

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

**Annual Report and Financial  
Statements**

**For the year ended 27 December 2014**

Registration No: 03167671

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COMPANIES HOUSE

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 Andrews (resigned 31 August 2014)  
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

**Solicitors**

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

**Registered Office**

Apollo Way  
Tachbrook Park  
Warwick  
Warwickshire  
CV34 6RW  
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 27 December 2014. The directors in preparing this strategic report, have complied with s414 of the Companies Act 2006.

### Principal activity and review of the business

The principal activity of Magna International Holding (UK) Limited ("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.

The profit for the year after taxation amounted to £244,000 (2013 – £456,000), which will be transferred to reserves.

On 11 October 2013, the Company resolved to recapitalise its principal subsidiary, Magna Seating (UK) Limited, which issued 8,000,000 ordinary £1 shares to the Company at par value.

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.

#### *The unfavourable automotive climate*

The automotive and automotive supply industries continued to experience uncertain conditions during 2013 and through much of 2014. 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 original equipment manufacturers (OEMs).

This impacts the value of subsidiary investments and the recoverability of loans to subsidiaries and fellow Group companies. Throughout 2014 the Company continued to mitigate the risks described above, through good relationships with customers and suppliers. 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.

### Future developments

On 16 April 2015, Magna Inc. announced the signing of an agreement to sell substantially all of its Interiors operations to Grupo Antolin, a leading global supplier of automotive interior systems. Magna Interiors (UK) Limited was part of this sale, which completed on 31 August 2015. As part of this transaction, the Company sold the cash pool receivable owed by Magna Interiors (UK) Limited to Grupo Antolin at book value.

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

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**Strategic report**

**Future developments (continued)**

A further consequence of this transaction was that 31 employees were transferred from Magna Interiors (UK) Limited to the Company on 31 August 2015.

Finally, the Cosma Casting Business Group within Magna is looking to set 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 2017.

Further details of future outlook can be found in the directors' report on page 4 and form part of this report by cross-reference.

By order of the board



M Smith

Director

Date 18 December 2015

# 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 27 December 2014.

### **Dividends**

No dividend is recommended by the directors (2013 – £Nil).

### **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 2014, 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 2. 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 27 December 2014 and at the date of this report were as follows:

R Hupe  
M Andrews (resigned 12 September 2014)  
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

### 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 (2013 – £nil) or charitable contributions (2013 – £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 s418 of the Companies Act 2006.

### Re-appointment of auditor

Deloitte LLP, our appointed Auditors, have conducted the audit for the year ended 31 December 2014 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 18 December 2015

# 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). 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 27 December 2014, 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 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 6, 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 27 December 2014 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

*18 December 2015*

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

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Profit and loss account  
for the year ended 27 December 2014

	<i>Notes</i>	2014 £000	2013 £000
Administrative expenses		(10)	(8)
<b>Operating loss</b>	3	(10)	(8)
Interest receivable	4	304	339
Interest payable and similar charges	5	(50)	(58)
<b>Profit on ordinary activities before tax</b>		244	273
Tax on profit on ordinary activities	6	-	183
<b>Profit for the year</b>	11	244	456

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

There are no recognised gains and losses other than those passing through the profit and loss account and therefore no separate statement of other recognised gains and losses has been presented.

The notes on pages 11 to 16 form an integral part of these financial statements.

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

Balance sheet  
at 27 December 2014

	Notes	2014 £000	2013 £000
<b>Fixed assets</b>			
Investments	7	8,000	8,000
<b>Current assets</b>			
Debtors	8	60,951	6,138
Cash at bank and in hand		-	47,737
		<u>60,951</u>	<u>53,875</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(42,510)</u>	<u>(35,678)</u>
<b>Net current assets</b>		18,441	18,197
<b>Net assets</b>		<u>26,441</u>	<u>26,197</u>
<b>Capital and reserves</b>			
Called up share capital	10	197,413	197,413
Profit and loss account	11	(170,972)	(171,216)
<b>Shareholders' funds</b>		<u>26,441</u>	<u>26,197</u>

The financial statements 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 18 December 2015

The notes on pages 11 to 16 form an integral part of these financial statements.

