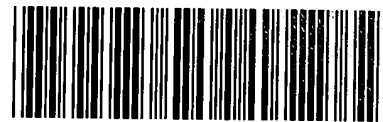


Registration number: 02215149

**Adient Holding UK Ltd**  
**Annual report and financial statements for the year ended**  
**30 September 2021**

WEDNESDAY



\*ABCØUQ7C\*

A04

07/09/2022

#358

COMPANIES HOUSE

## **Adient Holding UK Ltd**

### **Contents**

### **Page(s)**

Company information	1
Strategic report	2
Directors' report	3 to 5
Independent auditors' report	6 to 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12 to 22

## **Adient Holding UK Ltd**

### **Company Information**

**Directors** M Flanagan  
P Rotman II  
G Smith

**Registration number** 02215149

**Registered office** Demise C Ground Floor  
Welland House 120  
Longwood Close  
Westwood Business Park  
Coventry  
CV4 8AE

**Auditors** PricewaterhouseCoopers  
Chartered Accountants and Statutory Audit Firm  
One Spencer Dock  
North Wall Quay  
Dublin 1  
D01 X9R7

## Adient Holding UK Ltd

### Strategic report for the year ended 30 September 2021

The directors present their strategic report for the company for the year ended 30 September 2021.

#### 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 £17,000 (2020: £14,608,000).

The company has net liabilities of £109,000 (2020: £92,000).

During the year the directors have impaired the investment by £156,000 (2020: £13,843,000).

#### 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.

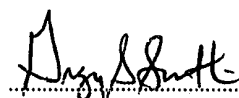
#### Key performance indicators ("KPIs")

The 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

Date: 26/08/2022

## **Adient Holding UK Ltd**

### **Directors' report for the year ended 30 September 2021**

The directors present their report and the audited financial statements of the company for the year ended 30 September 2021.

#### **Future developments**

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

#### **Impairment**

During the year the directors have impaired the investment by £156,000 (2020: £13,843,000).

#### **Going concern**

The company has net current liabilities of £112,000 (2020: £183,000). This is largely due to the company's bank overdraft of £5,503,000 (2020: £6,783,000) which is secured by way of guarantee of £8,000,000 from the ultimate parent company.

With this support in place, covering the period until 26 August 2023, 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.

#### **Dividends**

The directors do not recommend the payment of a dividend in respect of the year ended 30 September 2021 (2020: £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:

M Flanagan

P Rotman II

G Smith

## Directors' report for the year ended 30 September 2021 (continued)

### 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.

### Impact of COVID-19

The impact of COVID-19, and related variants and sub-variants, continues to be present throughout the world, including in all global and regional markets served by Adient. The elevated COVID-19 rates in China have led to widespread lockdowns during the second quarter of fiscal 2022, and are expected to continue throughout fiscal 2022, negatively impacting the automotive production levels in that region, along with creating further supply chain disruptions. Although vaccines have been introduced that are expected to have the result of reducing the effect of COVID-19 and COVID-19 started to wane in certain geographic areas, governmental authorities continue to implement 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. Adient's manufacturing facilities are located in areas that continue to be affected by the pandemic. Adient continues to actively monitor the threat and impacts of COVID-19.

### 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.

Adient Holding UK Ltd

## Directors' report for the year ended 30 September 2021 (continued)

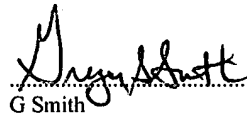
### Events since the balance sheet date

The company is aware of the Ukraine situation and assessed that there are no direct or indirect impact on company's operations. There were no other significant events between the balance sheet date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.

### Independent auditors

PricewaterhouseCoopers LLP have resigned as auditors of the company with effect from 19 May 2022. The company has appointed PricewaterhouseCoopers as auditors with effect from 23 May 2022 by way of written resolution in lieu of Annual General Meeting.

