
MSX INTERNATIONAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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MSX INTERNATIONAL LIMITED

COMPANY INFORMATION

DIRECTORS	F Minturn S Del Mar
COMPANY SECRETARY	J Bignall
REGISTERED NUMBER	01949542
REGISTERED OFFICE	The Octagon Middleborough Colchester Essex CO1 1TG
INDEPENDENT AUDITORS	BDO LLP Lockton House Clarendon Road Cambridge CB2 8FH
BANKERS	JP Morgan Chase Bank 125 London Wall London EC2Y 5AJ Royal Bank of Scotland 45 Head Street Colchester CO1 1NW

MSX INTERNATIONAL LIMITED

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MSX INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £5,921 *thousand* (2013 - £3,981 *thousand*).

The directors are unable to recommend payment of a final dividend. (2013: £Nil)

DIRECTORS

The directors who served during the year were:

F Minturn
S Del Mar

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.

MSX INTERNATIONAL LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

DISABLED EMPLOYEES

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.

STRATEGIC REPORT

The Directors have included a business review within the strategic report. Also included in the strategic report are details of the future developments of the group, the principal risks and uncertainties and a review of the key performance indicators as assessed by the directors.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

BRANCHES

The company operates branches in Norway, Sweden, Denmark and Finland. In 2014 the branch activities contributed 25% (2013: 25%) of the total turnover for the year.

This report was approved by the board on 16 June 2015 and signed on its behalf.


J Bignall
Secretary

MSX INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

BUSINESS REVIEW

The company primarily provides training, business process outsourcing services ("BPO") and contract labour management solutions. The key activities of the company are Retail Network Solutions (Warranty, Technical and Dealer), and Human Capital Solutions (Managed Service Provider). The group continually develops new solutions to offer the market, and the increase in MSXI software product throughout the MSXI group has helped in the drive to increase revenues.

The company's performance shows an increase in revenues from one year to the next. Although the company experiences continued pressure to provide price reductions within the industry, 2014 brought growth to the company, while retaining a strong profit margin. The company continues to provide services within the automotive industry at the level of the larger original equipment manufacturers, who in turn, for RNS, share benefits with their dealers. The company also increasingly provides MSP services outside the automotive industry.

The company has strong procedures in place to review monthly forecast sales and margin reports, and compares and investigates results to forecasts. The company proactively manages recruitment, staff retention and turnover figures. Across the MSXI group there is much communication between sister companies in different markets, and this continues to provide benefits. Over the past year the company has continued to expand, to build on relationships with existing customers and to acquire new customers and contracts.

The Directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. 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 company also generates revenues from licence fees which are charged to fellow subsidiaries in the MSXI Group. This licence fee revenue is charged for the use of the Software Solutions that the company holds, and it is anticipated that such revenue will grow as fellow subsidiaries increase such services to their customers around the world.

PRINCIPAL RISKS AND UNCERTAINTIES

Over the past few years, as the automotive industry looks to reduce its cost, MSXI has continued to supply old and new customers with valuable services, as they chose to outsource and take advantage of our solutions.

In August 2014 the MSXI global organisation refinanced its debt at its earliest opportunity and on more favourable terms than before. This refinancing provides the financial stability for the group to build upon its current strengths and continue expansion. Interest rates have now reduced significantly and it is anticipated that increasing company profits will enable increasing investment in its own future, as well as repayments of principal.

The company's main foreign currency risk exposure is in respect of the company's loans. The company's most significant borrowings and lendings within MSXI group are denominated in US dollars, so exchange movements mitigate against each other. The lower interest rates described above will also help reduce any exchange risk. In 2014 the company realised an operational foreign exchange loss of £58,000 (2013 - gain of £187,000).

MSX INTERNATIONAL LIMITED

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014

KEY PERFORMANCE INDICATORS

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

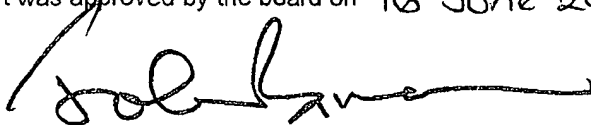
	2014	2013
Gross Margin as percentage of Turnover	35%	34%
Support Cost Centres as percentage of Turnover	16%	16%
Turnover Growth, year on year (all divisions)	5%	9%
Day Sales Outstanding (all divisions except HCMS)	52 days	47 days
Sales Per employee (all divisions)	£66,000	£66,000

The company's performance shows an increase in revenues from one year to the next. Although the company experienced continued pressure to provide price reductions within the industry, 2014 brought growth to the company in some areas and new customers.

