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Cooper-Standard Automotive UK Sealing Limited and Subsidiary Undertaking

Report and Accounts

31 December 2003

 **ERNST & YOUNG**



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Registered No: 258607

Directors

M J Anderson
A G Coates
L J Johnson
G Lukje

Secretary

M J Anderson

Auditors

Ernst & Young LLP
One Colmore Row
Birmingham
B3 2DB

Bankers

Barclays Bank Plc
Park House
Newbrick Road
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Bristol
BS34 8TN

Solicitors

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Redgrave Close
Park Way
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CV2 2UU

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 2003.

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 22 August 2003 an announcement was made communicating the decision to close one of the group's manufacturing facilities in Langage, Plymouth and transfer the production to the group's remaining UK facility and to another sister company by way of a manufacturing agreement. As a result, the accounts include an exceptional charge of £2,496,000 in respect of redundancies, £964,000 in respect of impairment of tangible fixed assets and £750,000 in respect of dilapidation of leasehold properties.

Events since the balance sheet date

On 17 September 2004 Cooper Tire & Rubber Co announced that The Cypress Group and Goldman Sachs Capital Partners have signed a definitive agreement to acquire its Global Automotive business which includes Cooper-Standard Automotive UK Sealing Limited. The transaction is expected to close by 31 December 2004 and is subject to customary closing conditions, including regulatory approvals.

The company's dormant subsidiary, Standard Products Mould & Tool Company Limited, was dissolved on 3 August 2004.

Research and development

The group continues to invest in research and development.

Results and dividends

Group results are as follows:

	£'000
Retained loss at 31 December 2002	(21,551)
Loss for the year after taxation	(5,285)
Retained loss at 31 December 2003	<u>(26,836)</u>

The directors do not recommend the payment of a dividend (2002 - £nil).

Directors and their interests

The directors who served during the year were as follows:

M J Anderson
M Blenkinsop (resigned 30 September 2003)
A G Coates
L J Johnson (appointed 15 May 2003)
G Lukje (appointed 15 May 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.

Directors' report

Charitable and political contributions

The group contributed £3,410 (2002 - £4,016) 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.

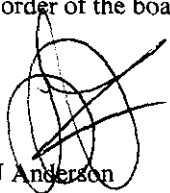
Employee consultation

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

22 December 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 2003 which comprise Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group Balance Sheet, 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 2003 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

Ernst & Young LLP
Registered Auditor
Birmingham

22 December 2004.

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Group profit and loss account

for the year ended 31 December 2003

	Notes	2003 £000	2002 £000
Turnover	2	51,746	66,408
Cost of sales		(48,071)	(62,265)
Gross profit		3,675	4,143
Other operating expenses	3	(4,839)	(4,914)
Operating loss	4	(1,164)	(771)
Loss on termination of operations	5	(4,210)	-
Profit on disposal of fixed assets		555	-
Loss on ordinary activities before interest and taxation		(4,819)	(771)
Interest payable and similar charges	6	(466)	(773)
Loss on ordinary activities before taxation		(5,285)	(1,544)
Tax on loss on ordinary activities	8	-	-
Retained loss for the year	19	(5,285)	(1,544)

Statement of total recognised gains and losses

for the year ended 31 December 2003

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 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	15,107	19,629
		<u>15,107</u>	<u>19,629</u>
Current assets			
Assets held for resale	12	-	210
Stocks	13	5,308	5,322
Debtors	14	11,951	19,762
Cash at bank and in hand		542	532
		<u>17,801</u>	<u>25,826</u>
Creditors: amounts falling due within one year	15	(8,708)	(11,931)
Net current assets		<u>9,093</u>	<u>13,895</u>
Total assets less current liabilities		<u>24,200</u>	<u>33,524</u>
Creditors: amounts falling due after more than one year	16	(10,377)	(17,747)
Provisions for liabilities and charges	17	(3,331)	-
		<u>(13,708)</u>	<u>(17,747)</u>
		<u>10,492</u>	<u>15,777</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	(26,836)	(21,551)
Equity shareholders' funds		<u>10,492</u>	<u>15,777</u>

