

Registered No 898822

Autoliv Spring Dynamics Limited

Report and Financial Statements

31 December 2010

WEDNESDAY



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COMPANIES HOUSE

Directors

B M O Wallin
J Bentley

Secretary

J Bentley

Auditors

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Bankers

Skandinaviska Enskilda Banken
Scandinavian House
2 Cannon Street
London EC4M 6XX

Registered office

44 Welbeck Street
London W1G 8DY

Directors' report

The directors present their report and financial statements for the year ended 31 December 2010

Results and dividends

The loss for the year amounted to £294,000 (2009 – loss of £2,784,000) The directors do not recommend the payment of any dividends (2009 – £Nil)

Principal activities and review of the business

The company's principal activity during the year was the provision of supply chain management services for other Autoliv group entities in Europe, and management of its lease obligation

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

	2010 £'000	2009 £'000	Change %
Turnover	-	6,333	-
Total operating loss before exceptional	(283)	(542)	47
Loss after tax	(294)	(2,784)	89
Shareholders' deficit	(3,494)	(3,200)	(9)
Current assets as % of current liabilities	8	42	-
Average number of employees	1	42	-

Due to the sharp drop in European vehicle production and the closure of the company's British steel supplier, Autoliv Spring Dynamics Limited announced in November 2008 the planned closure of the business and the transfer of its manufacturing assets to another Autoliv group entity in Romania. The transfer of production lines commenced in the first half of 2009, and manufacturing in the UK ceased in December 2009. The company continued to provide supply chain management services for a short period, however this ceased in 2010. Accordingly the company is now non-trading.

Subsequent events

During March 2011, the company agreed an additional sublease for the unoccupied portion of its UK site. The minimum expected income over the next five years is approximately £1.3 million which would reduce the onerous lease provision detailed in Note 12.

Going concern

As detailed above, the company ceased to trade in 2010 with no expectation that trading will recommence. The company has a lease commitment that runs to 2019 and as such expects to continue in operational existence until at least this date. As the company has net liabilities at 31 December 2010 it is reliant upon parental support to enable it to meet its obligations as they fall due. The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis.

Directors

The directors who served the company during the year and subsequent to the year end were as follows

B M O Wallin

J Bentley

R Green

(resigned 24/12/2010)

Directors' report (continued)

Principal risks and uncertainties

The directors have evaluated the principal risks and uncertainties that faced the company during the year and consider these to be largely nullified by the decision to cease operations. The main remaining risk is whether the current sub-tenants extend their lease beyond the current term, and also the company's ability to continue to make rent payments on the head-lease.

Directors' liabilities

The company has indemnified one or more directors of the company 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 was in force during the year and remains in force as at the date of approving the directors' report.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

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

On behalf of the Board



J Bentley
Director

Date 03 Nov. 2011

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 those 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 AUDITOR'S REPORT TO THE MEMBERS OF AUTOLIV SPRING DYNAMICS LIMITED

We have audited the financial statements of Autoliv Spring Dynamics Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 19. 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 Statement of Directors' Responsibilities 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 (APB'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 Report and Financial Statements 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 2010 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.

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.



Gary Harding (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

Date 18 November 2011

Profit and loss account

for the year ended 31 December 2010

	<i>Note</i>	<i>2010</i> <i>£'000</i>	<i>2009</i> <i>£'000</i>
Turnover	3	–	6,333
Cost of sales		–	(4,825)
		<hr/>	<hr/>
Gross profit		–	1,508
Distribution costs		–	(68)
Administrative expenses		(283)	(2,628)
Other operating income		–	646
		<hr/>	<hr/>
Operating loss	4	(283)	(542)
Exceptional items	5	–	(2,162)
		<hr/>	<hr/>
Loss on ordinary activities before interest and similar charges		(283)	(2,704)
		<hr/>	<hr/>
Interest payable and similar charges	8	(11)	(80)
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(294)	(2,784)
Tax on loss on ordinary activities	9	–	–
		<hr/>	<hr/>
Loss for the financial year	17	(294)	(2,784)
		<hr/>	<hr/>

All amounts relate to discontinued operations

Statement of total recognised gains and losses

for the year ended 31 December 2010

There are no recognised gains or losses other than the loss of £294,000 attributable to the shareholders for the year ended 31 December 2010 (2009 – loss of £2,784,000)

