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Stoneridge Electronics Limited

Report and Financial Statements

31 December 2011

MONDAY WEDNESDAY



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COMPANIES HOUSE

Directors

M Jenkins (resigned August 14, 2012)
P Kruk (appointed August 14, 2012)
JC Corey
GE Strickler

Secretaries

R Gillon
GE Strickler

Auditors

Ernst & Young LLP
G1
5 George Square
Glasgow G2 1DY

Registered Office

c/o Shepherd & Wedderburn LLP
5th Floor
1 Exchange Crescent
Conference Square
Edinburgh EH3 8UL

Registered No: SC139213

Directors' report

Results

The audited financial statements for the year ended 31 December 2011 are set out on pages 7 to 19. The loss for the year, after taxation, was £540,000 (2010: profit of £510,000).

Principal activities and review of the business

The principal activities of the company comprise the manufacture and distribution of recording instruments for a range of applications.

The company continues to invest in research and development. The principal activities in research and development include new product development as well as engineering maintenance support on existing business and work on product cost reduction projects.

The company operates distribution centres in Spain and France. The results of these branches are incorporated into the accounts of the company.

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

	2011 £000	2010 £000
Turnover	19,328	16,958
Operating profit	320	1,004
(Loss) / profit after tax	(540)	510
Shareholders' funds	6,951	8,619
Average number of employees	132	131

Turnover increased by 14.0% during the year. Much of the increase was attributable to increased sales of the new digital tachograph which was launched in April.

Operating profit fell by 68% during the year. Although sales volumes increased in the year, operating results were impacted by additional investments within design and development and marketing.

Profit after tax fell by 206% in line with the operating profit decline and also the effect of derecognising a deferred tax asset of £0.3M.

Shareholder's funds decreased by 19% during the year. Most of the decline is attributable to a dividend payment of £1M made to Stoneridge AB.

Future Developments

A new tachograph programming tool is under development with a target launch date in the final quarter of 2012. The device will complement the new generation of digital tachographs.

The company has positioned itself to capture market share in new territories, particularly in South America and Russia.

Directors' report (continued)

Financial risk management

The company's principal financial instruments comprise cash and short term deposits, the main purpose of which is to provide finance for its normal operations.

The company has various other financial instruments such as trade debtors and creditors that arise directly from its trading operations.

The main risks arising from the company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The company has clear policies for managing each of these risks, as summarised below.

Interest rate risk

The company holds cash balances on floating rate short-term deposit. The company's policy is to monitor the level of these balances to ensure that funds are available as required, recognising that interest earnings will be subject to interest rate fluctuations.

Credit risk

The company uses third party credit information providers to assist in the risk assessment process for granting credit to its customers.

Liquidity risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and applying cash collection targets. Investment is carefully controlled, with authorisation limits operating at different levels up to group board level.

Foreign currency risk

The company makes sales and purchases in foreign currencies of which the majority of transactions are conducted in Euros. As a result cash flows can be affected by movements in the Euro exchange rate. No hedging activity is undertaken locally to mitigate this risk.

Directors

The directors who served during the year were as follows:

M Jenkins (resigned August 14, 2012)

J C Corey

G E Strickler

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Disclosure of information to auditors

The directors who were members of the board at the time of approving the directors' report are listed above. 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 all the 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.

Directors' report (continued)

Registered No

SC139213

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



R Gillon
Secretary

6/11/12

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Stoneridge Electronics Limited

We have audited the financial statements of Stoneridge Electronics Limited for the year ended 31 December 2011, which comprise the Profit and loss Account, the Statement of total recognised gains and losses, the Balance sheet, and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

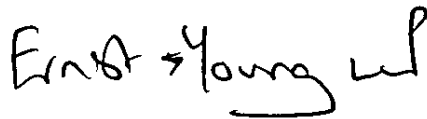
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report (continued)
to the members of Stoneridge Electronics Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Andrew Bishop (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Glasgow

Date: 9 November 2012

Profit and loss account

for the year ended 31 December 2011

	<i>Notes</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Turnover	2	19,328	16,958
Cost of sales		10,710	8,710
Gross profit		8,618	8,248
Other operating expenses	3	8,298	7,244
Operating profit	4	320	1,004
Bank interest receivable		17	3
Interest payable and similar charges	5	(205)	(250)
Profit on ordinary activities before taxation		132	757
Tax on profit on ordinary activities	8	672	247
(Loss) / Profit for the financial year		(540)	510

All amounts relate to continuing operations

Statement of total recognised gains and losses

for the year ended 31 December 2011

	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
(Loss) / Profit for the financial year	(540)	510
(Loss) on foreign currency translation	(117)	(73)
Total recognised losses relating to the year	(657)	437

