MSX International Limited

Financial statements
for the year ended 31 December 2009

Registered No 1949542

MSX International Limited

Financial statements for the year ended 31 December 2009

Company information

Directors at 31 December 2009

F Minturn
S Del Mar (appointed 14 April 2009)

Secretary and registered office

J Bignall
The Octagon
Middleborough
Colchester
Essex
CO1 1TG

Auditors

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

Bankers

JPMorgan Chase Bank, N A
125 London Wall
London
EC2Y 5AJ

Directors' Report
For the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Principal activities

The company is a supplier of business services, principally to the automotive industry

Results and Dividends

The company's profit after tax is £2,975,000 (2008 £6,151,000) The directors are unable to recommend payment of a final dividend (2008 £Nil)

Changes in fixed assets

Details of movements on fixed assets during the year are set out in note 10 to the financial statements

Branches

The company operates branches in Norway, Sweden, Denmark, Eire and Finland In 2009 the branch activities contributed 23% (2008 26%) of the total turnover for the year

Directors

The directors of the company during the year and subsequently were,

F Minturn
P Leger (resigned 14 April 2009)
S Del Mar (appointed 14 April 2009)

F Minturn held shares in the ultimate parent companies, MSX International Inc and MSX IBS Inc, during the year

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment within the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Directors' Report (continued)
For the year ended 31 December 2009

Employee Involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole

Supplier Payment Policy

The Company seeks to maintain good relations with its suppliers It is the company policy to comply with the terms of trade agreed with each supplier As at 31 December 2009, the Company's outstanding trade creditors represents 22 days (2008 21 days)

Business Review & Financial Risk Management

The company provides primarily Consultancy services, and concentrates on its three core activities of Integrated Warranty Solutions, Growth Solutions and Technical Solutions

The company reviews monthly forecast sales and margin reports, and compares and investigates results to forecasts The company monitors monthly staff retention and turnover figures

The Directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation

The Company uses the following Key Performance Indicators to monitor the performance of the business

	2009	2008
Gross Margin as percentage of Turnover	30%	25%
Support Cost Centres as percentage of Turnover	15%	11%
Growth, year on year, and by business type (all divisions)	(6%)	(15%)
Day Sales Outstanding (all divisions)	40	36
Sales Per employee (all divisions)	60,000	62,000

The company's performance shows a reduction in revenues from one year to the next However, although during 2009 the company experienced pressure to provide price reductions within the industry and some volume decrease, 2009 also brought growth to the company in some areas and new customers The Human Capital Management Services division contracted by 36% as a reaction to uncertain markets, but has since regained activity back to 2008 levels The Business Services division contracted just 3%

Directors' Report (continued)
For the year ended 31 December 2009

The company's policy is for work contracts to have in place a customer Purchase Order and for payment terms to agree with our debtor collection targets Credit checks are instigated for any new business customer Day Sales Outstanding is monitored monthly and receives close scrutiny when showing a variance from target

The principal risks and uncertainties facing the company relate to the current global financial situation and how this is affecting our customers in the automotive industry The current economic condition is causing some reduction in activity levels in the automotive industry However, as the automotive industry looks to reduce its cost, we look forward to being able to supply old and new customers with savings, as they choose to outsource and take advantage of our solutions

The company is financed with bonds expiring in 2012 (see note 13), and it is considered that this provides the financial stability in which the company can build upon its current strengths Interest rates are fixed and it is anticipated that the group will be sufficiently profitable to make interest payments A significant change in the profitability of the group could impact its ability to make interest payments

Directors' responsibilities

The directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (UK GAAP) The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss 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 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 proper accounting records that 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

Directors' Report (continued)
For the year ended 31 December 2009

Directors' responsibilities (continued)

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditors are unaware,
- and the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

In accordance with S 485(4) of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors to the company will be proposed at the annual general meeting

By order of the board

J Bignall
Secretary

Date 28/9/10

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MSX INTERNATIONAL LIMITED

We have audited the financial statements of MSX International Limited for the year ended 31 December 2009 which comprise principal accounting policies, the profit and loss account, the balance sheet, the statement of recognised gains and losses and the related notes 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 pages 4 and 5, 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 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

