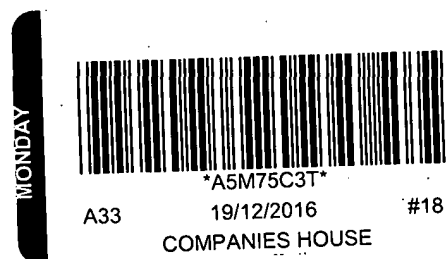


**Magna International Holding  
(UK) Limited  
(formerly Magna Interiors  
Holding (UK) Limited)**

**Annual Report and Financial  
Statements**

**For the year ended 2 January 2016**

Registration No: 03167671



**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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Registered No. 03167671

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**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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Registered No. 03167671

**Officers and professional advisors**

**Directors**

R Hupe  
M Smith

**Secretary**

M Smith

**Auditor**

Deloitte LLP  
Four Brindleyplace  
Birmingham  
B1 2HZ  
United Kingdom

**Bankers**

Royal Bank of Scotland PLC  
250 Bishopsgate  
London  
EC2M 4AA  
United Kingdom

BNP Paribas  
10 Harewood Avenue  
London  
NW1 6AA  
United Kingdom

**Solicitors**

Penningtons Solicitors LLP  
Clarendon House  
Clarendon Road  
Cambridge  
CB2 8FH  
United Kingdom

**Registered Office**

International House  
Siskin Parkway East  
Middlemarch Business Park  
Coventry  
CV3 4PE  
United Kingdom

# Magna International Holding (UK) Limited (formerly Magna Interiors Holding (UK) Limited)

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## Strategic report

The directors present their strategic report for the year ended 2 January 2016. The directors in preparing this strategic report, have complied with section 414C of the Companies Act 2006.

### Principal activity and review of the business

Until 31 August 2015, the principal activity of Magna International Holding (UK) Limited ("the Company") was 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. However, as a consequence of the sale by Magna International Inc. of its Interiors business to Grupo Antolin on 31 August 2015, around 30 employees were transferred to the Company from Magna Interiors (UK) Ltd. These employees now comprise a group office function and a design and engineering centre.

The profit for the year after taxation amounted to £492,000 (2014 – £244,000), which will be transferred to reserves.

On 13 July 2015, the Company changed its name from Magna Interiors Holding (UK) Limited to Magna International Holding (UK) Limited.

### 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.

#### *Unfavourable automotive climate*

The automotive and automotive supply industries continued to experience uncertain conditions during 2015. These include:

- 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 original equipment manufacturers (OEMs).

This impacts the value of subsidiary investments and the recoverability of loans to subsidiaries and fellow Group companies. Throughout 2015 the Company continued to mitigate the risks described above, through monitoring of the performance of its subsidiary and timely identifying potential negative impact on the value of the investments and intercompany loans. 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.

#### *Liquidity risk*

Liquidity risk is the risk that the Company may be unable to meet short term financial demands. The Company has access to Group debt facilities that ensures the Company has sufficient funds for operations.

### Key performance indicators

Since the company is a holding entity, directors did not set any specific KPIs for the financial year.

Magna International Holding (UK) Limited  
(formerly Magna Interiors Holding (UK) Limited)

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**Strategic report (continued)**

**Future developments**

The Cosma Casting Business Group within Magna International Inc. is setting up a new facility in the UK. This business will be a trading division of the Company. It is not expected to start production until late 2017.

Further details of future outlook can be found in the directors' report on page 5 and form part of this report by cross-reference.

By order of the board



M Smith

Director

Date 14<sup>th</sup> December 2016

# **Magna International Holding (UK) Limited**

## **(formerly Magna Interiors Holding (UK) Limited)**

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### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 2 January 2016.

#### **Dividends**

No dividend is recommended by the directors (2014 – £Nil).

#### **Future outlook**

The business will continue as a holding company of operating companies which design, engineer and manufacture a complete range of exterior systems, components and tooling for supply to the automotive industry.

Although the business faced an uncertain market during 2015, the Company's operating subsidiaries 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.

#### **Going concern**

The Company's business activities, together with the factors that are likely to affect the future development and position, are set out in the Strategic Report on page 3. The financial statements have been prepared on a going concern basis. The directors have reviewed cash flow forecasts for a period of at least 12 months from the date of approval of the financial statements. On this basis, the directors consider that the Company has adequate funds to be able to meet its liabilities as they fall due.

