

Cooper-Standard Automotive UK Sealing Limited and Subsidiary Undertaking

Report and Accounts

31 December 2002

 ERNST & YOUNG



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Cooper-Standard Automotive UK Sealing Limited

Registered No: 258607

Directors

M J Anderson

A G Coates

L J Johnson (appointed 15 May 2003)

G Lukje (appointed 15 May 2003)

Secretary

M J Anderson

Auditors

Ernst & Young LLP

One Colmore Row

Birmingham

B3 2DB

Bankers

Barclays Bank Plc

Park House

Newbrick Road

Stoke Gifford

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Directors' report

The directors present their annual report on the affairs of the group, together with the financial statements and auditors' report for the year ended 31 December 2002.

Principal activity and business review

The principal activity of the group continues to be the design, sale and manufacture of extruded rubber and plastic components for the motor and allied industries.

On 30 June 2001, the trade, some of the employees and certain trading assets of the subsidiary Standard Products Mould and Tool Company Limited were transferred to Cooper-Standard Automotive UK Sealing Limited. The remaining net assets of Standard Products Mould & Tool Company Limited have been restated to fair market value.

The group continues to invest in research and development.

Events since the balance sheet date

On 22 August 2003 an announcement was made communicating the decision to close one of the group's manufacturing facilities in Langage, Plymouth. In addition manufacturing assets used specifically in the generation of turnover from a major customer were identified as being obsolete to the business. As a result the accounts include an exceptional charge in respect of accelerated depreciation of £2,906,000 to reflect the impairment of the related tangible fixed assets.

The sale of the remaining net assets held for resale of Standard Products Mould & Tool Company Limited was finalised in January 2003. All assets held for resale were sold for their net carrying values as shown in note 13 of these accounts.

Future developments

The group will continue to focus its activities on the design, sale and manufacture of extruded rubber components for the motor industry.

Results and dividends

Group results are as follows:

	£'000
Retained loss at 31 December 2001	(20,007)
Loss for the year after taxation	(1,544)
Retained loss at 31 December 2002	<u>(21,551)</u>

The directors do not recommend the payment of a dividend (2001 - £nil).

Directors' report

Directors and their interests

The directors who served during the year were as follows:

M J Anderson

A G Coates

M Blenkinsop (resigned 30 April 2003)

The directors do not have any interests in the shares of group companies required to be disclosed under Schedule 7 of the Companies Act 1985.

Fixed assets

In the opinion of the directors, the current open market value of land and buildings is not less than the book value. Tax will be calculated as and when the property is sold or revalued.

Charitable and political contributions

The group contributed £ 4,016 (2001 - £6,314) to charities during the year. No political contributions were made.

Employment of disabled persons

The group is conscious of its legal and moral obligations for the health, safety and welfare of all its employees. These obligations are fully considered in any employment decision, including recruitment, training and career development relating to disabled persons. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the group continues and that appropriate training is arranged.

Employee consultation

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees and on the various factors influencing the performance of the group. This is achieved through regular consultation over decisions likely to affect their interests.

Auditors

A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board



M J Anderson
Secretary

25th March 2004

Statement of directors' responsibilities in respect of the accounts

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departments disclosed and explained in the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group 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 Sealing Limited

We have audited the group's financial statements for the year ended 31 December 2002 which comprise Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, Company Balance Sheet and the related notes 1 to 22. These financial statements have been prepared on the basis of the accounting policies set out therein.

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

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the group 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 United Kingdom Auditing Standards 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

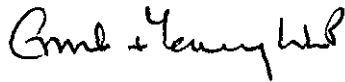
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Independent auditors' report

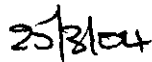
to the members of Cooper-Standard Automotive UK Sealing Limited (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group as at 31 December 2002 and of the loss of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Birmingham



Group profit and loss account

for the year ended 31 December 2002

	Notes	2002 £000	2001 £000
Turnover	2	66,408	60,707
Cost of sales		(62,265)	(59,039)
Gross profit		4,143	1,668
Other operating expenses	3	(4,914)	(8,162)
Operating loss	4	(771)	(6,494)
Interest receivable and similar income	6	-	155
Interest payable and similar charges	7	(773)	(538)
Loss on ordinary activities before taxation		(1,544)	(6,877)
Tax on loss on ordinary activities	9	-	100
Retained loss for the year	19	(1,544)	(6,777)

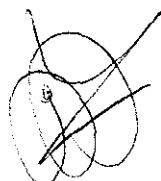
There are no recognised gains or losses in either of the above years, other than the loss reported above.

