

Registered No. 898822

# **Autoliv Spring Dynamics Limited**

## **Report and Financial Statements**

31 December 2015



**Directors**

B M O Wallin

J D Bentley

**Secretary**

J A Bonney

**Auditors**

Ernst & Young LLP

100 Barbirolli Square

Manchester

M2 3EY

**Bankers**

Nordea Bank Finland PLC

London Branch

8th Floor, City Place House

55 Basinghall Street

London

EC2V 5NB

**Registered office**

Viking Way

Congleton

Cheshire

CW12 1TT

## Strategic report

### Principal activities and review of the business

The company's principal activity during the year was the management of its UK property business.

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

	2015 £'000	2014 £'000	Change %
Total operating (loss)/profit before exceptional	(264)	104	-354%
(Loss)/Profit after tax	(264)	81	-427%
Shareholders' deficit	(3,252)	(2,988)	-8.8%
Current assets as % of current liabilities	4.79	3.85	+24.4%

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 continued to provide supply chain management services for a short period, however this ceased in 2010. Accordingly the company now concentrates upon its property business.

### Principal risks and uncertainties

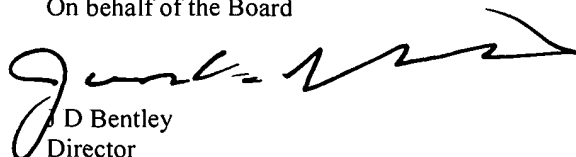
The directors have evaluated the principal risks and uncertainties that faced the company during the year and consider these to be largely nullified by the decision to cease operations. The main remaining risk is whether the current sub-tenants extend their lease beyond the current term, and also the company's ability to continue to make rent payments on the head-lease.

### Financial risk management

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.

On behalf of the Board



J D Bentley  
Director

Date: 15<sup>th</sup> August 2016

## Directors' Report

The directors present their report and financial statements for the year ended 31 December 2015.

### Results and dividends

The loss for the year amounted to £264,000 (2014 – profit of £81,000). The directors do not recommend the payment of any dividends (2014 – £Nil).

### Going concern

As detailed in the Strategic report, the company ceased to trade in 2010 with no expectation that trading will recommence. The company has a lease commitment that runs to February 2020 and as such expects to continue in operational existence until at least this date. As the company has net liabilities at 31 December 2015 it is reliant upon parental support to enable it to meet its obligations as they fall due. The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis.

### Directors

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

B M O Wallin  
J D Bentley

### 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.

### Directors' statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquires of fellow directors and of the company's auditors, each of these directors confirm that:


- To the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are not aware; and
- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are 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.

This report has been prepared in accordance with the special provisions of Part XV of the Companies Act 2006 relating to small entities.

On behalf of the Board

  
J D Bentley  
Director

Date: 15<sup>th</sup> August 2016

## Statement of directors' responsibilities

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 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;
- 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 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 auditor's 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 2015 which comprise the *Income statement*, the *Statement of comprehensive income*, the *Statement of changes in equity*, the *Statement of financial performance* and the related notes 1 to 14. 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), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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 Statement of Directors' Responsibilities 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 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 (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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **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 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

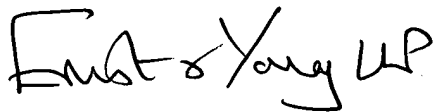
In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' report.



Julian Yates (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
Manchester

Date: 17 August 2016

## Income statement

for the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Other operating (cost)/income		(264)	104
<b>Operating (loss)/profit</b>	3	(264)	104
<b>(Loss)/Profit on ordinary activities before interest and similar charges</b>		(264)	104
<b>(Loss)/Profit on ordinary activities before taxation</b>		(264)	104
Tax on profit on ordinary activities	6	-	(23)
<b>(Loss)/Profit for the financial year</b>	12	(264)	81

All amounts relate to continuing property operations.

## Statement of comprehensive income

for the year ended 31 December 2015

There are no recognised gains or losses other than the loss of £264,000 attributable to the shareholders for the year ended 31 December 2015 (2014 – profit of £81,000).



