

Registered Number 8322007

TMD Friction Holdings (UK) Limited

Annual report and financial statements for the
year ended 31 December 2018



TMD Friction Holdings (UK) Limited

Annual report and financial statements for the year ended 31 December 2018

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TMD Friction Holdings (UK) Limited

Directors and advisers for the year ended 31 December 2018

Directors

S Firbank

T.Kumakawa

T. Dannoura

Company secretary

S Firbank

Registered Office

PO Box 18

Centurion House

Centurion Way

Cleckheaton

West Yorkshire

BD19 3UJ

Independent auditors

KPMG LLP

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

Bankers

MUFG

The Bank of Tokyo-Mitsubishi-U.F.J. Ltd

Ropemaker Place

25 Ropemaker Street

London

EC2Y 9AN

TMD Friction Holdings (UK) Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report of TMD Friction Holdings (UK) Limited for the year ended 31 December 2018.

Principal activity

The principal activity of the Company is a head office Company for the TMD Group. The TMD Group's principal activities for the year continue to be the manufacture and distribution of brake pads, discs and shoes for passenger cars and commercial vehicles.

Review of business and future outlook

The group continues to act as a holding Company within the TMD Group.

Investments in Group Companies have been impaired by €57,547,000 during the period (2017: €2,200,000). The Groups view is that worldwide economic conditions have deteriorated and the trading environment has worsened. This has resulted in a reduction in the profitability expectations in a number of markets and a need to impair the investments in Group Companies. Loans have resulted in interest charges of €3,548,000 (2017: €8,959,000). Foreign exchange loss of €1,096,000 (2017: €3,329,000 loss) and administration charges of €2,428,000 (2017: €2,409,000) resulted in a loss, excluding investing activities, of €64,620,000 (2017: €10,239,000) during the year. The closing balance sheet shows net assets of €83,932,000 (2017: €148,552,000).

On 12th March 2019, following a capital injection of €120,000,000 from the immediate parent company TMD Friction Holdings (Lux) Sarl. €102,000,000 was used to purchase additional share capital in TMD Friction Holdings GmbH and the balance was used to repay loans from Nisshinbo Brake Inc. and Nisshinbo Automotive Manufacturing Inc. denominated in USD totalling \$20,244,200.

The Company will continue primarily as a holding company going forward.

Principal risks and uncertainties

From the perspective of the Company, the principal risk and uncertainties are integrated with the principal risks of the group and are not managed separately.

Employee involvement and training

The Company had three directors and four employees during the year.

On behalf of the Board



S Firbank
Director
5 December 2019

TMD Friction Holdings (UK) Limited

Directors' report for the year ended 31 December 2018

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

Immediate parent company

The immediate parent undertaking is TMD Friction Holdings (Lux) Sarl.

Results and dividends

The directors do not recommend payment of a dividend (2017: £nil). The loss for the year was €64,620,000 (2017: €10,239,000 loss) and will be added to reserves.

Directors

The directors of the Company, who held office during the year and up to the date of signing the financial statements, were as follows:

M R Hartland (resigned 31 March 2018)
J C Hudson (resigned 31 March 2018)
S Firbank
T.Kumakawa (appointed 1 April 2018)
T. Dannoura (appointed 1 April 2018)
T.Kumakawa (resigned 1 August 2019)
D Baines (appointed 1 August 2019)

Qualifying third party indemnity provisions

The Company maintains liability insurance for its directors and officers. The Company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Statement of directors' responsibilities

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 101 "Reduced Disclosure Framework", 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 101, 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.

TMD Friction Holdings (UK) Limited

Directors' report for the year ended 31 December 2018 (continued)

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.

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 the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors expect the company to remain in business for the next 12 months.

Independent auditors

The independent auditors, KPMG LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



S Eirbank
Director
5 December 2019

TMD Friction Holdings (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TMD FRICTION HOLDINGS (UK) LIMITED

Opinion

We have audited the financial statements of TMD Friction Holdings (UK) Limited ("the company") for the year ended 31 December 2018 which comprise the Statement of total comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as valuation of investments and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

TMD Friction Holdings (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TMD FRICTION HOLDINGS (UK) LIMITED (continued)

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

TMD Friction Holdings (UK) Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TMD FRICTION HOLDINGS (UK) LIMITED (continued)

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Oliver Stephenson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square

Sovereign Street

Leeds

LS1 4DA

5 December 2019

TMD Friction Holdings (UK) Limited

Statement of total comprehensive income for the year ended 31 December 2018

		2018	2017
	Note	€'000	€'000
Administrative expenses before exceptional items		(2,428)	(2,409)
Exceptional items – Impairment of investments in subsidiaries	6	(57,547)	(2,200)
Finance charges	1	(4,645)	(5,630)
Loss before income tax		(64,620)	(10,239)
Tax on loss on ordinary activities	5	-	-
Total comprehensive expense for the year		(64,620)	(10,239)

The company has no recognised income and expenses other than those included in the results above.

