Company Registration No. 02329378 (England and Wales)

COOPER-STANDARD AUTOMOTIVE UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

COOPER-STANDARD AUTOMOTIVE UK LIMITED

COMPANY INFORMATION

Directors	F G Hernandez J F De Miguel Posada T M May
Secretary	T M May
Company number	02329378
Registered office	Orchard Court 8 Binley Business Park Coventry CV3 2TQ
Auditor	Thomas and Young Limited Carleton House 266-268 Stratford Road Shirley Solihull B90 3AD

COOPER-STANDARD AUTOMOTIVE UK LIMITED

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COOPER-STANDARD AUTOMOTIVE UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

Fair review of the business

Cooper-Standard Automotive UK Limited is an automotive supplier specialising in the body sealing systems and fluid handling systems for the UK automotive industry predominantly for Jaguar Land Rover, Nissan UK and Honda UK. Our UK office provides design applications engineering, commercial and program management support to UK based customers and Cooper-Standard manufacturing facilities in mainland Europe.

Principal risks and uncertainties

Principle risk fluctuation of financial exchange rates and the uncertainties on the UK market are still existing as Brexit seems to be the largest current single threat for the automotive industry in the UK in the short term. These uncertainties will remain longer as there is no clarity on the exit conditions to be agreed between the UK government and the rest of the EU countries. BMW have made the threat that a hard Brexit would potentially risk manufacturing of the current and next generation Mini in the UK, with a plan B to manufacture in Europe under review. The key OEM's to Cooper-Standard are continuing to nominate key vehicle platforms to be manufactured in the UK and with the expansion of Nissan's UK manufacturing plant in Sunderland to support the next generation Nissan Qashqai P33B, Nissan X-Trail P33A and Nissan Leaf B12P vehicles the future remains bright. Additional to this, Jaguar Land Rover will manufacture the next generation Range Rover MLA platform variants in the UK while continuing to manufacture and be self-sufficient for powertrain and engine requirements from their Wolverhampton manufacturing facility. Additional to this, JLR are currently developing the next MLA electric vehicles that will be manufactured in Nitra Slovakia where Cooper-Standard have a significant sealing package content.

Development and performance

The overall UK output shows a decline in 2018 circa 1,650,948 vehicles versus 1,737,840 vehicles in 2017 and is impacted by the reduction in diesel engine sales. JLR vehicles Range Rover, Evoque and Jaguar F-Pace along with Nissan Qashqai P33B, X-Trail P33A Leaf B13P plus next generation electric vehicles where Cooper Standard have a high value content are expected to continue to contribute very positively to Cooper-Standard sales and to our key target UK based customers.

Cooper-Standard Automotive UK Limited continues in the process of quoting and targeting new business growth with the key vehicle manufacturers that will support our European operation growth targets and will continue to grow the personnel and skills in the Cooper-Standard Automotive UK Limited support office.

On behalf of the board

....

F G Hernandez

Director

3/9/19

COOPER-STANDARD AUTOMOTIVE UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities
The principal activity of the company continued to be that of sales support for the group.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

F G Hernandez	
J F De Miguel Posada	
M Hardt	(Resigned 22 July 2019)
T M May	

Results and dividends
The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor
The auditor, Thomas and Young Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

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F G Hernandez
Director

Date: 3/9/19

COOPER-STANDARD AUTOMOTIVE UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom 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 judgements 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COOPER-STANDARD AUTOMOTIVE UK LIMITED

Opinion

We have audited the financial statements of Cooper-Standard Automotive UK Limited (the 'company') for the year ended 31 December 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors
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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

J Carty

James Carty ACA FCCA (Senior Statutory Auditor)
for and on behalf of Thomas and Young Limited

9 September 2019

Chartered Accountants
Statutory Auditor

Carleton House
266-268 Stratford Road
Shirley
Solihull
B90 3AD

COOPER-STANDARD AUTOMOTIVE UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Administrative expenses		(10,507)	(155,757)
Interest payable and similar expenses	5	(28,599)	(24,985)
Loss before taxation		(39,106)	(180,742)
Tax on loss	6	-	-
Loss for the financial year		(39,106)	(180,742)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

COOPER-STANDARD AUTOMOTIVE UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £	2017 £
Loss for the year	(39,106)	(180,742)
Other comprehensive income	-	-
Total comprehensive income for the year	(39,106)	(180,742)

COOPER-STANDARD AUTOMOTIVE UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	7		28,820		26,749
Current assets					
Debtors	9	2,543,362		561,021	
Creditors: amounts falling due within one year	10	(3,694,361)		(1,670,843)	
Net current liabilities			(1,150,999)		(1,109,822)
Total assets less current liabilities			(1,122,179)		(1,083,073)
Provisions for liabilities	12		(400,000)		(400,000)
Net liabilities			(1,522,179)		(1,483,073)
Capital and reserves					
Called up share capital	14		4,000,000		4,000,000
Profit and loss reserves			(5,522,179)		(5,483,073)
Total equity			(1,522,179)		(1,483,073)

The financial statements were approved by the board of directors and authorised for issue on 3/9/19 and are signed on its behalf by:

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F G Hernandez
Director

Company Registration No. 02329378

COOPER-STANDARD AUTOMOTIVE UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2017	4,000,000	(5,302,331)	(1,302,331)
Year ended 31 December 2017:			
Loss and total comprehensive income for the year	-	(180,742)	(180,742)
Balance at 31 December 2017	4,000,000	(5,483,073)	(1,483,073)
Year ended 31 December 2018:			
Loss and total comprehensive income for the year	-	(39,106)	(39,106)
Balance at 31 December 2018	4,000,000	(5,522,179)	(1,522,179)