Balance sheet

at 31 December 2011

	Notes	2011 £000	2010 £000
Intangible assets			
Intellectual property	10	5,254	5,911
Tangible fixed assets			
Tangible assets	11	200	113
Current assets			
Stocks	12	1,315	1,579
Debtors	13	3,532	3,251
Cash at bank and in hand		3,003	5,197
Creditors: amounts falling due within one year	14	7,850 4,182	10,027 5,198
Net current assets		3,668	4,829
Creditors: amounts falling due after one year	15	2,149	2,212
Provisions for liabilities and charges	16	22	22
Net assets		6,951	8,619
Capital and reserves			
Called up share capital	17	250	250
Share premium account	18	86	86
Capital redemption reserve	18	563	563
Other reserves – capital contribution	18	2,750	2,750
Profit and loss account	18	3,302	4,970
Total shareholders' funds – equity	18	6,951	8,619

Peter Kruk

Director

Date


2012-11-06

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of accounting

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

Going Concern

No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company's business activities, together with the factors likely to affect its future development and position, are set out in the principal activities and review of the business section of the Directors' Report on page 1.

The company has considerable financial resources together with a large number of customers spread across different geographic areas. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

On the basis of their assessment of the company's financial position and of the enquiries made of the senior management of Stoneridge Inc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. Revenue is recognised for product sales / service when the following criteria have been met:

Sale of goods

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

Rendering of services

Revenue from the sale of software licenses, which entitle the purchaser to a right to use and obtain support for a period of 12 months, is recognised monthly over the 12 month period. The deferred income is included as a liability on the balance sheet.

Interest income

Revenue is recognised as the interest is paid.

Tangible fixed assets

Tangible fixed assets are shown at cost, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write-off the cost of fixed assets on a straight line basis over their estimated useful lives as follows:

Freehold land and buildings	10 to 25 years
Plant and machinery	4 to 10 years
Fixtures and fittings	2 to 5 years

Stocks

Stocks are stated at the lower of cost and net realisable value. Costs have been determined using standard costs approximating to actual costs on a first-in, first-out basis. In the case of work in progress and finished goods, standard cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads.

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.

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Deferred tax

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 that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised by the Directors if they consider it more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Deferred tax is measured on a non discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The company contributes to a defined contribution scheme and the amount charged to the profit and loss account relates to the contributions and related fees payable in the year. Further information on pension costs is provided in note 20.

Foreign currency

Normal trading activities denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Profit and loss accounts of overseas branches are translated at the average rate, with assets and liabilities denominated in foreign currencies at the year end being translated at the exchange rate prevailing at the year end.

Exchange differences arising on the translation of the opening net assets and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the group's investment in such operations, are dealt with through reserves. All other exchange differences are included in the profit and loss account.

Research and development

Research and development expenditure is written off as incurred.

Intangible Assets

Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 10 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Leases and hire purchase agreements-

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Cash flow statement

As permitted by FRS 1 (Revised), no cash flow statement has been prepared as the company is a wholly owned subsidiary of Stoneridge Inc, whose group accounts include a consolidated cash flow statement, and are publicly available.

Related party transactions

The company has taken advantage of the FRS 8 exemption from having to provide details of transactions with fellow group undertakings.

Notes to the financial statements

at 31 December 2011

2. Turnover

Turnover comprises the value of sales (excluding VAT and trade discounts) of goods and services supplied in the normal course of business.

<i>Sales by Region</i>	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
UK	5,038	4,696
Europe	12,334	10,549
Rest of World	1,956	1,713
	<u>19,328</u>	<u>16,958</u>

3. Other operating expenses

	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Selling and distribution costs	4,430	3,740
Administrative expenses	1,996	1,869
Research and development costs	1,215	978
IP asset amortisation charge	657	657
	<u>8,298</u>	<u>7,244</u>

4. Operating profit

This is stated after charging:

	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Depreciation on tangible fixed assets	69	99
Amortisation on intangible asset	657	657
Auditors' remuneration	33	33
Exchange loss on foreign currency transactions	(123)	(4)
Operating Lease payments - Plant and machinery	3	3
- Other including Land & Buildings	450	422
	<u></u>	<u></u>

5. Interest payable and similar charges

	<i>2011</i> <i>£000</i>	<i>2010</i> <i>£000</i>
Interest payable on loans from group companies	205	250
	<u></u>	<u></u>

Notes to the financial statements

at 31 December 2011

6. Staff costs

Employee costs during the year amounted to:

	2011 £000	2010 £000
Wages and salaries	3,745	3,686
Social security costs	599	569
Other pension costs	113	105
	<u>4,457</u>	<u>4,360</u>

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

	2011 Number	2010 Number
Manufacturing	29	33
Administration and management	103	98
	<u>132</u>	<u>131</u>

All pension costs are in respect of defined contribution schemes.

