

Annual Report and Financial Statements

Lucas Industries Limited

For the Year Ended 31 December 2011



Officers and professional advisors

Company registration number

00054802

Directors

PM Almond
A Bassett
MG Degen
MC Furber
R Lechner
PR Rapin

Secretary

J Pegg

Auditor

Ernst & Young LLP
No 1 Colmore Square
Birmingham
B4 6HQ

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Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2011

Principal activity

The company is a subsidiary intermediate holding company within the TRW Automotive Holdings Corp group of companies (the 'TRW group'), and will continue in this capacity for the foreseeable future

Business review

During the year the company made £140,000,000 of capital contributions to its subsidiary undertaking TRW Limited

During the year the buildings at the discontinued operation in Mere Green were demolished and the site is currently undergoing environmental remediation work with a view to an eventual sale. Accordingly the loss on retirement of the buildings on this site totalled £693,278

The company as the head leaseholder (until the expiry of the original leases) is potentially liable for various unexpired leases on various properties due to the respective leaseholders going into administration in previous years

On 19 August 2011 the company surrendered the lease for its property located in Coventry. The company has no current or future obligations with regard to this lease.

On the basis of current evidence available, it is the directors' opinion that the remaining onerous lease provisions held at the balance sheet date are adequately provided for.

Report of the directors (continued)

Financial review and results

The directors have carried out an impairment review of their fixed asset investments in accordance with FRS 11. The impairment review was carried out by comparing investment asset book values with the discounted value of forecast future cash flows for all its trading subsidiary undertakings. The forecast future cash flows were arrived at using standard TRW group vehicle build assumptions. The cash flows were discounted at a rate appropriate to the business.

Following this review the investment in TRW Limited (a United Kingdom subsidiary undertaking) has been impaired by a further £30,000,000.

The profit for the year, after taxation, amounted to £9,057,000 (2010 loss - £16,836,000).

Fixed assets

In the directors' opinion the valuation of land and buildings is not significantly different to that stated in the balance sheet.

Charitable and political contributions

During the period donations to universities, other educational establishments and charities amounted to £ nil (2010 - £ nil). No payment was made to any political party.

Report of the directors (continued)

Directors

The directors who served the company during the year and up to the date of approval of these financial statements were as follows

PM Almond
A Bassett
MG Degen
MC Furber
R Lechner
PR Rapin

Directors' interests

None of the directors had any declarable interests in shares of any group companies in the United Kingdom at 31 December 2011

Directors' indemnities

During the period an indemnity from the company was available to the directors against liabilities incurred by them in defending proceedings against them in relation to the affairs of the company. The indemnity is subject to the provisions of the Companies Act and is set out in the Articles of Association.

Directors' statement as to disclosure of information to auditors

Each of the directors who were members of the board at the time of approving the directors' report confirms that

- to the best of their knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditors are unaware, and
- they have taken all steps that a director might reasonably be expected to have taken to be aware of the relevant audit information and to establish that the auditors are aware of that information

Report of the directors (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future

As of 31 December 2011, the company had net current liabilities of £138,776,000. This is due to large intercompany credit balances with dormant entities, principally Lucas Investments Limited. The only circumstance where it is possible that these dormant current account balances are likely to be called upon would be in the event of liquidation of the dormant entities, and in that case, the proceeds would be required to pay off the equivalent investment values held on the books of Lucas Industries Limited, and the net impact would therefore be zero. Lucas Industries Limited has net assets of £634,037,000.

The business is an intermediate holding company. Normal activity consists of property-related transactions, the receipt of dividend and royalty income, and the receipt and payment of interest.

For a twelve month forward period, positive cashflows can be expected, some of which will be reflected in changed intercompany balances via the group cash pooling arrangements.

A letter of support has also been received from TRW Deutschland GmbH covering the period up to 30 June 2013, and the directors have made enquiries to satisfy themselves that it is in a position to provide such support.

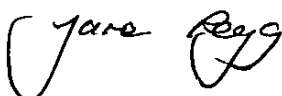
The company participates in the centralised Treasury arrangements of the TRW group and therefore shares banking arrangements with its parent and fellow subsidiaries. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the TRW group to continue as a going concern, or its ability to continue with current banking arrangements.

