

Report and Financial Statements

*Intier Automotive Holding
(UK) Limited*

31 December 2008

FRIDAY



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COMPANIES HOUSE

Intier Automotive Holding (U.K.) Limited

Registered No 3167671

DIRECTORS

M Smith (appointed on 16 June 2009)

R Hupe

D Mortiboys (appointed on 1 June 2008)

SECRETARY

M Smith

AUDITORS

Ernst & Young LLP
No 1 Colmore Square
Birmingham B4 6HQ

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

Apollo Way
Tachbrook Park
Warwick
Warwickshire
CV34 6RW

Intier Automotive Holding (U.K.) Limited

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £40,000 (2007 – profit of £23,015,000) which will be transferred to reserves. No dividend is recommended by the directors (2007 – £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, Magna Inc, 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 11 August 2008, the Company sold its shareholding interest in Magna Kansei Limited (Joint Venture agreement between Calsonic Kansei Europe plc and the Company) to Calsonic Kansei Europe (an unrelated third party). The Company paid £5,556,000 to exit the joint venture and had a net book value of £nil in its books

EMPLOYMENT POLICIES

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

EMPLOYEE INVOLVEMENT

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

Intier Automotive Holding (U.K.) Limited

DIRECTORS' REPORT

DIRECTORS AND THEIR INTERESTS

The directors during the year ended 31 December 2008 were as follows

R Hupe	
C Pear	(resigned on 16 June 2009)
D Mortiboys	(appointed on 1 June 2008)
M Smith	(appointed on 16 June 2009)

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

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Company made no political (2007 – £nil) or charitable contributions (2007 – £nil)

DIRECTORS' LIABILITIES

Magna International Inc, the ultimate parent undertaking, indemnifies the directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985. Such qualifying third party indemnity provision was in force during the year.

DIRECTOR'S STATEMENT REGARDING 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 they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

FUTURE OUTLOOK

The business will continue as a holding company of operating companies which design, engineer and manufacture a complete range of interior systems, components and tooling for supply to the automotive industry. Its operating companies have experienced a significant decrease in volumes during Q4 2008 which has continued with a number of OEM's taking unplanned shutdowns throughout 2009.

Although the business faces an uncertain market during the next 6 to 18 months, the holding company's operating divisions have reduced their cost base to become more competitive and are in a strong position to pursue new business opportunities with its major OEMs. This should in turn minimise the holding company's cash requirements going forward.

Intier Automotive Holding (U.K.) Limited

DIRECTORS' REPORT

AUDITORS

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

On behalf of the Board



6TH FEBRUARY 2010

Director

Intier Automotive Holding (U.K.) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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

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 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 12. 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 are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice) as 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 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 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 judgements 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.

INDEPENDENT AUDITORS' REPORT
to the members of Inter Automotive Holding (U K) Limited

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 loss 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

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Birmingham

Date *4 FEBRUARY 2010*

Intier Automotive Holding (U.K.) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

		31 December 2008	31 December 2007
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Loss on exit of joint venture	3	(5,566)	-
Interest receivable	4	10,735	27,615
Interest payable and similar charges	5	(6,179)	(5,210)
Dividend income		1,141	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		131	22,405
Tax on profit on ordinary activities	6	(171)	610
(LOSS) / PROFIT RETAINED FOR THE YEAR	11	(40)	23,015

The movements in reserves are shown in note 11 to the financial statements

All of the above results are derived from the continuing operations of the company

The company has no recognised gains or losses in either the current or preceding years other than the (loss)/profit shown above and therefore no statement of total recognised gains and losses has been presented

Intier Automotive Holding (U.K.) Limited

BALANCE SHEET at 31 December 2008

Registered No. 316767

	Notes	2008 £000	2007 £000
FIXED ASSETS			
Investments	7	6,500	6,500
CURRENT ASSETS			
Debtors			
Amounts falling due within one year	43,413	46,255	
Amounts falling due after one year	54,186	70,624	
	8	97,599	116,879
CREDITORS, amounts falling due within one year	9	(82,337)	(101,577)
NET CURRENT ASSETS		15,262	15,302
TOTAL ASSETS LESS CURRENT LIABILITIES		21,762	21,802
NET ASSETS		21,762	21,802
CAPITAL AND RESERVES			
Called up share capital	10	197,413	197,413
Profit and loss account	11	(175,651)	(175,611)
SHAREHOLDERS' FUNDS		21,762	21,802

Approved by the Board
and signed on its behalf by



4th FEBRUARY 2010

Director

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

1. ACCOUNTING POLICIES

Accounting convention

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

Going Concern

The Company is dependent upon continuing financial support being made available by its ultimate parent undertaking, Magna International Inc, to enable it to continue operating and to meet its liabilities as they fall due. The parent undertaking has agreed to provide sufficient funds to the company for these purposes.

Even considering the downturn in the automotive industry the directors believe that it is therefore appropriate to prepare the financial statements on a going concern basis.

Group Financial Statements

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.

Cash flow statement and reported party disclosures

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 related party transactions with other entities that are part of or investees in Magna International Inc.

Deferred taxation

The charge for taxation is based on the profit / (loss) 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.

Investments

Investments are accounted for at the lower of cost or net realisable value. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicated that the carrying value may not be recoverable.

