

Stoneridge Electronics Limited

Report and Financial Statements

31 December 2012

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SCT 20/09/2013 #157
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 2012 are set out on pages 7 to 19. The loss for the year, after taxation, was £1,010,000 (2011: loss of £540,000).

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:

	2012	2011
	£000	£000
Turnover	17,705	19,328
Operating (loss) / profit	(496)	320
(Loss) after tax	(1,010)	(540)
Shareholders' funds	5,697	6,951
Average number of employees	137	132

Turnover reduced by 8.4% during the year. Although all markets remained weak during 2012, sales were also negatively affected by component supply issues for the digital tachograph in the aftermath of the Japanese tsunami in April.

Operating results moved from a profit last year to a loss in 2012, a movement of 255%. Although declining sales volumes were a major factor, operating results were impacted by negative effects on gross margin of the strengthening GBP against the EURO. The year on year change was partially offset by lower marketing spend.

Loss after tax was 87% worse than the previous year, in line with the year on year deterioration from the previous year's operating profit.

Shareholders' funds decreased by 18% during the year.

Future Developments

Development was completed on a new tachograph programming tool which was successfully launched commercially in January 2013. The device will complement the new generation of digital tachographs and early indications are that the product is performing well.

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)

P Kruk (appointed 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



Robin Gillon
Secretary

Date 9/9/13

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 2012, 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 2012 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.

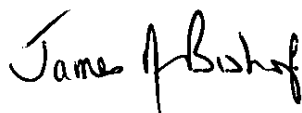
Independent auditors' report (continued)

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

Date: 9 September 2013.

Profit and loss account

for the year ended 31 December 2012

	Notes	2012 £000	2011 £000
Turnover	2	17,705	19,328
Cost of sales		10,246	10,710
Gross profit		7,459	8,618
Other operating expenses	3	7,955	8,298
Operating (Loss)/profit	4	(496)	320
Bank interest receivable		3	17
Interest payable and similar charges	5	(133)	(205)
(Loss)/Profit on ordinary activities before taxation		(626)	132
Tax on (loss)/profit on ordinary activities	8	384	672
(Loss) for the financial year		(1,010)	(540)

All amounts relate to continuing operations

Statement of total recognised gains and losses

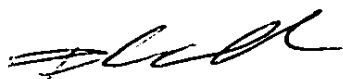
for the year ended 31 December 2012

	2012 £000	2011 £000
(Loss) for the financial year	(1,010)	(540)
(Loss) on foreign currency translation	(60)	(117)
Total recognised losses relating to the year	(1,070)	(657)

Balance sheet

at 31 December 2012

	Notes	2012	2011
		£000	£000
Intangible assets			
Intellectual property	10	4,598	5,254
		<u> </u>	<u> </u>
Tangible fixed assets			
Tangible assets	11	191	200
		<u> </u>	<u> </u>
Current assets			
Stocks	12	1,483	1,315
Debtors	13	3,134	3,532
Cash at bank and in hand		1,790	3,003
		<u> </u>	<u> </u>
		6,407	7,850
Creditors: amounts falling due within one year	14	3,385	4,182
		<u> </u>	<u> </u>
Net current assets		3,022	3,668
		<u> </u>	<u> </u>
Creditors : amounts falling due after one year	15	2,092	2,149
		<u> </u>	<u> </u>
Provisions for liabilities and charges	16	22	22
		<u> </u>	<u> </u>
Net assets		5,697	6,951
		<u> </u>	<u> </u>
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	2,048	3,302
		<u> </u>	<u> </u>
Total shareholders' funds - equity	18	5,697	6,951
		<u> </u>	<u> </u>



Peter Kruk
Director

Date 2013-09-06

Notes to the financial statements

at 31 December 2012

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 2012

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 2012

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>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
UK	4,224	5,038
Europe	11,725	12,334
Rest of World	1,756	1,956
	<u>17,705</u>	<u>19,328</u>

