

Registered Number: 2215149

Adient Holding UK Ltd  
Annual report and financial statements for the year ended  
30 September 2019



## **Adient Holding UK Ltd**

### **Annual report and financial statements for the year ended 30 September 2019**

<b>Contents</b>	<b>Page(s)</b>
Strategic report	1
Directors' report	2 - 3
Independent auditors' report to the members of Adient Holding UK Ltd	4 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 17

## **Adient Holding UK Ltd**

### **Strategic report for the year ended 30 September 2019**

The directors present their Strategic report on the Company for the year ended 30 September 2019.

#### **Results**

The results for the financial year and the financial position of the Company are shown in the accompanying financial statements. The loss before taxation for the financial year was £29,658,000 (2018: £43,189,000).

The Company is in a robust financial position with net assets of £14,516,000 (2018: £44,174,000).

During the year the directors impaired the Investment in Adient Seating UK Ltd by £29,540,000 (2018: £42,000,000) to bring the Investment value in line with the net assets of the subsidiary.

#### **Non-adjusting post balance sheet event**

The impact of the novel strain of the coronavirus identified in late 2019 ("COVID-19") has grown throughout the world, including in all global and regional markets served by Adient. A detailed description of this, including the implications on the Company, can be found in note 15.

#### **Review of business and future developments**

The principal activity of the Company itself is that of a holding company investing in activities within the manufacture and sale of trimmed seats, seat components and interiors to the UK automotive industry.

The directors expect the general level of activity to remain stable for the foreseeable future.

#### **Business environment and strategy**

The activities of the Company continue to be those of a holding company which engages in investment activities which are, by their nature, non-recurrent events. The Company will continue to monitor each investment it holds together with any potential opportunities as they arise.

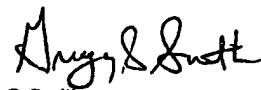
#### **Key performance indicators (KPIs)**

The fixed asset investment activity of the Company is managed as part of the global investment strategy and legal entity structure of the Adient Plc group and the Company's directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

#### **Principal risks and uncertainties**

The principal risks and uncertainties of the Company relate to the performance of its subsidiary companies. The subsidiaries apply group policy which requires risk management and operational policies and procedures to be implemented in all areas of business. Furthermore, there is a robust supervision structure which allows management to account for the delivery of the Company and subsidiaries contracts and to oversee relationships with its key stakeholders.

On behalf of the Board



G Smith

**Director**

23 July 2020

## Adient Holding UK Ltd

### Directors' report for the year ended 30 September 2019

The directors present their report and the audited financial statements of the Company for the year ended 30 September 2019.

#### Future developments

The future developments of the Company are noted in the strategic report.

#### Impairment

During the year the directors impaired the Investment in Adient Seating UK Ltd by £29,540,000 (2018: £42,000,000) to bring the Investment value in line with the net assets of the subsidiary.

#### Non-adjusting post balance sheet event

The impact of the novel strain of the coronavirus identified in late 2019 ("COVID-19") has grown throughout the world, including in all global and regional markets served by Adient. A detailed description of this, including the Implications on the Company, can be found in note 15.

#### Dividends

No dividends were declared or paid in the current year (2018: nil).

#### Financial risk management

**Credit risk:** The Company is not exposed to any credit risk other than in respect of inter-company balances within the Adient Plc group of companies. The Company does not have an external customer base. The Company uses financial institutions authorised by the Adient Plc group who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk.

**Exchange rate risk:** Potential exposure to currency exchange rate fluctuations is managed internally within the group. The only risk the Company is exposed to is in relation to their financing activities with foreign companies and the companies' values fluctuating with changing exchange rates.

**Liquidity and interest rate risk:** Cash balances held with external institutions form part of the Adient Plc group global cash pool arrangement. If funding is required then this is achieved by an internal loan from an Adient Plc group Company. As a result the interest rate risk is mitigated as there is no external funding requirement.

All risks are closely managed by the corporate risk management team, which is controlled by the ultimate parent company Adient Plc.

