

258607

Cooper-Standard Automotive UK Sealing Limited

Report and Accounts

31 December 2007

TUESDAY



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COMPANIES HOUSE

Cooper-Standard Automotive UK Sealing Limited

Registered No: 258607

Directors

M J Anderson

L J Johnson

Secretary

M J Anderson

Auditors

Ernst & Young LLP

No 1 Colmore Square

Birmingham

B4 6HQ

Bankers

ABN Amro Bank NV

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Solicitors

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Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report for the year ended 31 December 2007.

Results and dividends

The trading profit for the year after taxation amounted to £1,789,000 (2006 – loss – £5,046,000), which is stated after an exceptional loss of £438,000 (2006 – exceptional loss of £7,694,000).

Principal activity and business review

The principal activities of the company are the design and sale of extruded rubber and plastic components for the motor and allied industries.

The company's key financial and other performance indicators performance during the year were as follows:

	2007 £'000	2006 £'000	Change %
Turnover	48,736	58,023	-16%
Profit / (loss) on ordinary activities after tax	1,789	(5,046)	+135%
Shareholders' funds	(2,388)	(4,177)	+43%
Average number of employees	169	353	-52%

During 2007, the company continued operated as principal under a toll manufacturing arrangement with our sister plant in Poland.

Turnover decreased by 16% over 2006. Profit after tax recovered from 2006 which was burdened with reorganisation charges. As reported last year, in September 2006 the company announced its intention to close the company's manufacturing facilities in Maesteg, South Wales and the closure was completed in 2007.

Also, the company had exceptional profit of £500,000 in 2007 resulting from the sale of principal's activities to the Polish sister company (see below).

Termination of the Toll Processing Agreement

Since 1 November 2004 the Company has acted as the principal in a toll manufacturing arrangement based on a Toll Processing Agreement ('the Agreement'). Cooper-Standard Automotive Polska Spzoo has been acting as the toll manufacturer.

During discussions that took place in the spring and summer of 2007, parties to the Agreement agreed to terminate the Agreement with effect from close of business on 31 December 2007. In November and December 2007, customers, suppliers, relevant tax and regulatory authorities, and other outside parties were notified of the termination of the toll manufacturing arrangement. Based on the oral agreement, the Company transferred the following to CSA Polska: i) all principal's activities, ii) all customer contracts, iii) inventory, iv) trade receivables. Parties confirmed the above in the Confirmatory Agreement signed on 28 November 2008.

In connection with the above, the inventory and the trade receivables were required to be sold at net book value as soon as reasonably possible in 2008. The purchase price for the customer contracts was negotiated at £500,000. The results for the year ended 31 December 2007 therefore include an overall exceptional gain of £500,000.

Directors' report

Events since the balance sheet date and future developments

With effect from 1 January 2008, the company's remaining activities consist of sales support activities. In a move towards the complete consolidation of all UK activities into one legal entity, and the eventual liquidation of the company, the following transactions were effected in 2008:

- the sale of the company's 1% interest in the French limited partnership Technistan SNC to CSA France SAS, effective 25 July 2008;
- the sale of the company's 100% interest in The Standard Products Company (Europe) Ltd (subsequently renamed Cooper-Standard Automotive UK Limited) to Cooper-Standard Automotive International Holdings BV, a fellow subsidiary of the Cooper-Standard Automotive Inc group;
- the strike-off of its remaining (dormant) UK based subsidiaries in July and August 2008; and
- the transfer of the sales support activities to Cooper-Standard Automotive UK Limited (see above) based on a Business Transfer Agreement, effective 1 September, 2008.

Subsequent to the business transfer, the company's management has started to prepare the company for liquidation (which is planned for 2009). As part of the liquidation preparation, the majority of the company's assets and liabilities remaining after the business transfer and not otherwise realised will eventually be transferred to Cooper-Standard Automotive UK Limited. At 31 December 2008, the main items not yet realised are the Maesteg land and buildings and certain remaining receivables and payables.

As a result of the above the accounts have been prepared on an orderly realisation basis.

