

**Adient Ltd**

**Annual report and financial statements for the year ended  
30 September 2022**



## **Adient Ltd**

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## **Adient Ltd**

### **Company information**

<b>Directors</b>	P Rotman II G Smith
<b>Company secretary</b>	P Rotman II
<b>Registration number</b>	09921320
<b>Registered office</b>	Demise C, Ground Floor Welland House 120 Longwood Close Westwood Business Park Coventry CV4 8AE
<b>Independent auditors</b>	PricewaterhouseCoopers Chartered Accountants and Statutory Audit One Spencer Dock North Wall Quay Dublin 1 D01 X9R7
<b>Bankers</b>	Bank Mendes Gans N.V. Herengracht 619 1017 CE Amsterdam Netherlands  Barclays Level 12 1 Churchill Place London E14 5HP
<b>Solicitors</b>	Reynolds Porter Chamberlain (RPC) Edward Colville Tower Bridge House St Katharine's Way London E1W 1AA

## **Adient Ltd**

### **Strategic report for the year ended 30 September 2022**

The directors present their strategic report of Adient Ltd (the "company") for the year ended 30 September 2022.

#### **Results**

The results for the financial year and the financial position of the company are shown in the accompanying financial statements. The profit before taxation for the financial year was £62,975,000 (2021 unaudited: £27,000).

The company has net assets of £65,304,000 (2021 unaudited: £2,329,000).

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

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

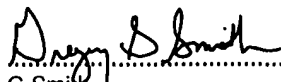
#### **Principal risks and uncertainties**

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 the 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.

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

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

On behalf of the Board



G Smith  
Director

Date:  
26.06.2023

## **Directors' report for the year ended 30 September 2022**

The directors present their annual report and the audited financial statements of the company for the year ended 30 September 2022.

### **Future developments**

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

### **Dividends**

The company did not declare any dividend during the year (2021 unaudited: £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*

The policy is to manage exchange rate risk on contractual future cash flows by the use of forward exchange contracts. In particular the parts, supply and sourcing business has mitigated foreign exchange rate risk with both US dollar and Euro hedges.

#### *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:

P Rotman II  
G Smith

### **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.

### **Going concern**

The company has net assets of £65,304,000 (2021 unaudited: £2,329,000). This is largely related to cash and cash equivalents which are available to the company under a group zero balance pooled bank agreement. Having assessed the principal risks, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The director therefore considers that it is appropriate to adopt the going concern basis in preparing the financial statements.

## **Directors' report for the year ended 30 September 2022 (continued)**

### **Russia-Ukraine conflict**

In February 2022, following the military conflict between Russia and Ukraine, certain countries announced new packages of sanctions against the public debt of the Russian Federation and a number of Russian banks, as well as personal sanctions against a number of individuals.

Due to the growing geopolitical tensions, since February 2022, there has been a significant increase in volatility on the securities and currency markets, fluctuations in energy and petrol prices, significant depreciation of the ruble against the US dollar and the euro.

It is expected that these events may affect the activities of Russian, Ukrainian and Belarusian enterprises in various sectors of the economy. The company does not have direct exposures to related parties and/or key customers or suppliers or banks from those countries. Consequently, the company has assessed that there is no direct or indirect impact on company's operations.

### **Impact of Covid-19**

These financial statements have been prepared on a going concern basis which presumes the realization of assets and liabilities in the normal course of business. Management of the company has made overall assessment of impact of Covid-19 on preparation and presentation of these financial statements, considering following factors: current and expected profitability, the ability to continue providing services and impairment of assets. These factors do not indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.

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

There have been no material adjusting or disclosable events since the financial year end.

### **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 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' report for the year ended 30 September 2022  
(continued)**

**Disclosure of information to auditors**

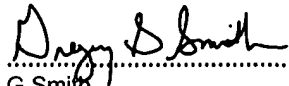
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

**Independent auditors**

During the year, the director appointed PricewaterhouseCoopers as auditors with effect from 15 March 2023 by way of written resolution in lieu of Annual General Meeting.

On behalf of the Board:

  
.....  
G Smith  
Director

Date: 26.06.2023



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

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

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#### **Opinion**

In our opinion, Adient Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and of its profit 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 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a description of the significant accounting policies.

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#### **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.

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#### **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.

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#### **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 2022 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.

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### **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, 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 breaches of environmental and health and safety law, 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 by the engagement team included:



- Discussions with the senior members of management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Inspection of meeting minutes of the Board of directors;
- Identifying and testing journal entries, including non standard revenue entries based on our risk assessment;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Incorporating elements of unpredictability into the audit procedures performed.

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.

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## **Other required reporting**

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

We have no exceptions to report arising from this responsibility.