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.

This report was approved by the board on 16 June 2015 and signed on its behalf.

J Bignall
Secretary



MSX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MSX INTERNATIONAL LIMITED

We have audited the financial statements of MSX International Limited for the year ended 31 December 2014, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet 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 Auditors' 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, 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 Financial Reporting Council'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MSX INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MSX INTERNATIONAL LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

 BDO LLP

Piers Harrison (Senior statutory auditor)

for and on behalf of
BDO LLP, statutory auditor

Cambridge, United Kingdom

Date: 18 June 2015

MSX INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
TURNOVER	1,2	28,851	27,373
Cost of sales		<u>(18,657)</u>	<u>(17,985)</u>
GROSS PROFIT		10,194	9,388
Administrative expenses		(7,796)	(5,146)
Other operating charges	4	<u>(58)</u>	<u>(886)</u>
OPERATING PROFIT	5	2,340	3,356
Interest receivable and similar income	6	6,772	5,612
Interest payable and similar charges	7	(2,284)	(4,122)
Other finance income	8	<u>25</u>	<u>9</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,853	4,855
Tax on profit on ordinary activities	10	<u>(932)</u>	<u>(874)</u>
PROFIT FOR THE FINANCIAL YEAR	20	<u>5,921</u>	<u>3,981</u>

All amounts relate to continuing operations.

The notes on pages 10 to 27 form part of these financial statements.

MSX INTERNATIONAL LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £000	2013 £000
PROFIT FOR THE FINANCIAL YEAR		5,921	3,981
Actuarial gain related to pension scheme	22	(397)	138
Effect of pension surplus cap	22	298	(221)
Foreign exchange differences		(25)	(44)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		5,797	3,854

The notes on pages 10 to 27 form part of these financial statements.

MSX INTERNATIONAL LIMITED
REGISTERED NUMBER: 01949542

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£000	2014 £000	2013 £000
FIXED ASSETS				
Tangible assets	12		1,699	1,493
Investments	11		45	45
			<u>1,744</u>	<u>1,538</u>
CURRENT ASSETS				
Debtors: amounts falling due after more than one year	13	155		264
Debtors: amounts falling due within one year	14	81,925		65,698
Cash at bank		3,869		7,478
		<u>85,949</u>		<u>73,440</u>
CREDITORS: amounts falling due within one year	15	<u>(47,053)</u>		<u>(40,135)</u>
NET CURRENT ASSETS			<u>38,896</u>	<u>33,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>40,640</u>	<u>34,843</u>
CREDITORS: amounts falling due after more than one year	16		<u>(260)</u>	<u>(260)</u>
NET ASSETS EXCLUDING PENSION SCHEME ASSETS			<u>40,380</u>	<u>34,583</u>
Defined benefit pension scheme asset	22		-	298
NET ASSETS			<u>40,380</u>	<u>34,881</u>
CAPITAL AND RESERVES				
Called up share capital			14,182	14,182
Share premium account	20		517	517
Pension reserve	20		-	298
Profit and loss account	20		25,681	19,884
SHAREHOLDERS' FUNDS	21		<u>40,380</u>	<u>34,881</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 June 2015.


S Del Mar
 Director

The notes on pages 10 to 27 form part of these financial statements.

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The accounting policies are set out below and remain unchanged from the prior year.

1.2 Turnover

Turnover comprises revenue recognised by the company in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Where the company is responsible for the delivery of the services, as is the case for all of the company's Retail Network Solution activities, revenue is recognised gross as the company has significant risks and rewards of the transaction. Revenue is recognised net where the company acts as an agent for the delivery of agency staff, as is the case for all Human Capital Management Services activities as the company does not have the significant risks and rewards of the transaction.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line
Office equipment	-	20-33% straight line
Computer equipment	-	33% straight line
Development software	-	20% straight line

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.6 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.

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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 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. All unrealised gains and losses within the profit and loss account, relating to foreign currency items, are disclosed in notes 6 and 7.

Assets and liabilities of branches in foreign currencies are translated into sterling at the exchange rate 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.

1.9 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.

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

1. ACCOUNTING POLICIES (continued)

1.10 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 which is set out in note 22.

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.

1.11 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 group.

1.12 Development expenditure

Development expenditure is reviewed under the criteria noted in Statement of Standard Accounting Practice 13 and where permissible development expenditure is capitalised as a tangible fixed asset. The amortisation of development expenditure will commence with the commercial application of the product. Disallowable development expenditure is charged to the profit and loss account in the year it is incurred.