Signed on behalf of the Board



Director

Date

22.12.04

Balance sheet

at 31 December 2003

	Notes	2003 £000	2002 £000
Fixed assets			
Intangible assets	9	-	-
Tangible assets	10	15,107	19,629
Investments	11	-	223
		<u>15,107</u>	<u>19,852</u>
Current assets			
Assets held for resale	12	-	4
Stocks	13	5,308	5,322
Debtors: amounts falling due within one year	14	11,951	19,762
Cash at bank and in hand		542	532
		<u>17,801</u>	<u>25,620</u>
Creditors: amounts falling due within one year	15	(8,708)	(11,948)
		<u>9,093</u>	<u>13,672</u>
Net current assets			
		<u>24,200</u>	<u>33,524</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	16	(10,377)	(17,747)
Provisions for liabilities and charges	17	(3,331)	-
		<u>(13,708)</u>	<u>(17,747)</u>
		<u>10,492</u>	<u>15,777</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	(26,836)	(21,551)
		<u>10,492</u>	<u>15,777</u>
Equity shareholders' funds			
		<u>10,492</u>	<u>15,777</u>

Signed on behalf of the board



Director

Date

22.12.04.

Notes to the financial statements

at 31 December 2003

1. Accounting policies

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.

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 2003. 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 £5,285,000 (2002 - loss of £1,544,000) 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 represented 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
Leasehold property	-	Over the term of the lease
Plant and machinery	-	10 years
Tools and utensils	-	3-4 years
Furniture and fixtures	-	10 years
Computer software and hardware	-	3-7 years

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

Notes to the financial statements

at 31 December 2003

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

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.

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 2003

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

	2003 £000	2002 £000
Development and engineering costs	1,705	2,334
Selling and distribution costs	854	766
Administrative expenses	2,280	1,814
	<u>4,839</u>	<u>4,914</u>

Notes to the financial statements

at 31 December 2003

4. Operating loss

Operating loss is stated after charging the following:

	2003 £000	2002 £000
Loss on sale of fixed assets	-	42
Depreciation and amounts written off:		
- owned assets	2,892	3,717
- impairment loss	964	2,906
Operating lease rentals on		
- plant and machinery	321	467
- other	376	387
Auditors' remuneration		
- audit	50	50
- non-audit	52	48
	<u> </u>	<u> </u>

5. Exceptional items

	2003 £000	2002 £000
Recognised in arriving at operating profit:		
Deficit on impairment of tangible fixed assets	964	2,906
	<u> </u>	<u> </u>
Recognised after operating profit:		
Loss on termination of operations	4,210	-
	<u> </u>	<u> </u>

On 22 August 2003 an announcement was made communicating the decision to close one of the group's manufacturing facilities in Langage, Plymouth and transfer the production to the group's remaining UK facility and to another sister company by way of a manufacturing agreement. As a result, the accounts include an exceptional charge of £2,496,000 in respect of redundancies, £964,000 in respect of impairment of tangible fixed assets and £750,000 in respect of dilapidation of leasehold properties.

6. Interest payable and similar charges

	2003 £000	2002 £000
Bank loans and overdrafts	1	57
Intercompany loans	465	716
	<u> </u>	<u> </u>
	466	773
	<u> </u>	<u> </u>

Notes to the financial statements

at 31 December 2003

7. Staff costs

	2003 £000	2002 £000
Wages and salaries	16,564	24,643
Severance costs	1,612	-
Social security costs	1,726	2,280
Other pension costs	968	1,164
	<u>20,870</u>	<u>28,087</u>

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

	2003 Number	2002 Number
Manufacturing	877	1,221
Sales and design engineers	48	68
Administrative	58	59
	<u>983</u>	<u>1,348</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.

	2003 £000	2002 £000
Emoluments	<u>292</u>	<u>322</u>
Company contributions to money purchase pension schemes	<u>22</u>	<u>29</u>
	2003 £000	2002 £000
The amount in respect of the highest paid directors was as follows:		
Emoluments	<u>130</u>	<u>131</u>
Company contributions to money purchase pension schemes	<u>10</u>	<u>11</u>

Notes to the financial statements

at 31 December 2003

7. Staff costs (continued)

Pensions

Retirement benefits accrue under money purchase schemes in respect of qualifying service for 2 (2002 - 3) of the company's directors.