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

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 2009 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 AUDITORS TO THE MEMBERS OF MSX INTERNATIONAL LIMITED (continued)

Emphasis of matter

In forming our audit opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the uncertainty surrounding the recovery of amounts owed by other group companies which is predicated on the future performance of the MSX Group of companies In view of the significance of this uncertainty we consider it should be brought to your attention

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

Grant Thornton UK LLP

David Miller
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
30/9/2010

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	2	17,963	19,064
Cost of sales		(12,536)	(14,279)
Gross profit		5,427	4,785
Administrative expenses		(2,646)	(2,062)
Other operating income		139	71
Operating profit	3	2,920	2,794
Net interest receivable and similar income	4	7,957	10,449
Net interest payable and similar charges	4	(7,853)	(5,820)
Profit on ordinary activities before taxation		3,024	7,423
Tax charge on profit on ordinary activities	8	(49)	(1,272)
Retained profit for the financial year	18,19	2,975	6,151

All operating transactions arose from continuing activities in the current year

The movement in reserves is shown in note 18

Statement of Recognised Gains and Losses for the year ended 31 December 2009

	2009	2008
	£'000	£'000
Profit for the financial year	2,975	6,151
Currency translation differences on branch foreign currency net investments	22	297
Actuarial loss arising on pension scheme liabilities	(54)	(54)
Total gains and losses recognised in the year	2,943	6,394

Balance sheet
as at 31 December 2009

	Notes	2009	2008
		£'000	**£'000**
Fixed assets			
Investments in subsidiaries	9	**2,377**	**2,377**
Tangible assets	10	**444**	**494**
		2,821	**2,871**
Current assets			
Debtors amounts falling due within one year	11	**25,650**	**20,793**
Debtors amounts falling due after more than one year	11	**49,338**	**53,474**
Cash at bank and in hand		**524**	**1,918**
		75,512	**76,185**
Creditors amounts falling due within one year	12	**(13,371)**	**(13,149)**
Net current assets		**62,141**	**63,036**
Total assets less current liabilities		**64,962**	**65,907**
Creditors amounts falling due after more than one year	13	**(43,491)**	**(47,379)**
Net assets excluding pension liability		**21,471**	**18,528**
Pension asset	16	**13**	**13**
Net assets		**21,484**	**18,541**
Capital and reserves			
Called up share capital	17	**14,183**	**14,183**
Share premium	18	**517**	**517**
Profit and loss account	18	**6,784**	**3,841**
Shareholders' funds	19	**21,484**	**18,541**

The financial statements on pages 8 to 30 were approved by the board of directors on 28/09 2010 and were signed on its behalf by

S Del Mar
Director

Registered No 1949542

Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and under the historical cost convention The accounting policies are set out below and remain unchanged from the prior year

Basis of preparation of financial statements and going concern

The financial statements have been prepared on a going concern basis in spite of the fact that the majority of the net asset value is represented by amounts owing by other group companies MSX International Inc , a parent undertaking, has indemnified MSX International Limited against any defaults on payment of these balances It should be noted that MSX International Inc's ability to make good under the indemnity is dependent on it continuing to trade as a going concern

Although MSX International Inc has significant consolidated net liabilities in the region of $158m as at 31 December 2009 (2008 $154m), its financing is in place until March 2012 Cash flow forecasts indicate that underlying profits should be sufficient to meet interest obligations for a year from the date of signing such that the bonds which finance the company and wider group cannot be called until they mature As such its directors are of the view that MSX International Inc and the company remain a going concern for the foreseeable future

MSX International Inc and the ultimate US parent undertaking operate in the automotive industry The automotive industry has suffered a downturn and matters materially affecting the industry may impact the future performance of the US parent undertakings Despite these adverse economic conditions the directors are of the view that the US parent companies are well positioned in the sector as they concentrate on cost saving and sales growth programs

Consolidated financial statements

The financial statements contain information about MSX International Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of the company's immediate parent, MSXI UK Limited, a company registered in England & Wales

Tangible fixed assets

Fixed assets are stated at original cost less accumulated depreciation Depreciation has been provided so as to allocate the cost of tangible fixed assets systematically over their remaining expected useful economic lives The following rates per annum are used

