

Registration number: 10443371

Adient UK Financing International Ltd

**Annual report and financial statements for the year ended
30 September 2021**

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Adient UK Financing International Ltd

Contents	Page(s)
Company information	1
Strategic report	2
Director's report	3 to 4
Statement of comprehensive income	5
Statement of financial position	6
<i>Statement of changes in equity</i>	7
Notes to the financial statements	8 to 15

Adient UK Financing International Ltd

Company information

Director P Rotman II

**Company
secretary** P Rotman II

**Registration
number** 10443371

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

Adient UK Financing International Ltd

Strategic report for the year ended 30 September 2021

The director presents his strategic report of the company for the year ended 30 September 2021.

Results

The results for the financial year and the financial position of the company are shown in the accompanying financial statements. The profit before taxation for the financial year was \$28,163,000 (2020: loss of \$42,999,000). The profit for the year is driven by an increase in the unrealised foreign exchange gain amounting to \$9,953,000 (2020 : loss of \$64,145,000)

The company has net assets of \$147,956,000 (2020: \$191,820,000).

Review of business and future developments

The principal activity of the company is that of a financing company.

The director expects 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 financing company which engages in financing activities which are, by their nature, non-recurrent events.

Principal risks and uncertainties

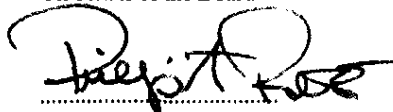
The director believes that there is no significant exposure to risks or uncertainties because the company is a financing company which does not have any subsidiaries or interest bearing creditors at the balance sheet date and the interest bearing debtor bears a fixed rate of interest.

The Adient Group of companies applies a Group policy which requires risk management and operational policies and procedures to be implemented in all areas of business. Furthermore, there is a robust supervision structure which allows management to account for the delivery of the company contracts and to oversee relationships with its key stakeholders.

Key performance indicators ("KPIs")

Given the nature of the activity, the company's director is 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



P Rotman II
Director

Date: 21/1/2022

Adient UK Financing International Ltd

Director's report for the year ended 30 September 2021

The director presents his report and the financial statements of the company for the year ended 30 September 2021.

The members have not required the company to obtain an audit of its accounts for the year ended 30 September 2021 in accordance with s476 of the Companies Act 2006.

Future developments

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

Dividends

During the current year, the director recommended and paid a dividend of \$72,027,000 (2020: \$nil).

The company has accrued cumulative 3.5% preference dividends totalling \$33,941,000 (2020: \$31,883,000). The company has paid these dividends in cash bi-annually, with \$10,380,000 (2020: \$10,495,000) remaining unpaid on 30 September 2021.

Financial risk management

Credit risk

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

Exchange rate risk

Potential exposure to currency exchange rate fluctuations is managed internally within the Adient Plc group. The policy is to manage exchange rate risk on contractual future cash flows by the use of forward exchange contracts.

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.

Director of the company

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

P Rotman II

Director's indemnities

As permitted by the Articles of Association, the director has 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 director's and officer's liability insurance in respect of itself and its director.

Director's report for the year ended 30 September 2021 (continued)

Events after the Balance Sheet date

Following Russia's invasion of Ukraine in February 2022, Adient has been considering withdrawing from the Russian market.

Adient does not have significant presence in Russia and no presence in Ukraine. All government sanctions put in place towards Russia and Belarus were immediately implemented. The group's focus is on the safety of its employees and their families. The group is monitoring its regional operations to ensure that it continues to comply with applicable laws and regulations in the markets in which it operates in order to assess and mitigate the risks and potential impacts to supply chains and customers. The UK entities have limited business directly with the countries involved therefore the impact is foreseen to be limited.

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

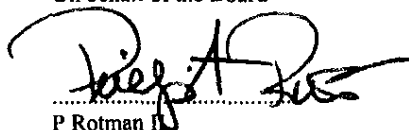
Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the Board



P Rotman
Director

Date: 11/10/2022

Adient UK Financing International Ltd

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

	<i>Note</i>	<i>2021</i> <i>\$ 000</i>	<i>2020</i> <i>\$ 000</i>
Unrealised foreign exchange loss		9,953	(64,145)
Interest receivable and similar income	6	52,152	53,038
Interest payable and similar expenses	7	<u>(33,942)</u>	<u>(31,892)</u>
Profit/(loss) before taxation		28,163	(42,999)
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
Profit/(loss) for the year		<u>28,163</u>	<u>(42,999)</u>

All amounts relate to continuing operations.

No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than profit/(loss) for the year.

The notes on pages 8 to 15 form an integral part of these financial statements.

