

Adient UK Financing International Ltd

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



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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
Auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Audit One Spencer Dock North Wall Quay Dublin 1 D01 X9R7
Bankers	Bank Mendes Gans N.V. Herengracht 619 1017 CE Amsterdam Netherlands Barclays Level 12 1 Churchill Place London E14 5HP
Solicitors	Reynolds Porter Chamberlain (RPC) Edward Colville Tower Bridge House St Katharine's Way London E1W 1AA

Strategic report for the year ended 30 September 2022

The director presents his strategic report of Adient UK Financing International 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 \$164,375,000 (2021 unaudited : \$28,163,000). The profit for the year is driven by an increase in the unrealised foreign exchange gain amounting to \$142,654,000 (2021 unaudited : \$9,953,000).

The company has net assets of \$312,331,000 (2021 unaudited : \$147,956,000).

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: 22. June 2023

Director's report for the year ended 30 September 2022

The director presents his 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

During the current year, the director did not pay any dividend (2021 unaudited : \$72,027,000).

The company has accrued cumulative 3.5% preference dividends totalling \$31,361,000 (2021 unaudited : \$33,941,000). The company has paid these dividends in cash bi-annually, with \$8,797,000 (2021 unaudited : \$10,380,000) remaining unpaid on 30 September 2022.

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 2022
(continued)**

Going concern

The company has net assets of \$312,331,000 (2021 unaudited: \$147,956,000). 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.

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 after the Balance Sheet date

In March 2023, the company received an early settlement from Adient Global Holdings Ltd relating to the Loan principal and accrued interest amounting to USD 865,409,684. Subsequently, the company made a reduction of the capital pertaining to the preference shares for €800,000,000.00 issued and repaid the preference shares to Adient UK Financing Ltd. The company also settled the accrued interim dividend on the preference shares up to 30 March 2023 amounting to €8,711,111.

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

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

The director is responsible for preparing the Strategic report, the Director's report and the audited 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 for the company's financial statements and then apply them consistently;
- state whether applicable UK Accounting Standards 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 audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

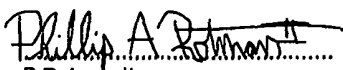
The director is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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,

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


P Rotman II
Director

Date: 22 June 2023



Independent auditors' report to the members of Adient UK Financing International Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Adient UK Financing International 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report and Financial Statements other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 September 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.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

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
22 June 2023

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

		2022	Unaudited 2021
	Note	\$000	\$000
Administrative expenses		142,641	9,953
Interest receivable and similar income	7	52,548	52,152
Interest payable and similar expense	8	(30,814)	(33,942)
Profit before taxation	5	<u>164,375</u>	<u>28,163</u>
Tax on profit	9	-	-
Profit for the year		<u><u>164,375</u></u>	<u><u>28,163</u></u>

All amounts relate to continuing operations.

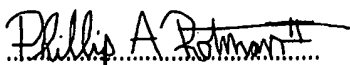
No separate statement of comprehensive income has been presented because the company has no other comprehensive income other than profit for the year.

Adient UK Financing International Ltd

Statement of financial position as at 30 September 2022

	Note	2022 \$000	Unaudited 2021 \$000
Non-current assets			
Debtors: amounts falling due after more than one year	10	1,052,480	1,052,480
		<u>1,052,480</u>	<u>1,052,480</u>
Current assets			
Debtors: amounts falling due within one year	10	16,498	16,401
Cash at bank and in hand		38,963	17,887
		<u>55,461</u>	<u>34,288</u>
Creditors: amounts falling due within one year	11	(795,610)	(938,812)
Net current liabilities		<u>(740,149)</u>	<u>(904,524)</u>
Total assets less current liabilities		<u>312,331</u>	<u>147,956</u>
Net assets		<u>312,331</u>	<u>147,956</u>
Capital and reserves			
Called up share capital	12	-	-
Share premium account	13	50,000	50,000
Retained earnings		262,331	97,956
Total shareholders' funds		<u>312,331</u>	<u>147,956</u>

The financial statements on pages 9 to 20 were approved by the Board of director on 22 June 2023 and signed on its behalf by:


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

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>	<i>Share premium account</i>	<i>Retained earnings</i>	<i>Total shareholders' funds</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Balance at 1 October 2020	-	200,000	(8,180)	191,820
Profit for the year	-	-	28,163	28,163
Dividend paid (note 6)	-	-	(72,027)	(72,027)
Share premium reduction (note 13)	-	(150,000)	150,000	-
Balance at 30 September 2021 (Unaudited)	-	50,000	97,956	147,956
Profit for the year	-	-	164,375	164,375
Balance at 30 September 2022	-	50,000	262,331	312,331

Retained earnings represents 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 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, Wetland 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.

These are the first set of audited financial statements and 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 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 14.

- *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 \$312,331,000 (2021 unaudited: \$147,956,000). 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.

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.

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 period and is calculated using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Tax deferred or accelerated as 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 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 2022 (continued)**

3. Summary of significant accounting policies (continued)

Financial instruments

Financial assets

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

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

Financial liabilities

Basic financial liabilities including amounts owed to 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 (2021: \$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 (2021: nil).