## Statement of changes in equity

for the year ended 31 December 2015

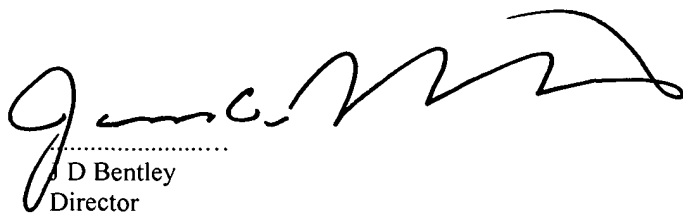
	<i>Called up share capital £000</i>	<i>Share premium account £000</i>	<i>Other reserves £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 2014	26	4,149	3	7,247	(3,069)
Profit for the year	–	–	–	81	81
At 31 December 2014	26	4,149	3	(7,166)	(2,988)
Loss for the year	–	–	–	(264)	(264)
At 31 December 2015	26	4,149	3	(7,430)	(3,252)

**Balance sheet**  
**at 31 December 2015**

Registered No. 898822

	<i>Note</i>	<i>2015</i> <i>£'000</i>	<i>2014</i> <i>£'000</i>
<b>Current assets</b>			
Debtors	6	134	92
Cash at bank and in hand		-	5
		<u>134</u>	<u>97</u>
<b>Creditors:</b> amounts falling due within one year	7	(2,797)	(2,521)
		<u>(2,663)</u>	<u>(2,424)</u>
<b>Net current liabilities</b>			
		<u>(2,663)</u>	<u>(2,424)</u>
<b>Total assets less current liabilities</b>			
		<u>(2,663)</u>	<u>(2,424)</u>
<b>Provisions for liabilities</b>	8	(589)	(564)
		<u>(3,252)</u>	<u>(2,988)</u>
<b>Net liabilities</b>			
		<u>(3,252)</u>	<u>(2,988)</u>
<b>Capital and reserves</b>			
Called up share capital	11	26	26
Share premium account	12	4,149	4,149
Other reserves	12	3	3
Profit and loss account		(7,430)	(7,166)
		<u>(3,252)</u>	<u>(2,988)</u>
<b>Shareholders' deficit</b>			
		<u>(3,252)</u>	<u>(2,988)</u>

Approved by the Board



J D Bentley  
Director

Date: 15<sup>th</sup> August 2016

## Notes to the financial statements

### at 31 December 2015

#### 1. Fundamental accounting concept – going concern

As detailed in the directors report, the company ceased to actively trade in 2010 with no expectation that trading will recommence. The company has a lease commitment that runs to 2019 and as such expects to continue in operational existence until at least this date. As the company has net liabilities at 31 December 2015 it is reliant upon parental support to enable it to meet its obligations as they fall due. The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis.

#### 2. Accounting policies

##### **Statement of compliance**

Autoliv Spring Dynamics Limited is a limited liability company incorporated in England. The Registered Office is Viking Way, Congleton, Cheshire, CW12 1TT.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2015.

The Group transitioned from previously extant UK GAAP to FRS 102 as at 1 January 2014. There have been no measurement or presentational differences arising from the transition that impact the reported financial position and financial performance.

The company have not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

##### **Basis of preparation and change in accounting policy**

The financial statements for Autoliv Spring Dynamics Limited were approved for issue by the Board of Directors on 15<sup>th</sup> August 2016. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the Company and rounded to £'000.

##### **Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Autoliv AB as at 31 December 2015 and these financial statements may be obtained from PO Box 70381, SE-107 24 Stockholm, Sweden.

##### **Judgements and key sources of estimation uncertainty**

The preparation of the 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. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Onerous lease provisions**

The Company has entered into a non-cancellable lease for a production facility, which expires in 2020. The current, and future likely lease incomes do not fully cover the lease obligations, and so the Directors have created an onerous lease provision to recognise the present value of the exposure.

## Notes to the financial statements

at 31 December 2015

### 2. Accounting policies (continued)

#### *Operating lease agreements - lessee*

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

#### *Operating lease agreements - lessor*

Operating lease income is recognised on a straight line basis to the date of the next rent review.

#### *Provisions for liabilities*

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation. The effect of the time value of money is material and the provisions are discounted appropriately.