On behalf of the Board



G Smith  
Director

Date: 26/08/2022

# ***Independent auditors' report to the members 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 2021 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, which comprise:

- the statement of financial position as at 30 September 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- 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**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

---

### **Reporting on other information**

The other information comprises all of the information in the Annual report and financial statements 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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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 in respect of the financial statements, 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.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the operations of Adient Holding UK Limited, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed included:

- discussions with management, in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulation and fraud and reviewing Board Minutes;
- confirmation with those charged with governance in respect of risk of fraud and any known or suspected instances of non-compliance with laws and regulations;
- consideration of the overall control environment and the processes and controls in place in the company, including procedures to achieve compliance with relevant laws and regulations;
- testing of journal entries posted throughout the period and at period end; and
- evaluating management's judgements for appropriateness and indicators of bias based on our knowledge and understanding of the business and the requirements of the reporting framework, the evidence obtained from our detailed audit procedures and assessing events occurring up to the date of the auditor's report.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company; 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.

Rose-Marie McNamara (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Dublin  
26 August 2022

**Adient Holding UK Ltd**

**Statement of comprehensive income for the year ended  
30 September 2021**

	<i>Note</i>	<i>2021</i> <i>£ 000</i>	<i>2020</i> <i>£ 000</i>
Administrative expenses		<u>(78)</u>	<u>(21)</u>
<b>Operating loss</b>		<b>(78)</b>	<b>(21)</b>
Interest receivable and similar income	5	-	1
Interest payable and similar expense	6	(77)	(90)
Gain/(loss) on disposal of investments	8	294	(655)
Impairment of investments	11	<u>(156)</u>	<u>(13,843)</u>
<b>Loss before taxation</b>	9	<b>(17)</b>	<b>(14,608)</b>
Tax on profit/(loss)	10	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<b><u>(17)</u></b>	<b><u>(14,608)</u></b>

All amounts relate to continuing operations.

No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than loss for the financial year.

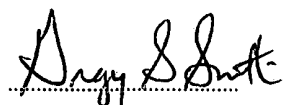
The notes on pages 12 to 22 form an integral part of these financial statements.

Adient Holding UK Ltd

Statement of financial position as at 30 September 2021

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Investments	11	3	91
<b>Current assets</b>			
Debtors	12	5,412	6,627
Creditors: amounts falling due within one year	13	<u>(5,524)</u>	<u>(6,810)</u>
<b>Net current liabilities</b>		<u>(112)</u>	<u>(183)</u>
<b>Total assets less current liabilities</b>		<u>(109)</u>	<u>(92)</u>
<b>Net liabilities</b>		<u>(109)</u>	<u>(92)</u>
<b>Capital and reserves</b>			
Called up share capital	14	45,010	45,010
Accumulated losses		<u>(45,119)</u>	<u>(45,102)</u>
<b>Total shareholders' deficit</b>		<u>(109)</u>	<u>(92)</u>

The financial statements on pages 9 to 22 were approved by the Board of directors on 26/8/2022 and were signed on its behalf by:



G Smith  
Director  
Adient Holding UK Ltd  
Registered number: 02215149

The notes on pages 12 to 22 form an integral part of these financial statements.

Adient Holding UK Ltd

**Statement of changes in equity for the year ended  
30 September 2021**

	<i>Called up share capital £ 000</i>	<i>Accumulated losses £ 000</i>	<i>Total equity £ 000</i>
Balance at 1 October 2019	45,010	(30,494)	14,516
Loss for the year	-	(14,608)	(14,608)
<b>Balance at 30 September 2020</b>	<b>45,010</b>	<b>(45,102)</b>	<b>(92)</b>
Balance at 1 October 2020	45,010	(45,102)	(92)
Loss for the year	-	(17)	(17)
<b>Balance at 30 September 2021</b>	<b>45,010</b>	<b>(45,119)</b>	<b>(109)</b>

Accumulated losses represents accumulated comprehensive income and expense at the financial year end.

The notes on pages 12 to 22 form an integral part of these financial statements.

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2021

#### 1 General information

Adient Holding UK Ltd, ("the company") is a private company limited by shares domiciled and incorporated in England, 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 financial statements have been prepared in Pounds Sterling which is the functional currency of the company rounded to nearest £'000. 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's accounting policies. The impairment of investments during the previous 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 15;

- *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

## Notes to the financial statements for the year ended 30 September 2021 (continued)

### 3 Summary of significant accounting policies (continued)

#### Reduced disclosures (continued)

- *Section 33 'Related Party Disclosures'* :  
Compensation for key management personnel as required by paragraph 33.7 of FRS 102.

#### Going concern

The company has net current liabilities of £112,000 (2020: £183,000). This is largely to the company's bank overdraft of £5,503,000 (2020: £6,783,000) which is secured by way of guarantee of £8,000,000 from the ultimate parent company.