8. Tax on loss on ordinary activities

a) Tax on loss on ordinary activities

	2003 £000	2002 £000
<i>Current tax</i>		
UK corporation tax (note 8(b))	-	-
<i>Deferred tax</i>		
Deferred tax	-	-
Tax on loss on ordinary activities	-	-

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% (2002 - 30%). The differences are reconciled below:

	2003 £000	2002 £000
Loss on ordinary activities before tax	(5,285)	(1,544)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	(1,586)	(463)
Expenses not deductible for tax purposes	(152)	141
Capital allowances in excess of depreciation	(1,195)	(895)
Other timing differences	(383)	(160)
Unrelieved tax losses	3,316	1,377
Total current tax (note 8(a))	-	-

Notes to the financial statements

at 31 December 2003

8. 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 £4,158,000 in relation to tax losses carried forward of £13,858,425 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>Group and company</i>	<i>Not provided</i>	
	<i>2003</i>	<i>2002</i>
	<i>£000</i>	<i>£000</i>
Depreciation in advance of capital allowances	(3,587)	(2,413)
Short term timing differences	(375)	(758)
Tax losses	(4,158)	(4,049)
	<u>(8,120)</u>	<u>(7,220)</u>

9. Intangible fixed assets

The movement in the year was as follows:

	<i>Group and Company</i>	
	<i>Marketing agreement</i>	
	<i>2003</i>	<i>2002</i>
	<i>£000</i>	<i>£000</i>
Cost:		
At 1 January and 31 December	204	204
Amounts written off:		
At 1 January and 31 December	204	204
Net book value:		
At 1 January and 31 December	-	-

Intangible fixed assets represented 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 2003

10. Tangible fixed assets

Group and Company	Land and buildings Freehold £000	Land and buildings Leasehold £000	Plant machinery, tools and utensils £000	Furniture and fixtures £000	Computer software and hardware £000	Capital work-in progress £000	Total £000
Cost or valuation:							
At 1 January 2003	1,547	181	46,140	1,429	2,887	1,020	53,204
Additions	210	-	1,533	34	119	43	1,939
Disposals	-	-	(6,975)	(274)	(315)	-	(7,564)
At 31 December 2003	1,757	181	40,698	1,189	2,691	1,063	47,579
Accumulated depreciation:							
At 1 January 2003	572	18	29,371	918	2,683	13	33,575
Charge for the year	58	163	2,489	74	108	-	2,892
Disposals	-	-	(4,433)	(204)	(309)	(13)	(4,959)
Impairment of assets	-	-	964	-	-	-	964
At 31 December 2003	630	181	28,391	788	2,482	-	32,472
Net book value:							
At 31 December 2003	1,127	-	12,307	401	209	1,063	15,107
At 1 January 2003	975	163	16,769	511	204	1,007	19,629

Notes to the financial statements

at 31 December 2003

10. 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.

	2003 £000	2002 £000
Cost	258	258
Depreciation	(95)	(90)
	<u>163</u>	<u>168</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 (2002 - £16,000) has not been depreciated.

Cumulative internal costs capitalised included in the cost of tangible fixed assets amount to £1,606,000 (2002 - £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	
	2003 £000	2002 £000	2003 £000	2002 £000
Contracts for capital expenditure not provided for	<u>623</u>	<u>550</u>	<u>623</u>	<u>550</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 £300,000 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 decided to exercise this option and will vacate the property in November 2004.

In November 2003, the group entered a commitment in respect of an operating lease for its Head Office building in Coventry. The minimum future annual rentals under the lease are approximately £375,000 with an upward only rent review in November 2008. The lease expires on 9 November 2013.

In November 2003, the group entered a commitment in respect of an operating lease for a design facility in Rugby. The minimum future annual rentals under the lease are approximately £27,000 with an upward only rent review in October 2008. The lease expires on 30 December 2013.

The group has also entered into short-term leases in respect of motor vehicles and equipment. The total annual rental for these leases was £262,000 (2002 - £221,000).

10. Tangible fixed assets (continued)

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

Group and Company
Motor
vehicles &

Notes to the financial statements

at 31 December 2003

	<i>Property £000</i>	<i>equipment £000</i>
<i>31 December 2003</i>		
Operating leases which expire:		
- within one year	300	107
- within 2 - 5 years	-	214
- after 5 years	401	-
	<u>701</u>	<u>321</u>

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

11. Fixed asset investments

Investments in subsidiary undertakings:

	<i>Company £000</i>
Cost:	
At 1 January and 31 December 2003	223
Amounts written off:	
At 1 January	-
Provided in the year	223
At 31 December	223
Net book value:	
31 December 2003	223
At 1 January 2003	223

	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Holding</i>	<i>%</i>
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 2003

Standard Products Mould & Tool Company Limited was dissolved on 3 August 2004.