Principal risks and uncertainties

Prior to the events described above, the main risks to the business fall broadly into two categories, market and to a greater extent the vehicle platforms that the company is on and the foreign exchange impacts of doing business in Europe with global companies.

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 has a constant programme with its sister company to identify lean savings to offset these pressures. 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.

The effect of currency and the pricing of commodities based on different rates can give the company very cyclical impact in its raw material costs and on-costs. Consequently, the company manages the costs which are in other than sterling by means of currency hedging. From a group perspective the company is monitoring its major commodity buys with the possibility of hedging some of these in the future.

Research and development

Prior to the events described above, the company continued its policy of developing new products and markets for the automotive industry, such that the vehicle manufacturers can offer more fuel efficient and less noxious vehicles. Equally in designing our products, we are mindful of the materials used and there ability to biodegrade or to be recycled.

Directors' report

Directors

The directors who served during the year were as follows:

M J Anderson

L J Johnson

Charitable and political contributions

The group contributed £431 (2006 - £652) 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 company 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 company. This is achieved through regular consultation over decisions likely to affect their interests.

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

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

On behalf of the board



M J Anderson

Director

29.6.09

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; and
- 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 Sealing Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 19. 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 Sealing 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 2007 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.


Ernst & Young LLP
Registered Auditor
Birmingham
Date 30/6/09

Profit and loss account

for the year ended 31 December 2007

	<i>Notes</i>	<i>2007</i> <i>£000</i>	<i>2006</i> <i>£000</i>
Turnover	2	48,736	58,023
Cost of sales		(42,885)	(50,563)
Gross profit		5,851	7,460
Other operating expenses	3	(2,899)	(3,864)
Operating profit	4	2,952	3,596
Exceptional items	5	(438)	(7,694)
Profit / (loss) on ordinary activities before interest and taxation		2,514	(4,098)
Interest payable and similar charges	6	(854)	(948)
Bank interest receivable		129	-
Profit / (loss) on ordinary activities before taxation		1,789	(5,046)
Tax on profit / (loss) on ordinary activities	8	-	-
Profit / (loss) on ordinary activities after taxation	16	1,789	(5,046)

All amounts relate to discontinuing operations – see notes 1, 5 and 19.

Statement of total recognised gains and losses

for the year ended 31 December 2007

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

Balance sheet

at 31 December 2007

	Notes	2007 £000	2006 £000
Fixed assets			
Tangible assets	9	2,172	5,019
Current assets			
Stocks	11	2,194	3,338
Debtors	12	13,696	13,147
Cash at bank and in hand		3,733	1,489
Creditors: amounts falling due within one year	13	19,623 (23,963)	17,974 (23,803)
Net current liabilities		(4,340)	(5,829)
Total assets less current liabilities		(2,168)	(810)
Provisions for liabilities	14	(220)	(3,367)
Net liabilities		(2,388)	(4,177)
Capital and reserves			
Called-up share capital	15	34,954	34,954
Other reserves	16	2,374	2,374
Profit and loss account	16	(39,716)	(41,505)
Shareholders' deficit	16	(2,388)	(4,177)

Signed on behalf of the Board



M J Anderson

Director 29.6.09

Notes to the financial statements

at 31 December 2007

1. Accounting policies

Fundamental accounting concept

The accounts have been prepared on an orderly realisation basis reflecting the termination of the Toll Manufacturing arrangement and transfer of business to Cooper Standard Automotive UK Limited as detailed in note 5. 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.

Group accounts

The accounts present information about the company as an individual undertaking and not about its group. The company is not required to prepare group accounts by virtue of Section 248 of the Companies Act 1985.

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.

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.

Notes to the financial statements

at 31 December 2007

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.

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.

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.

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.

Notes to the financial statements

at 31 December 2007

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. 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 discontinued activities.