7. Directors' remuneration

The remuneration of the directors was as follows:

	2011 £000	2010 £000
Emoluments	133	147
Company contributions to money purchase pension schemes	13	13
	<u>146</u>	<u>160</u>

The number of directors who were members of pension schemes was as follows:

	2011 Number	2010 Number
Money purchase schemes	1	1

Notes to the financial statements

at 31 December 2011

8. Tax on profit on ordinary activities

a) The tax charge is made up as follows:

	2011 £000	2010 £000
<i>Current tax:</i>		
UK Corporation tax	52	240
Double tax relief	(52)	(239)
Adjustment in respect of prior year	-	3
	-	4
Group relief	-	-
Total UK current tax charge	-	4
<i>Foreign tax</i>		
Current tax	320	291
Prior year adjustment	(1)	-
	319	295
<i>Deferred tax:</i>		
Originating and reversal of timing differences	353	(48)
Tax on profit on ordinary activities	672	247

b) Factors affecting current tax charge:

	2011 £000	2010 £000
Profit on ordinary activities before tax	132	757
Profit multiplied by standard rate of corporation tax in the UK of 26.5% (2010: 28%)	35	212
Effect of:		
Disallowed expenses and non taxable income	5	4
Capital allowances in advance of depreciation	16	24
Other timing differences	1	-
Excess foreign tax on overseas income	(52)	(239)
Group relief	(5)	-
Prior period adjustment	(1)	-
UK Corporation Tax charge for 2011	(1)	1
Foreign tax current year charge	320	291
Corporation tax charge for the period	319	292

Notes to the financial statements

at 31 December 2011

8. Tax on profit on ordinary activities (continued)

c) Deferred tax:

The deferred tax included in the balance sheet is as follows:

	2011 £000	2010 £000
Short term timing differences	-	18
Decelerated capital allowances	-	335
	<u> </u>	<u> </u>
Total	-	353
	<u> </u>	<u> </u>
		2011 £000
At 31 December 2010		353
Deferred tax charge in profit and loss account (note 8a)		(353)
		<u> </u>
At 31 December 2011		nil
		<u> </u>

The company has an unrecognised deferred tax asset at the balance sheet date of £343K relating primarily to decelerated capital allowances on UK fixed assets. The company derecognised the deferred tax asset in the current year on the basis that the asset does not meet the recognition criteria since it is not considered more likely than not that there will be suitable taxable profits in the future against which the underlying timing difference may reverse.

The Finance Act 2011, reduced the main rate of UK corporation tax to 25% with effect from 1 April 2012. As this rate has been substantively enacted at the balance sheet date, the deferred tax figures within these accounts have been calculated at that rate.

The Government announced in the UK Budget on 21 March 2012 that the full rate of UK corporation tax would reduce by a further one percent to 24% from 1 April 2012, and decrease by a further 1% each 1 April thereafter, until the rate reaches 22% with effect from 1 April 2014.

The Government has now proposed further reductions in the corporation tax rate, as announced in the Budget at 21 March 2012. The main rate of corporation tax will now be reduced to 24% from 1 April 2012 and decreased by a further 1% each April thereafter, until the rate reaches 22% with effect from 1 April 2014.

Notes to the financial statements

at 31 December 2011

9. Dividends

Declared and paid during the year:

	<i>2011</i>	<i>2010</i>
	<i>£000</i>	<i>£000</i>
Equity dividends on ordinary shares	1,011	-

Notes to the financial statements

at 31 December 2011

10. Intangible Assets

	<i>Intellectual Property £000</i>	<i>Total £000</i>
Cost:		
At 31 December 2010	6,568	6,568
At 31 December 2011	6,568	6,568
Amortisation:		
At 31 December 2010	657	657
Charge for the year	657	657
At 31 December 2011	1,314	1,314
Net book value:		
At 31 December 2011	5,254	5,254
At 31 December 2010	5,911	5,911

In December 2009 the company purchased the intellectual property rights for the Optac range of products from our sister company Stoneridge Electronics AB for £6,568,000. The value was derived using an income approach which assessed fair value based on the present value of the future economic benefits. The valuation was prepared by an independent party. The intellectual property rights for the Optac range of products are considered to have a useful economic life of 10 years. In accordance with the company's accounting policy, the asset is to be amortised over this period on a straight line basis.