#### Directors

The following served as directors during the year and up to the date of signing this report, unless otherwise stated:

C Ebacher	(resigned 7 November 2019)
M Flanagan	
M Skonieczny	(resigned 4 October 2019)
P Rotman II	(appointed 7 November 2019)
G Smith	(appointed 7 November 2019)

#### Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Adient Plc also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

## **Adient Holding UK Ltd**

### **Directors' report for the year ended 30 September 2019 (cont'd)**

#### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

#### **Directors' confirmations**

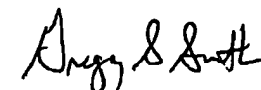
In the case of each director in office at the date the Directors' Report is approved:

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

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

On behalf of the Board



G Smith  
Director

23 July 2020

## **Adient Holding UK Ltd**

### ***Independent auditors' report to the members of Adient Holding UK Ltd***

#### **Report on the audit of the financial statements**

---

##### **Opinion**

In our opinion, Adient Holding UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 September 2019; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

---

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

---

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

---

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

## Adient Holding UK Ltd

### ***Independent auditors' report to the members of Adient Holding UK Ltd (cont'd)***

#### **Reporting on other information (cont'd)**

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Strategic Report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

---

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

##### ***Auditors' 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 auditors' 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### ***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

---

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

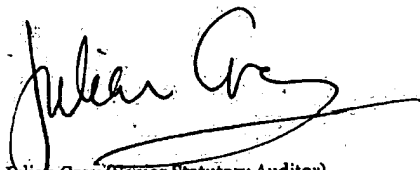
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Adient Holding UK Ltd

***Independent auditors' report to the members of Adient  
Holding UK Ltd (cont'd)***



Julian Gray (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton  
July 2020

24



## Adient Holding UK Ltd

### Statement of comprehensive income for the year ended 30 September 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		(14)	(9)
Operating Loss		(14)	(9)
Impairment of Investment	9	(29,540)	(42,000)
Interest receivable and similar income	4	30	-
Interest payable and similar expenses	5	(134)	(1,180)
Loss before taxation	7	(29,658)	(43,189)
Tax on loss	8	-	-
Loss for the financial year and total comprehensive expense		(29,658)	(43,189)

All amounts relate to continuing operations.

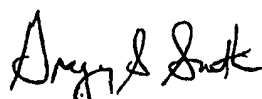
## Adient Holding UK Ltd

### Statement of financial position as at 30 September 2019

	Note	2019 £'000	2018 £'000
<b>Fixed assets</b>			
Investments	9	14,605	44,145
		<b>14,605</b>	<b>44,145</b>
<b>Current assets</b>			
Debtors	10	596	666
Cash at bank and in hand		-	24,686
		<b>596</b>	<b>25,352</b>
Creditors: amounts falling due within one year	11	(685)	(25,323)
<b>Net current (liabilities)/assets</b>		<b>(89)</b>	<b>29</b>
<b>Total assets less current liabilities</b>		<b>14,516</b>	<b>44,174</b>
<b>Net assets</b>		<b>14,516</b>	<b>44,174</b>
<b>Capital and reserves</b>			
Called-up share capital	12	45,010	45,010
Accumulated losses		(30,494)	(836)
<b>Total equity</b>		<b>14,516</b>	<b>44,174</b>

The notes on pages 10 to 17 form an integral part of these financial statements.

The financial statements on pages 7 to 17 were approved by the Board of directors on 23 July 2020 and were signed on its behalf by:



G Smith  
Director  
Adient Holding UK Ltd  
Registered number: 2215149

**Adient Holding UK Ltd**

**Statement of changes in equity for the year ended 30 September 2019**

	Called up share capital £'000	Retained Earnings/ (Accumulated Losses) £'000	Total £'000
Balance at 1 October 2017	45,010	42,353	87,363
Loss for the financial year and total comprehensive expense	-	(43,189)	(43,189)
<b>Balance at 30 September 2018 and 1 October 2018</b>	<b>45,010</b>	<b>(836)</b>	<b>44,174</b>
Loss for the financial year and total comprehensive expense	-	(29,658)	(29,658)
<b>Balance at 30 September 2019</b>	<b>45,010</b>	<b>(30,494)</b>	<b>14,516</b>

Accumulated losses represent accumulated comprehensive income and expense for the year.