The company has also obtained confirmation from TRW Automotive Holdings Corp. that the fixed and floating charges on its assets will not be called upon during the next twelve months.

Disclosure of requirement to appoint auditors

The auditors Ernst & Young, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

BY ORDER OF THE BOARD



J Pegg
Company Secretary
7 June 2012

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 judgments and accounting 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,
- 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 adequate 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.

Report of the independent auditor to the members of Lucas Industries Limited

We have audited the financial statements of Lucas Industries Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet, Note of Historical Cost Profit and Loss and the related notes 1 to 16. 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 8, 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 Lucas Industries Limited annual report 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 profit 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

Report of the independent auditor to the members of Lucas Industries Limited (continued)

Opinion on other matter 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

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

Ernst & Young LLP

Helen Hemming
(senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
Birmingham
12 June 2012

Profit and loss account

	Note	2011 £000	2010 £000
Other operating income		12,079	8,605
Operating expenses		(8,317)	(2,667)
Onerous lease charges		—	(1,891)
Operating profit	2	3,762	4,047
Loss on retirement of tangible fixed assets		(693)	(160)
Release of fixed asset investment provisions		—	17
Impairment of fixed asset investments		(30,000)	(60,000)
Income from investments		11,987	16,067
Interest receivable	5	28,683	28,438
Interest payable and similar charges	6	(234)	(142)
Profit/(loss) on ordinary activities before taxation		13,505	(11,733)
Taxation charge on ordinary activities	4	(4,448)	(5,103)
Profit/(loss) for the financial year		9,057	(16,836)

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the periods as set out above

The accompanying notes form part of these financial statements.

Note of historical cost profit and loss

	2011 £000	2010 £000
Reported profit/(loss) on ordinary activities before taxation	13,505	(11,733)
Difference between a historical cost depreciation charge and the actual charge calculated on the re-valued amount	63	63
Historical cost profit/(loss) on ordinary activities before taxation	13,568	(11,670)
Historical cost profit/(loss) for the year retained after taxation	9,120	(16,773)

The accompanying notes form part of these financial statements.

Balance sheet

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	7	9,684	10,375
Investments in subsidiary undertakings	8	794,324	681,372
Investments in associate undertakings	8	2,768	2,768
		<u>806,776</u>	<u>694,515</u>
Current assets			
Debtors	9	90,799	185,967
Cash at bank	10	18,453	9,008
		<u>109,252</u>	<u>194,975</u>
Creditors amounts falling due within one year	11	(248,028)	(232,216)
Net current liabilities		<u>(138,776)</u>	<u>(37,241)</u>
Total assets less current liabilities		<u>668,000</u>	<u>657,274</u>
Provisions for liabilities	4,12	(33,963)	(32,294)
Net assets		<u>634,037</u>	<u>624,980</u>
Capital and reserves			
Called-up equity share capital	13	45,591	45,591
Share premium account	14	—	—
Revaluation reserve	14	2,842	2,905
Capital reserve	14	290,100	290,100
Profit and loss account	14	295,504	286,384
Equity shareholders' funds	14	<u>634,037</u>	<u>624,980</u>

These financial statements were approved by the directors and authorised for issue on 7 June 2012, and are signed on their behalf by



A Bassett
Director

The accompanying notes form part of these financial statements.

Notes to the financial statements

1 Accounting policies

Accounting convention

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

Consolidated accounts have not been prepared because the company has taken advantage of section 401 of the Companies Act 2006 which exempts the company from the obligation to prepare and deliver group financial statements as it is included in the consolidated accounts of TRW Automotive Holdings Corp, a company registered in the USA. These accounts present information about the company and not about its group.

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future.

As of 31 December 2011, the company had net current liabilities of £138,776,000. This is due to large intercompany credit balances with dormant entities, principally Lucas Investments Limited. The only circumstance where it is possible that these dormant current account balances are likely to be called upon would be in the event of a liquidation of the dormant entities, and in that case, the proceeds would be required to pay off the equivalent investment values held on the books of Lucas Industries Limited. The net impact of these transactions would therefore be zero. Lucas Industries Limited has net assets of £634,037,000.