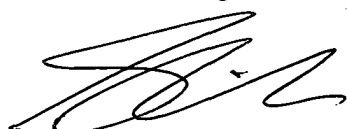
TMD Friction Holdings (UK) Limited

Balance sheet as at 31 December 2018

	Note	2018 €'000	2017 €'000
Fixed assets			
Investments in subsidiaries	6	282,635	339,860
Current Assets			
Trade and other receivables	7	15	110
Cash and cash equivalents		73	33
		88	143
Creditors - amounts falling due within one year	8	(198,791)	(191,451)
Net current liabilities		(198,703)	(191,308)
Total assets less current liabilities		83,932	148,552
Net assets		83,932	148,552
Capital and reserves			
Called up share capital	9	121,000	121,000
Share premium account		68,127	68,127
Accumulated losses		(105,195)	(40,575)
Total shareholders' funds		83,932	148,552

The notes on pages 12 to 20 form an integral part of these financial statements.

The financial statements on pages 8 to 20 were authorised for issue by the board of directors on 5 December 2019 and were signed on its behalf:



S Firbank

Director

Registered number: 8322007

TMD Friction Holdings (UK) Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital €'000	Share premium account €'000	Accumulated losses €'000	Total shareholders' funds €'000
Balance as at 1 January 2017	121,000	68,127	(30,336)	158,791
Loss and total comprehensive expense for the year	-	-	(10,239)	(10,239)
Balance as at 31 December 2017	121,000	68,127	(40,575)	148,552
Balance as at 1 January 2018	121,000	68,127	(40,575)	148,552
Loss and total comprehensive expense for the year	-	-	(64,620)	(64,620)
Balance as at 31 December 2018	121,000	68,127	(105,195)	83,932

TMD Friction Holdings (UK) Limited

Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006. A summary of the more important accounting policies is set out below. The principle accounting policies have been applied consistently throughout the year.

Basis of preparation

The financial statements of TMD Friction Holdings (UK) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

Going concern

The financial statements have been prepared on a going concern basis. The directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future and therefore the company continues to adopt the going concern basis.

Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Nisshinbo Holdings Incorporated and is included in the consolidated financial statements of Nisshinbo Holdings Incorporated, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 101. The company is also exempt under the terms of FRS 101 from disclosing related party transactions with entities that are part of the Nisshinbo Holdings Incorporated.

Taxation

The tax expense for the year comprises current tax only. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Consolidation

The company is a wholly-owned subsidiary of Nisshinbo Holdings Incorporated and is included in the consolidated financial statements of Nisshinbo Holdings Incorporated, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

Investments in subsidiaries

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

Foreign currencies

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date or at the agreed contractual rate. Transactions in foreign currency are translated at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account. Foreign exchange gains or losses arising on loans are included within finance expense.

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018

1 Interest payable and similar charges

	2018	2017
	€'000	€'000
Interest payable and similar charges	(3,549)	(8,959)
Foreign exchange gain/(loss) on loans	(1,096)	3,329
	(4,645)	(5,630)

2 Directors' emoluments

	2018	2017
	€'000	€'000
Emoluments (including benefits in kind)	1,829	485

Retirement benefits are accruing to 1 (2017: 1) directors under a defined contribution scheme. The highest paid director received emoluments of €1,380,000 (2017: €340,000), including a €21,000 (2017: €17,000) payment to a private money purchase pension. Benefits relating to loss of office for 2 directors amounted to €1,117,431 in the period.

3 Employee costs

	2018	2017
	€'000	€'000
Wages and salaries	(1,209)	(717)
Social security costs	(465)	(79)
Other pension costs	(34)	(16)
Staff costs	(1,708)	(812)

4 Employee information

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

By activity	2018	2017
	Number	Number
Administration	4	4

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

5 Tax on loss on ordinary activities

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

	2018	2017
	€'000	€'000
Loss on ordinary activities before taxation	(64,620)	(10,239)
Loss multiplied by the standard rate of tax in the UK of 19% (2017: 19.25%)	(12,278)	(1,971)
Effects of:		
Expenses not deductible	89	-
Amounts not recognised	628	-
Non-deductible investment impairment	10,934	418
Losses surrendered to other group companies not paid for	627	1,553
Tax charge	-	-

Losses have been surrendered for group relief for no consideration.