Group balance sheet

at 31 December 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	19,629	23,815
Investments	12	-	14
		<u>19,629</u>	<u>23,829</u>
Current assets			
Assets held for resale	13	210	2,800
Stocks	14	5,322	3,965
Debtors: amounts falling due within one year	15	19,762	13,698
Cash at bank and in hand		532	-
		<u>25,826</u>	<u>20,463</u>
Creditors: amounts falling due within one year	16	(11,931)	(12,960)
Net current assets		<u>13,895</u>	<u>7,503</u>
Total assets less current liabilities		<u>33,524</u>	<u>31,332</u>
Creditors: amounts falling due after more than one year	17	(17,747)	(14,011)
		<u>15,777</u>	<u>17,321</u>
Capital and reserves			
Called-up share capital	18	34,954	34,954
Other reserves	19	2,374	2,374
Profit and loss account	19	(21,551)	(20,007)
Equity shareholders' funds		<u>15,777</u>	<u>17,321</u>

Signed on behalf of the Board:



Director

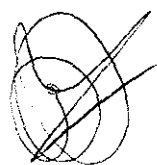
25th March 2004

Company balance sheet

at 31 December 2002

	Notes	2002 £000	2001 £000
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	19,629	23,815
Investments	12	223	237
		<u>19,852</u>	<u>24,052</u>
Current assets			
Assets held for resale	13	4	2,514
Stocks	14	5,322	3,965
Debtors: amounts falling due within one year	15	19,762	13,690
Cash at bank and in hand		532	-
		<u>25,620</u>	<u>20,169</u>
Creditors: amounts falling due within one year	16	(11,948)	(12,889)
Net current assets		<u>13,672</u>	<u>7,280</u>
Total assets less current liabilities		<u>33,524</u>	<u>31,332</u>
Creditors: amounts falling due after more than one year	17	(17,747)	(14,011)
Net assets		<u>15,777</u>	<u>17,321</u>
Capital and reserves			
Called-up share capital	18	34,954	34,954
Other reserves	19	2,374	2,374
Profit and loss account	19	(21,551)	(20,007)
Equity shareholders' funds		<u>15,777</u>	<u>17,321</u>

Signed on behalf of the board



Director

25th March 2004

Notes to the financial statements

at 31 December 2002

1. Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

In preparing the financial statements for the current year, the group has adopted FRS 19 'Deferred Tax'. The adoption of FRS 19 has resulted in a change in accounting policy for deferred tax. Deferred tax is recognised on a full provision basis in accordance with the accounting policy described below. Previously, deferred tax was provided for a partial provision basis, whereby provision was made on all timing differences to the extent that they were expected to reverse in the future without replacement. This change in accounting policy has not resulted in a prior year adjustment for the group.

Basis of consolidation

The group financial statements consolidate the financial statements of Cooper-Standard Automotive UK Sealing Limited and its subsidiary undertaking made up to 31 December 2002. To date, goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) has been written off against reserves on acquisition. As permitted by the current accounting standard the goodwill has not been reinstated in the balance sheet. On disposal or closure of a previously acquired business, the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal. Any future goodwill arising on acquisitions will be capitalised and amortised over its useful economic life in accordance with Financial Reporting Standard No. 10 "Goodwill and Intangible Assets".

In the company's financial statements, investments in subsidiary undertakings are stated at cost, less any provision for impairment.

No profit and loss account is presented for Cooper-Standard Automotive UK Sealing Limited as permitted by section 230 of the Companies Act 1985. A loss of £1,544,000 (2001 - loss of £6,508,000) of the consolidated result relates to the company only.