Notes to the financial statements for the year ended 31 December 2009 (continued)

Principal accounting policies (continued)

Tangible fixed assets(continued)

	%
Plant and Machinery	33 straight line
Fixtures and fittings	20 straight line
Office equipment	20 straight line
Motor vehicles	25 straight line
Computer equipment general	33 straight line
Computer equipment – portable or specialised	50 straight line

Leasehold premium and improvements are amortised evenly over the remaining term of the lease

Fixed asset investments

Fixed asset investments are stated at cost less provision for any impairment in the value of investments The acquisition method of accounting has been used

Financial Instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account

Foreign currencies

Transactions in overseas currencies are translated at the exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies including long term assets and liabilities are retranslated at the exchange rates ruling at the balance sheet date and, and any exchange differences arising are taken to the profit and loss account

This revaluation treatment is required by Statement of Standard Accounting Practice ("SSAP") No 20 and provides a true and fair view of the company's results by recognising exchange movements whether positive or negative

In the case of recognising unrealised gains, this treatment is chosen in favour to the application of the general rule which states that only profits realised at the balance sheet date should be included in the profit and loss account Any unrealised exchange gain or loss within the profit and loss account, relating to foreign currency items, are disclosed in notes 3 and 4

Assets and liabilities of branches in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date and the results of foreign branches are translated at the average rate of exchange for the year Differences on exchange arising from the re-translation of the opening net investment in the branches, and from the re-translation of the results of those branches at the average rate, are taken to reserves

Notes to the financial statements for the year ended 31 December 2009 (continued)

Principal accounting policies (continued)

Turnover

Revenue is recognised as services are delivered Where the company is responsible for the delivery of the service, revenue is recognised gross, as the company has the significant risks and rewards of the transaction Revenue is recognised net, where the company acts as an agent for the delivery of agency staff, and the company does not have the significant risks and rewards of the transaction

Taxation

The charge for taxation is based on the profits for the period as adjusted for disallowable items

Deferred taxation is provided on all timing differences that have not reversed before the balance sheet date at the rate of tax expected to apply when those timing differences reverse It is recognised at the date of the transaction that will result in an obligation to pay more, or a right to pay less (or receive more) tax, with the exception that deferred tax assets are recognised only to the extent that it is regarded more likely than not that they will be recovered

Pension costs

Pension commitments arising in respect of the defined contribution scheme are charged to the profit and loss account on the basis of contributions payable for the period FRS 17, Retirement Benefits, deals with the treatment of the Company's defined benefits pension scheme in the accounts and is set out in note 16

Pension scheme assets are measured using market values Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the year is charged to operating profit The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs Actuarial gains and losses are recognised in the statement of total recognised gains and losses

Leased assets

Expenditure on operating leases is charged to the profit and loss account on a straight line basis over the lease term Assets acquired under finance leases are capitalised as tangible fixed assets The corresponding leasing commitments are shown as obligations to the lessor Interest on such lease obligations is charged to the profit and loss account on an actuarial basis over the term of the lease

Notes to the financial statements for the year ended 31 December 2009 (continued)

Principal accounting policies (continued)

Cash flow statement and related party disclosures

The Company's parent company, MSXI UK Ltd, produces consolidated statements, which include a cash flow statement, and are publicly available The company is therefore exempt under the terms of FRS 1 (revised), from publishing a cash flow statement, and under FRS 8, from disclosing related party transactions with entities that are part of the MSXI UK Ltd group

2 Analysis by class of business and geographical area

A segmental analysis of turnover is set out below The main operations are in the UK and Europe

	2009	2008
	£'000	£'000
Class of business		
Human capital management services	1,088	1,711
Other collaborative services	16,875	17,353
	17,963	19,064
Geographical segment (destination)		
United Kingdom	13,867	14,166
Scandinavia	4,096	4,898
Rest of Europe (Ireland)	-	-
	17,963	19,064

3 Operating profit

Operating profit is stated after charging/(crediting)

	2009	2008
	£'000	£'000
Depreciation charge for the period		
Tangible owned fixed assets	156	180
Finance leased assets	9	9
Auditors' remuneration (note 6)	47	70
Hire of other assets – operating leases	885	1,141
Other operating income – rental income	64	98
Exchange Items		
Loss on exchange arising on debtors and creditors due in more than one year	(22)	44
Gain on exchange on other inter company balances	42	(18)