Adient UK Financing International Ltd

Statement of financial position as at 30 September 2021

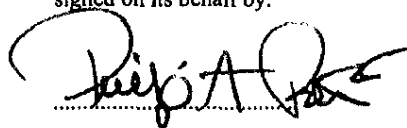
	Note	2021 \$ 000	2020 \$ 000
Current assets			
Debtors (including \$1,052,480,000 (2020: \$1,052,480,000) due in more than one year)	9	1,068,881	1,140,909
Cash at bank and in hand		<u>17,887</u>	<u>45</u>
		1,086,768	1,140,954
Creditors: amounts falling due within one year	10	<u>(938,812)</u>	<u>(949,134)</u>
Net current assets		<u>147,956</u>	<u>191,820</u>
Total assets less current liabilities		<u>147,956</u>	<u>191,820</u>
Net assets		<u>147,956</u>	<u>191,820</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium account	12	50,000	200,000
Retained earnings		<u>97,956</u>	<u>(8,180)</u>
Total shareholders' funds		<u>147,956</u>	<u>191,820</u>

For the year ending 30 September 2021 the company was entitled to exemption from audit under s479A of the Companies Act 2006.

No members have required the company to obtain an audit of its accounts for the year ending 30 September 2021 in accordance with s476 of the Companies Act 2006.

The director acknowledges their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The financial statements on pages 5 to 15 were approved by the Board of director on and signed on its behalf by:



P Rotman II
Director
Adient UK Financing International Ltd
Registered number: 10443371

The notes on pages 8 to 15 form an integral part of these financial statements.

Adient UK Financing International Ltd

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

	<i>Called up share capital \$ 000</i>	<i>Share premium account \$ 000</i>	<i>Retained earnings \$ 000</i>	<i>Total equity \$ 000</i>
Balance at 1 October 2019	-	200,000	34,819	234,819
Loss for the year	-	-	(42,999)	(42,999)
Balance at 30 September 2020	-	200,000	(8,180)	191,820
Balance at 1 October 2020	-	200,000	(8,180)	191,820
Profit for the year	-	-	28,163	28,163
Dividend paid (note 5)	-	-	(72,027)	(72,027)
Share premium reduction (note 12)	-	(150,000)	150,000	-
Balance at 30 September 2021	-	50,000	97,956	147,956

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

The notes on pages 8 to 15 form an integral part of these financial statements.

Adient UK Financing International Ltd

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

1 General information

Adient UK Financing International 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 principal activity of the company is that of a financing company.

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 US Dollars which is the functional and presentation currency of the company rounded to nearest \$'000. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant in these financial statements.

Reduced disclosures

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

- *Section 4 'Statement of Financial Position' :*
Reconciliation of the opening and closing number of shares as required by paragraph 4.12(a)(iv) of FRS 102;
- *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;

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

3 Summary of significant accounting policies (continued)

Reduced disclosure (continued)

- *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.

Functional and presentational currency

The financial statements have been prepared in US Dollar which is the functional and presentation currency of the company rounded to nearest \$'000.

Foreign currencies

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

Taxation

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

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 director 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.

Interest income and expense

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

Cash and cash equivalents

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

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

3 Summary of significant accounting policies (continued)

Financial Instruments

Financial assets

Basic financial assets, cash and bank balances and loans to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

Financial liabilities

Basic financial liabilities, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Such debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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.

Share premium

The share premium account includes the premium on issue of equity shares, net of any issue costs.

4 Director and employees

The director received no remuneration in respect of his services to the company during the year (2020: \$nil) as his services as director of the company was incidental to the other services within the Adient group of companies. Director's remuneration costs are borne by other members of the Adient group of companies. The average monthly number of employees is nil (2020: nil).

5 Dividend paid

	2021 \$ 000	2020 \$ 000
Dividend paid	72,027	-

The company declared and paid a cash dividend of \$72,027,000 (equivalent to \$720,270 per share) (2020: \$nil).

Adlent UK Financing International Ltd

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

6 Interest receivable and similar income

	2021 \$ 000	2020 \$ 000
Interest receivable from group undertakings	52,022	52,164
Bank interest	<u>130</u>	<u>874</u>
	<u>52,152</u>	<u>53,038</u>

7 Interest payable and similar expenses

	2021 \$ 000	2020 \$ 000
Interest payable to group undertakings	33,942	31,883
Bank interest	<u>-</u>	<u>9</u>
	<u>33,942</u>	<u>31,892</u>

Interest payable to group undertakings represents the 3.5% cumulative preference dividends on the €800,000,000 cumulative preference shares disclosed in note 11.

8 Tax on profit

Tax charged/(credited) in the income statement

	2021 \$ 000	2020 \$ 000
Current tax		
UK corporation tax at 19% (2020: 19%)	<u>-</u>	<u>-</u>
Total tax on profit/(loss)	<u>-</u>	<u>-</u>

Adient UK Financing International Ltd

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

8 Tax on profit (continued)

Reconciliation of tax charge

The tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in UK of 19% (2020 - 19%).