Intangible fixed assets

Intangible fixed assets are recorded at cost and amortised over their estimated useful lives. Intangible fixed assets represent the cost to the immediate group of a world-wide marketing agreement entered into by Standard Products Co., the company's parent undertaking (at the balance sheet date), on 1 February 1993 and was amortised over 8 years.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and any provision for impairment.

Depreciation is provided on all fixed assets except land at rates calculated to write off the cost or valuation, less estimated residual value, of each asset, on a straight-line basis, over its expected useful life, as follows:

Freehold buildings	- 25 years
Plant and machinery	- 10 years
Furniture and fixtures	- 10 years
Tools and utensils	- 3-4 years
Computer software/ hardware	- 3-7 years
Motor vehicles	- 4 years
Leasehold property	- Over the term of the lease

Residual value is calculated on prices prevailing at the date of acquisition.

Notes to the financial statements

at 31 December 2002

1. Accounting policies (continued)

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying values may not be recoverable.

Stocks

Stocks are stated at the lower of cost, on a first-in first-out basis, and net realisable value. In the case of finished goods and work-in-progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing overheads, based on normal levels of activity.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

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

Deferred taxation

FRS 19 (Deferred Tax) has been adopted in the current year. FRS 19 requires that deferred tax be 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.

Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services provided in the normal course of business.

Foreign currency

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.

Government grants

Government grants relating to tangible fixed assets are accounted for by crediting the grants receivable to a deferred income account which is amortised over the lives of the related assets.

Grants receivable in respect of revenue expenditure are credited to the profit and loss account in the periods in which the expenditure is incurred or the requirements of the grant have been satisfied.

Research & development

Research and development expenditure is written off as incurred.

Notes to the financial statements

at 31 December 2002

1. Accounting policies (continued)

Leases

Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities while the interest elements charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding. Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Pension costs

The group operates a 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. For further details refer to note 20.

Cash flow statement

The company is exempt from the requirement of Financial Reporting Standard No. 1 (Revised) "Cash Flow statements" to present a cash flow statement as it is a wholly owned subsidiary and the consolidated financial statements of the parent company are publicly available.

2. Turnover

In the opinion of the directors the disclosure of turnover by geographical region would be seriously prejudicial to the interests of the group.

Turnover is derived from one class of business and relates to continuing activities.

3. Other operating expenses

	2002 £000	2001 £000
Development and engineering costs	2,334	3,555
Selling and distribution costs	766	1,387
Administrative expenses	1,814	3,220
	<u>4,914</u>	<u>8,162</u>

Notes to the financial statements

at 31 December 2002

4. Operating loss

Operating loss is stated after charging the following:

	2002 £000	2001 £000
Loss on sale of fixed assets	42	41
Depreciation and amounts written off:		
- intangible fixed assets	-	2
- owned assets	3,717	3,825
- impairment loss	2,906	-
Operating lease rentals on		
- plant and machinery	467	430
- other	387	357
Auditors' remuneration		
- audit	50	51
- non-audit	48	11

5. Exceptional items

Recognised in arriving at operating profit:

	2002 £'000	2001 £'000
Deficit on impairment of tangible fixed assets	2,906	-

6. Interest receivable and similar income

	2002 £000	2001 £000
Bank interest	-	8
Other interest	-	147
		155

7. Interest payable and similar charges

	2002 £000	2001 £000
Bank loans and overdrafts	57	144
Intercompany loans	716	394
	773	538

Notes to the financial statements

at 31 December 2002

8. Staff costs

	2002 £000	2001 £000
Wages and salaries	24,643	23,198
Social security costs	2,280	2,178
Other pension costs	1,164	1,098
	<u>28,087</u>	<u>26,474</u>

The average monthly number of persons employed by the group during the year was as follows:

	2002 Number	2001 Number
Manufacturing	1,221	1,096
Sales and design engineers	68	39
Administrative	59	87
	<u>1,348</u>	<u>1,222</u>

Directors' Remuneration

The amounts below represent total remuneration 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.