Notes to the financial statements for the year ended 31 December 2009 (continued)

4 Interest

	2009	2008
	£'000	£'000
Interest receivable		
Interest receivable on loans to fellow subsidiary undertakings	7,939	6,908
Bank interest received	2	37
Other interest received	16	2
Foreign exchange gain on borrowings	-	3,502
	7,957	10,449
Interest payable		
Interest payable on loans from fellow subsidiary undertakings	(6,763)	(5,816)
Other interest payable	(25)	(4)
Foreign exchange loss on borrowings	(1,065)	-
	(7,853)	(5,820)
Other finance income		
Expected return on pension scheme assets	62	61
Interest on pension scheme liabilities	62	(61)
	-	-
Net interest receivable	104	4,629

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Directors' emoluments

One director (2008 none) received emoluments for services to the company during the year as follows

	2009	2008
	£'000	£'000
Wages and Salaries	101	-
Pension contributions	10	-
Benefits in kind	9	-
	120	-

6 Auditors' Remuneration

	2009	2008
	£'000	£'000
Remuneration receivable by the company's auditors for audit of the company's financial statements	45	57
Remuneration receivable by the company's auditors for other services	2	-
	47	57

7 Employee information

The average weekly number of persons (including executive directors) employed by the company during the year was

	2009	2008
By activity		
Office and management	38	36
Consultants and engineers	256	257
Selling and recruitment	7	15
	301	308

Staff costs		
	£'000	£'000
Wages and salaries (including directors)	10,014	10,826
Social security costs	1,319	1,418
Other pension costs (see note 16)	416	410
	11,749	12,654

Notes to the financial statements for the year ended 31 December 2009 (continued)

8 Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2009	2008
	£'000	£'000
Current tax		
UK corporation tax on profit	921	2,128
Relief by surrender of losses of other group members	(793)	(841)
Adjustments to tax in respect of prior periods	61	(272)
Total Current Tax charge	189	1,015
Deferred tax (credit)/charge (note 15)	(140)	257
Total tax charge	49	1,272

(b) Factors affecting tax charge for the year

The tax assessed for the period differs from the standard rate of corporation tax in the UK (30% up to April 2008, 28% thereafter) The differences are explained below

	2009	2008
	£'000	£'000
Profit on ordinary activities before tax	3,024	7,423
Profit on ordinary activities multiplied by standard rate of tax in the UK	861	2,115
Effects of		
Expenses not deductible for tax purposes	14	13
Excess of depreciation over capital allowances	46	-
Adjustments to tax in respect of prior periods	61	(272)
Relief from losses of other group members	(793)	(841)
Current tax charge for period (note 8 (a))	189	1,015

(c) Factors that may affect future tax charges

There are no other significant factors known at 31 December 2009, which may affect future tax charges

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Investments

	Interest in Subsidiary Companies £'000
Cost	
At 1 January 2009 and at 31 December 2009	**2,377**
Provision for diminution in value	
At 1 January 2009 and at 31 December 2009	-
Net book value at 31 December 2009	**2,377**
Net book value at 1 January 2009	2,377

The company holds 100% of the share capital of MSX International CLM Limited, a company incorporated in England and Wales

The directors consider the net book value of the above investments to be recoverable in full

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Tangible fixed assets

	Land and Buildings Short Leasehold £'000	Plant and Machinery £'000	Motor Vehicles, Fixtures and Fittings £'000	Computer Equipment £'000	Total £'000
Cost					
At 1 January 2009	15	9	337	2,527	2,888
Additions	-	-	3	151	154
Disposals	(15)	(9)	(17)	(2,043)	(2 084)
At 31 December 2009	-	-	323	635	958
Depreciation					
At 1 January 2009	15	9	98	2,272	2,394
Charge for the year	-	-	62	103	165
Disposals	(15)	(9)	(17)	(2,004)	(2,045)
At 31 December 2009	-	-	143	371	514
Net book value					
At 31 December 2009	-	-	180	264	444
At 31 December 2008	-	-	239	255	494