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

2. TURNOVER

An analysis of turnover by class of business is as follows:

	2014 £000	2013 £000
Retail network solutions	23,977	23,315
Human capital management services	3,621	2,948
Other collaborative services	1,253	1,110
	<u>28,851</u>	<u>27,373</u>

All turnover arose within the United Kingdom and Europe.

Analysis by geographical area is as follows:

	2014 £000	2013 £000
United Kingdom	21,535	20,433
Europe	7,316	6,940
	<u>28,851</u>	<u>27,373</u>

3. EXCEPTIONAL ADMINISTRATION EXPENSES

During the year ended 31 December 2014 there was a provision of £2,574,691 relating to a loan due from a subsidiary company which is not considered to be recoverable.

4. OTHER OPERATING CHARGES

	2014 £000	2013 £000
Realised foreign exchange (gains)/losses	58	(187)
Impairment of investments	-	1,073
	<u>58</u>	<u>886</u>

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

5. OPERATING PROFIT

The operating profit is stated after charging:

	2014 £000	2013 £000
Depreciation of tangible fixed assets:		
- owned by the company	609	484
Auditors' remuneration	52	52
Operating lease rentals:		
- plant and machinery	779	845
- other operating leases	365	333
Charge for provision for irrecoverable debt owed by subsidiary undertaking	2,575	-
Impairment of investment	-	1,073
	<u> </u>	<u> </u>

During the year, no director received any emoluments (2013 - £NIL).

6. INTEREST RECEIVABLE

	2014 £000	2013 £000
Interest receivable on loans to fellow subsidiary undertakings	4,945	5,608
Foreign exchange gain on group borrowings	1,826	-
Bank interest received	1	4
	<u> </u>	<u> </u>
	<u>6,772</u>	<u>5,612</u>

7. INTEREST PAYABLE

	2014 £000	2013 £000
Interest payable bank loans and overdrafts	-	1
Unrealised foreign exchange loss on group trading balances	11	10
Interest payable on loans from fellow subsidiary undertakings	2,273	3,052
Foreign exchange loss on group borrowings	-	1,059
	<u> </u>	<u> </u>
	<u>2,284</u>	<u>4,122</u>

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

8. OTHER FINANCE INCOME

	2014 £000	2013 £000
Expected return on pension scheme assets	77	58
Interest on pension scheme liabilities	(52)	(49)
	<u>25</u>	<u>9</u>

9. EMPLOYEE INFORMATION

Staff costs were as follows:

	2014 £000	2013 £000
Wages and salaries	15,181	14,537
Social security costs	2,190	2,072
Other pension costs (Note 22)	674	534
	<u>18,045</u>	<u>17,143</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Office and management	64	61
Consultants and engineers	365	341
Selling and recruitment	10	10
	<u>439</u>	<u>412</u>

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

10. TAXATION

	2014 £000	2013 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	675	994
Adjustments in respect of prior periods	148	(124)
Total current tax	<u>823</u>	<u>870</u>
Deferred tax		
Origination and reversal of timing differences	109	151
Reversal of deferred tax on interest receivable	-	(147)
Total deferred tax (see note 18)	<u>109</u>	<u>4</u>
Tax on profit on ordinary activities	<u><u>932</u></u>	<u><u>874</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	2013 £000
Profit on ordinary activities before tax	<u>6,853</u>	<u>4,855</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	<u>1,475</u>	<u>1,129</u>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7	200
Capital allowances for year in excess of depreciation	(36)	(26)
Adjustments to tax charge in respect of prior periods	148	(124)
Other timing differences leading to an increase (decrease) in taxation	-	158
Foreign taxes on overseas earnings	186	131
Double taxation relief on overseas earnings	(105)	(231)
Other differences leading to an increase (decrease) in the tax charge	-	76
Relief from losses of other group members	(1,406)	(692)
Impairment provision not taxable	-	249
Provision for provision for irrecoverable debt owed by subsidiary undertaking	554	-
Current tax charge for the year (see note above)	<u><u>823</u></u>	<u><u>870</u></u>

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

11. INVESTMENTS

	Investments in subsidiary companies £000
Cost	
At 1 January 2014 and 31 December 2014	45
Net book value	
At 31 December 2014	45
<i>At 31 December 2013</i>	45

The company holds 100% of the share capital of MSXI Business Solutions (Pty) Ltd, a company incorporated in South Africa and 100% of the share capital of MSX International CLM Limited, a company incorporated in England and Wales. Both subsidiaries are suppliers of business services, principally to the automotive industry.

