

**Report and Accounts**

*Intier Automotive Holding  
(UK) Limited*

**31 December 2005**

WEDNESDAY



\*LA24ZO8W\*

LD6

28/03/2007

325

COMPANIES HOUSE

## Intier Automotive Holding (U.K.) Limited

---

Registered No. 3167671

### **DIRECTORS**

J H Davies  
R Hupe

### **SECRETARY**

D R Forster (resigned 6 February 2006)  
J H Davies (appointed 6 February 2006)

### **AUDITORS**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **BANKERS**

Barclays Bank PLC  
Sevenoaks Group  
80 High Street  
Sevenoaks  
Kent TN13 1LR

### **SOLICITORS**

Sidley Austin Brown & Wood  
Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA

### **REGISTERED OFFICE**

Sidley Austin Brown & Wood  
Woolgate Exchange  
25 Basinghall Street  
London EC2V 5HA

## Intier Automotive Holding (U.K.) Limited

---

### DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 2005.

#### RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £11,041,000 (year to 31 December 2004 – loss of £1,117,000) which will be transferred to reserves. No dividend is recommended by the directors (year to 31 December 2004 – £Nil).

#### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is that of a holding company of operating companies which design, engineer and manufacture a complete range of interior systems, components and tooling for supply to the European automotive industry.

As the Company is itself a wholly owned subsidiary undertaking, of a SEC registered Canadian company, which draws up accounts in a manner equivalent to the requirements of the EC Seventh Company Law Directive, and in whose accounts the results and net assets of the company have been consolidated, consolidated financial statements have not been prepared for the year in accordance with section 228 of the Companies Act 1985.

On 24 March 2005 the Company's authorised share capital was increased by the creation of 50,000,000 redeemable preference share of £1 each.

On 31 March 2005, 41,260,000 redeemable preference shares, with an aggregate nominal value of £41,260,000, were issued at par by the Company to its immediate parent for cash.

#### OPERATING PRINCIPLES

The Company is committed to an operating philosophy which is based on fairness for people and has adopted the Magna Automotive Employee's Charter which applies to Magna Automotive companies world-wide. This charter includes principles which strive to create a quality work environment by providing employees fair treatment, a safe and healthful work place, competitive wages and benefits and regular communication between management and employees.

*The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person.*

Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

#### POST BALANCE SHEET EVENTS

On 20 April 2006 the Company's authorised share capital was increased by the creation of 100,000,000 redeemable preference shares of £1 each. On the same date, 75,000,000 redeemable preference shares, with an aggregate nominal value of £75,000,000, were issued at par for cash.

On 20 April 2006, 43,803,000 redeemable preference shares, with an aggregate nominal value of £43,803,000, were issued to the Company by a subsidiary undertaking, Intier Automotive Interiors Limited, at par for cash.

On 21 April 2006 the amount payable by the Company to fellow group undertakings (Note 10) was repaid in full.

On 28 September 2006, Intier Automotive Interiors Limited was transferred to a fellow group undertaking, Magna Steyr Metalforming AG, for consideration of £6.5 million, settled by the transfer from another fellow group undertaking, Magna Automotive Holding AG, of 475 Ordinary €1 shares in Magna Steyr Metalforming AG.

## Intier Automotive Holding (U.K.) Limited

---

### DIRECTORS' REPORT

#### POST BALANCE SHEET EVENTS (Continued)

On 5 January 2007, Lawrence Automotive Interiors Limited, a subsidiary of Intier Automotive Interiors Limited, was sold to an unconnected third party, Huaxiang Group Stock Company Limited, a company registered in the Republic of China.

#### DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2005 were as follows:

M E McCarthy (resigned 6 February 2006)  
J H Davies  
D R Forster (resigned 6 February 2006)

In addition, R Hupe and T J Totten were appointed as directors on 6 February 2006. T J Totten subsequently resigned on 5 July 2006.

There are no directors' interests requiring disclosure under the Companies Act 1985.


#### POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made no political (year ended 31 December 2004 – £nil) or charitable contributions (year ended 31 December 2004 – £nil).

#### AUDITORS

A resolution to re-appoint Ernst & Young LLP will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board



Director

28 MAR 2007

## Intier Automotive Holding (U.K.) Limited

---

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing those accounts, 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Intier Automotive Holding (U.K.) Limited

---

### INDEPENDENT AUDITORS' REPORT

to the members of Intier Automotive Holding (U.K.) Limited

We have audited the company's financial statements for the year ended 31 December 2005, which comprise the Profit and Loss Account, Balance Sheet, and the related notes 1 to 14. These financial statements have been prepared on the basis of 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**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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.