With this support in place, covering the period until 26 August 2023, 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 15. 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.

#### Interest income and expense

Interest is credited/charged in the statement of comprehensive income using the effective interest rate method.

#### 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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. 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.

## Notes to the financial statements for the year ended 30 September 2021 (continued)

### 3 Summary of significant accounting policies (continued)

#### 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.

#### 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.

#### Share capital

Ordinary shares issued by the company are recorded at the proceeds received, net of transaction costs.



## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2021 (continued)

#### 4 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 3, the director is required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Judgements

There are no judgements that have a significant effect on amounts recognised in the financial statements.

##### Estimates and assumptions

In the process of applying the company's accounting policies, management has made the following estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

##### (i) Impairment of investments

The investment in subsidiary undertakings is carried at cost less impairment. The assessment of impairment involves estimation in relation to the value of the unquoted investment based on the net assets of the underlying investment. At the period end the value of the investment was £3,000 (2020: £91,000). There was an impairment charge of £156,000 during the year (2020: £13,843,000).

#### 5 Interest receivable and similar income

	2021 £ 000	2020 £ 000
Bank interest	-	1

Bank interest is earned on bank deposits bearing an interest rate of 0.39% (2020: 0.39%).

#### 6 Interest payable and similar expense

	2021 £ 000	2020 £ 000
Bank interest	77	90

**Adient Holding UK Ltd**

**Notes to the financial statements for the year ended  
30 September 2021 (continued)**

**6 Interest payable and similar expense (continued)**

Bank interest is payable on bank overdrafts bearing an interest rate of 0.70% (2020: 0.70%)

**7 Directors and employees**

The directors received no remuneration in respect of their services to the company during the year (2020: £nil) as their services as directors of the company were incidental to their other services within the Adient group of companies. Directors' remuneration costs are borne by other members of the Adient group of companies. The average monthly number of employees is nil (2020: nil).

**8 Gain/(loss) on disposal of investments**

Gain on disposal of investments during the current year relates to cash consideration received due to the sale of investment in Lamination Automotive Fabrics S.a.r.l sale done in September 2020. The disposal was part of the Adient plc group disposal of the Laminations business.

On 26 September 2020, the company sold its investment in Lamination Automotive Fabrics S.a.r.l. for cash consideration of £107,000. This disposal was part of the Adient plc groups disposal of the Laminations business. The carrying value of the investment at the date of disposal was £762,000, and a loss on disposal of £655,000 was recognised in the statement of comprehensive income.

**9 Loss before taxation**

	2021 £ 000	2020 £ 000
<b>Loss before taxation is stated after charging/(crediting)</b>		
Impairment of investments	156	13,843
Auditors' remuneration for audit services	6	6
Foreign exchange losses/(gains)	<u>10</u>	<u>(1)</u>

There are no amounts payable to the company's auditors in respect of services other than audit (2020: £nil).

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

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2021 (continued)

#### 10 Tax on loss

Tax charged in the income statement

	2021 £ 000	2020 £ 000
<b>Current taxation</b>		
UK corporation tax	-	-

#### Reconciliation of tax charge for the year

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £ 000	2020 £ 000
Loss before taxation	(17)	(14,608)
Loss multiplied by standard rate of corporation tax of 19% (2020: 19%)	(3)	(2,776)
Expenses not deductible for tax purposes	30	2,630
Other permanent differences	(57)	124
Difference in tax rates between current tax and deferred tax on timing differences	-	(12)
Deferred tax not recognised	-	34
Effects of group relief	30	-
<b>Total tax charge</b>	-	-

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

The Finance (No. 2) Act 2015 reduced the standard rate of corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020, however, legislation in the Finance Act 2020, enacted in July 2020, repealed this reduction. The Finance Bill 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Bill 2021 was enacted in June 2021 and accordingly, these rates are applicable to the measurements of deferred tax balances at 30 September 2021.

#### Unrecognised deferred tax asset

As at 30 September 2021, the company has total unrecognised deferred tax assets of £1,890,000 (2020: £157,000).