11. Tangible fixed assets

	<i>Freehold land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures and fittings £000</i>	<i>Total £000</i>
Cost:				
At 31 December 2010	232	1,212	913	2,357
Exchange difference	-	-	(5)	(5)
Additions	18	10	129	157
At 31 December 2011	250	1,222	1,037	2,509
Depreciation:				
At 31 December 2010	218	1,210	816	2,244
Exchange difference	-	-	(4)	(4)
Charge for the year	9	4	56	69
At 31 December 2011	227	1,214	868	2,309
Net book value:				
At 31 December 2011	23	8	169	200
At 31 December 2010	14	2	97	113

Notes to the financial statements

at 31 December 2011

12. Stocks

	2011 £000	2010 £000
Raw materials and consumables	322	452
Work in progress	91	97
Finished goods and goods for resale	902	1,030
	<u>1,315</u>	<u>1,579</u>

In the opinion of the directors, the estimated replacement cost of stock is not materially different from its balance sheet value as shown above.

13. Debtors: amounts falling due within one year

	2011 £000	2010 £000
Trade debtors	2,853	2,606
Amounts owed by group undertakings	409	35
Prepayments and accrued income	270	257
Deferred tax (note 8c)	-	353
	<u>3,532</u>	<u>3,251</u>

14. Creditors: amounts falling due within one year

	2011 £000	2010 £000
Trade creditors	936	559
Corporation Tax payable	-	1
Other taxes and social security costs	281	294
Accruals and deferred income	1,597	1,678
Amounts due to group undertakings	1,368	2,666
	<u>4,182</u>	<u>5,198</u>

15. Creditors: amounts falling due after one year

	2011 £000	2010 £000
Inter Company Loan	2,149	2,212
	<u></u>	<u></u>

An intercompany loan was taken out on December 31st 2010 for £6,568,000 to purchase the intellectual property acquired in note 9. Interest is to be charged at a fixed annual rate of 5.973% over the life of the loan and the first capital repayment of £4,082,000 was made on March 31st 2011. The remaining balance of the loan is due to be repaid on or before January 1, 2015

Notes to the financial statements

at 31 December 2011

16. Provisions for Liabilities

	<u>Severance</u> £000
As at 31 December 2010	22
Utilised during the year	-
As at 31 December 2011	22

The provision relates to an ongoing legal case following severance communications made in 2010.

17. Called up share capital

Authorised, allotted, called up and fully paid:

	<i>2011</i> £000	<i>2010</i> £000
Equity shares		
250,000 ordinary shares of £1 each	250	250

18. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i> £000	<i>Share premium account</i> £000	<i>Capital redemption</i> £000	<i>Capital contribution</i> £000	<i>Profit and loss shareholders' account</i> £000	<i>Total funds</i> £000
At 1 January 2010	250	86	563	2,750	4,533	8,182
Profit for the financial year	-	-	-	-	510	510
Foreign currency translation	-	-	-	-	(73)	(73)
At 1 January 2011	250	86	563	2,750	4,970	8,619
Loss for the financial year	-	-	-	-	(540)	(540)
Dividend Paid	-	-	-	-	(1,011)	(1,011)
Foreign currency translation	-	-	-	-	(117)	(117)
At 31 December 2011	250	86	563	2,750	3,302	6,951

Notes to the financial statements

at 31 December 2011

19. Operating Leases

At 31 December 2011 the company had annual commitments under non cancellable operating leases, relating to assets other than land and buildings, as set out below:

	2011 £000	2010 £000
Operating leases which expire:		
Within one year	22	20
In two to five years	95	98
	<u>117</u>	<u>118</u>

20. Pension arrangements

The company operates a defined contribution pension scheme. The scheme is a group of personal pension schemes administered by Aegon in the UK and B2V Cirica and UGRR AGR in France .

The company also operates an occupational pension scheme which provides benefits limited to lump sum death in service benefits, and a permanent health insurance policy under which long term employee disability insurance cover is provided.

These schemes are open to substantially all employees.

The amount charged to the profit and loss account for the costs to the company of these schemes was £125,633 (2010: £105,085). In addition the company paid fees of £5,387 (2010: £5,205) in respect of professional advice on the schemes.

As at 31 December 2011, £27,402 (2010:£27,174) was payable to the pension schemes.

21. Guarantees and other financial commitments

The company has granted a guarantee in favour of Her Majesty's Revenue and Customs to cover the import duty deferment scheme, liability under which is limited to £15,000 (2010: £15,000).

22. Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Stoneridge Inc, incorporated in the state of Ohio, USA.

The smallest group of which the company is consolidated into is that headed by Stoneridge AB. The largest group in which the company is consolidated into is that headed by Stoneridge Inc. The consolidated accounts of these groups are available to the public and may be obtained from the following addresses:

Stoneridge Inc.
9400 East Market Street
Warren, Ohio 44484
USA