

Registration number: 894744

Cooper Tire & Rubber Company International Development Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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Cooper Tire & Rubber Company International Development Limited

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Cooper Tire & Rubber Company International Development Limited

Company Information

Directors	E M Jones J J Schumaker
Company secretary	C Weston
Registered office	Bath Road Melksham Wiltshire SN12 8AA
Solicitors	Norton Rose Fulbright LLP Kempson House Camomile Street London EC3A 7AN
Bankers	The Chase Manhattan Bank 125 London Wall London EC2Y 5AJ
Auditors	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

Cooper Tire & Rubber Company International Development Limited

Directors Report for the Year Ended 31 December 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Results and dividends

The loss for the year, after taxation, amounted to £(96,540) (2014: £nil). Full details are set out in the Statement of Comprehensive Income.

No dividend is proposed (2014: £nil).

Principal activity

The principal activities of the company are the investment in production equipment in China, Serbia and Turkey (and will exist as a holding company for these assets), and the provision of technical and administrative services.

Directors of the company

The directors who held office during the year were as follows:

E M Jones

J J Schumaker

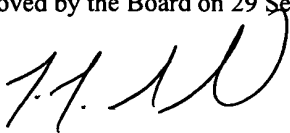
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 29 September 2016 and signed on its behalf by:



J J Schumaker
Director

Cooper Tire & Rubber Company International Development Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has 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 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.

Cooper Tire & Rubber Company International Development Limited

Independent Auditor's Report to the members of Cooper Tire & Rubber Company International Development Limited

We have audited the financial statements of Cooper Tire & Rubber Company International Development Limited for the year ended 31 December 2015, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and the related notes 1 to 11. 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), including FRS 101 'Reduced Disclosure Framework'.

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 Statement of Directors' Responsibilities (set out on page 3), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2015 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 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.

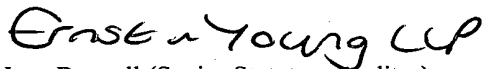
Cooper Tire & Rubber Company International Development Limited

**Independent Auditor's Report
to the members of Cooper Tire & Rubber Company International Development Limited
(continued)**

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
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and in not preparing a Strategic Report.



Jane Barwell (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

30 September 2016

Cooper Tire & Rubber Company International Development Limited

Income Statement for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Administrative expenses		(563,679)	(518,591)
Other income		<u>563,679</u>	<u>518,591</u>
Operating profit/(loss)		<u>-</u>	<u>-</u>
Profit/(loss) before income tax		-	-
Income tax expense	5	<u>(96,540)</u>	-
Loss for the year		<u><u>(96,540)</u></u>	<u><u>-</u></u>

The above results were derived from continuing operations.

The notes on pages 10 to 16 form an integral part of these financial statements.

Cooper Tire & Rubber Company International Development Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	2015 £
Loss for the year	<u>(96,540)</u>
Total comprehensive income for the year	<u><u>(96,540)</u></u>

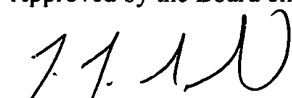
Cooper Tire & Rubber Company International Development Limited

(Registration number: 894744)

Statement of Financial Position as at 31 December 2015

	Note	2015 £	2014 £
Non-current assets			
Property, plant and equipment	6	1,222,105	717,998
Current assets			
Trade and other receivables	7	359,461	134,868
Cash and cash equivalents		<u>601,720</u>	<u>601,751</u>
		<u>961,181</u>	<u>736,619</u>
Current liabilities			
Trade and other payables	8	(2,242,840)	(1,491,318)
Income tax liability	5	<u>(73,687)</u>	<u>-</u>
		<u>(2,316,527)</u>	<u>(1,491,318)</u>
Net current liabilities		<u>(1,355,346)</u>	<u>(754,699)</u>
Net liabilities		<u>(133,241)</u>	<u>(36,701)</u>
Equity			
Ordinary shares	9	100	100
Retained earnings		<u>(133,341)</u>	<u>(36,801)</u>
Total equity		<u>(133,241)</u>	<u>(36,701)</u>

Approved by the Board on 29 September 2016 and signed on its behalf by:



J J Schumaker

Director

The notes on pages 10 to 16 form an integral part of these financial statements.

Cooper Tire & Rubber Company International Development Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Retained earnings £	Total £
At 1 January 2015	100	(36,801)	(36,701)
Loss for the year	-	(96,540)	(96,540)
Total comprehensive income	-	(96,540)	(96,540)
At 31 December 2015	100	(133,341)	(133,241)
	Share capital £	Retained earnings £	Total £
At 1 January 2014	100	(36,801)	(36,701)
Profit/(loss) for the year	-	-	-
Total comprehensive income	-	-	-
At 31 December 2014	100	(36,801)	(36,701)

The notes on pages 10 to 16 form an integral part of these financial statements.

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 Accounting policies

Statement of compliance

The financial statements of Cooper Tire & Rubber Company International Development Limited (the "Company") for the year ended 31 December 2015 were authorised for issue by the board of directors on 30 September 2016 and the Statement of Financial Position was signed on the board's behalf by J J Schumaker. Cooper Tire & Rubber Company International Development Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

General information

The company has investments in production equipment in China, Serbia and Turkey (and will exist as a holding company for these assets), and the provision of technical and administrative services.

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom.