The business is an intermediate holding company. Normal activity consists of property-related transactions, the receipt of dividend and royalty income, and the receipt and payment of interest.

For a twelve month forward period, positive cashflows can be expected, some of which will be reflected in changed intercompany balances via the group cash pooling arrangements.

A letter of support has also been received from TRW Deutschland GmbH covering the period up to 30 June 2013, and the directors have made enquiries to satisfy themselves that it is in a position to provide such support.

The company participates in the centralised Treasury arrangements of the TRW group and therefore shares banking arrangements with its parent and fellow subsidiaries. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the TRW to continue as a going concern, or its ability to continue with current banking arrangements.

The company has also obtained confirmation from TRW Automotive Holdings Corp that the fixed and floating charges on its assets will not be called upon during the next twelve months.

Cash flow statement

Under Financial Reporting Standard 1 (revised 1996), the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking TRW Automotive Holdings Corp includes the company in its own published consolidated financial statements.

1 Accounting policies (continued)

Related parties transactions

As the company is a wholly owned subsidiary of TRW Automotive Holdings Corp, it has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with other subsidiary undertakings that form part of the TRW group, and associated undertakings of the TRW group

Fixed assets

All fixed assets are initially recorded at cost. Property was re-valued in 1999 with the revaluation surplus taken to the revaluation reserve. The company has adopted the transitional provisions of FRS 15 and therefore, these valuations have not been updated.

Dividends

Dividend income is recognised when the company's right to receive payment is established.

Fixed asset investments

Investments are treated as associated undertakings where the company has a participating interest, the investment is held for the long term, and the company exercises significant influence. Investments are treated as joint ventures where the company holds a long term interest and exercises joint control under a contractual arrangement. Investments in subsidiary and associated undertakings are stated at cost, less provision for any impairment in the value of those investments.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Buildings 2% - 10% per annum

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. All differences are taken to the profit and loss account.

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

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold
- 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
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable

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

2 Operating profit

	2011	2010
	£000	£000
Operating profit is arrived at after crediting/(charging) the following items		
Depreciation - owned assets	(340)	(476)
Royalty income	1,488	6,200
Foreign exchange	694	(668)
Rental income	830	881
Onerous lease charge	(352)	(1,891)
Onerous lease buyout	1,031	–
Onerous lease release of provisions	860	62

3 Information regarding the company, directors, employees and auditors

Directors emoluments are borne by other entities in the group. The directors do not spend a significant portion of time in respect of Lucas Industries Limited and therefore the proportion of the charge that relates to Lucas Industries Limited is not considered to be significant.

The company had no employees during the year (2010 - nil)

The auditors' remuneration for 2011 relating to the company and fellow non-trading subsidiary undertakings was £88,000 (2010 - £ nil)

4 Taxation on profit on ordinary activities

	2011 £000	2010 £000
Current tax		
United Kingdom corporation tax	—	—
Overseas tax	(427)	3,482
Double tax relief	—	—
Adjustment in respect of prior periods	—	—
Foreign withholding taxes	1,498	513
Total current taxation charge for the year	1,071	3,995
Deferred taxation	3,377	1,108
Total tax charge on profit on ordinary activities for the year	4,448	5,103

The tax assessed for the period is lower than the standard rate of corporation tax in the United Kingdom 26.5%. The differences are explained below.

The movement in deferred taxation includes the non-recognition of advanced corporation tax.

Tax reconciliation

	2011 £000	2010 £000
Profit/(loss) on ordinary activities before taxation	13,505	(11,733)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 26.5% (2010 - 28%)	3,579	(3,285)
Expenses not deductible for tax purposes	8,059	16,919
Income not taxable	(3,176)	(4,499)
Permanent differences arising from the withdrawal of capital allowances	(3)	(15)
Depreciation in excess of capital allowances	72	110
Other short term timing differences	(453)	447
Group relief received without payment	(8,053)	(9,677)
Overseas tax	(427)	3,482
Foreign withholding taxes	1,473	513
Total current taxation	1,071	3,995