	2002 £000	2001 £000
Emoluments	322	328
Company contributions to money purchase pension schemes	29	28
	<u>351</u>	<u>356</u>

	2002 £000	2001 £000
The amount in respect of the highest paid directors was as follows:		
Emoluments	131	133
Company contributions to money purchase pension schemes	12	12
	<u>143</u>	<u>145</u>

Notes to the financial statements

at 31 December 2002

8. Staff costs (continued)

Pensions

Retirement benefits accrue under money purchase schemes in respect of qualifying service for 3 (2001 - 3) of the company's directors.

9. Tax on loss on ordinary activities

a) Tax on loss on ordinary activities

	2002 £000	2001 £000
<i>Current tax</i>		
UK corporation tax (note 9(b))	-	(100)
<i>Deferred tax</i>		
Deferred tax	-	-
Tax on loss on ordinary activities	-	(100)

b) Factors affecting current tax charge/(credit)

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2001 - 30%). The differences are reconciled below:

	2002 £000	2001 £000
Loss on ordinary activities before tax	(1,544)	(6,877)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	(463)	(2,063)
Expenses not deductible for tax purposes	141	(102)
Depreciation in excess of capital allowances	-	1,155
Capital allowances in excess of depreciation	(895)	-
Other timing differences	(160)	194
Unrelieved tax losses	1,377	816
Adjustment in respect of prior periods	-	(100)
Total current tax (note 9(a))	-	(100)

Notes to the financial statements

at 31 December 2002

9. Tax on loss on ordinary activities (continued)

c) Factors that may effect future tax charges

In accordance with FRS19 "Deferred Tax", the deferred tax asset of £7,220,000 in relation to tax losses carried forward of £13,495,000 and other timing differences has not been recognised since it is uncertain whether there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. The unprovided deferred tax asset is as follows:

	<i>Not provided</i>	
	<i>2002</i>	<i>2001</i>
<i>Group and company</i>	<i>£000</i>	<i>£000</i>
Depreciation in advance of capital allowances	(2,413)	(3,349)
Short term timing differences	(758)	(664)
Tax losses	(4,049)	(2,061)
	<u>(7,220)</u>	<u>(6,074)</u>

10. Intangible fixed assets

The movement in the year was as follows:

	<i>Group and Company</i>	
	<i>Marketing agreement</i>	
	<i>2002</i>	<i>2001</i>
	<i>£000</i>	<i>£000</i>
Cost:		
At 1 January and 31 December	204	204
	<u>204</u>	<u>204</u>
Amounts written off:		
At 1 January	204	202
Write off in the year	-	2
	<u>204</u>	<u>204</u>
At 31 December	204	204
	<u>204</u>	<u>204</u>
Net book value	-	-
	<u>-</u>	<u>-</u>

Intangible fixed assets represent the cost to the group of a world-wide marketing agreement entered into by Standard Products Co., the company's immediate parent undertaking on 1 February 1993 and was amortised over a period of 8 years.

Notes to the financial statements

at 31 December 2002

11. Tangible fixed assets

Group and Company	Land and buildings Freehold	Land and buildings Leasehold	Plant machinery, tools and utensils	Furniture and fixtures	Computer software and hardware	Capital work-in progress	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 January 2002	1,615	182	44,458	1,335	3,058	3,241	23	53,912
Transferred to current assets	(68)	-	-	-	-	-	-	(68)
Additions	-	-	5,274	35	79	(2,145)	-	3,243
Transfers	-	-	(101)	101	-	-	-	-
Disposals	-	(1)	(3,465)	(46)	(250)	(29)	(23)	(3,814)
Impairment of assets	-	-	(26)	4	-	(47)	-	(69)
At 31 December 2002	1,547	181	46,140	1,429	2,887	1,020	-	53,204
Accumulated depreciation								
At 1 January 2002	538	9	25,811	859	2,817	40	23	30,097
Transferred to current assets	(18)	-	-	-	-	-	-	(18)
Charge for the year	52	9	3,467	100	116	(27)	-	3,717
Impairment of assets	-	-	2,906	-	-	-	-	2,906
Disposals	-	-	(2,813)	(41)	(250)	-	(23)	(3,127)
At 31 December 2002	572	18	29,371	918	2,683	13	-	33,575
Net book value								
At 31 December 2002	975	163	16,769	511	204	1,007	-	19,629
At 1 January 2002	1,077	173	18,647	476	241	3,201	-	23,815

Notes to the financial statements

at 31 December 2002

11. Tangible fixed assets (continued)

If the long leasehold property included at valuation had not been revalued it would have been included at the following amount.