2. DIRECTORS' EMOLUMENTS AND FEES PAID TO AUDITORS

In 2008 directors' emoluments have been borne by fellow group companies in respect of Mr C Pear, Mr D Mortiboys and Mr R Hupe.

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

2. DIRECTORS' EMOLUMENTS AND FEES PAID TO AUDITORS (continued)

The directors of the company are also directors or officers of a number of the companies within the Magna Group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the year ended 31 December 2008. There were no directors' emoluments paid by the company in the year ended 31 December 2007.

Fees paid to auditors relating to audit costs were £9,139

3. EXIT OF JOINT VENTURE

	2008 £000
Net Book Value of Investment	-
Cash proceeds paid to exit joint venture	5,556
Loss on exit of joint venture	(5,556)

On 11 August 2008, the Company sold its shareholding interest in Magna Kansei Limited (Joint Venture agreement between Calsonic Kansei Europe plc and the Company) to Calsonic Kansei Europe (an unrelated third party). The Company paid £5,556,000 to exit the joint venture and had a net book value of nil in its books.

4. INTEREST RECEIVABLE

	2008 £000	2007 £000
External interest receivable	338	114
Interest receivable from group undertakings	10,397	27,501
	<u>10,735</u>	<u>27,615</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £000	2007 £000
Bank loans and overdrafts	5,858	4,820
Interest payable to group undertakings	321	390
	<u>6,179</u>	<u>5,210</u>

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge / (credit) in the year

	2008 £000	2007 £000
Overseas tax charge	171	-
Adjustment to prior years	-	(610)
	<u>171</u>	<u>(610)</u>

(b) Factors affecting tax charge / (credit) for the year

The tax charge/(credit) arising on the profit on ordinary activities for the year is different from the effective rate of corporation tax in the UK of 28.5% (2007 – 30%). The differences are reconciled below

	2008 £000	2007 £000
Profit on ordinary activities before tax	131	22,405
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.5% (2007 – 30%)	37	6,721
<i>Effect of</i>		
Disallowed expenses and non-taxable income	628	(6,163)
Group relief losses received for no payment	(494)	(558)
Adjustment in respect of previous periods	-	(610)
Current tax charge/(credit) for the year	<u>171</u>	<u>(610)</u>

With effect from 1 April 2008, the rate of corporation tax has reduced from 30% to 28%

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

7. INVESTMENTS

	<i>Joint Venture £000</i>	<i>Group Undertakings £000</i>	<i>Total £000</i>
Cost			
At 01 January 2008	12,259	6,500	18,759
Disposals	(12,259)	-	(12,259)
At 31 December 2008	-	6,500	6,500
Amounts provided			
At 01 January 2008 and 31 December 2008	12,259	-	12,259
Disposals	(12,259)	-	(12,259)
At 31 December 2008	-	-	-
Net Book Value, At 01 January 2007 and 31 December 2008	-	6,500	6,500

Principal subsidiaries

The principal subsidiaries of Intier Automotive Holding (U K) Limited at 31 December 2008, which are all registered in England and Wales were

	<i>Proportion Held</i>	<i>Principal activity</i>
Magna Engineering Center UK Limited	100%	Automotive
Intier Automotive Seating Limited	100%	Automotive
Intier Automotive Interior Systems Ltd	100%	Automotive
Tricom Group Holdings Limited	100%	Holding company
Tricom Systems Limited	100%	Engineering
Tricom Nominees Limited	100%	Employee Share Scheme
<i>Group undertakings</i>		
Magna Steyr Metalforming AG	1%	Automotive

On 11 August 2008, the Company sold its shareholding interest in Magna Kansei Limited (Joint Venture agreement between Calsonic Kansei Europe plc and the Company) to Calsonic Kansei Europe (an unrelated third party) The Company paid £5,556,000 to exit the joint venture and had a net book value of nil in its books

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

8. DEBTORS

	2008 £000	2007 £000
Amounts due from subsidiary undertakings	9,102	6,718
Amounts due from group undertakings	88,497	110,161
	<u>97,599</u>	<u>116,879</u>

9. CREDITORS: amounts falling due within one year

	2008 £000	2007 £000
Bank overdrafts	73,881	92,935
Amounts owing to subsidiary undertakings	8,320	7,863
Other payables	136	779
	<u>82,337</u>	<u>101,577</u>

10. SHARE CAPITAL

	2008 £	2007 £
Authorised		
100 ordinary shares of £1 each	100	100
249,999,900 (2007 - 249,999,900) redeemable preference shares of £1 each	249,999,900	249,999,900
	<u>250,000,000</u>	<u>250,000,000</u>

	31 December 2008 £	31 December 2007 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
197,412,999 (2007 - 197,412, 999) Redeemable Preference shares of £1 each	197,412,999	197,412,999
	<u>197,413,000</u>	<u>197,413,000</u>

Intier Automotive Holding (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2008

11. RESERVES

	Profit and loss account £000
At 1 January 2007	(198,626)
Retained profit for the year	23,015
At 1 January 2008	(175,611)
Retained loss the year	(40)
At 31 December 2008	(175,651)

12. ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is New Magna Investments SA, a company registered in Belgium

In the directors' opinion the company's ultimate parent undertaking, controlling party and parent undertaking is Magna International Inc, incorporated in Ontario, Canada. The company results are therefore included in the consolidated financial statements of this group. Copies of the financial statements of Magna International Inc are available from 337 Magna Drive, Aurora, Ontario, Canada L4G 7K1