COOPER-STANDARD AUTOMOTIVE UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	18		(1,779,475)		473,394
Interest paid			(28,599)		(24,985)
Net cash (outflow)/inflow from operating activities			(1,808,074)		448,409
Investing activities					
Purchase of tangible fixed assets		(26,263)		(24,357)	
Net cash used in investing activities			(26,263)		(24,357)
Net (decrease)/increase in cash and cash equivalents			(1,834,337)		424,052
Cash and cash equivalents at beginning of year			(1,167,513)		(1,591,565)
Cash and cash equivalents at end of year			(3,001,850)		(1,167,513)
Relating to:					
Bank overdrafts included in creditors payable within one year			(3,001,850)		(1,167,513)

1 Accounting policies

Company information

Cooper-Standard Automotive UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Orchard Court, 8 Binley Business Park, Coventry, CV3 2TQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company will receive continued group support for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	2 - 10 years
Fixtures, fittings & equipment	3 - 10 years
Computer equipment	3 - 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1 Accounting policies **(Continued)**

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1 Accounting policies **(Continued)**

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1 Accounting policies **(Continued)**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1 Accounting policies **(Continued)**

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Operating loss

	2018	2017
Operating loss for the year is stated after charging:	£	£
Exchange losses	6,781	17,775
Fees payable to the company's auditor for the audit of the company's financial statements	21,800	16,000
Depreciation of owned tangible fixed assets	24,192	21,773
Operating lease charges	87,452	88,089

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £6,781 (2017 - £17,775).

4 Employees

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

	2018 Number	2017 Number
Administration	23	24

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,607,276	1,440,807
Social security costs	177,596	141,489
Pension costs	-	102,127
	1,784,872	1,684,423

5 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	28,599	24,985

6 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Loss before taxation	(39,106)	(180,742)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	(7,430)	(34,341)
Tax effect of expenses that are not deductible in determining taxable profit	431	421
Unutilised tax losses carried forward	7,751	34,849
Permanent capital allowances in excess of depreciation	(752)	(929)
Taxation charge for the year	-	-

7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2018	113,095	15,039	83,028	427,676	638,838
Additions	-	-	-	26,263	26,263
At 31 December 2018	113,095	15,039	83,028	453,939	665,101
Depreciation and impairment					
At 1 January 2018	110,991	13,936	82,051	405,111	612,089
Depreciation charged in the year	2,104	176	692	21,220	24,192
At 31 December 2018	113,095	14,112	82,743	426,331	636,281
Carrying amount					
At 31 December 2018	-	927	285	27,608	28,820
At 31 December 2017	2,104	1,103	977	22,565	26,749

8 Financial instruments

	2018	2017
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,384,408	379,376
Carrying amount of financial liabilities		
Measured at amortised cost	3,596,991	1,562,414

9 Debtors

	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	19,366	17,329
Amounts owed by group undertakings	2,297,651	294,656
Other debtors	81,709	101,441
Prepayments and accrued income	144,636	147,595
	2,543,362	561,021

10 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	11	3,001,850	1,167,513
Trade creditors		76,666	103,876
Taxation and social security		97,370	108,429
Other creditors		163,874	135,603
Accruals and deferred income		354,601	155,422
		3,694,361	1,670,843

11 Loans and overdrafts

	2018 £	2017 £
Bank overdrafts	3,001,850	1,167,513
Payable within one year	3,001,850	1,167,513

The bank overdraft is secured by a corporate guarantee issued by Cooper Standard Holdings Inc (US), the parent company.

12 Provisions for liabilities

	Notes	2018 £	2017 £
Retirement benefit obligations	13	400,000	400,000

13 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to profit or loss in respect of defined contribution schemes	-	102,127

The company operates a stakeholder pension scheme, the Cooper-Standard Automotive UK Stakeholder Pension Plan and a separate death benefits plan, which is administered in-house and is open to employees of the company and subsidiary undertakings. An insurance company administers the stakeholder pension scheme and the benefits provided by the death benefits are insured.

Contributions totalling £nil (2017 : £nil) were payable to the fund at the year end and are included in creditors.

13 Retirement benefit schemes (Continued)

Defined benefit schemes

The company operates a defined benefit scheme for qualifying employees. Under the scheme the employees are entitled to retirement benefits based on final pensionable pay on attainment of a retirement age of 65.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 September 2015 by Lane, Clark & Peacock LLP. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2018 £	2017 £
Present value of defined benefit obligations	400,000	400,000
Deficit in scheme	400,000	400,000

Movements in the present value of defined benefit obligations	2018 £
Liabilities at 1 January 2018 and 31 December 2018	400,000

The defined benefit obligations arise from plans which are wholly or partly funded.

14 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
4,000,000 ordinary shares of £1 each	4,000,000	4,000,000

15 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	13,123	92,824
Between two and five years	422,597	15,795
	435,720	108,619

16 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

17 Controlling party

Cooper-Standard Automotive International Holdings BV is the company's immediate parent undertaking and is incorporated in the Netherlands. Cooper-Standard Automotive International Holdings BV is a wholly owned subsidiary of Cooper Standard Holdings Inc (US) which is the ultimate parent company. Cooper Standard Holdings Inc (US) is incorporated in the United States. Copies of its accounts are available from its executive offices of 39550 Orchard Hill Place Drive, Novi. MI 48325.

18 Cash (absorbed by)/generated from operations

	2018	2017
	£	£
Loss for the year after tax	(39,106)	(180,742)
Adjustments for:		
Finance costs	28,599	24,985
Depreciation and impairment of tangible fixed assets	24,192	21,773
Movements in working capital:		
(Increase)/decrease in debtors	(1,982,341)	641,093
Increase/(decrease) in creditors	189,181	(33,715)
Cash (absorbed by)/generated from operations	(1,779,475)	473,394