	2002 £000	2001 £000
Cost	258	258
Depreciation	(90)	(85)
	<u>168</u>	<u>173</u>

The long leasehold property was valued at open market value for existing use on 22 May 1992 by Ekins Professional, surveyors, valuers, land and planning consultants. There has been no valuation since May 1992. The transitional rules under FRS15 have been adopted and this revaluation has not been updated.

Freehold land held by the group amounting to £16,000 (2001 - £69,000) has not been depreciated.

Cumulative internal costs capitalised included in the cost of tangible fixed assets amount to £1,606,000 (2001 - £1,606,000) for both the group and the company.

b) *The group's and company's capital commitments at the end of the year were as follows:*

	Group		Company	
	2002 £000	2001 £000	2002 £000	2001 £000
Contracts for capital expenditure not provided for	<u>550</u>	<u>674</u>	<u>550</u>	<u>674</u>

c) *Operating lease commitments*

The group has commitments in respect of an operating lease for a factory. The minimum future annual rentals under the lease are approximately £328,000 with rent reviews every 5 years. The lease expires in 2014 although the group may cancel the lease, at its option, in 2004.

The group has also entered into short-term leases in respect of motor vehicles and equipment. The total annual rental for these leases was £221,000 (2001 - £246,000).

Notes to the financial statements

at 31 December 2002

11. Tangible fixed assets (continued)

The minimum future annual rentals under the foregoing leases are as follows:

	Property £000	Group Motor vehicles & equipment £000	Property £000	Company Motor vehicles & equipment £000
<i>31 December 2002</i>				
Operating leases which expire:				
- within one year	97	75	97	75
- within 2 - 5 years	50	146	50	146
- after 5 years	328	-	328	-
	<u>475</u>	<u>221</u>	<u>475</u>	<u>221</u>
<i>31 December 2001</i>				
Operating leases which expire:				
- within one year	26	83	26	83
- within 2 - 5 years	-	163	-	163
- after 5 years	328	-	328	-
	<u>354</u>	<u>246</u>	<u>354</u>	<u>246</u>

12. Fixed asset investments

Investments in subsidiary undertakings:

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Standard Products Mould & Tool Company Limited	-	-	223	223
SPI Technistan	-	14	-	14
	<u>-</u>	<u>14</u>	<u>223</u>	<u>237</u>

	Country of Incorporation	Principal Activity	Holding	%
Standard Products Mould & Tool Company Limited	England	Manufacture and sale of moulds	Direct	100
SPI Technistan	France	Research and development	Direct	1

The company also owns the whole of the ordinary share capital of 100 £1 shares of the Huntingdon Rubber Company Limited, a dormant company registered in England.

Notes to the financial statements

at 31 December 2002

13. Assets held for resale

These assets represent land and buildings relating to the Huntingdon site and assets owned by the subsidiary company, Standard Products Mould & Tool Company Limited. These are held for resale, and the company is at an advanced stage of negotiation.

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Property held for resale (net)	4	2,514	4	2,514
Assets of subsidiary company held for resale				
- long leasehold property	143	168	-	-
- plant and machinery	63	118	-	-
	<u>210</u>	<u>2,800</u>	<u>4</u>	<u>2,514</u>

14. Stocks

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Raw materials	1,577	1,790	1,577	1,790
Work-in-progress	920	704	920	704
Finished goods	2,825	1,471	2,825	1,471
	<u>5,322</u>	<u>3,965</u>	<u>5,322</u>	<u>3,965</u>

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost.