## **Adient Holding UK Ltd**

### **Notes to the financial statements for the year ended 30 September 2019**

#### **1 General information**

Adient Holding UK Ltd, ("the Company") is a private company limited by shares domiciled and incorporated in the United Kingdom. The address of its registered office is Demise C, Ground Floor, Welland House, 120 Longwood Close, Westwood Business Park, Coventry CV4 8AE.

The Company is a holding company investing in activities within the manufacture and sale of trimmed seats, seat components and interiors to the UK automotive industry.

#### **2 Statement of compliance**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and in accordance with the Companies Act 2006.

#### **3 Summary of significant accounting policies**

The principal accounting policies which have been applied consistently throughout the financial year and prior year are disclosed below.

##### **Basis of preparation**

These financial statements are prepared on a going concern basis under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The impairment of investments during the year is a critical accounting estimate. There are no other areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements.

##### **Reduced disclosures**

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements on the basis that the information is provided in the consolidated financial statements of Adient Plc, which is registered in Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 13;

##### **Section 7 'Statement of Cash Flows'**

Presentation of a Statement of Cash Flow and related notes and disclosures as required by paragraph 3.17(d) of FRS 102;

##### **Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues'**

Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in the statement of comprehensive income as required by paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A of FRS 102; and

##### **Section 33 'Related Party Disclosures'**

Compensation for key management personnel as required by paragraph 33.7 of FRS 102.

## **Adient Holding UK Ltd**

### **Notes to the financial statements for the year ended 30 September 2019 (cont'd)**

#### **3 Summary of significant accounting policies (cont'd)**

##### **Going concern**

The Company has net current liabilities of £89,000 (2018: net current assets of £29,000). This is largely to the Company's bank overdraft of £532,000 (2018: £nil) which is secured by way of a guarantee from the ultimate parent company.

With this support in place, covering the period until 23 July 2021, and after assessing the Company's ability to repay its creditors if required, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore consider that it is appropriate to adopt the going concern basis in preparing the financial statements.

##### **Group financial statements**

The Company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Adient Plc, which is registered in Ireland and which itself prepares consolidated financial statements which are publicly available and can be obtained from the address given in note 13. Accordingly consolidated financial statements have not been prepared and the financial information presented for the current and prior periods is for the Company as an individual undertaking.

##### **Functional and presentational currency**

The Company's functional and presentation currency is the pound sterling.

##### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are expressed in sterling at rates ruling at the statement of financial position date. Income and expenditure denominated in foreign currencies has been translated into sterling at the rates ruling at the time of the transaction. All differences on exchange are taken to the statement of comprehensive income.

##### **Taxation**

Current tax is provided on taxable profits for the period and is calculated using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Tax deferred or accelerated as a result of timing differences between the treatment of certain items for taxation and for accounting purposes is provided in full. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that there will be suitable taxable profits against which the deferred asset can be recovered in future periods.

Deferred tax is measured at the average tax rates that are expected to apply in the periods which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is measured on an undiscounted basis.

##### **Related party transactions**

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions are aggregated unless, in the opinion of the directors separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

The Company does not disclose transactions with members of the same group that are wholly owned.

##### **Investments**

Investments are stated at cost plus incidental expenses less provisions for impairment in value. The Company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the Statement of comprehensive income.

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2019 (cont'd)

#### 3 Summary of significant accounting policies (cont'd)

##### Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

##### Financial instruments

###### Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and loans to fellow group companies are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest rate method and are assessed annually for evidence of impairment. Any impairment loss or reversal of an impairment loss is recognised in the statement of comprehensive income.

###### Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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. Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classed as current liabilities if payment is due within one year or less.

##### Offsetting

Financial assets and liabilities are offset and 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 or to realise the asset and settle the liability simultaneously.