12. 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 assets were sold during the financial year.

	2003	Group	2003	Company
	£000	2002	£000	2002
		£000		£000
Property held for resale (net)	-	4	-	4
Assets of subsidiary company held for resale				
- long leasehold property	-	143	-	-
- plant and machinery	-	63	-	-
	-	210	-	4

13. Stocks

	2003	Group	2003	Company
	£000	2002	£000	2002
		£000		£000
Raw materials	1,091	1,577	1,091	1,577
Work-in-progress	761	920	761	920
Finished goods	3,456	2,825	3,456	2,825
	5,308	5,322	5,308	5,322

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

14. Debtors

	2003	Group	2003	Company
	£000	2002	£000	2002
		£000		£000
Amounts falling due within one year:				
Trade debtors	7,719	13,371	7,719	13,371
Amounts due from fellow group undertakings	3,593	5,455	3,593	5,455
Prepayments and accrued income	639	936	639	936
	11,951	19,762	11,951	19,762

Notes to the financial statements

at 31 December 2003

15. Creditors: amounts falling due within one year

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	£000	£000	£000	£000
Obligations under finance leases and hire purchase contracts	8	-	8	-
Trade creditors	3,063	4,651	3,063	4,651
Amounts due to fellow group undertakings	2,343	1,425	2,356	1,425
Other taxation and social security	730	886	730	886
Accruals and deferred income	2,564	4,969	2,551	4,986
	<u>8,708</u>	<u>11,931</u>	<u>8,708</u>	<u>11,948</u>

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

	<i>Group</i>		<i>Company</i>	
	2003	2002	2003	2002
	£000	£000	£000	£000
Obligations under finance leases and hire purchase contracts	-	8	-	8
Loans due to parent undertaking	10,377	17,739	10,377	17,739
	<u>10,377</u>	<u>17,747</u>	<u>10,377</u>	<u>17,747</u>

17. Provisions for liabilities and charges

	<i>Redundancy</i>	<i>Dilapidation</i>	<i>Total</i>
	£000	£000	£000
At 1 January 2003	-	-	-
Arising during the year	2,581	750	3,331
At 31 December 2003	<u>2,581</u>	<u>750</u>	<u>3,331</u>

On 22 August 2003 an announcement was made communicating the decision to close one of the group's manufacturing facilities in Langage, Plymouth. As a result the accounts include a provision in respect of the expected redundancies and dilapidation costs relating to the vacation of the leasehold property.

It is expected that the provisions will be utilised by 31 December 2004.

Notes to the financial statements

at 31 December 2003

18. Called-up share capital

	2003 £000	2002 £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>

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 2002	34,954	2,374	(20,007)	17,321
Retained loss for the year	-	-	(1,544)	(1,544)
	<u>34,954</u>	<u>2,374</u>	<u>(21,551)</u>	<u>15,777</u>
At 1 January 2003	34,954	2,374	(21,551)	15,777
Retained loss for the year	-	-	(5,285)	(5,285)
	<u>34,954</u>	<u>2,374</u>	<u>(26,836)</u>	<u>10,492</u>
Company				
At 1 January 2002	34,954	2,374	(20,007)	17,321
Retained loss for the year	-	-	(1,544)	(1,544)
	<u>34,954</u>	<u>2,374</u>	<u>(21,551)</u>	<u>15,777</u>
At 1 January 2003	34,954	2,374	(21,551)	15,777
Retained loss for the year	-	-	(5,285)	(5,285)
	<u>34,954</u>	<u>2,374</u>	<u>(26,836)</u>	<u>10,492</u>

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 £968,000 (2002 - £1,164,000).

Notes to the financial statements

at 31 December 2003

21. Parent undertaking and related party disclosures

The company's immediate and 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.

22. Events since the balance sheet date

On 17 September 2004 Cooper Tire & Rubber Co announced that The Cypress Group and Goldman Sachs Capital Partners have signed a definitive agreement to acquire its Global Automotive business which includes Cooper-Standard Automotive UK Sealing Limited. The transaction is expected to close by 31 December 2004 and is subject to customary closing conditions, including regulatory approvals.

The company's dormant subsidiary, Standard Products Mould & Tool Company Limited, was dissolved on 3 August 2004.