The tangible assets have been charged as security for the bank loan of the company (refer to note 14)

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Debtors

	2009	2008
	£'000	£'000
Amounts falling due within one year		
Trade debtors	4,911	5,809
Amounts recoverable on contracts	136	188
Amounts owed by fellow subsidiary undertakings	9,630	6,790
Amounts owed by ultimate parent undertaking	10,649	7,311
Other debtors	160	214
Corporation tax	-	228
Prepayments and accrued income	164	253
	25,650	20,793
Amounts falling due after more than one year		
Amounts owed by fellow subsidiary undertakings	23,122	25,180
Amounts owed by parent company	644	621
Amounts owed by ultimate parent undertaking	25,156	27,397
Deferred tax assets (see note 15)	416	276
	49,338	53,474

The amount due after more than one year from a fellow subsidiary undertaking represents three separate loans of the following amounts

- USD 16,000,000 note with MSX International Tech Services, SL, in Spain Valued at £9,998,250 (2008 £10,888,798)
- USD 21,000,000 note with MSX International Holdings Italia Srl, in Italy Valued at £13,122,704 (2008 £14,291,548)
- £644,291 receivable from MSX International UK Limited

The amount due after more than one year from the ultimate parent undertaking represents the following amount

- USD 40,256,420 note with MSX International Inc, in the USA. Valued at £25,155,860 (2008 £27,396,502)

The above notes all mature in 2012

Notes to the financial statements for the year ended 31 December 2009 (continued)

12 Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	3,371	5,007
Amounts owed to fellow subsidiary undertakings	5,579	3,629
Amounts owed to ultimate parent undertaking	751	-
Other taxation and social security	833	508
Bank loans and overdrafts (note 14)	14	21
Debt element of preference shares	650	650
Corporation tax	735	982
Contract payments on account	262	608
Other creditors	666	1,044
Accruals and deferred income	510	700
	13,371	13,149

13 Creditors: amounts falling due after more than one year

	2009	2008
	£'000	£'000
Finance Leases	-	14
Amounts owed to fellow subsidiary undertakings	43,491	47,365
	43,491	47,379

The amount due after more than one year to a fellow subsidiary undertaking represents US$69,597,500 payable to MSX International PLC in 2012, valued at £43,490,827 (2008 US$69,597,500 valued at £47,364,571)

Maturity analysis of external borrowings	**Bank loans & overdrafts and finance leases**	
	2009	2008
	£'000	£'000
Within one year or on demand	14	21
Between two and five years	-	14
	14	35

Notes to the financial statements for the year ended 31 December 2009 (continued)

14 Bank loans and overdrafts

Any bank overdrafts were secured by a guarantee by the ultimate parent company and a fixed and a floating charge over certain assets of the company and of certain subsidiaries of the ultimate parent company

In addition to the borrowings mentioned above the company has a line of credit available to it of $10 million Any draw down on facility is also guaranteed by the ultimate parent company and by a charge over trade receivable assets of the company

15 Deferred taxation

	Provided	
	2009	2008
	£'000	£'000
Excess of capital allowances over depreciation	416	276
	416	276

	£'000	£'000
Opening balance	276	533
Credit/(charge) to profit and loss account	140	(257)
Closing balance	416	276

As a result of a sustained period of profitability taken together with forecast profits it is more likely than not that deferred tax assets will be recovered

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Pension obligations

The Company operates and contributes to pension schemes for certain employees.

The company operates a defined contribution scheme for its employees The company made contributions to employees' personal pension plans of £415,998 (2008 £410,327)

The company operates a defined benefit scheme in the UK Benefits ceased to accrue with effect from 31 January 2004 A full actuarial valuation was carried out at 1 October 2006 and updated to 31 December 2009 by a qualified actuary, independent of the scheme's sponsoring employer The major assumptions used by the actuary were

	2009	2008
	%	%
Rate of increase in salaries	N/A	N/A
Rate of increase in pensions in payment where LPI applies	3.6	2 6
Discount rate	5.7	6 7
Inflation assumption	3.7	2 7
Loading for mortality improvements	0 0	0 0
Mortality table	PA92 medium cohort	PA92 medium cohort

