

# **Cooper-Standard Automotive UK Limited**

## **Report and Accounts**

31 December 2008

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COMPANIES HOUSE

# Cooper-Standard Automotive UK Limited

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Registered No: 02329378

## **Directors**

M J Anderson

L J Johnson

## **Secretary**

M J Anderson

## **Auditors**

Thomas & Young LLP

240-244 Stratford Road

Shirley

Solihull

West Midlands

B90 3AE

## **Bankers**

ABN Amro Bank NV

250 Bishopsgate

London

EC2M 4AA

## **Solicitors**

Norton Rose

Kempson House

Cannonville Street

London

EC3A 7AN

## **Registered Office**

Redgrave Close

Park Way

Crosspoint Business Park

Coventry

Warwickshire

CV2 2UU

## Directors' report

The directors present their report and accounts for the year ended 31 December 2008.

### Results and dividends

The profit for the year, after taxation, amounted to £810,000 (in 2007, the company was in dormancy). The directors do not recommend the payment of a dividend.

### Principal activity and review of the business

The Company was formerly known as The Standard Products Company (Europe) Ltd and had been in dormancy for a few years, until it was re-activated at the end of August 2008. Effective September 1, 2008, the Company:

- Took over from Cooper-Standard Automotive UK Sealing Ltd ("UK Sealing") and Cooper-Standard Automotive UK Fluid Systems Ltd ("UK Fluid"), all assets, liabilities and staff related to the latter's sales support & engineering businesses, based on the Business Transfer Agreements concluded, and
- Became the Principal Employer and single employer under the defined benefits pension scheme previously managed by UK Fluid,

The company's key financial and other performance indicators performance for the period September – December 2008 were as follows:

	2008	2007
	£'000	£'000
Turnover	n/a	n/a
Profit on ordinary activities after tax	810	n/a
Shareholders' funds	907	n/a

### Events after the balance sheet date and future developments

To the extent necessary, the Company will take over assets, liabilities and off-balance sheet obligations, in order to facilitate the liquidations of the UK Sealing and UK Fluid Companies planned for end of 2009. Most importantly, it concerns the former production facility in Maesteg (Wales) and the lease agreement regarding the Coventry office.

The Company is further reducing the number of staff to be in line with the decreased activities and responsibilities performed by the UK unit.

### Principal risks and uncertainties

The automotive component supply sector is under constant pressure both in quoting and during the life cycle of the product to be as competitive as possible. The company constantly reviews its level of business activity against the volumes that the manufacturer claimed for new models or variants. The company endeavours to match its investment and capacity in line with these expectations and has discussions with its customers where it sees significant variations. This includes the review of its customer's migration eastwards on new vehicle build in order to gain price advantage.

### Directors

The directors who served during the year were as follows:

M J Anderson  
L J Johnson

## Directors' report

### Employees

The company's general policy regarding the employment of disabled persons is that full and fair consideration is given to all persons, including the disabled, applying for employment, having regard to their particular aptitude and ability to fill the vacancy in the environment, adapting the environment wherever practical. Should a person become disabled whilst in the company's employment, all practical steps will be taken for appropriate training, etc, to enable the continuation of employment. Training in career developments and promotional prospects take account of the aptitude and ability of both the disabled and all other employees to perform the work required within the environment in which it is situated. The company, recognising the need to provide information on matters of concern to employees, publishes financial and economic information through its consultative procedures.

### Directors' statement as to disclosure of information to auditors

The directors who are members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the company's auditors, each of these directors confirms that:


- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware; and
- each director has taken steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

On 15 September 2009 a General Meeting was held, whereby an ordinary resolution was passed to appoint Thomas & Young LLP as the company's auditor.

On behalf of the board

M J Anderson  
Director

  
13/1/10

## 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). The financial statements are required by law to 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. Given the circumstances of the company at the date of the approval of the financial statements, the directors consider it inappropriate to prepare the financial statements on the going concern basis. Consequently the financial statements have been prepared using an orderly realisation basis as described in note 1.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Independent auditors' report**

**to the members of Cooper-Standard Automotive UK Limited**

We have audited the company's financial statements for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein. These financial statements have been prepared on the orderly realisation basis.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## ***Respective responsibilities of directors and auditors***

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

## ***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Independent auditors' report

to the members of Cooper-Standard Automotive UK Limited (continued)