The address of its registered office is:

Bath Road
Melksham
Wiltshire
SN12 8AA

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10(d), (statement of cash flows),
- 16 (statement of compliance with all IFRS),
- 38A (requirement for minimum of two primary statements, including cash flow statements),
- 38B-D (additional comparative information),
- 111 (cash flow statement information), and
- 134-136 (capital management disclosures).

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

1 Accounting policies (continued)

- IAS 7, 'Statement of cash flows'.
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Going concern

The company meets its day-to-day working capital requirements through its bank facilities and balances with group undertakings. The company's forecasts and projections, taking account of reasonably possible changes in circumstances, show that the company should be able to operate within the level of its current facilities. The directors have received assurances that the parent company will continue to provide support to the company to enable it to meet its liabilities as they fall due, therefore directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 January 2015 have had a material effect on the financial statements.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment

Property, plant and equipment is stated in the Statement of Financial Position at historical cost less depreciation.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

1 Accounting policies (continued)

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition of each asset spread evenly over its expected useful life as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% straight line

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial instruments

The company has no financial assets or liabilities measured at fair value through profit or loss.

2 Critical accounting judgements and key sources of estimation uncertainty

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of plant & machinery

The annual depreciation charge for plant and machinery is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

3 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	316,880	232,098
Other income from group company	<u>(563,679)</u>	<u>(518,591)</u>

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

3 Operating profit (continued)

Other income from group company represents re-imbursement for the provision of assets, personnel & services to other group companies.

Auditors' remuneration for both 2015 and 2014 is borne by another group company.

4 Staff costs

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	206,743	245,557
Social security costs	28,377	28,348
Pension costs, defined contribution scheme	11,679	12,588
	<u>246,799</u>	<u>286,493</u>

The monthly average number of employees employed during the year, analysed by category was as follows:

	2015 No.	2014 No.
Production	3	3
Administration and support	1	1
	<u>4</u>	<u>4</u>

The Directors duties are so incidental to this company that no remuneration is allocated to the entity from the group.

5 Income tax

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
UK corporation tax	64,168	-
UK corporation tax adjustment to prior periods	32,372	-
	<u>96,540</u>	<u>-</u>

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

5 Income tax (continued)

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2014 - the same as the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit/(loss) before tax	-	-
Corporation tax at standard rate	-	-
Increase in current tax from adjustment for prior periods	32,372	-
Movement in unrecognised deferred tax	54,288	-
Deferred tax expense relating to changes in tax rates or laws	9,880	-
Total tax charge	96,540	-

A potential deferred tax asset of £82,000 (2014: £28,000) has arisen due to depreciation being in excess of capital allowances for qualifying non-current assets. There is not sufficient certainty that this will lead to an economic inflow for the company and as such has not been recognised in the financial statements.

The UK corporation tax rate was reduced from 21% to 20% effective from 1 April 2015. During the year, reductions in the main corporation tax rate were enacted that will have an effect on future tax charges of the Company. The main rate reduces from 20% to 19% on 1 April 2017 and to 18% on 1 April 2020. The unrecognised deferred tax asset at 31 December 2015 is calculated at a rate of 18%. An announcement was made after the balance sheet date amending the reduction in the main rate of corporation tax on 1 April 2020 from 18% to 17%. The impact of this future reduction would not have a material impact on the value of the unrecognised deferred tax asset.

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

6 Property, plant and equipment

	Other property, plant and equipment £
Cost or valuation	
At 1 January 2015	3,772,951
Additions	820,987
Disposals	(466,757)
Transfers	32,685
At 31 December 2015	<u>4,159,866</u>
Depreciation	
At 1 January 2015	3,054,953
Charge for the year	316,880
Eliminated on disposal	(466,757)
Transfers	32,685
At 31 December 2015	<u>2,937,761</u>
Carrying amount	
At 31 December 2015	<u>1,222,105</u>
At 31 December 2014	<u>717,998</u>

7 Trade and other receivables

	2015 £	2014 £
Receivables from fellow subsidiary undertakings	<u>359,461</u>	<u>134,868</u>

All amounts due from fellow group undertakings are repayable between 30 days and 120 days and on average 120 days.

8 Trade and other payables

	2015 £	2014 £
Amounts due to fellow subsidiary undertakings	<u>2,242,840</u>	<u>1,491,318</u>

All amounts due to related parties are repayable between 30 and 120 days and on average 60 days.

Cooper Tire & Rubber Company International Development Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

9 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Authorised share capital

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10 Parent and ultimate parent undertaking

The company's immediate parent undertaking is Cooper Tyre & Rubber Company UK Limited. Copies of its annual financial statements are available from Bath Road, Melksham, Wiltshire, SN12 8AA. In the directors' opinion, the company's ultimate parent undertaking and controlling party is Cooper Tire & Rubber Company of Findlay, Ohio, which is incorporated in the USA.

Cooper Tire & Rubber Company of Findlay, Ohio has included the company in its consolidated financial statements, copies of which are available from 701 Lima Avenue, Findlay, Ohio 45840, USA.

11 Transition to FRS 101

The company has applied FRS101 "Reduced Disclosure Framework" for the first time in these financial statements. The transition date was 1 January 2014.

The directors have reviewed the company's accounting policies and have concluded that there are no differences between the company's accounting policies applied under "old UK GAAP" and FRS101 "Reduced Disclosure Framework".

Income Statement for the year ended 31 December 2014

	As originally reported £	As restated £
Administrative expenses	518,591	518,591
Other income	<u>(518,591)</u>	<u>(518,591)</u>
Profit/(loss) for the year	<u>-</u>	<u>-</u>