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

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## Notes to the financial statements for the year ended 27 December 2014

### 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 financial statements have been prepared on the 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.

#### *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 the Magna International Inc. group.

#### *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 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 27 December 2014

**2. Directors' emoluments**

In 2013 and 2014 directors' emoluments have been borne by fellow group companies in respect of Mr R Hupe, Mr M Andrews 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 27 December 2014 and the year ended 28 December 2013.

**3. Operating loss**

This is stated after charging:

	2014 £000	2013 £000
Auditor's remuneration – audit of the financial statements	9	8
	<u>          </u>	<u>          </u>
Fee payable for non-audit services was £nil (2013: £nil).		

**4. Interest receivable**

	2014 £000	2013 £000
Interest receivable from group undertakings	304	339
	<u>304</u>	<u>339</u>

**5. Interest payable and similar charges**

	2014 £000	2013 £000
Bank overdrafts	47	52
Interest payable to group undertakings	3	6
	<u>50</u>	<u>58</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 27 December 2014

**6. Tax on profit on ordinary activities**

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

	2014 £000	2013 £000
Foreign withholding tax refund	-	183
	<u>-</u>	<u>183</u>

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

The tax credit arising on the profit on ordinary activities for the year is different from the effective rate of corporation tax in the UK of 21.5% (2013 – 23.25%). The differences are reconciled below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	244	273
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 – 23.25%)	52	63
<i>Effect of:</i>		
Non-taxable income	-	(41)
Non-trade losses brought forward	(52)	(22)
Foreign withholding tax refund	-	183
Current tax credit for the year	<u>-</u>	<u>183</u>

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

The Finance Act 2013 provides that the main rate of corporation tax will fall to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. As this legislation has been substantively enacted at the balance sheet date, the impact of these tax rate deductions on the potential deferred tax assets has been reflected in the financial statements. From 1 April 2015, the main rate of corporation tax reduced to 20%. In the budget on 8 July 2015, the government announced further reduction in the main rate of corporation tax to 19% in 2017 and 18% in 2020. These changes have not been substantively enacted.

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

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Notes to the financial statements  
for the year ended 27 December 2014

7. Investments

	<i>Group Undertakings £000</i>
Cost:	
At 28 December 2013 and 27 December 2014	15,000
	<u>          </u>
Impairment:	
At 28 December 2013 and 27 December 2014	7,000
	<u>          </u>
Net Book Value:	
At 28 December 2013 and 27 December 2014	8,000
	<u>          </u>

On 11 October 2013, the Company resolved to recapitalise its principal subsidiary, Magna Seating (UK) Limited, which issued 8,000,000 ordinary £1 shares to the Company at par value.

***Subsidiaries***

The subsidiary of the Company at 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

8. Debtors

	2014 £000	2013 £000
Amounts due from subsidiary undertakings	3,369	-
Amounts due from group undertakings	57,582	6,138
	<u>60,951</u>	<u>6,138</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 27 December 2014

9. Creditors: amounts falling due within one year

	2014 £000	2013 £000
Bank overdraft	28,785	-
Amounts owing to subsidiary undertakings	-	1,184
Amounts owing to group undertakings	13,725	34,494
	<u>42,510</u>	<u>35,678</u>

10. Share capital

	2014 £	2013 £
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.

11. Reconciliation of shareholders' funds and movements on reserves

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 31 December 2012	197,413	(171,672)	25,741
Profit for the year	-	456	456
At 28 December 2013	<u>197,413</u>	<u>(171,216)</u>	<u>26,197</u>
Profit for the year	-	244	244
At 27 December 2014	<u>197,413</u>	<u>(170,972)</u>	<u>26,441</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 27 December 2014

**12. Related party transactions**

The Company has taken advantage of the exemption contained in FRS8 from disclosing transactions with related parties that are part of the Magna International Inc. group, consolidated financial statements of which are publicly available.

**13. Ultimate parent undertaking**

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.

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.