**Adient Holding UK Ltd**

**Notes to the financial statements for the year ended  
30 September 2021 (continued)**

**11 Investments**

£ 000

**Cost**

At 1 October 2020	190,271
Additions during the year	<u>68</u>
At 30 September 2021	<u>190,339</u>

**Provision for impairment**

At 1 October 2020	190,180
Impairment in year	<u>156</u>
At 30 September 2021	<u>190,336</u>

**Net book value**

At 30 September 2021	<u><u>3</u></u>
At 30 September 2020	<u><u>91</u></u>

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2021 (continued)

#### 11 Investments (continued)

At 30 September 2021 the company had the following investments in subsidiary undertakings:

Subsidiary name	Class of shares	Proportion of nominal value of shares issued hold 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, United Kingdom
Adient UK Pension Scheme Trustee Limited	Ordinary	-	100%	Demise C, Ground Floor, Welland House, 120 Longwood Close, Westwood Business Park, Coventry, CV4 8AE, United Kingdom
Adient Automotive Seating Maroc S.a.r.l	Ordinary	10%	90%	LOT 11-25, Atlantic Free Zone. Commune Amer Sania, Kenita, Morocco

During the year the directors have impaired the investment by £156,000 (2020: £13,843,000).

In July 2020, the company acquired 10% of the share capital of Adient Automotive Maroc S.a.r.l. at formation of this entity for cash consideration of 100,000 Euros, translated to £91,000.

On 26 September 2020, the company sold the investment in Lamination Automotive Fabrics S.a.r.l as part of the group disposal of the Laminations business, as disclosed in note 9.

In August 2021, the company made a capital injection in Adient Automotive Seating Maroc Sarl for cash consideration of £68,000.

In the opinion of the director, the aggregate value of the company's investments in subsidiary undertakings is not less than the aggregate amount included in the balance sheet.

#### 12 Debtors

	2021 £ 000	2020 £ 000
Amounts owed by group undertakings	5,358	6,443
Other debtors	54	184
	<u>5,412</u>	<u>6,627</u>

## Adient Holding UK Ltd

### Notes to the financial statements for the year ended 30 September 2021 (continued)

#### 12 Debtors (continued)

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

Amounts owed by group undertakings comprise amounts transferred by 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 + 1.05bps (2020: Bank of England base rate + 0.50 bps).

#### 13 Creditors - amounts falling due within one year

	2021 £ 000	2020 £ 000
Bank loans and overdraft	5,503	6,783
Trade creditors	5	27
Taxation and social security	10	-
Accrued expenses	6	-
	<u>5,524</u>	<u>6,810</u>

The bank overdraft is charged at an interest rate of 0.70% (2020: 0.70%).

#### 14 Called up share capital

	2021 £ 000	2020 £ 000
<b>Allotted and fully paid</b>		
10,000 (2020: 10,000) Ordinary shares of £1 each	10	10
4,500 (2020: 4,500) Preference shares of £10,000 each	<u>45,000</u>	<u>45,000</u>
	<u>45,010</u>	<u>45,010</u>

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.

## **Adient Holding UK Ltd**

### **Notes to the financial statements for the year ended 30 September 2021 (continued)**

#### **14 Called up share capital (continued)**

**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*.

#### **15 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 2021, 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 2021. The consolidated financial statements of Adient Plc are available from:

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

#### **16 Commitments**

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

On 30 September 2020, the fixed and floating charges granted to JP Morgan Chase Bank N.A. and Bank of America N.A. on all shares and investments in Lamination Automotive Fabrics S.A.R.L. and related distribution rights (as defined in the debenture) of the company over or in respect of which the company has created security were released.

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

On 23 April 2020, the company acted as a guarantor for Adient US LLC in respect of an indenture relating to the issuance of \$600,000,000 aggregate principal amount of Senior First Lien Notes (the "Notes"). The Notes mature on 15 April 2026 and bear interest at a rate of 9.00% per annum.

On 9 June 2021, Bank of America NA were granted a fixed and floating charge which covers all the property or undertaking of the company.

#### **17 Events since the balance sheet date**

The company is aware of the Ukraine situation and assessed that there are no direct or indirect impact on company's operations. There were no other significant events between the balance sheet date and the date of signing of the financial statements, affecting the company, which require adjustment to or disclosure in the financial statements.

Adient Holding UK Ltd

**Notes to the financial statements for the year ended  
30 September 2021 (continued)**

**18 Approval of financial statements**

The board of directors approve these financial statements for issue on ..... 26/08/2022