assets as % of current liabilities	42	78	46
Average number of employees	42	116	64

Due to the sharp drop in European vehicle production and the closure of the company's British steel supplier, Autoliv Spring Dynamics Limited announced in November 2008 the planned closure of the business and the transfer of its manufacturing assets to another Autoliv group entity in Romania. The transfer of production lines commenced in the first half of 2009, and manufacturing in the UK ceased in December 2009. The company will continue to provide supply chain management services for a short period, however this is expected to cease later in 2010. Accordingly the financial statements have been prepared on a break-up basis.

Directors

The directors who served the company during the year and subsequent to the year end were as follows

B M O Wallin	
J Bentley	(appointed 6 October 2009)
R Green	(appointed 6 October 2009)

Principal risks and uncertainties

The directors have evaluated the principal risks and uncertainties that faced the company during the year and consider these to be competitive risk and financial risk

Competitive risk

The company is reliant on its fellow group subsidiaries for its turnover but it is not the sole supplier of these products. The continuation of its supply share is uncertain and based on financial and performance criteria together with an assessment by the group of the risks to its supply chain arising from its selection of suppliers.

Directors' report

Principal risks and uncertainties (continued)

Financial risk

The company is exposed to fluctuations in interest rates and exchange rates. The company utilises overdraft facilities as part of a 'pool' arrangement with other UK members of the group. The 'pool' uses intercompany loans to manage liquidity, cash flow and interest rate risk.

The company utilises a group 'netting' service which matches currency inflows and outflows to achieve natural hedging and manage exchange rate risk where possible.

Derivatives and other financial instruments

The company's principal financial instruments, other than derivatives, comprise bank borrowings, the purpose of which is to raise finance for the company's operations. The company has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations.

A high proportion of the business' sales are denominated in Euros. The company utilises a group 'netting' service which matches currency inflows and outflows to achieve natural hedging and manage exchange rate risk.

Directors' liabilities

The company has indemnified one or more directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

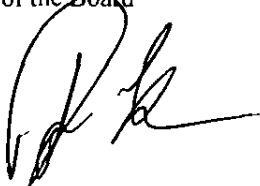
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

R Green
Director



Date 8 April 2010

Statement of directors' responsibilities

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 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). 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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 Autoliv Spring Dynamics Limited

We have audited the financial statements of Autoliv Spring Dynamics Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

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 2009 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.

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 auditors' report (continued)

to the members of Autoliv Spring Dynamics Limited

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

Ernst & Young LLP

David Marshall (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
Southampton

Date *8/4/2010*

Profit and loss account

for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	3	6,333	12,793
Cost of sales		4,825	8,710
Gross Profit		1,508	4,083
Distribution costs		68	474
Administrative expenses		2,628	3,022
Other operating income		(646)	–
Operating (Loss)/Profit	4	(542)	587
Exceptional items	5	(2,162)	(1,038)
Loss on ordinary activities before interest and similar charges		(2,704)	(451)
Interest receivable and similar income	8	–	187
Interest payable and similar charges	9	(80)	(171)
		(80)	16
Loss on ordinary activities before taxation		(2,784)	(435)
Tax on loss on ordinary activities	10	–	–
Loss for the financial year		(2,784)	(435)

All amounts relate to discontinuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2009

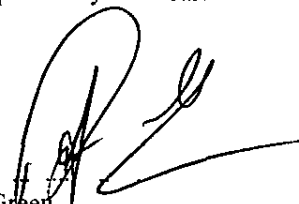
There are no recognised gains or losses other than the loss of £2,784,000 attributable to the shareholders for the year ended 31 December 2009 (2008 – loss of £435,000)

Balance sheet

at 31 December 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	11	–	1,273
		–	1,273
Current assets			
Stocks	12	–	677
Debtors	13	632	1,677
Cash at bank		100	8
		732	2,362
Creditors amounts falling due within one year	14	1,738	3,013
Net current liabilities		(1,006)	(651)
Total assets less current liabilities		(1,006)	622
Provisions for liabilities	15	2,194	1,038
Net liabilities		(3,200)	(416)
Capital and reserves			
Called up share capital	19	26	26
Share premium account	20	4,149	4,149
Other reserves	20	3	3
Profit and loss account	20	(7,378)	(4,594)
Shareholders' deficit	20	(3,200)	(416)

Approved by the Board



R Green
Director

Date 8 April 2010

Notes to the financial statements

at 31 December 2009

1. Fundamental accounting concept – going concern

The financial statements have been prepared on the break-up basis reflecting the announced closure of the business, and cessation of trade. Accordingly, adjustments have been made to reduce the carrying value of assets to their estimated realisable amount, and to provide for any further liabilities that will arise relating to the closure.