Balance sheet
 at 31 December 2010

Registered No 898822

		2010	2009
	Note	£'000	£'000
Current assets			
Debtors	10	150	632
Cash at bank		—	100
		<u>150</u>	<u>732</u>
Creditors amounts falling due within one year	11	(1,897)	(1,738)
		<u>(1,747)</u>	<u>(1,006)</u>
Net current liabilities			
		<u>(1,747)</u>	<u>(1,006)</u>
Total assets less current liabilities			
		<u>(1,747)</u>	<u>(1,006)</u>
Provisions for liabilities	12	(1,747)	(2,194)
		<u>(3,494)</u>	<u>(3,200)</u>
Net liabilities			
		<u>(3,494)</u>	<u>(3,200)</u>
Capital and reserves			
Called up share capital	16	26	26
Share premium account	17	4,149	4,149
Other reserves	17	3	3
Profit and loss account	17	(7,672)	(7,378)
		<u>(3,494)</u>	<u>(3,200)</u>
Shareholders' deficit	17	(3,494)	(3,200)
		<u>(3,494)</u>	<u>(3,200)</u>

Approved by the Board


 J Bentley
 Director

Date 03 Nov. 2011

Notes to the financial statements

at 31 December 2010

1. Fundamental accounting concept – going concern

As detailed in the directors report, the company ceased to trade in 2010 with no expectation that trading will recommence. The company has a lease commitment that runs to 2019 and as such expects to continue in operational existence until at least this date. As the company has net liabilities at 31 December 2010 it is reliant upon parental support to enable it to meet its obligations as they fall due. The parent company has confirmed to the directors that it is willing to provide such support and as such the accounts have been prepared on a going concern basis.

2. Accounting policies

Basis of preparation

The financial statements of Autoliv Spring Dynamics Limited were approved for issue by the Board of Directors on the date noted on the balance sheet.

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

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related parties transactions

The company's ultimate parent company is Autoliv Inc, the consolidated financial statements of which are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the Autoliv Inc group where they are held 100% within the group.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

Sale of goods

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

Provision of services

Revenue from the provision of services is recognised in line with the performance of the related service.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions.

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Notes to the financial statements

at 31 December 2010

2. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating lease agreements

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

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

3 Turnover

Turnover represents the amounts of goods and services invoiced during the period and is stated net of value added tax

An analysis of turnover by geographical market is given below

	2010 £'000	2009 £'000
Europe	—	5,134
The Americas	—	664
Rest of the World	—	535
	<u>—</u>	<u>6,333</u>

4. Operating loss

This is stated after charging

	2010 £'000	2009 £'000
Auditors' remuneration – audit of the financial statements	2	16
	<u>—</u>	<u>—</u>
Depreciation of owned fixed assets	—	216
	<u>—</u>	<u>—</u>
Operating lease rentals – land and buildings	—	391
– plant and machinery	1	24
Net loss on foreign currency translation	6	59
	<u>6</u>	<u>59</u>

Notes to the financial statements

at 31 December 2010

5. Exceptional items

Closure of manufacturing facility

	2010 £'000	2009 £'000
Redundancy cost	-	606
Onerous lease provision	-	1,556
	-	2,162

6. Staff costs

	2010 £'000	2009 £'000
Wages and salaries	69	1,595
Social security costs	7	158
Other pension costs	7	60
	83	1,813

The monthly average number of employees during the year was as follows

	2010 No	2009 No
Production staff	-	37
Administrative staff	1	5
	1	42

7. Directors' emoluments

	2010 £'000	2009 £'000
Emoluments	69	160
Pension contributions	1	16
	70	176

One director (2009 – one) was a member of a group defined contribution pension scheme, and no director (2009 – one) received contributions payable to a private defined contribution pension scheme

Notes to the financial statements

at 31 December 2010

8. Interest payable and similar charges

	2010 £'000	2009 £'000
Bank interest payable	5	17
Foreign exchange losses	6	63
	<u>11</u>	<u>80</u>

9. Taxation on ordinary activities

(a) Tax on loss on ordinary activities

The charge is made up as follows

	2010 £'000	2009 £'000
Current tax	(82)	–
Deferred tax	82	–
Tax on loss on ordinary activities	<u>–</u>	<u>–</u>