## *Opinion*

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Thomas & Young LLP*

Thomas & Young LLP  
Registered Auditor  
Solihull, West Midlands  
Date

*19/1/10*

**Profit and loss account**

for the year ended 31 December 2008

	<i>Notes</i>	<i>2008</i> <i>£'000</i>	<i>2007</i> <i>£'000</i>
<b>Turnover</b>		-	
Cost of sales		-	
<b>Gross profit</b>		-	
Other operating expenses	2	1,575	
<b>Operating profit</b>	3	1,575	
Exceptional items	4	(462)	
<b>Profit on ordinary activities before interest and taxation</b>		1,113	
Interest payable and similar charges	6	10	
Bank interest receivable		(10)	
Net return on pension scheme	14	-	
<b>Profit on ordinary activities before taxation</b>		1,113	
Tax on profit on ordinary activities	7	(303)	
<b>Profit for the year on ordinary activities after taxation</b>	13	810	



## Statement of total recognised gains and losses

for the year ended 31 December 2008

	<i>Notes</i>	2008 £'000	2007 £'000
Profit for the year		810	-
Actuarial (loss) / gain on pensions	14	97	-
Total recognised gain relating to the year		<u>907</u>	<u>-</u>

**Balance sheet**

at 31 December 2008

	Notes	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible assets	8	562	-
<b>Current assets</b>			
Stocks		-	-
Debtors	9	2,409	-
Cash at bank and in hand		420	-
<b>Creditors:</b> amounts falling due within one year	10	(2,276)	-
<b>Net current assets / (liabilities)</b>		553	-
<b>Total assets less current liabilities</b>		1,115	-
<b>Provisions for liabilities</b>	11	(208)	-
<b>Net liabilities</b>		907	-
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Share premium account	13	-	-
Capital reserve	13	-	-
Profit and loss account	13	907	-
<b>Shareholders' funds / (deficit)</b>	13	907	-


M J Anderson  
Director

13/1/10

## Notes to the financial statements

at 31 December 2008

### 1. Accounting policies

#### *Fundamental accounting concept*

The accounts have been prepared on an orderly realisation basis reflecting the transfer of business from Cooper-Standard Automotive UK Sealing Ltd ("UK Sealing") and Cooper-Standard Automotive UK Fluid Ltd ("UK Fluid") as detailed in notes 16 and 19. Accordingly, adjustments have been made to provide for the value of assets so as to reduce their carrying value to their estimated realisable amount and to provide for any further liabilities which will arise.

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Foreign currency*

The company's functional currency is sterling.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

#### *Cash flow statement*

Under Financial Reporting Standard 1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

#### *Research and development expenditure*

All research and development expenditure is written off as incurred.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant, machinery, tools and motor vehicles	-	10 years/5 years/3 years/2 years
Furniture, fixtures and fittings	-	10 years/3 years

Amortisation of the company's short leasehold property is provided straight line over the life of the lease.

#### *Stocks and work in progress*

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises material, direct labour and appropriate variable and fixed production overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Taxation*

Corporation tax payable is provided at the current rate on the taxable profit for the year.

## Notes to the financial statements

at 31 December 2008

### 1. Accounting policies (continued)

#### *Deferred taxation*

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 timing differences reverse, based on rates and laws enacted or substantively enacted at the balance sheet date.

#### *Leases*

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Pension costs*

The company operates two pension schemes.

Under the defined benefit scheme, the amounts charged to operating profit are the current service costs and gains or losses on settlements and curtailments. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately on the face of the balance sheet.

Under the defined contribution pension and death benefits plan all contributions are charged to the profit and loss account in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Notes to the financial statements

at 31 December 2008

### 1. Accounting policies (continued)

#### *Revenue recognition*

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before revenue is recognised:

#### *Sales of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

### 2. Other operating expenses

	2008 £000	2007 £000
Development and engineering costs	434	-
Selling and distribution costs	242	-
Administrative expenses	(2,251)	-
	<u>(1,575)</u>	<u>-</u>

### 3. Operating profit

This is stated after charging:

	2008 £'000	2007 £'000
Depreciation of own fixed assets	76	-
Auditors' remuneration:		
- audit	42	-
- taxation	7	-
Operating lease costs	172	-
Bad debt income	(170)	-
Equipment rental and lease income	(1,217)	-
Gain on foreign exchange	(153)	-
	<u></u>	<u></u>

### 4. Exceptional items

	2008 £'000	2007 £'000
Recognised after operating profit:		
Loss on termination of operations	216	-
Redundancy costs	246	-
	<u>462</u>	<u>-</u>

## Notes to the financial statements

at 31 December 2008

### 4. Exceptional items (continued)

In respect of the former production facility in Maesteg (Wales), the company is incurring exceptional charges relating to Maesteg building costs.

The Company is further reducing the number of staff to be in line with the decreased activities and responsibilities performed by the UK unit.