The company is exempt from preparing group accounts as group accounts are prepared by the company's parent company MSXI UK Ltd.

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

12. TANGIBLE FIXED ASSETS

	Fixtures and fittings £000	Other fixed assets £000	Total £000
Cost			
At 1 January 2014	609	2,790	3,399
Additions	1	488	489
Transfers from subsidiary	-	680	680
Disposals	-	(8)	(8)
Own work capitalised	-	252	252
Foreign exchange movement	(11)	(5)	(16)
At 31 December 2014	599	4,197	4,796
Depreciation			
At 1 January 2014	553	1,353	1,906
Charge for the year	24	585	609
Transfers from subsidiary	-	599	599
On disposals	-	(8)	(8)
Foreign exchange movement	(6)	(3)	(9)
At 31 December 2014	571	2,526	3,097
Net book value			
At 31 December 2014	28	1,671	1,699
At 31 December 2013	56	1,437	1,493

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

13. DEBTORS: Amounts falling due after more than one year

	2014	2013
	£000	£000
Deferred tax assets (note 18)	155	264

14. DEBTORS: Amounts falling due within one year

	2014	2013
	£000	£000
Trade debtors	16,532	5,441
Amounts owed by parent undertakings	43,170	38,427
Amounts owed by fellow subsidiary undertakings	18,961	16,958
Amounts owed by own subsidiary undertakings	169	2,835
Withholding tax recoverable	-	934
Other debtors	2,227	381
Prepayments and accrued income	866	722
Total	81,925	65,698

Amounts owed by parent undertakings includes a loan of US\$46,722,433 (valued at £29,963,722 at 31 December 2014) to MSXI UK Limited. This loan is expected to be repaid in 2017, but is repayable on demand so has been classified within amounts falling due within one year.

Amounts owed by fellow subsidiary undertakings includes a loan of US\$25,156,590 (valued at £16,133,258) to the company's fellow subsidiary MSX International Holdings Italia Srl, in Italy. This loan is expected to be repaid in 2017, but is repayable on demand so has been classified within amounts falling due within one year.

Amounts owed by own subsidiary companies includes a £2,574,691 debt owed to the company by its subsidiary MSX International CLM Limited ("CLM"), against which a full provision has been recorded. The trade previously carried out by CLM has been transferred to MSX International Limited and there are no assets in CLM with which to meet the debt.

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

15. CREDITORS: Amounts falling due within one year

	2014	2013
	£000	£000
Trade Creditors	16,414	10,224
Amounts owed to fellow subsidiary undertakings	1,961	2,405
Amounts owed to ultimate parent undertaking	24,827	23,235
Other taxation and social security	974	1,078
Debt element of preference shares	390	390
Accruals and deferred income	1,214	1,328
Corporation tax	168	474
Other creditors	1,105	1,001
Total	<u>47,053</u>	<u>40,135</u>

Amounts owed to ultimate parent undertaking includes a loan issued by the parent company MSX International (Holdings), Inc., USA standing at US\$35,748,953 valued at £22,926,282 at 31 December 2014. This loan is expected to be repaid in 2017, but is repayable on demand so has been classified within amounts falling due within one year.

16. CREDITORS:
Amounts falling due after more than one year

	2014	2013
	£000	£000
Debt element of preference shares	<u>260</u>	<u>260</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 19.

17. BANK 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.

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

18. DEFERRED TAX ASSET

	2014 £000	2013 £000
At beginning of year	264	268
(Charge for)/released during year	(109)	(4)
At end of year	<u>155</u>	<u>264</u>

The deferred tax asset is made up as follows:

	2014 £000	2013 £000
Accelerated capital allowances	<u>155</u>	<u>264</u>

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.

The company's subsidiary MSX International CLM Limited had losses from prior years which may not be recoverable by the company. The trading assets of MSX International CLM were transferred to the company during 2014. The recovery relies upon future work carried out by the company being recognised by the tax authorities as within the same trade. The unrecognised deferred tax asset at 31 December 2014 would have been valued at £116,000.

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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19. CALLED-UP SHARE CAPITAL

	2014 £000	2013 £000
Authorised		
14,180,000 ordinary shares of £1 each	14,180	14,180
17,500 9% convertible redeemable preference shares of £1 each	18	18
	<u>14,198</u>	<u>14,198</u>

	2014 £000	2013 £000
Alloted, called up and fully paid		
14,180,000 ordinary shares of £1 each	14,180	14,180
17,500 9% convertible redeemable preference shares of £1 each	18	18
	<u>14,198</u>	<u>14,198</u>

	2014 £000	2013 £000
Preference shares classified as		
Equity	2	2
Debt	16	16
	<u>18</u>	<u>18</u>

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 £1,242,000 (2013: £1,173,000).

