COMPANY REGISTRATION NO. 02796324 (England and Wales)

ARVINMERITOR A&ET LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

ARVINMERITOR A&ET LIMITED

COMPANY INFORMATION

Directors	Mr P Bialy Mr H James Mr J Ramos	 (Appointed 23 April 2018)
Secretary	Mr H James	
Company number	02796324	
Registered office	Grange Road Cwmbran Gwent UK NP44 3XU	
Auditor	Deloitte LLP Cardiff Wales United Kingdom	

ARVINMERITOR A&ET LIMITED

CONTENTS

ARVINMERITOR A&ET LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their annual report and financial statements for the year ended 30 September 2018.

Principal activities and future developments
The principal activity of the company was that of the manufacture and distribution of motor vehicle exhaust systems and catalytic converters until 15 May 2007, when the trading assets were sold and this activity ceased.

Directors
The directors who served throughout the year except as noted were as follows:

Mr P Bialy	
Mr H James	
Mr M Schaitkin (USA)	(Resigned 23 April 2018)
Mr J Ramos	(Appointed 23 April 2018)

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 (2017 - nil).

Qualifying third party indemnity provisions
The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor
The auditor, Deloitte LLP, 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. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern
The directors believe that it is appropriate to prepare the financial statements on the going concern basis and wish to draw attention to note 1.2.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the board and signed on its behalf by

....
Mr H James
Director
Date: 8 April 2019

ARVINMERITOR A&ET LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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; 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 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.

ARVINMERITOR A&ET LIMITED

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ARVINMERITOR A&ET LIMITED

Opinion

In our opinion the financial statements of Arvinmeritor A&ET Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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 respect of these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF ARVINMERITOR A&ET LIMITED

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF ARVINMERITOR A&ET LIMITED

Use of our report

This report is made solely to the company's member, 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 member those matters we are required to state to it 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 member, for our audit work, for this report, or for the opinions we have formed.

David Hedditch

David Hedditch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

8 April 2019

Statutory Auditor

Cardiff
Wales
United Kingdom

ARVINMERITOR A&ET LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £ 000	2017 £ 000
Administrative expenses		(109)	(165)
Operating loss	3	(109)	(165)
Interest receivable and similar income	5	1	2,773
Interest payable and similar expenses	6	(4,711)	(2,457)
(Loss)/profit before taxation	3	(4,819)	151
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial year		(4,819)	151

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

ARVINMERITOR A&ET LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £ 000	2017 £ 000
(Loss)/profit for the year	(4,819)	151
Other comprehensive (expense)/income		
Actuarial (loss)/gain on post retirement medical benefit plan	(86)	9
Total comprehensive (expense)/income for the year	(4,905)	160

ARVINMERITOR A&ET LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Notes	2018 £ 000	2018 £ 000	2017 £ 000	2017 £ 000
Current assets					
Debtors	8	33		40	
Creditors: amounts falling due within one year	9	(171)		(230)	
Net current liabilities			(138)		(190)
Creditors: amounts falling due after more than one year	10		(87,242)		(82,353)
Provisions for liabilities	11		(891)		(823)
Net liabilities			(88,271)		(83,366)
Capital and reserves					
Called up share capital	13		14,309		14,309
Profit and loss reserves			(102,580)		(97,675)
Total equity			(88,271)		(83,366)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 8 April 2019 and are signed on its behalf by:

....
Mr H James
Director

Company Registration No. 02796324

ARVINMERITOR A&ET LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Share capital	Profit and loss reserves	Total
	£ 000	£ 000	£ 000
Balance at 1 October 2016	14,309	(97,835)	(83,526)
Year ended 30 September 2017:			
Profit for the year	-	151	151
Other comprehensive income:			
Actuarial gains on post-retirement medical benefit plan	-	9	9
Total comprehensive income for the year	-	160	160
Balance at 30 September 2017	14,309	(97,675)	(83,366)
Year ended 30 September 2018:			
Loss for the year	-	(4,819)	(4,819)
Other comprehensive expense:			
Actuarial losses on post-retirement medical benefit plan	-	(86)	(86)
Total comprehensive expense for the year	-	(4,905)	(4,905)
Balance at 30 September 2018	14,309	(102,580)	(88,271)

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

1 Accounting policies

Company information
Arvinmeritor A&ET Limited is a private company limited by shares incorporated in England and Wales. The registered office is Grange Road, Cwmbran, Gwent, UK, NP44 3XU. The principal activity of the company is stated in the directors' report (page 1).