Intier Automotive Holding (U.K.) Limited

---

INDEPENDENT AUDITORS' REPORT

to the members of Intier Automotive Holding (U.K.) Limited

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2005 and of the loss of the Company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

*28 March 2007*

# Intier Automotive Holding (U.K.) Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 December 2005

		Year to 31 December 2005 £000	Year to 31 December 2004 £000
	Notes		
Impairment of investments	3	(13,964)	-
Waiver of amount due from subsidiary undertaking		-	(4,786)
Interest receivable	4	4,495	3,900
Interest payable and similar charges	5	(1,327)	(1,031)
Dividend income from associated undertaking		-	800
Administrative expenses		(250)	-
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAX</b>		<b>(11,046)</b>	<b>(1,117)</b>
Tax on loss on ordinary activities	6	5	-
<b>LOSS RETAINED FOR THE YEAR</b>	12	<b>(11,041)</b>	<b>(1,117)</b>

The company has no recognised gains or losses in either the current or preceding years other than the profits and losses shown above and consequently no statement of total recognised gains and losses has been prepared.



# Intier Automotive Holding (U.K.) Limited

## BALANCE SHEET at 31 December 2005

	Notes	2005 £000	2004 £000
<b>FIXED ASSETS</b>			
Investments	7	6,500	20,464
<b>CURRENT ASSETS</b>			
Debtors	8	102,034	42,598
<b>CREDITORS: amounts falling due within one year</b>	9	(34,167)	(18,914)
<b>NET CURRENT ASSETS</b>		67,867	23,684
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		74,367	44,148
<b>CREDITORS: amounts falling due after more than one year</b>	10	(31,197)	(31,197)
<b>NET ASSETS</b>		43,170	12,951
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	122,413	81,153
Profit and loss account	12	(79,243)	(68,202)
		43,170	12,951
Equity shareholders' funds		(79,243)	(68,202)
Non-equity shareholders' funds		122,413	81,153
		43,170	12,951

Approved by the Board on  
and signed on its behalf by

Director

*JH Davies*

28 MAR 2007

# Intier Automotive Holding (U.K.) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

#### *Cash flow statement and related party disclosures*

As noted within the Directors' Report, the Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the company as an individual undertaking and not about its group.

The directors have not prepared a cash flow statement, in accordance with FRS1, as the group is wholly owned by Magna International Inc. which prepares publicly available consolidated financial statements, including a cash flow statement, in which the group is included.

The company has utilised the exemption available under FRS8 as a wholly owned subsidiary undertaking not to disclose transactions with other entities that are part of or investees in Magna International Inc. There are no other related party transactions.

#### *Deferred 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 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 the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. DIRECTORS' EMOLUMENTS

	Year ended 31 December 2005 £000	Year ended 31 December 2004 £000
Emoluments	-	-

## Intier Automotive Holding (U.K.) Limited

### NOTES TO THE ACCOUNTS

at 31 December 2005

#### 3. IMPAIRMENT OF INVESTMENTS

The following investments were written down to bring the carrying value into line with their underlying net realisable value;

	Year ended 31 December 2005 £000	Year ended 31 December 2004 £000
Intier Automotive Interiors Limited	1,705	-
Magna Kansei Limited	12,259	-
	<u>13,964</u>	<u>-</u>

#### 4. INTEREST RECEIVABLE

	Year ended 31 December 2005 £000	Year ended 31 December 2004 £000
External interest receivable	123	136
Interest receivable from group undertakings	4,372	3,764
	<u>4,495</u>	<u>3,900</u>

#### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2005 £000	Year ended 31 December 2004 £000
Bank loans and overdrafts	1,284	970
Interest payable to group undertakings	43	61
	<u>1,327</u>	<u>1,031</u>

# Intier Automotive Holding (U.K.) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 6. TAX ON LOSS ON ORDINARY ACTIVITIES

#### (a) Analysis of tax credit in the year

	2005 £000	2004 £000
Tax credit on loss on ordinary activities	-	-
Adjustment to prior years	(5)	-
	<u>(5)</u>	<u>-</u>

#### (b) Factors affecting tax credit for the year

The tax credit arising on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2004 – 30%). The differences are reconciled below:

	2005 £000	2004 £000
Loss on ordinary activities before tax	(11,046)	(1,117)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 – 30%)	<u>(3,314)</u>	<u>(335)</u>
<i>Effect of:</i>		
Disallowed expenses and non-taxable income	4,130	1,150
Group relief losses received for no payment	(816)	(815)
Adjustment in respect of previous periods	(5)	-
Current tax credit for the year	<u>(5)</u>	<u>-</u>

# Intier Automotive Holding (U.K.) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 7. INVESTMENTS

	<i>Subsidiary Undertakings £000</i>	<i>Associated Undertakings £000</i>	<i>Total Undertakings £000</i>
Cost:			
At 31 December 2004 (as previously reported)	35,861	12,259	48,120
Prior year adjustment	(27,656)	-	(27,656)
At 31 December 2004 (as restated) and 31 December 2005	8,205	12,259	20,464
Amounts provided:			
At 31 December 2004 (as previously reported)	27,656	-	27,656
Prior year adjustment	(27,656)	-	(27,656)
At 31 December 2004 (as restated)	-	-	-
Provided in the year	1,705	12,259	13,964
At 31 December 2005	1,705	12,259	13,964
Net Book Value;			
At 31 December 2005	6,500	-	6,500
At 31 December 2004	8,205	12,259	20,464

The prior year adjustment, to both Cost and Amounts provided, relates to the disposal on 1 September 2004 of the Company's investment in ATY Automotive & Industrial Components (UK) Limited (formerly Intier Automotive Seating (UK) Limited).