During the year, there was a change in the UK main corporation tax rate which became effective from 1 April 2018 reducing the rate to 19% from 1 April 2018.

The changes to the main rate of corporation tax for UK companies announced in the 2015 Summer Budget were substantively enacted for financial reporting purposes in Finance (No 2) Act 2015 on 18 November 2015. The main rate of corporation tax will reduce to 19% from 1 April 2018 and will reduce to 17% from 1 April 2020. The relevant deferred tax balances have been re-measured using rates applicable to when the balances are expected to unwind.

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Investments in subsidiaries

	Interests in group undertaking €000
Cost	
As at 1 January 2018	339,860
Additions	322
Impairment	(57,547)
At 31 December 2018	282,635

Impairment charges relate to the write down to recoverable value of the investments in certain subsidiary undertakings (2017: 2,200,000), these impairment charges form part of administrative expenses.

The Company's investments are in the issued share capital of the following companies.

Name of undertaking	Country of incorporation	Description of principal activity	Shares held	Proportion of shareholding
TMD Friction Espana SL C/Ciudad de Barcelona, 44, Pol. Ind. Fuente del Jarro, 2a Fase, 46988 Paterna (Valencia)	Spain	Brakepad manufacturer	824,036 Ordinary €10 shares	100%
TMD Friction, Inc. 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808	USA	Brakepad manufacturer	1,000 Ordinary \$1 shares	100%
TMD Friction France (formally trading as TMD Friction Holding SASU) in the judicial format of a "Societe par actions simplifiee" 12, rue de Lauterbach, 57150 Creutzwald	France	Brakepad manufacturer	4,270,165 Ordinary €1 shares	100%
TMD Friction Japan KK 30-8, Nihombashi Ningyocho 2-chome, Chuo-ka, Tokyo	Japan	Sales company	200 Ordinary YEN 50,000 shares	100%

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Investments in subsidiaries (continued)

Name of undertaking	Country of incorporation	Description of principal activity	Shares held	Proportion of shareholding
TMD Friction Mexico SA de CV Acceso II No.50, Zona Ind. Benito Juarez, Queretaro, Qro 76120	Mexico	Brakepad manufacturer	100,000 Series I shares of MXP1 746,269,074 Series II shares of MXP1	99.9%
TMD Friction UK Trustee Limited PO Box 18, Centurion House, Centurion Way, Cleckheaton, West Yorkshire. BD19 3UJ	England	Administration pension fund	1 Ordinary £P1 share	100%
TMD Friction Centenary Trustee Limited PO Box 18, Centurion House, Centurion Way, Cleckheaton, West Yorkshire. BD19 3UJ	England	Charitable Trust administration	1 Ordinary £1 share	100%
TMD Friction Technology (Shanghai) Co., Ltd. Block 6, 1521 Jiatang Road, Shanghai, China	China	R&D company	€1 equity share of US\$6,000,000	100%
TMD Friction Holdings GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Intermediate holding company	1 Ordinary €25,000 share	100%
TMD Friction UK Limited PO Box 18, Centurion House, Centurion Way, Cleckheaton, West Yorkshire. BD19 3UJ	England	Brakepad manufacturer	64,191,000 Ordinary £1 shares	100%

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Investments in subsidiaries (continued)

Name of undertaking	Country of incorporation	Description of principal activity	Shares held	Proportion of shareholding
TMD Friction SA (Pty) Ltd Saligna Road, Merrivale, KwaZulu-Natal, 3291	South Africa	Brakepad manufacturer	120 Ordinary Rand1 shares	100%
Dynamic Friction (Pty) Ltd Saligna Road, Merrivale, KwaZulu-Natal, 3291	South Africa	Dormant company	100 Ordinary Rand1 shares	100%
Dynotherm (Pty) Ltd Saligna Road, Merrivale, KwaZulu-Natal, 3291	South Africa	Dormant company	100 Ordinary Rand1 shares	100%
Dianne's Security (Pty) Ltd Saligna Road, Merrivale, KwaZulu-Natal, 3291	South Africa	Dormant company	150 Ordinary Rand1 shares	100%
Hella Pagid GmbH Luschershofstrasse 80, 45356 Essen	Germany	Brake components distribution company	1 Ordinary €25,000 share	50%
TMD Friction Esco GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Brakepad manufacturer	1 Ordinary €25,000 share	100%
TMD Friction GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Brakepad manufacturer	1 Ordinary €25,000 share	100%
TMD Friction Services GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Brakepad manufacturer	1 Ordinary €25,000 share	100%
Friction PropCo GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Real estate holding Company	1 Ordinary €23,500 share 1 Ordinary €1,500 share	100%
TMD Performance LLC 2711 Centerville Road, Suite 400, Wilmington, Delaware19808	America	Brakepad distribution company	1 membership participation of US\$1,000	100%