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Pension obligations (continued)

The assets ın the scheme and the expected return were

	Long term rate of return expected at 31 December 2009	Value at 31 December 2009	Long term rate of return expected at 31 December 2008	Value at 31 December 2008
	%	£'000	%	£'000
Equıtıes	7 0	574	7.0	776
Bonds	3.4	435	3 4	100
Other (Property, Cash, etc)	3.4	213	3.4	80
Total market value of assets		1,222		956
Present value of scheme lıabılıtıes		(1,201)		(927)
Surplus ın the scheme		21		29
Amount of surplus not recoverable		(21)		(29)
Related deferred tax asset		17		17
Accrued contrıbutıon		(4)		(4)
Net pensıon asset		13		13

Analysıs of amount charged to operatıng profit

	2009	2008
	£'000	£'000
Current servıce charge	-	-
Curtaılments and settlements	-	-
Total operatıng charge/(credıt)	-	-

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Pension obligations (continued)

	2009	2008
Analysis of amounts recognised in statement of total recognised gains and losses	**£'000**	**£'000**
Actual return less expected return on pension scheme assets	166	(321)
Experience gains /(losses) arising on the scheme liabilities	31	(45)
Changes in assumptions	(259)	212
Effect of surplus cap	8	100
Actuarial loss recognised in statement of total recognised gains and losses	(54)	(54)

	2009	2008
Changes in the benefit obligation during the year were as follows	**£'000**	**£'000**
Benefit obligation at beginning of year	927	1,087
Current service cost	-	-
Interest cost	62	61
Actuarial losses/(gains)	228	(167)
Benefits paid	(16)	(54)
Benefit obligation at end of year	1,201	927

	2009	2008
Changes in the plan assets during the year were as follows:	**£'000**	**£'000**
Fair value of plan assets at beginning of year	956	1,216
Expected return on plan assets	62	61
Actuarial gains/(losses)	166	(321)
Employer contribution	54	54
Benefits Paid	(16)	(54)
Fair value of plan assets at end of year	1,222	956

	2009	2008
The actual return on plan assets follows:	**£'000**	**£'000**
Actual return on plan assets	228	(260)

Notes to the financial statements for the year ended 31 December 2009 (continued)

16 Retirement benefit obligations (continued)

The following disclosures provide the five year history for the company

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Benefit obligation at end of year	**(1,201)**	(927)	(1,087)	(1,146)	(1,052)
Fair value of plan assets at end of year	**1,222**	956	1,216	1,088	963
Surplus/(deficit) in the plan	**21**	29	129	(58)	(89)
Experience (losses)/gains on plan assets	**166**	(321)	15	44	108
Experience (losses)/gains on plan liabilities	**31**	(45)	-	(57)	(3)

Cumulative amount of gains/(losses) immediately recognized in Statement of Total Recognised Gains and Losses since introduction of FRS17 is a loss of £305,000 (2008 loss £251,000)

Notes to the financial statements for the year ended 31 December 2009 (continued)

17 Called-up share capital

	2009 £'000	2008 £'000
Authorised		
14,180,000 (2007 14,180,000) ordinary shares of £1 each	14,180	14,180
17,500 9% convertible cumulative redeemable preference shares of £1 each	18	18
	14,198	14,198
Allotted, called up and fully paid		
14,180,000 (2007 14,180,000) ordinary shares of £1 each	14,180	14,180
17,500 9% convertible cumulative redeemable preference shares of £1 each	18	18
	14,198	14,198
Preference Shares classified as:		
Equity	3	3
Debt	15	15
	18	18

The holders of the preference shares can convert their holdings into ordinary shares on a one for one basis The conversion must take place within 28 days of notice being given The preference shares can be redeemed for the value that they were originally acquired, at the option of the preference shareholder with six months notice Only 5,250 shares can be redeemed in any six month period Cumulative unpaid preference dividends amounted to £897,000 (2008 £828,000)

The share capital of the company is subject to a share pledge to the bondholders of MSX International UK PLC

18 Share premium account and reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2009	517	3,841
Profit for the year	-	2,975
Exchange movement in relation to foreign branches	-	22
Actuarial loss on pension scheme liabilities	-	(54)
At 31 December 2009	517	6,784