### 5. Staff costs

	2008 £'000	2007 £'000
Wages and salaries	809	-
Social security costs	97	-
Other pension costs	55	-
Severance costs	406	-
	<u>1,367</u>	<u>-</u>

The average weekly number of employees during the year was as follows:

	2008 No.	2007 No.
Sales and design engineers	25	-
Administration	24	-
	<u>49</u>	<u>-</u>

### Directors' remuneration

The amounts below represent total remuneration from 1 September 2008 to 31 December 2008 received by the directors, who are also directors of other group companies. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and services provided in carrying out other group responsibilities.

	2008 £000	2007 £000
Emoluments	45	-
	<u>45</u>	<u>-</u>
Company contributions to money purchase pension schemes	4	-
	<u>4</u>	<u>-</u>

### Pensions

Retirement benefits accrue under money purchase schemes in respect of qualifying service for 1 of the company's directors.

## Notes to the financial statements

at 31 December 2008

### 5. Staff costs (continued)

	2008 £000	2007 £000
The amount in respect of the highest paid director was as follows:		
Emoluments	45	-
	<u>          </u>	<u>          </u>
Company contributions to money purchase pension schemes	4	-
	<u>          </u>	<u>          </u>

#### *Pensions*

Retirement benefits accrue under money purchase schemes in respect of qualifying service for 1 of the company's directors.

### 6. Interest payable and similar charges

	2008 £'000	2007 £'000
Bank loans & overdrafts	10	-
	<u>          </u>	<u>          </u>

### 7. Tax on profit ordinary activities

#### *(a) Tax on profit on ordinary activities*

The tax is made up as follows:

	2008 £'000	2007 £'000
<i>Current tax:</i>	303	-
	<u>          </u>	<u>          </u>
Total current tax (note 7(b))	303	-
<i>Deferred tax:</i>	-	-
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	303	-
	<u>          </u>	<u>          </u>

#### *(b) Factors affecting the current tax credit*

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

## Notes to the financial statements

at 31 December 2008

### 7. Tax on profit ordinary activities (continued)

	2008 £'000	2007 £'000
Profit on ordinary activities before tax	1,113	-
Profit on ordinary activities multiplied by standard rate of corporation tax of 30%	334	-
Expenses not deductible for tax purposes and non taxable income	24	-
Capital allowances	(42)	-
Other timing differences	(13)	-
Total current tax (note 7(a))	303	-



## Notes to the financial statements

at 31 December 2008

### 8. Tangible fixed assets

	Land and buildings Freehold £000	Land and buildings Leasehold £000	Plant machinery, tools and utensils £000	Furniture and fixtures £000	Computer software hardware £000	Capital work-in progress £000	Total £000
<b>Cost or valuation:</b>							
At 1 January 2008	-	-	-	-	-	-	-
Transfer In from UK Sealing	-	148	2,708	80	278	-	3,214
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 December 2008	-	148	2,708	80	278	-	3,214
<b>Accumulated depreciation:</b>							
At 1 January 2008	-	-	-	-	-	-	-
Transfer In from UK Sealing	-	65	2,218	37	256	-	2,576
Charge for the year	-	7	62	3	4	-	76
Disposals	-	-	-	-	-	-	-
Assets impaired	-	-	-	-	-	-	-
At 31 December 2008	-	72	2,280	40	260	-	2,652
<b>Net book value:</b>							
At 31 December 2008	-	76	428	40	18	-	562

## Notes to the accounts

at 31 December 2008

### 8. Tangible fixed assets (continued)

In November 2007, UK Sealing entered into an operating lease arrangement with Cooper Standard Automotive Brasil Sealing Ltda in respect of its remaining plant and machinery associated with the Maesteg site. The assets were transferred to CSA UK Ltd per the Business Transfer Agreement, effective 1 September 2008.

During 2008 the company's leasehold land and buildings, fixtures and fittings and computer software and hardware were transferred to CSA UK Limited at net book value.

### 9. Debtors

	2008 £'000	2007 £'000
Trade debtors	11	-
Amounts owed by group undertakings	1,917	-
Prepayments and accrued income	440	-
Other taxes	41	-
	<u>2,409</u>	<u>-</u>

### 10. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	137	-
Amounts owed to group undertakings	580	-
Corporation tax	651	-
Other taxes and social security	176	-
Other creditors	-	-
Accruals and deferred income	732	-
Bank overdraft	-	-
	<u>2,276</u>	<u>-</u>

## Notes to the accounts

at 31 December 2008

### 11. Provision for liabilities

	<i>Redundancy</i> £'000	<i>Other</i> £'000	<i>Total</i> £'000
At 1 January 2008	-	-	-
Arising during the year	53	-	53
Utilised	-	-	-
Transfer In from UK Sealing Ltd	152	-	152
Transfer In from UK Fluid Ltd	3	-	3
	<u>208</u>	<u>-</u>	<u>208</u>
At 31 December 2008	208	-	208

The Company is further reducing the number of staff to be in line with the decreased activities and responsibilities performed by the UK unit. As a result, the accounts include a provision for £53,000 in respect of the expected redundancies.