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### **Other matter**

The financial statements for the year ended 30 September 2021, forming the corresponding figures of the financial statements for the year ended 30 September 2022, are unaudited.

*Rose-Marie McNamara.*

Rose-Marie McNamara (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
Dublin  
26 June 2023

**Statement of comprehensive income for the year ended  
30 September 2022**

		2022	Unaudited 2021
	Note	£000	£000
Administrative income/(expenses)		2,707	(46)
<b>Operating profit/(loss)</b>	6	2,707	(46)
Gain on sale of investments	11	4	-
Interest receivable and similar income	7	178	9
Other income		1	65
Dividend income	8	60,143	-
Interest payable and similar expense	9	(58)	(1)
<b>Profit before taxation</b>		62,975	27
Tax on profit	10	-	(3)
<b>Profit for the year</b>		62,975	24

The above results were derived from continuing operations.

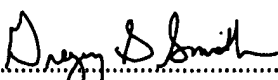
No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than profit for the financial year

**Adient Ltd**

**Statement of financial position as at 30 September 2022**

		2022 £000	Unaudited 2021 £000
<b>Fixed assets</b>	<i>Note</i>		
Investments	11	7	1,144
		<u>7</u>	<u>1,144</u>
<b>Current assets</b>			
Debtors	12	189	83
Cash at bank and in hand		65,119	1,102
		<u>65,308</u>	<u>1,185</u>
<b>Creditors: amounts falling due within one year</b>	13	(11)	-
<b>Net current assets</b>		<u>65,297</u>	<u>1,185</u>
<b>Total assets less current liabilities</b>		<u>65,304</u>	<u>2,329</u>
<b>Net assets</b>		<u>65,304</u>	<u>2,329</u>
<b>Capital and reserves</b>			
Called up share capital	14	-	-
Retained earnings		65,304	2,329
<b>Total shareholders' funds</b>		<u>65,304</u>	<u>2,329</u>

The financial statements on pages 9 to 20 were approved by the Board on June 26, 2023 and signed on its behalf by:



G Smith  
Director  
Adient Ltd  
Registered number: 09921320

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

**Statement of changes in equity for the year ended  
30 September 2022**

	<i>Called up share capital</i> £000	<i>Retained earnings</i> £000	<i>Total shareholders' funds</i> £000
Balance at 1 October 2020	-	2,305	2,305
Profit for the year	-	24	24
<b>Balance at 30 September 2021 (unaudited)</b>	-	2,329	2,329
Profit for the year	-	62,975	62,975
<b>Balance at 30 September 2022</b>	-	65,304	65,304

Retained earnings represent accumulated comprehensive income and expense at the financial year end.

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

## Notes to the financial statements for the year ended 30 September 2022

### 1. General information

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

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

### 2. Statement of compliance

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

### 3. Summary of significant accounting policies

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

#### Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in Pound Sterling which is the functional and presentation currency of the company rounded to nearest thousand pounds (£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 accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements are disclosed in Note 4.

The financial statements for the period from 1 October 2022 to 30 September 2022 are the first set of audited financial statements hence the prior year is unaudited.

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

**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

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

**Going concern**

The company has net assets of £65,304,000 (2021 unaudited: £2,329,000). This is largely related to cash and cash equivalents which are available to the company under a group zero balance pooled bank agreement. Having assessed the principal risks, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The director therefore considers 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 both the current and preceding years is for the company as an individual undertaking.

**Functional and presentational currency**

The company's functional and presentation currency is the Pound Sterling and presentation currency of the company rounded to nearest £000.

**Foreign currencies**

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

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

**Taxation**

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

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

**Related party transactions**

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

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

**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

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

**Investments**

Investments are stated at cost plus incidental expenses less provisions for impairment in value.

**Impairment of investments**

The value of investments is reviewed annually by the directors/director or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the profit and loss account.

**Cash and cash equivalents**

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

**Financial instruments**

*Financial assets*

Basic financial assets including cash and bank balances and amounts owed by group undertakings 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 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.

*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.



**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

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

**Interest receivable and payable**

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

**Dividend income**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**4. Judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, which are described in note 3, the directors are 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**

At each reporting date or when there are indicators for impairment, investment in subsidiary is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. Value in use is calculated from cash flow projections generally over five years using data from the latest internal forecasts and extrapolated beyond five years using estimated long-term growth rates. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

**5. Directors and employees**

The directors received no remuneration in respect of their services to the company during the year (2021 unaudited: £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 (2021 unaudited: £nil).

**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

**6. Operating profit/(loss)**

	2022 £000	Unaudited 2021 £000
<b>Operating profit/(loss) is stated after charging/(crediting):</b>		
Auditors' remuneration for audit services	11	-
Foreign exchange (gains)/losses	(2,718)	46
	<u>(2,707)</u>	<u>46</u>

There are no amounts payable to the company's auditors in respect of services other than audit (2021: £nil).

