

Intier Automotive Holding (UK) Limited

Report and Financial Statements

31 December 2009

Registration No 3167671

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COMPANIES HOUSE

Intier Automotive Holding (U.K.) Limited

Registered No 3167671

Directors

R Hupe

C Pear (Resigned on 19/06/2009)

D Mortiboys

M Smith (Appointed on 19/06/2009)

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 2009

Results and dividends

The profit for the year after taxation amounted to £1,346,000 (2008 – loss of £40,000) which will be transferred to reserves. No dividend is recommended by the directors (2008 – £Nil)

Principal activity and review of the business

The principal activity of the Company is that of a holding company and provider of debt finance for 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 International 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 400 of the Companies Act 2006

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 Q1 2010 with a number of OEMs taking unplanned shutdowns

Although the business faces an uncertain market during the next 6 to 12 months, the 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 Company's cash requirements going forward

Small company exemptions

This Company fulfils the criteria of being a small company and hence this report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006

Directors of the company

The directors during the year ended 31 December 2009 were as follows

R Hupe
C Pear (Resigned on 19/06/2009)
D Mortiboys
M Smith (Appointed on 19/06/2009)

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 2006. Such qualifying third party indemnity provision was in force during the year

Political and charitable contributions

During the year, the Company made no political contributions (2008 – £nil) or charitable contributions (2008 – £nil)

Directors' report

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same or an alternative position under normal terms and conditions and to provide appropriate training to achieve this aim.

Employee Involvement

The Company is committed to an operating philosophy which is based on fairness for people and has adopted the Magna International Inc charter which applies to all Magna International 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.

Statement as to disclosure of information to 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 is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Re-appointment of auditors

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

By order of the board



Director

Date 6th Mar 2010

Intier Automotive Holding (U K.) Limited

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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 to 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 Intier Automotive Holding (UK) Limited

We have audited the company's financial statements for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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 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 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 profit 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 auditor's report to the members of Intier Automotive Holding (UK) 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



Ronald John Bowker
For and on behalf of Ernst & Young LLP
Registered Auditor
Birmingham
Date **11 MAY 2010**

Intier Automotive Holding (U.K.) Limited

Profit and loss account

for the year ended 31 December 2009

	<i>Notes</i>	2009 £000	2008 £000
Administrative expenses		(6)	-
Operating loss		(6)	-
Loss on exit of joint venture	4	-	(5,566)
Interest receivable	5	2,327	10,735
Interest payable and similar charges	6	(975)	(6,179)
Dividend income		-	1,141
Profit on ordinary activities before tax		1,346	131
Tax on profit on ordinary activities	7	-	(171)
Profit/ (loss) for the year	12	1,346	(40)

The movements in reserves are shown in note 12 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 profit/(loss) 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 2009

	Notes	2009 £000	2008 £000
Fixed assets			
Investments	8	6,500	6,500
Current assets			
Debtors			
Amounts falling due within one year		48,840	43,413
Amounts falling due after one year		-	54,186
	9	48,840	97,599
Creditors: amounts falling due within one year	10	(32,232)	(82,337)
Net current assets		16,608	15,262
Total assets less current liabilities		23,108	21,762
Net assets		23,108	21,762
Capital and reserves			
Called up share capital	11	197,413	197,413
Profit and loss account	12	(174,305)	(175,651)
Shareholders' funds		23,108	21,762

The financial statements were approved by the board of directors on the date below and signed on its behalf by

Director 
Date 6th Mar 2010

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

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.

Small company exemptions

This Company fulfils the criteria of being a small company and hence this report has been prepared in accordance with the special provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006.

Group Financial Statements

As noted within the Directors' Report, the Company is exempt by virtue of Section 400 of the Companies Act 2006 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 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.

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

2. Directors' emoluments and fees paid to auditors

In 2009 directors' emoluments have been borne by fellow group companies in respect of Mr C Pear, Mr D Mortiboys, Mr R Hupe and Mr M Smith

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 2009. There were no directors' emoluments paid by the Company in the year ended 31 December 2008.

3. Operating Loss

This is stated after charging

	2009 £000	2008 £000
Auditors' remuneration – audit	6	-

4. Exit of joint venture

	2009 £000	2008 £000
Net Book Value of Investment	-	-
Cash 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.

5. Interest receivable

	2009 £000	2008 £000
External interest receivable	8	338
Interest receivable from group undertakings	2,319	10,397
	2,327	10,735

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

6. Interest payable and similar charges

	2009 £000	2008 £000
Bank loans and overdrafts	945	5,858
Interest payable to group undertakings	30	321
	<u>975</u>	<u>6,179</u>

7. Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2009 £000	2008 £000
Tax charge on profit on ordinary activities	-	171
	<u>-</u>	<u>171</u>

(b) Factors affecting tax charge for the year

The tax charge arising on the profit on ordinary activities for the year is different from the effective rate of corporation tax in the UK of 28% (2008 – 28.5%). The differences are reconciled below

	2009 £000	2008 £000
Profit on ordinary activities before tax	1,346	131
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 – 28.5%)	377	37
<i>Effect of</i>		
Disallowed expenses and non-taxable income	(359)	628
Group relief losses received for no payment	(18)	(494)
Current tax charge for the year	<u>-</u>	<u>171</u>

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

8. Investments

	<i>Group Undertakings £000</i>
Cost	
At 01 January 2009 and 31 December 2009	6,500
Net Book Value,	
At 01 January 2009 and 31 December 2009	6,500

Principal subsidiaries

The principal subsidiaries of Intier Automotive Holding (U K) Limited at 31 December 2009, 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%	Dormant
Tricom Group Holdings Limited	100%	Dormant
Tricom Systems Limited	100%	Dormant
Tricom Nominees Limited	100%	Dormant
<i>Group undertakings</i>		
Magna Steyr Metalforming AG	1%	Automotive

9. Debtors

	2009 £000	2008 £000
Amounts due from subsidiary undertakings	15,415	9,102
Amounts due from group undertakings	33,377	88,497
Other debtor	48	-
	<u>48,840</u>	<u>97,599</u>

10. Creditors: amounts falling due within one year

	2009 £000	2008 £000
Bank overdrafts	13,590	73,881
Amounts owing to subsidiary undertakings	10,779	8,320
Amounts owing to group undertakings	7,613	-
Other payables	250	136
	<u>32,232</u>	<u>82,337</u>

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

11. Share capital

	2009 £	2008 £
Authorised		
100 ordinary shares of £1 each	100	100
249,999,900 (2008 - 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 2009 £	31 December 2008 £
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
197,412,999 (2008 - 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>

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 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.

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2009

12. Reserves

	Profit and loss account £000
At 1 January 2008	(175,611)
Loss for the year	(40)
At 1 January 2009	(175,651)
Profit for the year	1,346
At 31 December 2009	(174,305)

13. 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