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 £ 000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and 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 profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and other intercompany transactions.

The financial statements of the company are consolidated in the financial statements of Meritor Inc. These consolidated financial statements are available from its registered office, 2135 West Maple Road, Troy, Michigan, 48084-7186 USA.

The company's accounting reference date is 30 September; the company has taken advantage of the provisions of the Companies Act 2006 (s390(3)) so that its actual financial year end was 30 September (2017: 1 October).

1 Accounting policies **(Continued)**

1.2 Going concern

The accounts show that the company has net current liabilities of £138,000, liabilities due after more than one year of £87.2 million and net liabilities of £88.3 million as at 30 September 2018.

The company meets its day-to-day working capital requirements through inter-company loans. Long-term inter-company loans of £87.4 million are repayable in May 2020.

The company is party to a group cash pooling arrangement with certain fellow subsidiaries. Consequently, the company is reliant upon the provision of cash from the pool lead company, ArvinMeritor Finance Ireland ("AFI"), in order to meet its day to day working capital requirements. The directors have prepared cash flow forecasts for a period of 12 months from the date of signing these financial statements which they feel reflect the impact of all reasonable scenarios. As a result, they expect the company to be able to operate within the limits of its working capital from AFI of £100,000 at 30 September 2018 (2017 - £100,000) as part of the cash pooling arrangement. The directors have considered the ability of AFI to provide this funding in forming their conclusion.

AFI is, in turn, reliant upon funding from Meritor, Inc., the ultimate parent company and therefore its liquidity is entirely dependent upon the liquidity of Meritor, Inc. The following key liquidity metrics have been taken from the Meritor, Inc. 10-K Annual Report for the year ended 30 September 2018:

- cash and cash equivalents on hand at 30 September 2018 of $115 million (2017 – $88 million);
- total debt at 30 September 2018 of $824 million (2017 – $1,038 million); and
- total available sources of on- and off-balance sheet credit at 30 September 2018 of $1,017 million, of which $592 million is unused (2017 – $1,020 million, of which $542 million is unused).

At 30 September 2018, Meritor, Inc. had access to a $525 million revolving credit facility, which was stated to mature in March 2022. The availability under this facility is dependent upon various factors, including principally the performance of Meritor, Inc. against certain financial covenants.

As a consequence, the directors believe that ArvinMeritor A&ET Limited has adequate resources to continue in operational existence for the foreseeable future and therefore conclude that it is appropriate to continue to adopt the going concern assumption in preparing the financial statements.

1.3 Cash at bank and in hand

Cash at bank and in hand 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.

1.4 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.

1 Accounting policies **(Continued)**

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.

1.5 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.

1.6 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.7 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.8 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 (Loss)/profit before taxation

	2018	2017
This is stated after charging:	£ 000	£ 000
Fees payable to the company's auditor for the audit of the company's financial statements	5	5

Exchange differences recognised in profit or loss during the year amounted to £2,101,000 loss (2017 - £2,727,000 gain).

4 Directors' remuneration

The company has no employees other than the directors (2017 - none). The directors are remunerated by other group companies for their services to the group as a whole. It is not practical to allocate their remuneration between the services to the company and other entities in the group.