#### 4 Interest receivable and similar income

	2019 £'000	2018 £'000
Bank interest	30	-
	30	-

#### 5 Interest payable and similar expenses

	2019 £'000	2018 £'000
Bank interest	134	1,180

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2019 (cont'd)

#### 6 Directors and employees

The directors received no remuneration in respect of their services to the Company during the year (2018: nil) as their services as directors of the Company were incidental to their other services within the Adient Plc group of companies. Directors' remuneration costs are borne by other members of the Adient Plc group of companies. The average monthly number of employees is nil (2018: nil).

#### 7 Loss before taxation

	2019 £'000	2018 £'000
<b>Loss before taxation is stated after charging:</b>		
Auditors' remuneration		
- audit services for the Company	6	6

There are no amounts payable to the Company's auditors in respect of services other than audit (2018: £nil).

All material items in arriving to the loss before taxation are disclosed in the Statement of comprehensive income.

#### 8 Tax on loss

	2019 £'000	2018 £'000
<b>Current tax</b>	-	-
<b>Total current tax</b>	-	-

##### Factors affecting the tax charge for the year

The tax assessed for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: standard rate of 19%). The differences are explained below:

	2019 £'000	2018 £'000
<b>Loss before taxation</b>	<b>(29,658)</b>	<b>(43,189)</b>
Loss multiplied by the standard rate of tax in the UK of 19% (2018: 19%)	(5,635)	(8,205)
Effects of:		
Expenses not deductible for tax purposes	5,613	7,979
Group relief surrendered for nil consideration	-	226
Adjustments to tax charge in respect of prior years	2	-
Deferred tax not recognised	20	-
<b>Tax charge for the year</b>	<b>-</b>	<b>-</b>

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2019 (cont'd)

#### 8 Tax on loss (cont'd)

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020. As the proposal to keep the rate at 19% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

#### 9 Investments

	Total £'000
<b>Cost</b>	
At 1 October 2018 and 30 September 2019	190,942
<b>Provision for impairment</b>	
At 1 October 2018	(146,797)
Impairment in year	(29,540)
At 30 September 2019	(176,337)
<b>Net book value</b>	
At 30 September 2019	14,605
At 30 September 2018	44,145

At 30 September 2019 the Company had the following investments in a subsidiary undertaking:

	Class of shares	Proportion of nominal value of shares issued held by:		Registered Office
		Company	Other group companies	
Adient Seating UK Ltd	Ordinary	100%	-	Demise C, Ground Floor, Welland House, 120 Longwood Close, Westwood Business Park, Coventry CV4 8AE
Adient UK Pension Scheme Trustee Limited	Ordinary	-	100%	Demise C, Ground Floor, Welland House, 120 Longwood Close, Westwood Business Park, Coventry CV4 8AE
Lamination Automotive Fabrics S.à.r.l.	Ordinary	10%	90%	Lots 13.19-13.20, Atlantic Free Zone – Sefla, Morocco

During the year the directors impaired the investment in Adient Seating UK Ltd by £29,540,000 to bring the investment value in line with the net assets of the subsidiary.



## **Adient Holding UK Ltd**

### **Notes to the financial statements for the year ended 30 September 2019 (cont'd)**

#### **10 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Other debtors	<b>596</b>	<b>666</b>
	<b>596</b>	<b>666</b>

Other debtors comprise of costs to be recharged to other group companies.

As at 30 September 2019, the Company has total unrecognised deferred tax assets of £226,000 (2018: £103,000).

#### **11 Creditors – amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts	<b>532</b>	<b>-</b>
Amounts owed to group undertakings	<b>100</b>	<b>25,073</b>
Trade Creditors	<b>3</b>	<b>157</b>
Taxation and social security	<b>50</b>	<b>93</b>
	<b>685</b>	<b>25,323</b>

The bank overdraft is charged at an interest rate of LIBOR + 70bps and is secured by way of a guarantee from the ultimate parent company, Adient Plc and is repayable on demand.

Amounts owed to group undertakings comprise amounts transferred to Adient Holding UK Ltd under a zero balance pooled bank agreement which are unsecured, repayable on demand and bear an interest rate of Bank of England base rate + 1.05%.