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

5. Profit before taxation

	2022 \$000	Unaudited 2021 \$000
Profit before taxation is stated after charging		
Auditors' remuneration for audit services	13	-
Unrelaised foreign exchange gain	142,654	9,953
	<u>142,667</u>	<u>9,953</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.

6. Dividend paid

	2022 \$000	Unaudited 2021 \$000
Dividend paid	-	72,027
	<u>-</u>	<u>72,027</u>

On 8 September 2020, the company declared a dividend of \$72,027,000 to Adient Global Holdings Ltd. However, due to an administrative error, the required documentation necessary to make this a lawful distribution was not filed with Companies House prior to making the distribution. As a result of this being unlawful, Adient Global Holdings Ltd. was under an obligation to repay these amounts to Adient UK Financing International Ltd. The directors of Adient UK Financing International Ltd had taken external legal advice that the position can be rectified. A resolution was executed on 10 March 2021 to rectify the error. As a result of the resolution, the dividend was then declared and paid to Adient Global Holdings Ltd.

7. Interest receivable and similar income

	2022 \$000	Unaudited 2021 \$000
Interest receivable from group undertakings	52,021	52,022
Bank interest	527	130
	<u>52,548</u>	<u>52,152</u>

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

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

8. Interest payable and similar expense

	2022 \$000	Unaudited 2021 \$000
Interest payable to group undertakings	30,798	33,942
Bank interest	16	-
	<u>30,814</u>	<u>33,942</u>

Interest payable to group undertakings represents the 3.5% cumulative preference dividends on the €800,000,000 cumulative preference shares disclosed in note 12.

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

9. Tax on profit

Tax charged in the statement of comprehensive income

	2022 \$000	Unaudited 2021 \$000
Current tax		
UK corporation tax at 19% (2021: 19%)	-	-
Total tax on profit	<u>-</u>	<u>-</u>

Reconciliation of tax charge

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
Profit before taxation	<u>164,375</u>	<u>28,163</u>
Profit before taxation multiplied by standard rate of corporation tax of 19% (2021: 19%)	31,231	5,351
Expenses not deductible for tax purposes	-	4,558
Income not taxable	(21,252)	-
Group relief received for nil consideration	(9,979)	(9,909)
Total tax charge	<u>-</u>	<u>-</u>

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

9. Tax on profit (continued)

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.

10. Debtors

	2022 \$000	Unaudited 2021 \$000
Amounts falling due after more than one year:		
Amounts owed by parent undertakings	1,052,480	1,052,480

Amounts owed by parent undertakings comprise the following amounts:

A loan of \$200,000,000 (2021: \$200,000,000) bearing a fixed interest rate of 4.875% and maturing December 2024.

A loan of \$852,480,000 (2021: \$852,480,000) bearing a fixed interest rate of 4.875% and maturing December 2024.

	2022 \$000	Unaudited 2021 \$000
Amounts falling due within one year:		
Amounts owed by parent undertakings	16,390	16,390
Other debtors	108	11
	<u>16,498</u>	<u>16,401</u>

Amounts owed by parent undertakings comprise of accrued interest receivable of \$16,390,000 (2021: \$16,390,000) on the aforementioned loans, which is receivable in arrears on the last day of each annual interest period.

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

11. Creditors : amounts falling due within one year

	2022 \$000	<i>Unaudited</i> 2021 \$000
Amounts owed to group undertakings	795,597	938,812
Accruals and deferred income	13	-
	<u>795,610</u>	<u>938,812</u>

Amounts owed to parent undertakings comprise:

\$786,800,000 (2021: \$928,432,000) representing the revalued €800,000,000 redeemable preference shares (see note 12).

\$8,797,000 (2021: \$10,380,000) 3.5% cumulative preference dividend on the aforementioned preference shares.

12. Called up share capital

	2022 \$000	<i>Unaudited</i> 2021 \$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	-	-
	<u>-</u>	<u>-</u>

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.

	2022 \$000	<i>Unaudited</i> 2021 \$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>

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

12. Called up share capital (continued)

The €1 redeemable preference shares are redeemable by either party. As a result they have been included in creditors (see note 11). 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.

13. Share premium account

	2022 \$000	Unaudited 2021 \$000
Premium on 100 (2021: 100) ordinary shares of £0.01 each at 1 October	50,000	200,000
Share premium cancelled due to dividend distribution	-	(150,000)
	<u>50,000</u>	<u>50,000</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 10).

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.

14. Ultimate parent undertaking and controlling party

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

15. 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 14 October 2022, 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.

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

16. Events after the Balance Sheet date

In March 2023, the company received an early settlement from Adient Global Holdings Ltd relating to the Loan principal and accrued interest amounting to \$865,409,684. Subsequently, the company made a reduction of the capital pertaining to the preference shares for €800,000,000.00 issued and repaid the preference shares to Adient UK Financing Ltd. The company also settled the accrued interim dividend on the preference shares up to 30 March 2023 amounting to €8,711,111.

17. Approval of financial statements

The board of directors approve these financial statements for issue on 22 June 2023.