3. Other operating expenses

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Selling and distribution costs	3,850	4,430
Administrative expenses	1,896	1,996
Research and development costs	1,552	1,215
IP asset amortisation charge	657	657
	<u>7,955</u>	<u>8,298</u>

4. Operating profit

This is stated after charging:

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Depreciation on tangible fixed assets	100	69
Amortisation on intangible asset	657	657
Auditors' remuneration	33	33
Exchange loss on foreign currency transactions	3	(123)
Operating Lease payments - Plant and machinery	2	3
- Other including Land & Buildings	444	450
	<u></u>	<u></u>

5. Interest payable and similar charges

	<i>2012</i> <i>£000</i>	<i>2011</i> <i>£000</i>
Interest payable on loans from group companies	<u>133</u>	<u>205</u>

Notes to the financial statements

at 31 December 2012

6. Staff costs

Employee costs during the year amounted to:

	2012 £000	2011 £000
Wages and salaries	4,160	3,745
Social security costs	574	599
Other pension costs	100	113
	<u>4,834</u>	<u>4,457</u>

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

	2012 Number	2011 Number
Manufacturing	28	29
Administration and management	109	103
	<u>137</u>	<u>132</u>

All pension costs are in respect of defined contribution schemes.

7. Directors' remuneration

The remuneration of the directors was as follows:

	2012 £000	2011 £000
Emoluments	209	133
Company contributions to money purchase pension schemes	22	13
	<u>231</u>	<u>146</u>

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

	2012 Number	2011 Number
Money purchase schemes	<u>1</u>	<u>1</u>

During the year one director was remunerated by Stoneridge Electronics Limited for services provided to the company. This also corresponds to the remuneration of the highest paid director. The remuneration comprises £123k (2011: £nil) of compensation payable for loss of office.

Notes to the financial statements

at 31 December 2012

8. Tax on loss on ordinary activities

a) The tax charge is made up as follows:

	2012 £000	2011 £000
<i>Current tax:</i>		
UK Corporation tax	-	52
Double tax relief	-	(52)
Adjustment in respect of prior year	-	-
	-	-
Group relief	-	-
	-	-
Total UK current tax charge	-	-
<i>Foreign tax</i>		
Current tax	384	320
Prior year adjustment	-	(1)
	384	319
<i>Deferred tax:</i>		
Originating and reversal of timing differences	-	353
	-	-
Tax on loss on ordinary activities	384	672

b) Factors affecting current tax charge:

	2012 £000	2011 £000
Loss on ordinary activities before tax	(626)	132
Loss multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	(154)	35
Effect of:		
Disallowed expenses and non taxable income	13	5
Capital allowances in advance of depreciation	22	16
Other timing differences	(3)	1
Excess foreign tax on overseas income	(94)	(52)
Group relief	-	(5)
Prior period adjustment	-	(1)
Generation of tax losses	216	-
	-	(1)
UK Corporation Tax charge for 2012	-	(1)
Foreign tax current year charge	384	320
	-	-
Corporation tax charge for the period	384	319

Notes to the financial statements

at 31 December 2012

8. Tax on loss on ordinary activities (continued)

c) Factors that may affect future tax charges:

The UK government has announced its intention to reduce the UK corporation tax rate to 20% by 1 April 2015. The reduction from 26% to 24% was substantively enacted on 26 March 2012 and came into effect on 1 April 2012. A hybrid rate of 24.5% therefore applies to current tax liabilities arising during the period. A further reduction to 23% was enacted on 17 July 2012 and became effective from 1 April 2013. At the balance sheet date, the change in tax rate to 23% has no effect on current liabilities arising prior to the effective date of change. As the 23% rate was enacted at the balance sheet date, this rate would have been applied to the deferred tax assets and liabilities at the year end if they had been recognised.

d) Deferred tax:

The company has an unrecognised deferred tax asset at the balance sheet date of £500k comprising of decelerated capital allowances £307k, unrelieved tax losses carried forward £179k and other short term timing differences £14k. The company derecognised the deferred tax asset in the prior 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 asset continues to be derecognised in the current year as it still does not fulfil the recognition criteria.