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

**7. Interest receivable and similar income**

	2022 £000	Unaudited 2021 £000
Bank interest income	178	9

Bank interest is earned on bank deposits bearing an interest rate of BMG Base rate + 50bps (2021: unaudited BMG Base rate + 50bps).

**8. Dividend income**

	2022 £000	Unaudited 2021 £000
Dividend income	60,143	-

During the year, the company received a dividend of £60,143,000 from Adient Luxembourg Holding S.a.r.L.

**9. Interest payable and similar expense**

	2022 £000	Unaudited 2021 £000
Bank interest	58	1

Bank interest is payable on bank overdrafts bearing an interest rate of BMG Base rate + 85bps (2021: unaudited BMG Base rate + 85bps).

## Notes to the financial statements for the year ended 30 September 2022 (continued)

### 10. Tax on profit

Tax charged in the statement of comprehensive income:

	2022 £000	Unaudited 2021 £000
<b>Current taxation</b>		
Foreign tax suffered	-	3
<b>Total tax on profit</b>	<u>-</u>	<u>3</u>

### Reconciliation of tax charge during the year

The tax assessed for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 £000	Unaudited 2021 £000
<b>Profit before tax</b>	<u>62,975</u>	<u>27</u>
Profit before tax multiplied by standard rate of corporation tax of 19% (2021: 19%)	11,965	5
Income not taxable	(11,428)	-
Group relief not paid for	(537)	(5)
Foreign tax suffered	-	3
<b>Total tax charge</b>	<u>-</u>	<u>3</u>

### Factors affecting the tax charge for the year

The Finance Act 2021 included measures to increase the standard rate of UK corporation tax to 25% with effect from 1 April 2023. The Finance Act 2021 was enacted in June 2021 and accordingly, these rates are applicable to the measurements of deferred tax balances at 30 September 2022.

### Unrecognised deferred tax asset

As at 30 September 2022, the company has total unrecognised deferred tax assets of £14,900 (2021: £14,900).

# Notes to the financial statements for the year ended 30 September 2022 (continued)

## 11. Investments

	£000
<b>Cost</b>	
At 1 October 2021	1,144
Disposals	(1,137)
At 30 September 2022	<u>7</u>
<b>Net book value</b>	
At 30 September 2022	<u>7</u>
At 30 September 2021	<u>1,144</u>

During the current year, the company disposed off its investments in Adient Engineering and IP GmbH for £1,141,000 resulting in gain of disposal of £4,000.

Analysed as:

	2022	Unaudited 2021
	£000	£000
Adient Engineering and IP GmbH	-	1,137
Adient US Enterprises Limited	7	7
Adient Luxembourg Holding S.e.r.L	-	-
	<u>7</u>	<u>1,144</u>

At 30 September 2022, the company had the following investments:

Name of company	Class of shares	Proportion of nominal value of shares issued held by:		Registered office
		Company	Other group companies	
Adient US Enterprises LP	Ordinary	0.1%	99.9%	1209 Orange Street, Wilmington, Delaware 19801, New Castle, USA
Adient Luxembourg Holding S.a.r.L	Ordinary	100%	-	35F Avenue John F Kennedy L-1855 Luxembourg

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

**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

**12. Debtors**

	2022 £000	Unaudited 2021 £000
Amounts owed by group undertakings	63	62
Other debtors	126	21
	<u>189</u>	<u>83</u>

As at 30 September 2022, the company has total unrecognised deferred tax assets of £14,900 (2021 unaudited: £14,900).

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**13. Creditors: amounts falling due within one year**

	2022 £000	Unaudited 2021 £000
Accruals and deferred income	11	-

**14. Called up share capital**

	2022 £000	Unaudited 2021 £000
<b>Allotted and fully paid</b>		
200 (2021: 200) Ordinary shares of £0.01 each	-	-

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. The shares do not confer any rights of redemption.

**15. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is Adient Global Holdings Limited, a company registered in Jersey.

As at 30 September 2022, 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 2022. The consolidated financial statements of Adient plc are available from:

Adient plc  
3 Dublin Landings,  
North Wall Quay  
Dublin 1, Dublin, D01C4E0, Ireland

**Notes to the financial statements for the year ended  
30 September 2022 (continued)**

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

On 1 September 2021 JP Morgan Chase Bank N.A. entered into a security confirmation in respect of the fixed and floating charge that was granted by the company on 6 May 2019.

On 14 October 2022, the share pledge and the fixed and floating charges granted on 23 April 2020 to US Bank National Association on all the property or undertakings of the company were released.

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

There have been no material adjusting or disclosable events since the financial year end.

**18. Approval of financial statements**

The board of directors approve these financial statements for issue on 26 June 2023.