### 12. Called up share capital

	2008	2007
<i>Authorised:</i>		
100,000 ordinary shares of £1.00 each	£100,000	£100,000
	<u>£100,000</u>	<u>£100,000</u>
<i>Allotted, called-up and fully paid:</i>		
2 ordinary shares of £1.00 each	£2.00	£2.00
	<u>£2.00</u>	<u>£2.00</u>

### 13. Reconciliation of shareholder's funds and movements on reserves

	<i>Share capital</i> £000	<i>Other reserves</i> £000	<i>Profit and loss account</i> £000	<i>Total</i> £000
At 1 January 2007	-	-	-	-
Profit for the year	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 1 January 2007	-	-	-	-
Profit for the year	-	-	810	810
Actuarial gain recognised on the pension scheme	-	-	97	97
	<u>-</u>	<u>-</u>	<u>97</u>	<u>97</u>
At 31 December 2008	-	-	907	907

## Notes to the accounts

at 31 December 2008

### 14. Pension arrangements

#### (a) Siebe Automotive Pension Plan

The company operates a funded defined benefit pension scheme, the Siebe Automotive Pension Plan ("the Plan"), whose assets are held in a separate trustee administered fund. As from 30 September 2008, the Plan is closed to future accrual. Regular monthly Company contributions into the Plan in respect of active members ceased as from 1 October 2008, when members were given the opportunity to join the Cooper Standard Automotive UK Stakeholder Pension Plan. The Company continues to pay deficit reduction contributions to the Plan, as set out below, post closure.

In regard to the Business Transfer Agreement effective 1 September 2008, the Company signed a Deed of Substitution in relation to the Plan under which Cooper-Standard Automotive UK Fluid Systems Limited terminated its contribution to the Plan, and transferred all future obligations under the Plan to the Company

The informal actuarial valuation as at 30 September 2008 was updated to the accounting date by an independent qualified actuary in accordance with FRS17. As required by FRS17, the value of the defined benefit liabilities has been measured using the projected unit method.

The key FRS17 assumptions used for the Plan are set out below, along with the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRS17 liabilities and the deficit of assets below the FRS17 liabilities (which equals the gross pension liability).

	31 December 2008	1 September 2008
	Projected unit method	Projected unit method
Valuation method		
Discount rate	6.5% pa	6.3% pa
Inflation rate	3.2% pa	4.1% pa
Rate of increase in salaries	4.2% pa	5.1% pa
Rate of increase for pensions in payment	3.2% pa	3.9% pa

The expected long term rate of returns and market values of the assets of the Plan were as follows:

	Long term Rate of return expected at 31 December 2008	Value at 31 December 2008 £'000	Long term Rate of return expected at 1 September 2008	Value at 1 September 2008 £'000
Equities	8.0% pa	3,973	8.4% pa	4,423
Bonds	3.6% pa	1,369	4.5% pa	1,586
Other	6.5% pa	29	6.3% pa	29
Cash/net current assets	3.6% pa	83	4.5% pa	83
Total market value of assets		5,454		6,121
Present value of Plan liabilities		(5,402)		(6,483)
Surplus/(deficit) in the Plan before asset limit		52		(362)
Amount not recognised due to asset limit		(52)		-
Related deferred tax		-		101

## Notes to the accounts

at 31 December 2008

### 14. Pension arrangements (continued)

Net (liability)/asset	-	(261)
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The related deferred tax asset is £nil.

The Plan is represented on the balance sheet at 31 December 2008 as an asset of £nil.

For the period 1 September 2008 to 31 December 2008, contributions by the Company of £110,000 were made to the Plan. The Company is currently contributing £410,000 pa, until September 2014 with these contributions being reviewed at future valuations, the next being due as at 30 September 2009. The Company separately meets the expenses of running the Plan and Pension Protection Fund levies.