9. Dividends

Declared and paid during the year

	2012 £000	2011 £000
Equity dividends on ordinary shares	-	1,011

Notes to the financial statements

at 31 December 2012

10. Intangible Assets

	Total £000
Cost:	
At 31 December 2011	6,568
At 31 December 2012	6,568
Amortisation:	
At 31 December 2011	1,314
Charge for the year	657
At 31 December 2012	1,971
Net book value:	
At 31 December 2012	4,598
At 31 December 2011	5,254

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

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost:				
At 31 December 2011	250	1,222	1037	2,509
Exchange difference	-	-	(5)	(5)
Additions	8	63	21	92
At 31 December 2012	258	1,285	1,053	2,596
Depreciation:				
At 31 December 2011	227	1,214	868	2,309
Exchange difference	-	-	(4)	(4)
Charge for the year	10	13	77	100
At 31 December 2012	237	1,227	941	2,405
Net book value:				
At 31 December 2012	21	58	112	191
At 31 December 2011	23	8	169	200

Notes to the financial statements

at 31 December 2012

12. Stocks

	2012 £000	2011 £000
Raw materials and consumables	409	322
Work in progress	215	91
Finished goods and goods for resale	859	902
	<u>1,483</u>	<u>1,315</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

	2012 £000	2011 £000
Trade debtors	2,292	2,853
Amounts owed by group undertakings	465	409
Prepayments and accrued income	377	270
	<u>3,134</u>	<u>3,532</u>

14. Creditors: amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	624	936
Other taxes and social security costs	340	281
Accruals and deferred income	1,409	1,597
Amounts due to group undertakings	1,012	1,368
	<u>3,385</u>	<u>4,182</u>

15. Creditors: amounts falling due after one year

	2012 £000	2011 £000
Inter Company Loan	<u>2,092</u>	<u>2,149</u>

An intercompany loan was taken out on December 31st 2009 for £6,568,000 to purchase the intellectual property acquired in note 10. 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 2012

16. Provisions for Liabilities

	2012 £000
As at 31 December 2011	22
Utilised during the year	-
As at 31 December 2012	22

The provision relates to an on-going legal case following severance communications made in 2011.

17. Called up share capital

Authorised, allotted, called up and fully paid:

	2012 £000	2011 £000
Equity shares		
250,000 ordinary shares of £1 each	250	250

18. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Share premium account £000	Capital redemption £000	Capital contribution £000	Profit and loss shareholders' account £000	Total funds £000
At 1 January 2011	250	86	563	2,750	4,970	8,619
Profit for the financial year	-	-	-	-	(540)	(540)
Dividend Paid	-	-	-	-	(1,011)	(1,011)
Foreign currency translation	-	-	-	-	(117)	(117)
At 1 January 2012	250	86	563	2,750	3,302	6,951
Loss for the financial year	-	-	-	-	(1,010)	(1,010)
Unrecognised deferred tax movement in year	-	-	-	-	(184)	(184)
Foreign currency translation	-	-	-	-	(60)	(60)
At 31 December 2012	250	86	563	2,750	2,048	5,697

Notes to the financial statements

at 31 December 2012

19. Operating Leases

At 31 December 2012 the company had annual commitments under non cancellable operating leases, relating to assets other than land and buildings, as set out below:

	2012 £000	2011 £000
Operating leases which expire:		
Within one year	27	22
In two to five years	127	95
	<u>154</u>	<u>117</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 £121,914 (2011: £125,633). In addition the company paid fees of £5,400 (2011: £5,387) in respect of professional advice on the schemes.

As at 31 December 2012, £26,957 (2011:£27,402) 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 (2011: £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