5 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Interest income		
Gain on translation of amounts owed to group undertaking	1	2,773

6 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Interest on inter-company loans	2,588	2,437
Interest on post-retirement medical benefit liability	22	20
Loss on translation of amounts owed to group undertakings	2,101	-
	4,711	2,457

7 Taxation

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

	2018 £ 000	2017 £ 000
(Loss)/profit before taxation	(4,819)	151
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	(916)	29
Tax effect of utilisation of tax losses not previously recognised	866	(32)
Short term timing differences	(21)	(2)
Expenses not deductible	4	5
Thin capitalisation adjustments	67	-
Taxation charge for the year	-	-

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using the 17% enacted tax rate and reflected in these financial statements.

8 Debtors

	2018	2017
Amounts falling due within one year:	**£ 000**	**£ 000**
Amounts owed by group undertakings	33	40

Amounts owed by group undertakings attract no interest and are payable on demand.

9 Creditors: amounts falling due within one year

	2018	2017
	£ 000	£ 000
Amounts owed to group undertakings	151	221
Accruals and deferred income	20	9
	171	230

Amounts owed to group undertakings attract no interest and are payable on demand.

10 Creditors: amounts falling due after more than one year

	2018	2017
	£ 000	£ 000
Amounts owed to group undertakings	87,242	82,353

Amounts owed to group undertakings are repayable in full during March 2020 and carry interest at 12-month LIBOR rate plus 1.5%.

11 Provisions for liabilities

	2018	2017
	£ 000	£ 000
Post-retirement medical benefit	891	823

Movements on provisions:

	Post-retirement medical benefit £ 000
At 1 October 2017	823
Premium payments	(40)
Other finance costs	22
Actuarial loss	86
At 30 September 2018	891

11 Provisions for liabilities **(Continued)**

The post-retirement medical benefit provision represents the directors' best estimate of the cost of payments of ex-directors for healthcare costs, which is an ongoing liability for the company. The provision has been computed in accordance with FRS 102 section 28. The provision is expected to be utilised over the next 30 years.

12 Deferred taxation

A deferred tax asset of £9,321,745 (2017 - £8,546,636) has not been recognised in respect of short-term timing difference, losses, capital losses and other timing differences as there is insufficient evidence that the asset will be recovered. An analysis of this unprovided deferred tax asset is as follows:

	Assets 2018 £ 000	Assets 2017 £ 000
Balances:		
Tax losses	8,560	8,407
STTDs - trading	762	140
	9,322	8,547

13 Called up share capital

	2018 £ 000	2017 £ 000
Ordinary share capital		
Issued and fully paid		
14,309,000 ordinary shares of £1 each	14,309	14,309

14 Retirement benefit schemes

Past employees of the company had access to membership of the ArvinMeritor UK Pension Scheme, which is a funded scheme of the defined benefit type, providing retirement benefits based on salary. However, the final salary section of the Scheme is closed to new entrants and future accrual. The assets of the Scheme are held under trust, separately from those of the participating employers of the Scheme.

The ArvinMeritor UK Pension Scheme is a Multi-Employer Scheme, however, there is no contractual agreement or stated policy for charging the net defined benefit cost to individual group companies, therefore, in accordance with section 28 of FRS 102, the company which has legal responsibility for the Scheme, Meritor Heavy Vehicle Braking Systems (UK) Limited will account for the Scheme as a defined benefit plan in its financial statements and other entities including this company will account for the Scheme as a defined contribution plan.

The company has no liability to the Scheme and has no right to share in any surplus.

The company did not make any contribution to the Scheme in the current or preceding year.

Full details of the Scheme are provided in the financial statements of Meritor Heavy Vehicle Braking Systems (UK) Limited. At 30 September 2018 the Scheme had a surplus of £115.8 million (2017 - £99.1 million).

15 Parent company and controlling party

The immediate parent undertaking of ArvinMeritor A&ET Limited is Arvin International (UK) Limited, a company incorporated in England and Wales.

The ultimate parent company and ultimate controlling party of ArvinMeritor A&ET Limited is Meritor, Inc., incorporated in the United States of America. Meritor, Inc. is also the parent undertaking of the smallest and largest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements of Meritor, Inc. are available from the company's registered address: 2135 West Maple Road, Troy, Michigan, 48084-7186 USA. They can also be downloaded from the website www.meritor.com.