15. Debtors

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Amounts falling due within one year:				
Trade debtors	13,371	12,702	13,371	12,694
Amounts due from fellow group undertakings	5,455	611	5,455	611
Corporation tax	-	-	-	-
Prepayments and accrued income	936	385	936	385
	<u>19,762</u>	<u>13,698</u>	<u>19,762</u>	<u>13,690</u>

Notes to the financial statements

at 31 December 2002

16. Creditors: amounts falling due within one year

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Bank overdraft and loans	-	184	-	213
Obligations under finance leases and hire purchase contracts	-	1	-	1
Trade creditors	4,651	5,162	4,651	5,162
Amounts due to fellow group undertakings	1,425	1,229	1,425	1,134
Other taxation and social security	886	1,186	886	1,186
Accruals and deferred income	4,969	5,198	4,986	5,193
	<u>11,931</u>	<u>12,960</u>	<u>11,948</u>	<u>12,889</u>

17. Creditors: amounts falling due after more than one year

	2002 £000	Group 2001 £000	2002 £000	Company 2001 £000
Obligations under finance leases and hire purchase contracts	8	11	8	11
Loans due to parent undertaking	17,739	14,000	17,739	14,000
	<u>17,747</u>	<u>14,011</u>	<u>17,747</u>	<u>14,011</u>

18. Called-up share capital

	2002 £000	2001 £000
<i>Authorised:</i>		
600,000 ordinary shares of 1p each	6	6
39,994,000 deferred ordinary shares of £1 each	39,994	39,994
	<u>40,000</u>	<u>40,000</u>
<i>Allotted, called-up and fully paid:</i>		
600,000 ordinary shares of 1p each	6	6
34,948,197 deferred ordinary shares of £1 each	34,948	34,948
	<u>34,954</u>	<u>34,954</u>

Notes to the financial statements

at 31 December 2002

19. Reconciliation of shareholders funds and movement on reserves

	Share capital £000	Other reserves £000	Profit and loss account £000	Total £000
Group				
At 1 January 2001	34,954	2,374	(13,230)	24,098
Retained loss for the year	-	-	(6,777)	(6,777)
At 1 January 2002	34,954	2,374	(20,007)	17,321
Retained loss for the year	-	-	(1,544)	(1,544)
At 31 December 2002	34,954	2,374	(21,551)	15,777
Company				
At 1 January 2001	34,954	2,374	(13,499)	23,829
Retained loss for the year	-	-	(6,508)	(6,508)
At 1 January 2002	34,954	2,374	(20,007)	17,321
Retained loss for the year	-	-	(1,544)	(1,544)
At 31 December 2002	34,954	2,374	(21,551)	15,777

Other reserves represent contributed capital, which the holding company invested in the company over a number of years. This reserve is not distributable.

20. Pension scheme

The company operates a defined contribution pension and death benefits plan, which is administered in-house and is open to employees of the company and subsidiary undertakings. An insurance company administers the investment management.

The pension expense for the year was £1,164,000 (2001 - £1,098,000).

21. Ultimate parent undertaking and related party disclosures

The company's ultimate parent undertaking is Cooper Tire & Rubber Co Inc, incorporated in Findlay, Ohio, USA.

The financial statements of the Cooper Tire & Rubber Co Inc may be obtained from 701, Lima Avenue, Findlay, Ohio, 45840, USA.

As a consequence of being a wholly owned subsidiary, the company is exempt from the requirement of Financial Reporting Standard No. 8 "Related party disclosures" to disclose transactions with other group members.

Notes to the financial statements

at 31 December 2002

22. Events since the balance sheet date

On 22 August 2003 an announcement was made communicating the decision to close one of the group's manufacturing facilities in Llangage, Plymouth. As a result the accounts include an exceptional charge in respect of accelerated depreciation of £2,906,000 to reflect the impairment of the related tangible fixed assets.

The sale of the remaining net assets held for resale of Standard Products Mould & Tool Company Limited was finalised in January 2003. All assets held for resale were sold for their net carrying values as shown in note 13 of these accounts.