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Investments in subsidiaries (continued)

Name of undertaking	Country of incorporation	Description of principal activity	Shares held	Proportion of shareholding
TMD Performance GmbH Schlebuscher Str. 99, 51381 Leverkusen	Germany	Brakepad Distribution Company	1 Ordinary €13,260 share 1 Ordinary €12,740 share	100%
FRM Friction Raw Material Germany GmbH Uhlandstrasse 1, 51379 Leverkusen	Germany	Brakepad Components Manufacturer	1 Ordinary €12,250 share	49%
Tec Alliance GmbH Steinheilstrasse 10, 85737 Ismaning	Germany	Components cataloguing company	2 Ordinary €347,345 shares 1 Ordinary €187,500 share 2 Ordinary €24,050 shares	5.04%
EINATUS Beteiligungsges. mbH Berliner Stresse 1, 12529 Schönefeld	Germany	Holding company	1 Ordinary €22,500 share	90%
EINATUS GmbH & Co. KG Berliner Stresse 1, 12529 Schönefeld	Germany	Holding company	1 membership participation of €10,000	100%
TMD Friction India Private Ltd.. A-38, Kailash Colony, New Delhi – 110048 India	India	Proposed brakepad manufacturer [In process of liquidation]	1 Ordinary INR2,500 share	25%
Eurofriction Limited Cessnock Road, Hurlford, Kilmarnock, Ayrshire, KA1 5 DD	Scotland	Dormant company	110,000 Ordinary £1 shares	100%
TMD Enterprise Management (Shanghai) Co., Ltd. Unit 7, 1521 Jiatang Road, Jiading District, Shanghai, China	China	Administration company	1 equity share of US\$2,100,000	100%

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

6 Investments in subsidiaries (continued)

Meneta Advanced Shims Technology A/S Kirkegyden 52, 5270 Odense N	Denmark	Brakepad Components Manufacturer	252 Ordinary DKK1,000 shares	48%
OOO TMD Friction Eurasia Ulitsa Profsoyuznaya House 65, Korpus 1, Premises XLVIII office 17, 117342 Moscow	Russia	Sales company	1 equity share of 10,000 Russian ruble	100%
TMD Friction do Brasil SA Municipo da Estancia Turistica de Salto, Estado de Sao Paulo, Rua das Nacaes Unidas, 2687 Distrito Industrial do Lageado	Brazil	Brakepad manufacturer	9,641 Ordinary valueless shares 3,000 Class A valueless shares 1,000 Class B valueless shares	62.14%

The directors believe that the carrying value of the investments is supported by their underlying net assets.

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

7 Trade and other receivables

	2018	2017
	€'000	€'000
Amounts owed by group undertakings	-	92
Other debtors	15	18
	15	110

Trade amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Short term loan amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

8 Creditors: amounts falling due within one year

	2018	2017
	€'000	€'000
Trade payables	21	-
Amounts owed to group undertakings	198,529	191,046
Taxation and social security	13	78
Other payables	12	44
Accruals and deferred income	216	283
	198,791	191,451

The loan notes owed to group undertakings are denominated in USD, GBP and XEU and are unsecured. Interest is charged at the rate of 2.93%, 1% and 6% per annum respectively. There is no fixed date of repayment on loans held in GBP and XEU. On 12th March 2019, loans denominated in USD totalling \$20,244,200 were repaid following a capital injection of €120m from the immediate parent company TMD Friction Holdings (Lux) Sarl.

TMD Friction Holdings (UK) Limited

Notes to the financial statements for the year ended 31 December 2018 (continued)

9 Called up share capital

	2018	2017
	€'000	€'000
<hr/>		
Allotted and fully paid		
121,000,000 (2017: 121,000,000) ordinary shares of €1 each	121,000	121,000
<hr/>		

TMD Friction Holdings (Lux) Sarl own 100% of TMD Friction Holdings (UK) Limited shares.

10 Ultimate parent undertaking

The immediate parent company is TMD Friction Holdings (Lux) Sarl

The ultimate parent undertaking and controlling party is Nisshinbo Holdings Incorporated, which is the parent undertaking of the largest group that consolidate these financial statements. The Nisshinbo Holdings Incorporated financial statements are available from: The secretary, Nisshinbo Holdings Incorporated, 2-31-11, Ningyo-cho, Nihonbashi, Chuo-ku, Tokyo.