The differences are reconciled below:

	2021 \$ 000	2020 \$ 000
Profit/(loss) before taxation	28,163	(42,999)
Profit/(loss) multiplied by standard rate of corporation tax of 19% (2020: 19%)	5,351	(8,170)
Non-deductible interest	-	6,116
Expenses not deductible for tax purposes	4,558	12,130
Group relief received for nil consideration	(9,909)	(10,076)
Total tax charge/(credit)	-	-

Factors affecting the tax charge for the year

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

9 Debtors

	2021 \$ 000	2020 \$ 000
Amounts owed by parent undertakings (including amounts due after more than 1 year of \$1,052,480,000 (2020: \$1,052,480,000))	1,068,872	1,140,898
Other debtors	9	11
	1,068,881	1,140,909

Amounts owed by parent undertakings comprise the following amounts:

A loan of \$200,000,000 (2020: \$200,000,000) bearing a fixed interest rate of 4.875% and maturing December 2024.

Adient UK Financing International Ltd

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

9 Debtors (continued)

A loan of \$852,480,000 (2020: \$852,480,000) bearing a fixed interest rate of 4.875% and maturing December 2024.

Accrued interest receivable of \$16,390,000 (2020: \$16,390,000) on the aforementioned loans, which is receivable in arrears on the last day of each annual interest period.

10 Creditors - amounts falling due within one year

	2021 \$ 000	2020 \$ 000
Amounts owed to group undertakings	938,812	949,134

Amounts owed to parent undertakings comprise:

\$928,432,000 (2020: \$938,640,000) representing the revalued €800,000,000 redeemable preference shares (see note 11).

\$10,380,000 (2020: \$10,494,000) 3.5% cumulative preference dividend on the aforementioned preference shares.

11 Called up share capital

	2021 \$ 000	2020 \$ 000
Ordinary shares of £0.01		
Allotted and unpaid		
100 ordinary shares of £0.01 each	-	-
Allotted and fully paid		
100 ordinary shares of £0.01 each	-	-

The company issued 100 ordinary shares to Adient Global Holdings Ltd of £0.01 each on 24 October 2016. These remain unpaid.

On 8 December 2016, the company issued 100 ordinary shares of £0.01 each, credited as fully paid at an aggregate premium of \$200,000,000. In consideration for the allotment and issue of the shares, the company undertook to issue to Adient Global Holdings Ltd a promissory note in a principal amount of \$200,000,000 (see note 10).

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

Adient UK Financing International Ltd

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

11 Called up share capital (continued)

	2021 \$ 000	2020 \$ 000
Allotted and fully paid		
200 ordinary shares of £0.01 each	-	-
800,000,000 redeemable preference shares of €1	852,480	852,480
	<u>852,480</u>	<u>852,480</u>

The €1 redeemable preference shares are redeemable by either party. As a result they have been included in creditors (see note 9). The shares have attached to them the right to receive a fixed cumulative preference dividend of 3.5% and priority rights on winding up of the company.

12 Share premium account

	2021 \$ 000	2020 \$ 000
Premium on 100 (2020: 100) ordinary shares of £0.01 each at 1 October	200,000	200,000
Share premium cancelled due to dividend distribution	(150,000)	-
	<u>50,000</u>	<u>200,000</u>

On 8 December 2016, the company issued 100 ordinary shares of £0.01 each, credited as fully paid at an aggregate premium of \$200,000,000. In consideration for the allotment and issue of the shares, the company undertook to issue to Adient Global Holdings Ltd a promissory note in a principal amount of \$200,000,000 (see note 9).

On 10 March 2021, the company passed the special resolution to extinguish the amount of share premium by \$150,000,000 and credit it to the company's profit and loss account. The distributable profits gained as a result of share premium reduction was apportioned towards the payment of the final dividend of \$72,027,000.

13 Ultimate parent undertaking and controlling party

The immediate parent undertakings are Adient Global Holdings Ltd, a company incorporated in Jersey.

The ultimate parent undertaking and controlling party is Adient Plc, a company incorporated in Ireland. The consolidated financial statements at 30 September 2021 of Adient Plc are available from:

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

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

14 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 23 April 2020, US Bank National Association (and their successors in title and permitted transferees) were granted a fixed and floating charge which covers all the property or undertaking of the company.

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

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

15 Events after the Balance Sheet date

Following Russia's invasion of Ukraine in February 2022, Adient has been considering withdrawing from the Russian market.

Adient does not have significant presence in Russia and no presence in Ukraine. All government sanctions put in place towards Russia and Belarus were immediately implemented. The group's focus is on the safety of its employees and their families. The group is monitoring its regional operations to ensure that it continues to comply with applicable laws and regulations in the markets in which it operates in order to assess and mitigate the risks and potential impacts to supply chains and customers. The UK entities have limited business directly with the countries involved therefore the impact is foreseen to be limited.