The Company participates in the group's centralised treasury arrangements, which organise its banking requirements. The directors, having assessed the responses of the directors of the Company's parent undertaking, Magna International Inc. to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Magna International Inc. and as a result, the Company, to continue as a going concern or its ability to continue with the current funding requirements.

#### **Directors of the Company**

The directors during the year ended 2 January 2016 and at the date of this report were as follows:

R Hupe  
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.

Magna International Holding (UK) Limited  
(formerly Magna Interiors Holding (UK) Limited)

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**Directors' report (continued)**

**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.

**Political and charitable contributions**

During the year, the Company made no political contributions (2014 – £nil) or charitable contributions (2014 – £nil).

**Statement as to disclosure of information to the auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Re-appointment of auditor**

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 2 January 2016 and have expressed their willingness to be reappointed for another term. A resolution to re-appoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

By order of the board,



M Smith

Director

Date 14<sup>th</sup> December 2016

# **Magna International Holding (UK) Limited**

## **(formerly Magna Interiors Holding (UK) Limited)**

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### **Statement of Directors' Responsibilities**

The directors are responsible for preparing the annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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.



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## **Independent auditor's report to the members of Magna International Holding (UK) Limited (formerly Magna Interiors Holding (UK) Limited)**

We have audited the financial statements of Magna International Holding (UK) Limited (formerly Magna Interiors Holding (UK) Limited) for the year ended 2 January 2016, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18. 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 in 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2 January 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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**Independent auditor's report to the members of Magna International Holding (UK) Limited (formerly Magna Interiors Holding (UK) Limited) continued**

**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.



Peter Gallimore FCA (Senior statutory auditor)  
for and on behalf of Deloitte LLP, Statutory Auditor  
Birmingham, United Kingdom  
Date *15 December 2016*

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Profit and loss account**  
for the year ended 2 January 2016

	<i>Note</i>	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
<b>Turnover</b>	3	581	-
Cost of sales		(638)	-
<b>Gross loss</b>		(57)	(10)
Administrative expenses		(936)	(10)
<b>Operating loss</b>		(993)	(10)
Finance income (net)	4	1,537	254
<b>Profit on ordinary activities before taxation</b>	5	544	244
Tax on profit on ordinary activities	8	(52)	-
<b>Profit for the financial year</b>	14	492	244

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no other comprehensive income or loss other than those passing through the profit and loss account and therefore no separate statement of comprehensive income has been presented.

The notes on pages 13 to 22 form an integral part of these financial statements.

Magna International Holding (UK) Limited  
(formerly Magna Interiors Holding (UK) Limited)

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Balance sheet  
at 2 January 2016

	<i>Note</i>	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
<b>Fixed assets</b>			
Investments	9	8,000	8,000
Tangible assets		10	-
		<hr/> 8,010	<hr/> 8,000
<b>Current assets</b>			
Stocks	10	184	-
Debtors	11	34,908	60,951
Cash at bank and in hand		16,289	-
		<hr/> 51,381	<hr/> 60,951
<b>Creditors: amounts falling due within one year</b>	12	(32,458)	(42,510)
<b>Net current assets</b>		<hr/> 18,923	<hr/> 18,441
<b>Net assets</b>		<hr/> 26,933	<hr/> 26,441
<b>Capital and reserves</b>			
Called up share capital	13	197,413	197,413
Profit and loss account	14	(170,480)	(170,972)
<b>Shareholders' funds</b>		<hr/> 26,933	<hr/> 26,441

The financial statements of Magna International Holding (UK) Limited (registered number: 03167671) were approved by the board of directors and authorised for issue on the date below and signed on its behalf by:



M Smith

Director

Date 14<sup>th</sup> December 2016

The notes on pages 13 to 22 form an integral part of these financial statements.

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Statement of changes in equity**  
at 2 January 2016

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 28 December 2013 as previously stated	197,413	(171,216)	26,197
Changes on transition to FRS 102	-	-	-
At 28 December 2013 as restated	197,413	(171,216)	26,197
Profit for the financial year	-	244	244
At 27 December 2014	197,413	(170,972)	26,441
Profit for the financial year	-	492	492
At 2 January 2016	197,413	(170,480)	26,933

# Magna International Holding (UK) Limited

## (formerly Magna Interiors Holding (UK) Limited)

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### Notes to the financial statements

for the year ended 2 January 2016

#### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### *General information and basis of accounting*

The Company is incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The prior year financial statements have not been restated as there were no material adjustments on adoption of FRS 102 in the current year. For more information see note 17.