4 Taxation on profit on ordinary activities (continued)

Deferred taxation

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2011 £000	2010 £000
Provided		
Tax value of the fixed asset investment deferred gain	<u>29,100</u>	<u>25,723</u>

The calculation of the net present value of the held over gain is based on the discount rate of 2.57% (2010 - 3.98%)

The tax value of the fixed asset investment deferred gain has been calculated using the corporation tax rate of 25%, which was the rate enacted at the balance sheet date. It should be noted that the Government announced that it intends to introduce legislation to reduce the mainstream rate of UK corporation tax to 22% by 2014. The effect of this reduction to 22% will be that the not provided figures will reduce to £25,261,933.

As a result of the TRW group restructuring significant shadow ACT has been created. This reduces the possibility of utilising real ACT in the foreseeable future. The directors have therefore, not provided for any real ACT against the held over gain for 2011 (2010 £ nil).

5 Interest receivable

	2011 £000	2010 £000
Interest on inter-company deposits	28,672	28,431
Bank interest receivable	<u>11</u>	<u>7</u>
	<u>28,683</u>	<u>28,438</u>

6 Interest payable and similar charges

	2011 £000	2010 £000
Interest on inter-company and other borrowings	<u>(234)</u>	<u>(141)</u>

7 Tangible fixed assets

	Freehold Land and Buildings £000
Cost or valuation	
At 1 January 2011	15,389
Additions	209
Retirements	(898)
At 31 December 2011	<u>14,700</u>
Depreciation	
At 1 January 2011	(5,014)
Charge for the year	(340)
Retirements	338
At 31 December 2011	<u>(5,016)</u>
Net book value	
At 31 December 2011	<u>9,684</u>
At 31 December 2010	<u>10,375</u>

Included within freehold property is £6,340,000 (2010 - £6,340,000) of land

The figures for land and buildings after eliminating the effect of revaluations were as follows

	2011 £000	2010 £000
Original cost	10,527	11,216
Depreciation	<u>(3,685)</u>	<u>(3,767)</u>
	<u>6,842</u>	<u>7,449</u>

The company has adopted the transitional provisions of FRS15 - Tangible Fixed Assets in 2000 and has retained property at their book value, including the effect of the revaluation in 1999. From the year 2000 onwards it is company policy not to revalue fixed assets.

	Subsidiary Undertakings £000	Associated Undertakings £000	Total £000
Shares at cost			
At 1 January 2011	617,531	2,768	620,299
Additions	143,000	–	143,000
Adjustment	(48)	–	(48)
At 31 December 2011	<u>760,483</u>	<u>2,768</u>	<u>763,251</u>

	Subsidiary Undertakings £000	Total £000
Provisions for impairment		
At 1 January 2011	(171,996)	(171,996)
Impairments provided during the year	(30,000)	(30,000)
At 31 December 2011	<u>(201,996)</u>	<u>(201,996)</u>

	Group Undertaking £000	Associated Undertakings £000	Total £000
Loans to			
At 1 January 2011 and 31 December 2011	<u>235,837</u>	<u>–</u>	<u>235,837</u>
Net book values			
At 31 December 2011	<u>794,324</u>	<u>2,768</u>	<u>797,092</u>
At 31 December 2010	<u>681,356</u>	<u>2,768</u>	<u>684,124</u>

During the year the company made £140,000,000 of capital contributions to the subsidiary undertaking TRW Limited (2010 £60,000,000). The company also subscribed for £1,500,000 each, of new shares in two subsidiary undertakings Joseph Lucas Limited and TRW Investment Management Co Limited.

The inter-company loan note with TRW Deutschland Holding GmbH a fellow group undertaking is a fixed interest loan of 7.75% per annum and is repayable in 2029.

The directors have carried out an impairment review of their fixed asset investments in accordance with FRS 11. The impairment review was carried out by comparing investment asset book values with the discounted value of forecast future cash flows for all its trading subsidiary undertakings. The forecast future cash flows were arrived at using standard TRW group vehicle build assumptions. The cash flows were discounted at a rate appropriate to the business.

Following this review the investment in TRW Limited (a United Kingdom subsidiary undertaking) has been impaired by a further £30.0 million.