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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20. RESERVES AND SHARE PREMIUM ACCOUNT

	Share premium account £000	Pension reserve £000	Profit and loss account £000
At 1 January 2014	517	298	19,884
Profit for the financial year	-	-	5,921
Actuarial loss on pension scheme liabilities	-	-	(99)
Movement on pension reserve	-	(298)	-
Foreign currency translation differences recognised	-	-	(25)
	<u>517</u>	<u>-</u>	<u>25,681</u>
At 31 December 2014			

21. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2014 £000	2013 £000
Opening shareholders' funds	34,881	30,806
Profit for the financial year	5,921	3,981
Other recognised gains and losses during the year	(124)	(127)
Pension reserve movement	(298)	221
	<u>40,380</u>	<u>34,881</u>
Closing shareholders' funds		

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. PENSION COMMITMENTS

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 £674,000 (2013: £534,000).

The company operates a Defined benefit pension scheme in the UK.

Benefits ceased to accrue with effect from 31 January 2004. A full actuarial valuation was carried out at 1 October 2011 and updated to 31 December 2014 by a qualified actuary, independent of the scheme's sponsoring employer.

The amounts recognised in the Balance sheet are as follows:

	2014	2013
	£000	£000
Present value of funded obligations	(1,348)	(1,192)
Fair value of scheme assets	1,348	1,490
	<hr/>	<hr/>
Net asset	-	298
	<hr/>	<hr/>

The amounts recognised in profit or loss are as follows:

	2014	2013
	£000	£000
Interest on obligation	(52)	(49)
Expected return on scheme assets	77	58
	<hr/>	<hr/>
Total	25	9
	<hr/>	<hr/>
Actual return on scheme assets	60	175
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2014	2013
	£000	£000
Opening defined benefit obligation	1,192	1,206
Interest cost	52	49
Actuarial Losses/(gains)	146	(21)
Benefits paid	(42)	(42)
	<hr/>	<hr/>
Closing defined benefit obligation	1,348	1,192
	<hr/>	<hr/>

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

22. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2014	2013
	£000	£000
Opening fair value of scheme assets	1,490	1,283
Expected return on assets	77	58
Actuarial gains and (losses)	(251)	117
Contributions by employer	74	74
Benefits paid	(42)	(42)
	<u>1,348</u>	<u>1,490</u>

The company expects to contribute £74,400 to its Defined benefit pension scheme in the UK in 2015.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2014	2013
Equities	76.04 %	70.67 %
Bonds	17.89 %	21.28 %
Other (property, cash etc)	6.09 %	8.05 %

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2014	2013
Discount rate at 31 December	3.40 %	4.40 %
Rate of increase in pensions where RPI applies	3.00 %	3.30 %
Inflation assumption	2.50 %	2.80 %
Mortality	PCA00 medium cohort 1%	PCA00 medium cohort 1%

MSX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Defined benefit obligation	(1,348)	(1,192)	(1,206)	(1,386)	(1,272)
Scheme assets	1,348	1,490	1,283	1,341	1,369
	-	298	77	(45)	97
Experience adjustments on scheme liabilities	-	-	(101)	-	(41)
Experience adjustments on scheme assets	(251)	117	15	(122)	47

These experience adjustments are disclosed in the statement of recognised gains and losses.

23. OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014 £000	2013 £000	2014 £000	2013 £000
Expiry date:				
Within 1 year	102	94	8	6
Between 2 and 5 years	261	210	-	-

24. PARENT COMPANY AND ULTIMATE PARENT COMPANY

MSXI UK Limited is considered by the group to be the parent company as at the balance sheet date. The smallest group of undertakings for which group accounts have been drawn up is that headed by MSXI UK Limited. Accounts are publicly available from Companies House, Crown Way, Cardiff CF14 3UZ.

The largest group of undertakings for which group accounts have been drawn up is that headed by MSX International Inc., a company incorporated in the United States of America.

The directors consider MSX IBS Inc., a company registered in the United States of America, to be the ultimate parent company as at the balance sheet date.

MSX INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

25. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption afforded by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by MSX-IBS Holdings Incorporated, on the grounds that 100% of the voting rights are controlled within the group and the company is included in consolidated financial statements.