The functional currency of the Company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, Magna International Inc. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

##### *Going Concern*

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; its cash flows, liquidity position and borrowing facilities; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's products; (b) the exchange rate between sterling and the euro, and thus the consequence for the cost of the Company's raw materials; and (c) the availability of bank finance in the foreseeable future.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facility. The Company will open renewal negotiations with the bank in due course and has at this stage not sought any written confirmation that the facility will be renewed.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### *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.

##### *Turnover*

Turnover is attributable to one continuing activity and represents the amount invoiced to customers excluding value added tax (and after deducting discounts and rebates).

# **Magna International Holding (UK) Limited**

## **(formerly Magna Interiors Holding (UK) Limited)**

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### **Notes to the financial statements**

for the year ended 2 January 2016

#### ***Taxation***

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### ***Tangible fixed assets***

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

#### ***Financial instruments***

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

##### ***(i) Financial assets and liabilities***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### ***(ii) Investments***

Investments are stated at cost less any provision for impairment. The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

# Magna International Holding (UK) Limited (formerly Magna Interiors Holding (UK) Limited)

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## Notes to the financial statements for the year ended 2 January 2016

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value.

### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

#### *(i) Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### *(ii) Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

### **Employee benefits**

The Company operates defined contribution pension plan and recognises a cost equal to the contribution payable for the period in the profit and loss account. For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.



**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Notes to the financial statements**

for the year ended 2 January 2016

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***Key source of estimation uncertainty – impairment of intangible assets***

Determining whether intangible assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

**3. Turnover**

An analysis of the Company's turnover by geographical market is set out below:

	2015 £000	2014 £000
United Kingdom	426	-
Rest of World	155	-
	<u>581</u>	<u>-</u>

All turnover has been derived from the rendering of engineering services.

**4. Finance income (net)**

	2015 £000	2014 £000
Bank overdrafts	(445)	(47)
Interest payable to group undertakings	-	(3)
Interest receivable from group undertakings	648	304
Foreign exchange gain	1,334	-
	<u>1,537</u>	<u>254</u>

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Notes to the financial statements**

for the year ended 2 January 2016

**5. Profit on ordinary activities before taxation**

This is stated after charging:

	<b>2015</b>	<b>2014</b>
	<i>£000</i>	<i>£000</i>
Operating lease rentals	114	-
Foreign exchange gain	1,334	-
Auditor's remuneration – audit of the financial statements	9	9
	<u>          </u>	<u>          </u>

Fee payable for non-audit services was £nil (2014: £nil).

**6. Staff numbers and costs**

The average monthly number of employees was:

	<b>2015</b>	<b>2014</b>
	<i>Number</i>	<i>Number</i>
Engineering	16	-
Sales	5	-
Administration	10	-
	<u>          </u>	<u>          </u>
	31	-
	<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	<b>2015</b>	<b>2014</b>
	<i>£000</i>	<i>£000</i>
Wages and salaries	607	-
Social security costs	54	-
Other pension costs	13	-
	<u>          </u>	<u>          </u>
	674	-
	<u>          </u>	<u>          </u>

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Notes to the financial statements**  
for the year ended 2 January 2016

**7. Directors' remuneration and transactions**

	<b>2015</b>	<b>2014</b>
	<i>£000</i>	<i>£000</i>
Emoluments	62	-
	<u>        </u>	<u>        </u>
Company contributions to money purchase pension schemes	1	-
	<u>        </u>	<u>        </u>
	<i>No.</i>	<i>No.</i>
Members of money purchase pension scheme	1	-
	<u>        </u>	<u>        </u>
The amounts in respect of the highest paid director are as follows:	<i>£000</i>	<i>£000</i>
Emoluments	62	-
	<u>        </u>	<u>        </u>
Company contributions to money purchase pension schemes	1	-
	<u>        </u>	<u>        </u>

One director exercised share options over shares in the ultimate parent undertaking, Magna International Inc., during the year and also received further shares under the group's long term incentive plan. In 2014 and 2015 directors' emoluments have been borne by fellow group companies in respect of Mr R Hupe. This was also the case for Mr M Smith until 31 August 2015.