#### *Financial instruments*

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like advances to and from related parties and other creditors.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2015 £'000	2014 £'000
Auditors' remuneration – audit of the financial statements	1	1
Operating lease rentals – property	358	358

### 4. Directors' emoluments

No director (2014 – none) was a member of a group defined contribution pension scheme, and no director (2014 – none) received contributions payable to a private defined contribution pension scheme. Both Directors were paid by other group companies (2014 – Both).

## Notes to the financial statements

### at 31 December 2015

#### 5. Taxation on ordinary activities

##### (a) Tax on (loss)/profit on ordinary activities

The charge is made up as follows:

	2015 £'000	2014 £'000
Current tax	–	22
Adjustments in respect of previous years	–	1
Tax on (loss)/profit on ordinary activities (note 9(b))	–	23

##### (b) Factors affecting the total tax charge

The tax charge assessed on the profit on ordinary activities for the year is higher (2014 – higher) than the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%). The differences are reconciled below:

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before taxation	(264)	104
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	(53)	22
<i>Effects of:</i>		
Group relief given for nil consideration	53	–
Adjustments from prior periods	–	1
Total tax	–	23

##### (c) Factors that may affect future tax charges

The main rate of corporation tax was reduced from 21% to 20% from the 1 April 2015 (enacted 31 July 2013) and this will be the main rate of corporation tax until 31 March 2017.

A number of changes to the UK Corporation tax system were announced in the summer 2015 Budget including that the main rate of corporation tax was to be reduced by a further 1% to 19% from 1 April 2017 and an additional 1% to 18% from 1 April 2020. These announcements were enacted on 18 November 2015.

All rate changes above had been enacted at the balance sheet date and so have been reflected in the deferred tax working where applicable.

## Notes to the financial statements

at 31 December 2015

### 6. Debtors

	2015 £'000	2014 £'000
Other debtors	8	4
Prepayments	126	88
	<u>134</u>	<u>92</u>

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

	2015 £'000	2014 £'000
Bank overdraft	110	—
Amounts owed to group undertakings	2,600	2,410
Other creditors	14	1
Accruals and deferred income	73	88
Corporation tax	—	22
	<u>2,797</u>	<u>2,521</u>

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

### 8. Provisions for liabilities

	2015 £'000	2014 £'000
At 1 January	564	821
Charged/(credited) to profit and loss in the year	25	(257)
At 31 December	<u>589</u>	<u>564</u>

The provision for liabilities is comprised of the provision for onerous lease obligations.

## Notes to the financial statements

at 31 December 2015

### 9. Obligations under operating leases

#### *Lessee arrangements*

Future minimum rentals payable under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
<i>Operating leases which expire:</i>		
Within one year	-	-
In two to five years	1,432	-
In over five years	-	1,790
	<u>1,432</u>	<u>1,790</u>

#### *Lessor arrangements*

Future minimum rentals receivable under non-cancellable operating leases as set out below:

	<i>Land and buildings</i>	
	<i>2015</i>	<i>2014</i>
	<i>£'000</i>	<i>£'000</i>
<i>Operating leases which expire:</i>		
Within one year	-	30
In two to five years	436	545
In over five years	-	-
	<u>436</u>	<u>545</u>

The Company sub-lets a building under non-cancellable agreements. The leases have various terms and renewal rights.

### 10. Financial instruments

	<i>2015</i>	<i>2014</i>
	<i>£000</i>	<i>£000</i>
<i>Financial liabilities measured at amortised cost</i>		
Bank overdraft	110	-
Amounts owed to group undertakings	2,600	2,410
	<u>2,710</u>	<u>2,410</u>

## Notes to the financial statements

at 31 December 2015

### 11. Issued share capital

	2015		2014	
	No.	£'000	No.	£'000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	26,000	26	26,000	26

### 12. Reserves

#### *Share premium account*

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### *Capital redemption*

This reserve records the nominal value of shares repurchased by the company.

### 13. Related party transactions

In preparing these financial statements, the directors have taken advantage of the exemptions available under Section 33 Related Party Disclosures paragraph 33.7 as permitted by FRS 102 Financial Reporting Standards applicable in the UK and Republic of Ireland, and have not disclosed transactions entered into between wholly owned group undertakings.

### 14. 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 are 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:

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SE-107 24  
Stockholm  
Sweden