8 Investments (continued)

Principal subsidiary undertakings

The following list includes unlisted subsidiary undertakings that currently trade. All undertakings are wholly owned, except where stated, and the company's interests are in ordinary shares or their equivalent. Interests in undertakings marked* are held by intermediate undertakings. The places of incorporation and countries of operation are as shown below.

Subsidiary undertakings

Name of company	Country of registration or incorporation	Percentage of ordinary shares held
Cityday Limited	England and Wales	100%
TRW Limited	England and Wales	100%
TRW Systems Limited*	England and Wales	100%
Autocruise SAS	France	100%
LucasVarity Langzhong Brake Company Limited	China	70%
Lucas Varity (M) SDN BHD	Malaysia	99.99%
Lucas Automotive SDN BHD	Malaysia	100%

Associate undertakings

Brakes India Limited (year end 31 March)	India	49%
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9 Debtors

	2011 £000	2010 £000
Amounts falling due within one year		
Amount owed by ultimate parent undertaking	–	110,281
Amounts owed by other group undertakings	87,920	74,707
Other debtors	2,879	979
	<u>90,799</u>	<u>185,967</u>

During the year the company has contributed two inter-company receivable loans with an intermediate parent undertaking. TRW Automotive Inc notes to a subsidiary undertaking TRW Limited. The contribution totalled £110,000,000.

10 Cash

	2011 £000	2010 £000
Cash at bank and in hand	<u>18,453</u>	<u>9,008</u>

The company has £1,453,983 (2010 - £1,450,567) deposited on escrow, this amount is held on behalf of third parties

11 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Accruals and deferred income	64	300
Amounts owed to associate undertaking	613	613
Amounts owed to other group undertakings	<u>247,351</u>	<u>231,303</u>
	<u>248,028</u>	<u>232,216</u>

All intercompany balances are interest free and repayable on demand

12 Provisions for liabilities

	Overseas corporation tax £000	Deferred taxation £000	Onerous provisions £000	Total £000
At 1 January 2011	3,482	25,723	3,089	32,294
Charge in the year	—	3,377	352	3,729
Released in the year	—	—	(860)	(860)
Utilised in the year	—	—	(1,200)	(1,200)
At 31 December 2011	<u>3,482</u>	<u>29,100</u>	<u>1,381</u>	<u>33,963</u>

Deferred tax is disclosed within the taxation note 4

13 Share capital

Authorised share capital

	2011 £000	2010 £000
342,923,164 ordinary shares of £0.25 each	85,731	85,731
	<u>85,731</u>	<u>85,731</u>

Allotted and called up

	2011 £000	2010 £000
182,362,241 ordinary shares of £0.25 each	45,591	45,591
	<u>45,591</u>	<u>45,591</u>

14 Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Share premium account £000	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000	Total share- holders' funds £000
At 1 January 2010	45,591	—	2,968	290,100	303,157	641,816
Loss for the year	—	—	—	—	(16,836)	(16,836)
Transfer of realised re-valued depreciation	—	—	(63)	—	63	—
At 31 December 2010 and 1 January 2011	45,591	—	2,905	290,100	286,384	624,980
Profit for the year	—	—	—	—	9,057	9,057
Transfer of realised re-valued depreciation	—	—	(63)	—	63	—
At 31 December 2011	<u>45,591</u>	<u>—</u>	<u>2,842</u>	<u>290,100</u>	<u>295,504</u>	<u>634,037</u>

15 Financial commitments

Certain group creditors have fixed and floating charges on all its assets present and future and on the uncalled share capital, other than the company's trade receivables. These charges are secured under a credit agreement, where JP Morgan Chase Bank acts as the creditors' collateral agent and trustee.

16 Ultimate parent company

The company's immediate parent undertaking is LucasVarity, a company registered in England and Wales.

In the directors' opinion, the company's ultimate undertaking and controlling party is TRW Automotive Holdings Corp., incorporated in Delaware in the USA. This is the smallest and largest group in which the results of the company are consolidated and copies of the consolidated accounts of the company may be obtained from 12001 Tech Centre Drive, Livonia, Michigan 48150, USA.