3. Other operating expenses

	2007 £000	2006 £000
Development and engineering costs	927	833
Selling and distribution costs	431	676
Administrative expenses	1,541	2,355
	<u>2,899</u>	<u>3,864</u>

4. Operating profit

Operating profit is stated after charging the following:

	2007 £000	2006 £000
Loss on disposal of fixed assets	98	38
Depreciation of own fixed assets	302	3,799
Operating lease rentals on		
- plant and machinery	45	106
- other	650	646
Auditors' remuneration		
- audit of the financial statements	61	66
- taxation	2	-
	<u></u>	<u></u>

Notes to the financial statements

at 31 December 2007

5. Exceptional items

	2007	2006
	£000	£000
Recognised after operating profit:		
Loss on termination of operations	(467)	(5,046)
Impaired assets - Maesteg	(471)	(2,648)
Profit on sale of the business to Polska Spzoo	500	-
	<u>(438)</u>	<u>(7,694)</u>

Loss on termination of operations and Maesteg asset impairment

As reported last year, on 29 September 2006, the company announced its intention to close the company's manufacturing facilities in Maesteg, South Wales. The closure was completed in 2007. As a result the majority of the closure costs were provided in 2006. The 2007 accounts include exceptional charges in respect of the finalisation of closure costs.

The directors have also reassessed the realisable value of the remaining Maesteg freehold land and buildings and other fixed assets.

Profit on sale of business to Cooper-Standard Automotive Polska Spzoo

In addition, the Company has been active as the principal in a toll manufacturing arrangement based on a Toll Processing Agreement ('the Agreement') effective from 1 November 2004. Cooper-Standard Automotive Polska Spzoo has been acting as the toll manufacturer. During discussions that took place in the spring and summer of 2007, parties to the Agreement agreed to terminate the Agreement with effect from close of business on 31 December 2007. In November and December 2007, customers, suppliers, relevant tax and regulatory authorities, and other outside parties were notified of the termination of the toll manufacturing arrangement. Based on the oral agreement, the Company transferred the following to CSA Polska: i) all principal's activities, ii) all customer contracts, iii) inventory, iv) trade receivables. Parties confirmed the above in the Confirmatory Agreement signed on 28 November 2008.

In connection with the above, the inventory and the trade receivables were required to be sold at net book value as soon as reasonably possible in 2008. The purchase price for the customer contracts was negotiated at £500,000. The results for the year ended 31 December 2007 therefore include an overall exceptional gain of £500,000 as above.

6. Interest payable and similar charges

	2007	2006
	£000	£000
Bank loans and overdrafts	854	948

7. Staff costs

	2007	2006
	£000	£000
Wages and salaries	4,769	8,573
Severance costs	282	4,877
Social security costs	522	798
Other pension costs	285	452
	<u>5,858</u>	<u>14,700</u>

Notes to the financial statements

at 31 December 2007

7. Staff costs (continued)

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

	2007 Number	2006 Number
Manufacturing	121	298
Sales and design engineers	18	21
Administrative	34	34
	<u>173</u>	<u>353</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.

	2007 £000	2006 £000
Emoluments	169	429
	<u>169</u>	<u>429</u>
Company contributions to money purchase pension schemes	11	19
	<u>11</u>	<u>19</u>
	2007 £000	2006 £000
The amount in respect of the highest paid director was as follows:		
Emoluments	169	275
	<u>169</u>	<u>275</u>
Company contributions to money purchase pension schemes	11	8
	<u>11</u>	<u>8</u>

Pensions

Retirement benefits accrue under money purchase schemes in respect of qualifying service for 1 (2006 - 2) of the company's directors.

8. Tax on profit/(loss) on ordinary activities

a) Tax on profit/(loss) on ordinary activities

	2007 £000	2006 £000
<i>Current tax</i>		
UK corporation tax (note 8(b))	-	-
	<u>-</u>	<u>-</u>
<i>Deferred tax</i>		
Deferred tax	-	-
	<u>-</u>	<u>-</u>
Tax on profit / (loss) on ordinary activities	<u>-</u>	<u>-</u>

Notes to the financial statements

at 31 December 2007

8. Tax on profit/(loss) on ordinary activities (continued)

b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2006 - 30%). The differences are reconciled below:

	2007	2006
	£000	£000
Profit / (loss) on ordinary activities before tax	1,789	(5,046)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 - 30%)	537	(1,514)
Net impact of cessation of trade (note 8(c))	(545)	-
Expenses not deductible for tax purposes	8	10
Depreciation in excess of capital allowances	-	1,170
Other timing differences	-	(65)
Unrelieved tax losses carried forward	-	399
Total current tax (note 8(a))	-	-

c) Deferred tax

The termination of the toll manufacturing activities, effective 31 December 2007 (see note 5) constitutes the cessation of a 'trade' for UK tax purposes and gives rise to a significant balancing allowance and therefore a taxable loss. A similar situation arises in the company's sister company, Cooper Standard Automotive UK Fluid Systems Limited ("Fluids"). Any gain arising on the sale of the business can be offset against this loss or group relieved with Fluids for £nil consideration. As a result of the cessation of the trade, all remaining capital allowances and operating losses are forfeited. This forfeiture has no impact on either the balance sheet or the profit and loss account as, in accordance with FRS 19, no deferred tax asset had been recognised in the past as its recoverability could not be predicted with certainty.

Notes to the financial statements

at 31 December 2007

9. Tangible fixed assets

	Leasehold	Land and buildings Freehold	Land and buildings and fixtures	Plant machinery, tools and hardware	Furniture progress	Computer software and Total	Capital work-in	
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 January 2007		2,453	121	19,744	424	327	58	23,127
Transfers	-	-	-	41	-	17	(58)	-
Additions	-	-	26	53	-	-	-	79
Disposals	-	-	-	(16,692)	(164)	(77)	-	(16,933)
At 31 December 2007	2,453	147	147	3,146	260	267	-	6,273
Accumulated depreciation:								
At 1 January 2007		888	37	16,611	289	283	-	18,108
Charge for the year	65	13	13	167	25	32	-	302
Disposals	-	-	-	(14,561)	(142)	(77)	-	(14,780)
Assets impaired	200	-	-	271	-	-	-	471
At 31 December 2007	1,153	50	50	2,488	172	238	-	4,101
Net book value:								
At 31 December 2007	1,300	97	97	658	88	29	-	2,172
At 31 December 2006	1,565	84	84	3,133	135	44	58	5,019

Notes to the financial statements

at 31 December 2007

9. Tangible fixed assets (continued)

In November 2007, the company entered into an operating lease arrangement with Cooper Standard Automotive Brasil Sealing Ltda in respect of its remaining plant and machinery.

Subsequent to the year end, the company's leasehold land and buildings, fixtures and fittings and computer software and hardware have been transferred to CSA UK Limited at net book value.

Freehold land and buildings associated with the Maesteg site have been impaired to the directors' assessment of their recoverable values. Where possible this impairment has been based on indicative market values.

Freehold land held by the company amounting to £16,000 (2006 - £16,000) has not been depreciated.

Cumulative internal costs capitalised included in the cost of tangible fixed assets amount to £691 (2006 - £193,524).

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

	2007 £000	2006 £000
Contracts for capital expenditure not provided for	-	14

c) Operating lease commitments

The minimum future annual rentals under non-cancellable operating leases are as follows:

	Property £000	Motor vehicles & equipment £000
31 December 2007		
Operating leases which expire:		
- within one year	-	40
- within 2 - 5 years	400	57
- after 5 years	-	-
	<u>400</u>	<u>97</u>
	Property £000	Motor vehicles & equipment £000
31 December 2006		
Operating leases which expire:		
- within one year	-	109
- within 2 - 5 years	-	213
- after 5 years	402	-
	<u>402</u>	<u>322</u>

Notes to the financial statements

at 31 December 2007

10. Fixed asset investments

	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Holding</i>	<i>%</i>
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, 1 £1s hare of Standard Products Company (Europe) Limited, 2 £1 shares of Standard Products (UK) Limited, 1 £1 share of Silent Channel Products Limited and 2 £1 shares of Bird Mould & Tool Company Limited, all dormant companies are registered in England.

The subsidiary companies have not traded during the year.