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2019 (cont'd)

#### 12 Called up share capital

	2019 £'000	2018 £'000
<b>Allotted and fully paid</b>		
10,000 (2018: 10,000) Ordinary shares	10	10
4,500 (2018: 4,500) Preference shares of £10,000 each	45,000	45,000
	<b>45,010</b>	<b>45,010</b>

The following rights attach to the different classes of shares:

**Voting Rights:** The holders of the Ordinary and Preference Shares have equal voting rights of one vote per share held.

**Distributable profit:** first paid as a preferential dividend of 8.1% per annum to holders of Preference Shares (at the discretion of the Directors); and second, dividend *pari passu* to holders of Ordinary Shares.

**Dividend Rights:** The preference shares carry a cumulative dividend right of 8.1% p.a. The ordinary shares are then entitled to a dividend equal to the aggregate amount of dividends payable on preference shares, with the remainder of any profit distributable to the holders of the ordinary shares. All dividends payable are declared at the discretion of the directors.

**Return of assets:** on a return of assets (on liquidation, capital reduction or otherwise), surplus assets shall be used to first pay the subscription price paid by the holder of Preference Shares and arrears and accruals due to them; and second, pay the subscription price paid by the holders of Ordinary Shares and divide the remaining balance between them *pari passu*.

#### 13 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Adient Properties UK Limited, a Company incorporated in the United Kingdom.

As at 30 September 2019, the ultimate parent undertaking and controlling party was Adient Plc, a company incorporated in Ireland. Adient Plc was the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2019. The consolidated financial statements of Adient Plc are available from:

Adient Plc, 25-28 North Wall Quay, IFSC, Dublin 1, Ireland

#### 14 Commitments

On 6 May 2019, JP Morgan Chase Bank N.A, US Bank National Association and Bank of America N.A. (and their successors in title and permitted transferees) were assigned a fixed and floating charge which covers all the property or undertaking of the company.

On 23 April 2020 US Bank National Association (and their successors in title and permitted transferees) were assigned a fixed and floating charge which covers all the property or undertaking of the company.

## **Adient Holding UK Ltd**

### **Notes to the financial statements for the year ended 30 September 2019 (cont'd)**

#### **15 Non-adjusting post balance sheet event**

The impact of the novel strain of the coronavirus identified in late 2019 ("COVID-19") has grown throughout the world, including in all global and regional markets served by the Adient group. Governmental authorities have implemented numerous measures attempting to contain and mitigate the effects of COVID-19, including travel bans and restrictions, quarantines, social distancing orders, shelter in place orders and shutdowns of non-essential activities.

Beginning in late March 2020, the Adient group experienced the shutdown of effectively all facilities in the Americas and European regions coinciding with the shutdown of customer facilities in those regions. The Adient group also experienced the shutdown of approximately 50% of plants in Asia (outside China) during late March 2020 and early April 2020. The resumption of production in all of these regions is dependent on customers resuming operations. Until a resumption of production can occur, it is anticipated that customers will not be operating.

It is also likely that the global automotive industry will experience significantly lower demand for new vehicle sales as a result of the global economic slowdown caused by the COVID-19 pandemic because new vehicle sales are highly dependent on strong consumer confidence and low unemployment. Until consumers regain confidence in the markets and unemployment returns to lower levels, new vehicle sales will likely be significantly lower than historical and previously projected sales levels.

Adient have been actively monitoring the global outbreak and spread of COVID-19 and taking steps to mitigate the potential risks posed by its spread and related circumstances and impacts. Adient continue to assess and update our business continuity plans in the context of this pandemic. We have taken precautions to help keep the workforce healthy and safe, including establishing a Global Response Team, implementing strict travel restrictions, enforcing rigorous hygiene protocols, increasing sanitisation efforts at all facilities and implementing remote working arrangements for the vast majority of employees who work outside the plants.

The spread of COVID-19 and the measures taken to restrain the spread of the virus have had, and will continue to have, a material negative impact on the Adient group's financial results and liquidity, and such negative impact may continue well beyond the containment of such outbreak. Consequently, the impact on our business, financial condition or longer-term financial or operational results are uncertain. There is no other material disclosures arising from the impact of COVID-19.