2. Accounting policies

Basis of preparation

The financial statements of Autoliv Spring Dynamics Limited were approved for issue by the board of directors on the date noted on the balance sheet.

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related parties transactions

The company's ultimate parent company is Autoliv Inc, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Autoliv Inc group.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods.

Provision of services

Revenue from the provision of services is recognised in line with the performance of the related service.

Deferred taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 December 2009

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

3. Turnover

Turnover represents the amounts of goods and services invoiced during the period and is stated net of value added tax

An analysis of turnover by geographical market is given below

	2009 £'000	2008 £'000
Europe	5,134	9,463
The Americas	664	1,496
Rest of the World	535	1,834
	<u>6,333</u>	<u>12,793</u>

4. Operating loss

This is stated after charging/(crediting)

	2009 £'000	2008 £'000
Auditors' remuneration – audit of the financial statements	16	27
– non-audit services	–	–
	<u>216</u>	<u>287</u>
Depreciation of owned fixed assets	216	287
	<u>391</u>	<u>348</u>
Operating lease rentals – land and buildings	391	348
– plant and machinery	24	32
Net loss/(gain) on foreign currency translation	59	(356)
	<u>59</u>	<u>(356)</u>

Notes to the financial statements

at 31 December 2009

5. Exceptional items

Closure of manufacturing facility

	2009 £'000	2008 £'000
Redundancy cost	606	688
Onerous lease provision	1,556	350
	<u>2,162</u>	<u>1,038</u>

6. Staff costs

	2009 £'000	2008 £'000
Wages and salaries	1,595	2,600
Social security costs	158	260
Other pension costs	60	56
	<u>1,813</u>	<u>2,916</u>

The monthly average number of employees during the year was as follows

	2009 No	2008 No
Production staff	37	106
Administrative staff	5	10
	<u>42</u>	<u>116</u>

The company made certain staff available to its former subsidiary undertaking, Spiroflex Limited until 30 September 2008 under a supply agreement. The company charged Spiroflex Limited £Nil (2008 - £23,000) under this agreement in the year.

7. Directors' emoluments

	2009 £'000	2008 £'000
Emoluments	160	134
Pension contributions	16	12
	<u>176</u>	<u>146</u>

One director (2008 – one) was a member of a group defined contribution pension scheme, and one director (2008 – one) received contributions payable to a private defined contribution pension scheme.

Notes to the financial statements

at 31 December 2009

8. Interest receivable and similar income

	2009 £'000	2008 £'000
Other loan interest receivable	–	19
Foreign exchange gains	–	168
	<u>–</u>	<u>187</u>
	<u>–</u>	<u>187</u>

9 Interest payable and similar charges

	2009 £'000	2008 £'000
Bank interest payable	17	172
Foreign exchange losses	63	–
	<u>80</u>	<u>172</u>
	<u>80</u>	<u>172</u>

Notes to the financial statements

at 31 December 2009

10. Taxation on ordinary activities

(a) Tax on loss on ordinary activities

The charge is made up as follows

	2009 £'000	2008 £'000
Current tax	–	–
Deferred tax	–	–
Tax on loss on ordinary activities	–	–

(b) Factors affecting current tax charge

The tax credit assessed on the loss on ordinary activities for the year is lower (2008 – lower) than the standard rate of corporation tax in the UK of 28% (2008 – 28.5%). The differences are reconciled below

	2009 £'000	2008 £'000
Loss on ordinary activities before taxation	(2,784)	(435)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	(780)	(124)
<i>Effects of</i>		
Expenses not deductible for tax purposes	103	–
Capital allowances	(112)	(15)
Group relief for no consideration	798	116
Other timing differences	(9)	23
Total current tax	–	–