On the basis of the above assumptions, the amounts that have been charged to the profit and loss account and statement of total recognised gains and losses for the period 1<sup>st</sup> September to 31 December 2008 are set out below:

Analysis of amounts charged to operating profit:

	<i>31 December</i>
	<i>2008</i>
	<i>£'000</i>
Current service cost of defined benefit scheme	3
Curtailment (gain)/loss	(195)
Restriction on curtailment gain due to balance sheet limit	52
Past service cost	362
Defined contribution scheme	47
Total operating charge	269

Analysis of the amount included as net finance income:

	<i>31 December</i>
	<i>2008</i>
	<i>£'000</i>
Expected return on pension scheme assets	(150)
Interest on post retirement liabilities	135
Net return to (credit)/charge finance income	(15)

## Notes to the accounts

at 31 December 2008

### 14. Pension arrangements (continued)

Movement in deficit in the year:

	<i>31 December</i>
	<i>2008</i>
	<i>£'000</i>
Past service cost on Company becoming Plan sponsor at 1 September 2008	(362)
Curtailment gain/(loss)	143
Current service cost	(3)
Contributions	110
Other net finance income	15
Actuarial gain/(loss) in statement of total recognised gains and losses	97
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Post retirement surplus/(deficit) at end of the year	-
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The following amounts have been recognised within the statement of total recognised gains and losses under FRS17:

	<i>31 December</i>
	<i>2008</i>
	<i>£'000</i>
Actual return less expected return on scheme assets	851
Experience (gains)/losses arising on liabilities	2
(Gain)/loss due to changes in assumptions underlying the value of Plan's liabilities	(950)
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Actuarial (gain)/loss recognised in the statement of total recognised gains and losses	(97)
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**(b)** The company also operates a stakeholder pension scheme, the Cooper-Standard Automotive UK Stakeholder Pension Plan and a separate death benefits plan, which is administered in-house and is open to employees of the Company and subsidiary undertakings. An insurance company administers the stakeholder pension scheme and the benefits provided by the death benefits are insured.

The pension expense for the year was £47,000. The unpaid contributions outstanding at the year end are £12,000.

### 15. Financial commitments

**(a)** Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	<i>2008</i>	<i>2008</i>
	<i>£'000</i>	<i>£'000</i>
Contracted	-	-
	<hr/> <hr/>	<hr/> <hr/>

# Notes to the accounts

at 31 December 2008

## 15. Financial commitments (continued)

(b) The annual commitment under non-cancellable operating leases was as follows:

	Property £000	Motor vehicles & equipment £000
31 December 2008		
Operating leases which expire:		
- within one year	-	58
- within 2 - 5 years	400	13
- after 5 years	-	-
	<u>400</u>	<u>71</u>

## 16. Acquisition

On 1 September 2008, the Company acquired the assets and liabilities from Cooper-Standard Automotive UK Sealing Ltd ("UK Sealing") and Cooper-Standard Automotive UK Fluid Systems Ltd ("UK Fluid"), based on a Business Transfer Agreement.

The table below shows the financial effect of the acquisition:

	£'000
<b>Fixed assets</b>	
Tangible assets	891
<b>Current assets</b>	
Debtors	360
Cash at bank and in hand	2,901
Amounts owed by group undertakings	1,417
	<u>4,678</u>
<b>Creditors:</b> amounts falling due within one year	
Creditors	(2,987)
Bank overdraft	(3,364)
	<u>(1,673)</u>
<b>Net current assets / (liabilities)</b>	<u>(782)</u>
<b>Total assets less current liabilities</b>	<u>(782)</u>
<b>Provisions for liabilities</b>	<u>(154)</u>
<b>Net liabilities</b>	<u>(936)</u>

## Notes to the accounts

at 31 December 2008

### 16. Acquisition (continued)

#### **Capital and reserves**

Actuarial gain recognised  
on the pension scheme

825

#### **Shareholders' funds / (deficit)**

825

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### 17. Parent undertaking and controlling party

Cooper-Standard Automotive International Holdings BV is the company's immediate parent undertaking and is incorporated in the Netherlands. Cooper-Standard Automotive International Holdings BV is a wholly owned subsidiary of Cooper Standard Holdings Inc (US) which is the ultimate parent company. Cooper Standard Holdings Inc (US) is incorporated in the United States. Copies of its accounts are available from its executive offices 39550 Orchard Hill Place Drive, Novi, MI 48325.

### 18. Related party transactions

The company has taken advantage of the exemptions conferred by FRS 8 "Related Party Disclosures", not to disclose transactions with other entities within the group.

### 19. Events after the balance sheet date and future developments

To the extent necessary, the Company will take over assets, liabilities and off-balance sheet obligations, in order to facilitate the liquidations of the UK Sealing and UK Fluid Companies planned for end of 2009. Most importantly, it concerns the former production facility in Maesteg (Wales) and the lease agreement regarding the Coventry office.

The Company is further reducing the number of staff to be in line with the decreased activities and responsibilities performed by the UK unit.