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Notes to the financial statements**

for the year ended 2 January 2016

**8. Tax on profit on ordinary activities**

**(a) Analysis of tax charge in the year**

	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
<i>Current tax on profit on ordinary activities</i>		
UK Corporation tax	52	-
Double taxation relief	(16)	-
	<u>36</u>	<u>-</u>
Foreign withholding tax	16	-
Total tax on profit on ordinary activities	<u>52</u>	<u>-</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 20.25% (2014 – 21.5%). The differences are reconciled below:

	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
Profit on ordinary activities before tax	544	244
	<u>544</u>	<u>244</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%)	110	52
<i>Effect of:</i>		
Non-trade losses brought forward	(58)	(52)
Total tax charge for the year	<u>52</u>	<u>-</u>

**(c) Factors affecting future tax charges**

The government has announced that the UK corporation tax will reduce to 17% by 1 April 2020. Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 6 September 2016. These reductions will further reduce the company's current tax charge.

**Magna International Holding (UK) Limited**  
**(formerly Magna Interiors Holding (UK) Limited)**

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**Notes to the financial statements**  
for the year ended 2 January 2016

**9. Investments**

	<i>Group Undertakings £000</i>
Cost:	
At 27 December 2014 and 2 January 2016	15,000
Impairment:	
At 27 December 2014 and 2 January 2016	7,000
Net Book Value:	
At 27 December 2014 and 2 January 2016	8,000

***Subsidiaries***

The subsidiary of the Company at 2 January 2016 and 27 December 2014, which is registered in England and Wales, was:

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

**10. Stocks**

	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
Engineering inventory	184	-

**11. Debtors: amounts falling due within one year**

	<b>2015</b> <i>£000</i>	<b>2014</b> <i>£000</i>
Tooling receivable due from Grupo Antolin	32,222	-
Amounts due from subsidiary undertakings	-	3,369
Amounts due from group undertakings	2,592	57,582
Prepayments and accrued income	94	-
	34,908	60,951

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**Notes to the financial statements**  
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**12. Creditors: amounts falling due within one year**

	<b>2015</b>	<b>2014</b>
	<i>£000</i>	<i>£000</i>
Trade creditors	436	-
Bank overdraft	-	28,785
Amounts owing to subsidiary undertakings	161	-
Amounts owing to group undertakings	31,213	13,725
Accruals and deferred income	393	-
Other taxation and social security	255	-
	<u>32,458</u>	<u>42,510</u>

Amounts owing to subsidiary and group undertakings are repayable on demand.

**13. Called up share capital**

	<b>2015</b>	<b>2014</b>
	<i>£</i>	<i>£</i>
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.

**14. Reconciliation of shareholders' funds and movements on reserves**

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total shareholders' funds</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 28 December 2013	197,413	(171,216)	26,197
Profit for the year	-	244	244
At 27 December 2014	<u>197,413</u>	<u>(170,972)</u>	<u>26,441</u>
Profit for the year	-	492	492
At 2 January 2016	<u>197,413</u>	<u>(170,480)</u>	<u>26,933</u>

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Notes to the financial statements  
for the year ended 2 January 2016

Profit for the year	-	492	492
At 2 January 2016	197,413	(170,480)	26,933

**15. Pension commitments**

The Company was a participating employer in the Magna (UK) Pension Scheme, a funded money purchase pension scheme, established on 30 March 1997. The assets of the scheme are held separately from those of the Company, being invested in various funds managed by Legal & General. A new Magna (UK) Pension Scheme, a funded money purchase pension scheme was established on 1 September 2015. The assets of the scheme are held separately from those of the Company, being invested in various funds managed by National Pensions Trust. Contributions to the scheme are charged to the profit and loss account as they occur. For non Magna pension scheme members, the Company implemented the NEST scheme in May 2014.

Outstanding amounts in respect of the defined contribution scheme payable at the balance sheet date were £3,000 (2014: £nil).

**16. Related party transactions**

The Company has taken advantage of the exemption within FRS 102 from disclosing transactions with related parties that are part of the Magna International Inc. group, consolidated financial statements of which are publicly available.

**17. Transition to FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, but there are no adjustments arising from the transition to FRS 102. Since there are no changes to profit for the year or equity, it was considered that no reconciliation of the effects of the transition to FRS 102 was required.

**18. Ultimate parent undertaking and controlling party**

The Company's immediate parent undertaking is New Magna Investments NV, a company registered in Belgium. The Company results are included in the consolidated financial statements of this company. This is the smallest group into which the results of the Company are consolidated.

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. This is the largest group into which the results of the Company are consolidated.

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