(b) Factors affecting current tax charge

The tax credit assessed on the loss on ordinary activities for the year is lower (2009 – lower) than the standard rate of corporation tax in the UK of 28% (2009 – 28.5%). The differences are reconciled below

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation	(294)	(2,784)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 – 28.5%)	<u>(82)</u>	<u>(780)</u>
<i>Effects of</i>		
Expenses not deductible for tax purposes	–	103
Capital allowances	–	(112)
Group relief for no consideration	–	798
Other timing differences	–	(9)
Total current tax	<u>(82)</u>	<u>–</u>

Notes to the financial statements

at 31 December 2010

9. Taxation on ordinary activities (continued)

(c) Deferred tax

The deferred taxation asset is not recognised in the financial statements due to the likelihood of the company being unable to utilise the asset, and is as follows

	2010 £'000	2009 £'000
Other timing differences	1	1
Unrelieved trade losses	110	28
	<u>111</u>	<u>29</u>

10. Debtors

	2010 £'000	2009 £'000
Trade debtors	-	15
Amounts owed by group undertakings	-	416
Other debtors	39	45
Prepayments and other debtors	111	156
	<u>150</u>	<u>632</u>

11. Creditors' amounts falling due within one year

	2010 £'000	2009 £'000
Bank overdraft	383	1,411
Trade creditors	-	41
Amounts owed to group undertakings	1,501	155
Other taxation and social security	-	37
Other creditors	-	7
Accruals and deferred income	13	87
	<u>1,897</u>	<u>1,738</u>

The bank overdraft forms part of a 'cash pool' arrangement and is secured by group undertakings

12. Provisions for liabilities

	2010 £'000	2009 £'000
At 1 January	2,194	1,038
Charge in the year	-	2,162
Utilised	(447)	(1,006)
At 31 December	<u>1,747</u>	<u>2,194</u>

The 2010 provision for liabilities is comprised of the provision for onerous lease obligations. The 2009 provision also included redundancy costs which have been paid during the year.

Notes to the financial statements

at 31 December 2010

13. Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,000 (2009 – £60,000) for the year. There were outstanding contributions payable to the fund of £nil (2009 – £7,000) at the year end.

14. Commitments under operating leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below:

	2010		2009	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£'000	£'000	£'000	£'000
<i>Operating leases which expire in over five years</i>	358	–	358	–
	<u>358</u>	<u>–</u>	<u>358</u>	<u>–</u>

15. Contingent liabilities

The company has issued guarantee's in the normal course of business to HM Customs and Excise of £nil (2009 – £30,000) and other third parties of £nil (2009 – £nil).

16. Issued share capital

	2010		2009	
	No	£'000	No	£'000
<i>Allotted, called up and fully paid Ordinary shares of £1 each</i>	26,000	26	26,000	26

17. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Profit and loss account</i>	<i>Total share- holders' funds</i>
	£'000	£'000	£'000	£'000	£'000
At 31 December 2008	26	4,149	3	(4,594)	(4,131)
Loss for the year	–	–	–	(2,784)	(2,784)
At 31 December 2009	<u>26</u>	<u>4,149</u>	<u>3</u>	<u>(7,378)</u>	<u>(3,200)</u>
Loss for the year	–	–	–	(294)	(294)
At 31 December 2010	<u>26</u>	<u>4,149</u>	<u>3</u>	<u>(7,672)</u>	<u>(3,494)</u>

Notes to the financial statements

at 31 December 2010

18. Subsequent events

During March 2011, the company agreed an additional sublease for the unoccupied portion of its UK site. The minimum expected income over the next five years is approximately £1.3 million which would reduce the onerous lease provision detailed in Note 12.

19. Ultimate parent company

The company is a subsidiary undertaking of Autoliv UK Holding Limited, a company incorporated in United Kingdom. The ultimate parent undertaking and controlling party is Autoliv, Inc., a company incorporated in Delaware in the United States of America.

The largest group undertakings for which group financial statements are drawn up and of which the company is a member is Autoliv, Inc. The smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Autoliv AB, a company incorporated in Sweden. The consolidated financial statements of Autoliv Inc. and Autoliv AB are available to the public and may be obtained from:

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