#### *Principal subsidiaries*

The principal subsidiaries of Intier Automotive Holding (U.K.) Limited at 31 December 2005, which are all registered in England and Wales were:

	<i>Proportion Held</i>	<i>Principal activity</i>
Intier Automotive Interiors Limited	100%	Automotive
Lawrence Automotive Interiors Limited	100%	Automotive
Magna Engineering Center UK Limited	100%	Automotive
Intier Automotive Seating Limited	100%	Automotive
Tricom Group Holdings Limited	100%	Holding company
Tricom Systems Limited	100%	Engineering
Tricom Nominees Limited	100%	Employee Share Scheme
<i>Associated undertaking</i>		
Magna Kansei Limited	50%	Automotive

Intier Automotive Holding (U.K.) Limited

NOTES TO THE ACCOUNTS  
at 31 December 2005

8. DEBTORS

	2005	2004
	£000	£000
Amounts due from subsidiary undertakings	84,942	41,714
Amounts due from group undertakings	17,092	558
Other debtors	-	326
	<u>102,034</u>	<u>42,598</u>

9. CREDITORS: amounts falling due within one year

	2005	2004
	£000	£000
Bank overdrafts	30,817	17,769
Amounts owing to subsidiary undertakings	2,504	1,140
Amounts owing to group undertakings	696	-
Amounts owing to associated undertakings	150	-
Corporation tax	-	5
	<u>34,167</u>	<u>18,914</u>

10. CREDITORS: amounts falling due after more than one year

	2005	2004
	£000	£000
Amounts owing to group undertakings	<u>31,197</u>	<u>31,197</u>

# Intier Automotive Holding (U.K.) Limited

## NOTES TO THE ACCOUNTS at 31 December 2005

### 11. SHARE CAPITAL

	31 December 2005 £	31 December 2004 £
Authorised:		
100 ordinary shares of £1 each	100	100
149,999,900 (2004 – 99,999,900) redeemable preference shares of £1 each	149,999,900	99,999,900
	<u>150,000,000</u>	<u>100,000,000</u>
	31 December 2005 £	31 December 2004 £
Allotted, called up and fully paid:		
1 Ordinary shares of £1 each	1	1
122,412,999 (2004 – 81,152,999) redeemable preference shares of £1 each	122,412,999	81,152,999
	<u>122,413,000</u>	<u>81,153,000</u>

The preference shares, which were issued at par, are redeemable by the company at any time. They carry the same dividend and voting rights as ordinary shares.

On a winding up of the company, the preference shareholders have a right to receive, in preference to any payments to the ordinary shareholders, £1 per share.

### 12. RESERVES

	<i>Profit and loss account £000</i>
At 31 December 2004	(68,202)
Retained loss for the period	(11,041)
At 31 December 2005	<u>(79,243)</u>

## Intier Automotive Holding (U.K.) Limited

---

### NOTES TO THE ACCOUNTS at 31 December 2005

#### 13. ULTIMATE PARENT UNDERTAKING

In the directors' opinion, at 31 December 2005, the ultimate parent undertaking, controlling party and parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Magna International Inc., incorporated in Ontario, Canada.

Copies of the financial statements of Magna International Inc. are available from 337 Magna Drive, Aurora, Ontario, Canada L4G 7K1.

#### 14. POST BALANCE SHEET EVENTS

On 20 April 2006 the Company's authorised share capital was increased by the creation of 100,000,000 redeemable preference shares of £1 each. On the same date, 75,000,000 redeemable preference shares, with an aggregate nominal value of £75,000,000, were issued at par for cash.

On 20 April 2006, 43,803,000 redeemable preference shares, with an aggregate nominal value of £43,803,000, were issued to the Company by a subsidiary undertaking, Intier Automotive Interiors Limited, at par for cash.

On 21 April 2006 the amount payable by the Company to fellow group undertakings (Note 10) was repaid in full.

On 28 September 2006, Intier Automotive Interiors Limited was transferred to a fellow group undertaking, Magna Steyr Metalforming AG, for consideration of £6.5 million, settled by the transfer from another fellow group undertaking, Magna Automotive Holding AG, of 475 Ordinary €1 shares in Magna Steyr Metalforming AG.

On 5 January 2007, Lawrence Automotive Interiors Limited, a subsidiary of Intier Automotive Interiors Limited, was sold to an unconnected third party, Huaxiang Group Stock Company Limited, a company registered in the Republic of China.