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows

	2009 £'000	2008 £'000
Depreciation in advance of capital allowances	–	153
Other timing differences	–	3
Unrelieved trade losses	28	28
	28	184

Notes to the financial statements

at 31 December 2009

11. Tangible fixed assets

	<i>Improvements- to short-term leasehold premises £'000</i>	<i>Plant and equipment £'000</i>	<i>Total £'000</i>
<i>Cost</i>			
At 1 January 2009	465	4,267	4,732
Disposals	(465)	(4,267)	(4,732)
At 31 December 2009	–	–	–
<i>Depreciation</i>			
At 1 January 2009	451	3,008	3,459
Provided during the year	14	202	216
Disposals	(465)	(3,210)	(3,675)
<i>Net book value</i>			
At 31 December 2009	–	–	–
At 1 January 2009	14	1,259	1,273

Plant and equipment includes £nil assets in the course of construction at the year end date (2008 – £785,000)

12 Stocks

	<i>2009 £'000</i>	<i>2008 £'000</i>
Raw materials	–	406
Work in progress	–	134
Finished goods	–	137
	–	677

13. Debtors

	<i>2009 £'000</i>	<i>2008 £'000</i>
Trade debtors	15	41
Amounts owed by group undertakings	416	1,351
Other debtors	45	90
Prepayments and other debtors	156	195
	632	1,677

Notes to the financial statements

at 31 December 2009

14. Creditors: amounts falling due within one year

	2009 £'000	2008 £'000
Bank overdraft	1,411	1,548
Trade creditors	41	1,035
Amounts owed to group undertakings	155	189
Other taxation and social security	37	77
Other creditors	7	8
Accruals and deferred income	87	156
	<u>1,738</u>	<u>3,013</u>

The bank overdraft forms part of a 'cash pool' arrangement and is secured by group undertakings

15. Provisions for liabilities

Closure of manufacturing facility

	2009 £'000	2008 £'000
At 1 January	1,038	–
Charge in the year	2,162	1,038
Expended	(1,006)	–
At 31 December	<u>2,194</u>	<u>1,038</u>

The provision for liabilities is comprised of the unpaid severance payments as at 31 December 2009 and provision for onerous lease obligations

16. Pensions

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 £60,000 (2008 – £56,000) for the year. There were outstanding contributions payable to the fund of £7,000 (2008 – £7,000) at the year end.

Notes to the financial statements

at 31 December 2009

17. Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£'000	£'000	£'000	£'000
<i>Operating leases which expire</i>				
Within one year	–	–	–	3
In two to five years	–	–	–	16
In over five years	357	–	348	–
	<u>357</u>	<u>–</u>	<u>348</u>	<u>19</u>

18. Contingent liabilities

The company has issued guarantee's in the normal course of business to HM Customs and Excise of £30,000 (2008 – £30,000) and other third parties of £Nil (2008 – £19,467)

19. Issued share capital

	2009		2008	
	<i>No</i>	<i>£'000</i>	<i>No</i>	<i>£'000</i>
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	26,000	26	26,000	26

20. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£'000	£'000	£'000	£'000	£'000
At 31 December 2007	25	–	3	(4,159)	(4,131)
Loss for the year	–	–	–	(435)	(435)
Issue of shares	1	4,149	–	–	4,150
At 31 December 2008	<u>26</u>	<u>4,149</u>	<u>3</u>	<u>(4,594)</u>	<u>(416)</u>
Loss for the year	–	–	–	(2,784)	(2,784)
At 31 December 2009	<u>26</u>	<u>4,149</u>	<u>3</u>	<u>(7,378)</u>	<u>(3,200)</u>

Notes to the financial statements

at 31 December 2009

21 Ultimate parent company

The company is a subsidiary undertaking of Autoliv UK Holding Limited, a company incorporated in United Kingdom. The ultimate parent undertaking and controlling party is Autoliv Inc, a company incorporated in Delaware in the United States of America.

The largest group undertakings for which group financial statements are drawn up and of which the company is a member is Autoliv Inc. The smallest group of undertakings for which group financial statements is drawn up and of which the company is a member is Autoliv AB, a company incorporated in Sweden. The consolidated financial statements of Autoliv Inc. and Autoliv AB are available to the public and may be obtained from

PO Box 70381
SE-107 24
Stockholm
Sweden