See note 19 for details of changes to the above interests in investments since the balance sheet date.

11. Stocks

	<i>2007 £000</i>	<i>2006 £000</i>
Raw materials	395	697
Work-in-progress	715	1,009
Finished goods	1,084	1,632
	<u>2,194</u>	<u>3,338</u>

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

12. Debtors

	<i>2007 £000</i>	<i>2006 £000</i>
Trade debtors	10,211	8,987
Amounts due from fellow group undertakings	211	777
Prepayments and accrued income	588	697
Other taxes	2,686	2,686
	<u>13,696</u>	<u>13,147</u>

Notes to the financial statements

at 31 December 2007

13. Creditors: amounts falling due within one year

	2007 £000	2006 £000
Trade creditors	1,132	1,700
Amounts due to fellow group undertakings	4,302	3,332
Other taxation and social security	351	472
Accruals and deferred income	1,281	1,695
Bank overdraft	16,897	16,604
	<u>23,963</u>	<u>23,803</u>

14. Provisions for liabilities

	Redundancy £'000	Other £'000	Total £'000
At 1 January 2007	3,266	101	3,367
Arising during the year	138	-	138
Utilised	(3,184)	(101)	(3,285)
	<u>220</u>	<u>-</u>	<u>220</u>
At 31 December 2007			

On 29 September 2006 an announcement was made communicating the decision to close the company's manufacturing facility in Maesteg, South Wales. As a result, the accounts include provisions in respect of the expected redundancies and other costs relating to the vacation of the freehold property.

It is expected that the majority of provisions will be utilised by 31 December 2008.

15. Called-up share capital

	2007 £000	2006 £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 2007

16. Reconciliation of shareholders funds and movement on reserves

	<i>Share capital £000</i>	<i>Other reserves £000</i>	<i>Profit and loss account £000</i>	<i>Total £000</i>
At 1 January 2006	34,954	2,374	(36,459)	869
Loss for the year	-	-	(5,046)	(5,046)
At 1 January 2007	34,954	2,374	(41,505)	(4,177)
Profit for the year			1,789	1,789
At 31 December 2007	34,954	2,374	(39,716)	(2,388)

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

17. 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 £285,000 (2006 - £452,000). The unpaid contributions outstanding at the year end are £27,000 (2006 - £57,000).

18. Parent undertaking and related party disclosures

Cooper Standard Automotive Inc (USA) is the company's immediate parent undertaking and is incorporated in the United States. Cooper Standard Holdings Inc is the company's ultimate parent and is also incorporated in the United States. Copies of its accounts are available from its executive offices 39550 Orchard Hill Place Drive, Novi, MI 48325.

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.

19. Events since the balance sheet date

With effect from 1 January 2008, the Company's remaining activities consist of sales support activities. In a move towards the complete consolidation of all UK activities into one legal entity, and the eventual liquidation of the Company, the following transactions were effected in 2008:

- the sale of the company's 1 % interest in the French limited partnership Technistan SNC to CSA France SAS, effective 25 July 2008;
- the sale of the company's 100% interest in The Standard Products Company (Europe) Ltd (subsequently renamed Cooper-Standard Automotive UK Limited) to Cooper-Standard Automotive International Holdings BV, a fellow subsidiary of the Cooper-Standard Automotive Inc group;
- the strike-off of its remaining (dormant) UK based subsidiaries in July and August 2008;
- the transfer of the sales support activities to Cooper-Standard Automotive UK Limited (see above) based on a Business Transfer Agreement, effective 1 September, 2008.

Notes to the financial statements

at 31 December 2007

19. Events since the balance sheet date (continued)

Subsequent to the business transfer, the company's management has started to prepare the company for liquidation (which is planned for 2009). As part of the liquidation preparation, the majority of the company's assets and liabilities remaining after the business transfer and not otherwise realised will eventually be transferred to Cooper-Standard Automotive UK Limited. At 31 December 2008, the main items not yet realised are the Maesteg land and buildings and certain remaining receivables and payables.

As a result of the above the accounts have been prepared on an orderly realisation basis.