

Intier Automotive Holding (UK) Limited

Report and Financial Statements

31 December 2010

Registration No 3167671



Intier Automotive Holding (U.K.) Limited

Registered No 3167671

Directors

R Hupe
D Mortiboys
M Smith

Secretary

M Smith

Auditor

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 2010

Results and dividends

The loss for the year after taxation amounted to £6,079,000 (2009 – profit of £1,346,000), which will be transferred from reserves. No dividend is recommended by the directors (2009 –£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 an 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

Principal Risks and Uncertainties

The management of the business and the nature of the Company's strategy are subject to a number of risks

The directors have set out below the principal risks facing the business

The unfavourable automotive climate

The automotive and automotive supply industries continue to experience uncertain conditions during 2010 and through much of 2011. These include

- The continued rise in inflationary pressures impacting certain commodities such as petroleum based products, resins, metals and other chemicals (see below)
- Continuing pricing pressures from the OEMs

Company efforts in response to automotive climate

Throughout 2010 the Company continued to mitigate the risks described above, however, we can expect the uncertain automotive parts' climate to continue in the short to medium term. There can be no guarantee that the results of our ongoing efforts will continue to be successful in the future. We will continue to monitor and evaluate the trends referred to above and develop robust action plans to mitigate those trends.

Financial risk management objective and policies

Our primary market risk arises from fluctuations in foreign currency exchange rates. We manage foreign exchange rate risk by taking out forward currency contracts over the Company's net position over a three year period. This position is updated on a quarterly basis. We do not use such instruments for speculative or trading purposes.

Liquidity risk

The Company has access to Group debt facilities that ensures the Company has sufficient funds for operations.

Intier Automotive Holding (U K.) Limited

Directors' report

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

Although the business faced an uncertain market during 2010, 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

Directors of the company

The directors during the year ended 31 December 2010 were as follows

R Hupe
D Mortiboys
M Smith

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 (2009 – £nil) or charitable contributions (2009 – £nil)

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 healthy work place, competitive wages and benefits and regular communication between management and employees

Statement as to disclosure of information to the auditor

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

Intier Automotive Holding (U.K.) Limited

Directors' report

Re-appointment of auditor

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

By order of the board



Director **MARK SMITH**

Date **30TH MARCH 2011**

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 financial statements of Intier Automotive Holding (UK) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 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 annual 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 2010 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 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

Ernst & Young LLP

Nigel Meredith (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date

30 March 2011

Intier Automotive Holding (U.K.) Limited

Profit and loss account

for the year ended 31 December 2010

	<i>Notes</i>	2010 £000	2009 £000
Administrative expenses		26	(6)
Administrative expenses - exceptional		(7,000)	-
Operating loss	3	(6,974)	(6)
Interest receivable	4	1,024	2,327
Interest payable and similar charges	5	(129)	(975)
(Loss)/ profit on ordinary activities before tax		(6,079)	1,346
Tax on (loss)/ profit on ordinary activities	6	-	-
(Loss)/ profit for the year	11	(6,079)	1,346

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 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 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	7	6,500	6,500
Current assets			
Debtors			
Amounts falling due within one year		11,720	48,840
Amounts falling due after one year		1,368	-
	8	13,088	48,840
Cash at bank and in hand		37,613	-
		50,701	48,840
Creditors: amounts falling due within one year	9	(40,172)	(32,232)
Net current assets		10,529	16,608
Net assets		17,029	23,108
Capital and reserves			
Called up share capital	10	197,413	197,413
Profit and loss account	11	(180,384)	(174,305)
Shareholders' funds		17,029	23,108

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


 Director **MARK SMITH**

Date **30TH MARCH 2011**

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2010

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, so the financial statements have been prepared on a going concern basis.

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 related 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 exception:

- 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 2010

2. Directors' emoluments

In 2010 directors' emoluments have been borne by fellow group companies in respect of 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 Europe 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 2010. There were no directors' emoluments paid by the Company in the year ended 31 December 2009.

3. Operating Loss

This is stated after charging

	2010 £000	2009 £000
Auditor's remuneration -- audit	18	6
Impairment of investment (note 7)	7,000	-
	<u> </u>	<u> </u>

4. Interest receivable

	2010 £000	2009 £000
External interest receivable	-	8
Interest receivable from group undertakings	1,024	2,319
	<u>1,024</u>	<u>2,327</u>

5. Interest payable and similar charges

	2010 £000	2009 £000
Bank overdrafts	118	945
Interest payable to group undertakings	11	30
	<u>129</u>	<u>975</u>

Intier Automotive Holding (U.K) Limited

Notes to the financial statements for the year ended 31 December 2010

6. Tax on (loss)/ profit on ordinary activities

(a) Analysis of tax charge in the year

	2010 £000	2009 £000
Tax charge on (loss)/ profit on ordinary activities	-	-
	<u>-</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The tax charge arising on the (loss)/ profit on ordinary activities for the year is different from the effective rate of corporation tax in the UK of 28% (2009 – 28%) The differences are reconciled below

	2010 £000	2009 £000
(Loss)/ profit on ordinary activities before tax	(6,079)	1,346
(Loss)/ profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	(1,702)	377
<i>Effect of</i>		
Disallowed expenses and non-taxable income	(27)	(359)
Disallowed waiver of amount owed by subsidiary undertaking	1,960	-
Losses brought forward	(231)	(18)
Current tax charge for the year	<u>-</u>	<u>-</u>

(c) Factors affecting future tax charges

In his Budgets of 22 June 2010 and 23 March 2011, the Chancellor of the Exchequer proposed a decrease in the rate of UK corporation tax from 28% to 23%, falling by 2% in 2011 and a further 1% a year over the period 2012 to 2014 The first 1% reduction for 2011 was substantially enacted on 27 July 2010

Intier Automotive Holding (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2010

7. Investments

	<i>Group Undertakings £000</i>
Cost	
At 1 January 2010	6,500
Additions	7,000
31 December 2010	13,500
Impairment in the year	(7,000)
Net Book Value	
31 December 2010	6,500
31 December 2009	6,500

The addition in the year relates to a capital contribution to Magna Seating (UK) Limited. The value of the investment in this subsidiary is considered to be impaired.

Principal subsidiaries

The principal subsidiaries of Intier Automotive Holding (U K) Limited at 31 December 2010, which are all registered in England and Wales, were

	<i>Proportion Held</i>	<i>Principal activity</i>
Magna Engineering Center UK Limited	100%	Dormant
Magna Seating (UK) 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

8. Debtors

	2010 £000	2009 £000
Amounts due from subsidiary undertakings	3,217	15,415
Amounts due from group undertakings	9,871	33,377
Other debtor	-	48
	13,088	48,840

Of the amounts due from subsidiary undertakings, £1,368,000 (2009: £Nil) falls due in more than one year.

Inter Automotive Holding (U.K.) Limited

Notes to the financial statements

for the year ended 31 December 2010

9. Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Bank overdrafts	-	13,590
Amounts owing to subsidiary undertakings	8,215	10,779
Amounts owing to group undertakings	31,957	7,613
Other payables	-	250
	<u>40,172</u>	<u>32,232</u>

10. Share capital

	2010	2009
	£	£
Authorised		
100 ordinary shares of £1 each	100	100
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>

	2010	2009
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
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 2010

11. Reserves

	Profit and loss account <i>£000</i>
At 1 January 2009	(175,651)
Profit for the year	1,346
At 1 January 2010	(174,305)
Loss for the year	(6,079)
At 31 December 2010	(180,384)

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 and controlling party 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