Notes to the financial statements for the year ended 31 December 2009 (continued)

19 Reconciliation of movements in shareholders' funds

	2009	2008
	£'000	£'000
Profit for the year	2,975	6,151
Other recognised gains and losses	(32)	243
Net increase in shareholders' funds	2,943	6,394
Opening shareholders' funds	18,541	12,147
Net increase in shareholders' funds	2,943	6,394
Closing shareholders' funds	21,484	18,541

20 Financial commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	2009		2008	
	Other	Land and Buildings	Other	Land and Buildings
	£'000	£'000	£'000	£'000
Expiring within one year	18	-	27	107
Expiring between one and two years inclusive	36	-	-	-
Expiring between two and five years inclusive	-	183	30	183
	54	183	57	290

21 Capital Commitments

The Company had no capital commitments at 31 December 2009 (2008 £nil)

22 Parent company

MSXI UK Limited is considered by the group to be the parent company as at the balance sheet date The smallest and largest group of undertakings for which publicly available group accounts have been drawn up is that headed by MSXI UK Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

23 Ultimate parent company

The dırectors consıder MSX IBS Inc., a company registered ın the Unıted States of Amerıca, to be the ultımate parent company as at the balance sheet date

24 Related party transactions

In 2007 MSX Internatıonal UK Plc ıssued $71,750,000 of 12 5% Senıor Secured Notes Due 2012, which are guaranteed by the Group on a senior secured basis Thıs liability is secured by a debenture comprisıng a fixed and floatıng charge over all the Group's assets

- MSX Internatıonal UK Plc extended a loan of $69,597,500 to MSX Internatıonal Lımıted, and thıs ıs not repayable untıl 2012 MSX Internatıonal UK Plc charges ınterest on thıs loan to MSX Internatıonal Lımıted at a rate of 15 2% p a

- MSX Internatıonal Lımıted ın turn has extended a foreıgn currency loan to MSX Internatıonal Inc, ın the USA, wıth a note of $40,256,420, expıring 2012, and on whıch ınterest accrues at 15 6% p a

- MSX Internatıonal Lımıted has furthermore extended foreıgn currency funds to MSX Internatıonal Tech Servıces, SL, ın Spaın, wıth a note of $16,000,000 and to MSX Internatıonal Holdıngs Italıa Srl, ın Italy, wıth a note of $21,000,000 These loans carry an ınterest rate of 15 6% p a and expıre ın 2012, at whıch tıme the contınued support to these fellow subsıdıarıes wıll be revıewed

During the year, those transactıons pertaınıng to fellow subsıdıarıes and parent companies (ıncludıng those for the above financıng arrangements and those at arms length trade) resulted ın the followıng temporary balances dısclosed wıthın Debtors and Credıtors, both due wıthın one year, and also wıth the followıng charges, dısclosed wıthın Interest, as per note 4

Debtors	2009	2008
	£'000	£'000
MSX Internatıonal Inc	10,649	7,311
MSX Internatıonal BV	1,079	663
MSX Internatıonal UK Lımıted	142	39
MSX Internatıonal CLM	2,475	1,436
MSX Internatıonal Italy	4,957	3,109
MSX Internatıonal Spaın	812	1,087
MSX Internatıonal GMBH	0	264
MSX ınternatıonal - other	167	192
Amounts owed by related companıes (note 11)	20,279	14,101

Notes to the financial statements for the year ended 31 December 2009 (continued)

24 Related party transactions (continued)

Creditors	2009	2008
	£'000	£'000
MSX International Inc	751	-
MSX International UK plc	4,829	3,126
MSX International GMBH	177	91
MSX International - other	573	412
Amounts owed to related companies (note 12)	6,330	3,629

Interest receivable in the profit and loss account	2009	2008
	£'000	£'000
MSX International Inc	4,145	3,552
MSX International Italy	2,096	1,957
MSX International Spain	1,596	1,332
MSX International - other	102	67
Interest charged to related companies (note 4)	7,939	6,908

Interest payable in the profit and loss account	2009	2008
	£'000	£'000
MSX International UK plc	6,763	5,816
Interest charged by related companies (note 4)	6,763	5,816