

Registered Number: 121385

Adient Global Holdings Ltd
Annual report and financial statements for the year ended
30 September 2018

Adient Global Holdings Ltd

Annual report and financial statements for the year ended 30 September 2018

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Adient Global Holdings Ltd

Directors' report for the year ended 30 September 2018

The directors present their report and financial statements for the year ended 30 September 2018. The comparative reporting period was the 16 months ended 30 September 2017.

Principal activities

The statement of comprehensive income for the year is set out on page 8. The principal activity of the Company is that of a holding and financing company for the Adient Plc group ("Adient").

Adient is a global leader in the automotive seating supply industry with leading market positions in the Americas, Europe and China and maintains longstanding relationships with the largest global automotive original equipment manufacturers (OEMs). Adient's proprietary technologies extend into virtually every area of automotive seating solutions, including complete seating systems, frames, mechanisms, foam, head restraints, armrests, trim covers and fabrics. Adient is a global seat supplier with the capability to design, develop, engineer, manufacture, and deliver complete seat systems and components in every major automotive producing region in the world. Adient also participates in the automotive interiors market, which includes production of instrument panels, floor consoles, door panels, overhead consoles, cockpit systems, decorative trim and other automotive interior products, primarily through its joint venture in China, Yanfeng Global Automotive Interior Systems Co., Ltd. (YFAI).

Adient designs, manufactures and markets a full range of seating systems and components for passenger cars, commercial vehicles and light trucks, including vans, pick-up trucks and sport/crossover utility vehicles. Adient also supplies high performance seating systems to the international motorsports industry through its award winning RECARO brand of products. Adient operates in 234 wholly- and majority-owned manufacturing or assembly facilities, with operations in 34 countries. Additionally, Adient has partially-owned affiliates in China, Asia, Europe and North America. Through its global footprint, vertical integration and partnerships in China, Adient leverages its capabilities to drive growth in the automotive seating industry.

Adient's business model is focused on developing and maintaining long-term customer relationships, which allows Adient to successfully grow with leading global OEMs. Adient and its engineers work closely with customers as vehicle platforms are developed, which results in close ties with key decision makers at OEM customers.

Directors' responsibilities statement

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Companies (Jersey) Law 1991 requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the profit and loss for that year. The directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102).

Adient Global Holdings Ltd

Directors' report for the year ended 30 September 2018 (cont'd)

Directors' responsibilities statement (cont'd)

In preparing those financial statements the directors should:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue the business; and
- state whether applicable accounting standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors confirm they have complied with all the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors

The directors during the year and to the date of this report were as follows:

C Ebacher
M Flanagan
M Skonieczny
D McMahon
S Mielke

None of the directors hold any interest in the shares of the Company.

Results for the year

During the year the Company made a loss after tax of \$321,135,000 (16 months ended 30 September 2017: profit of \$174,674,000). This loss has been debited to reserves.

The company is in a robust financial position with net assets of \$3,677,625,000 (2017: \$3,992,126,000).

Dividends

In the current year no dividends were declared or paid.

In the prior period ended 30 September 2017 dividends were declared and paid totalling \$2,800,000,000, this represented a dividend per share of \$22,222,222 as at the date of payment (see note 16).

Secretary

The secretary of the Company during the year ended 30 September 2018 and subsequently was First Names Secretaries Limited.

Adient Global Holdings Ltd

Directors' report for the year ended 30 September 2018 (cont'd)

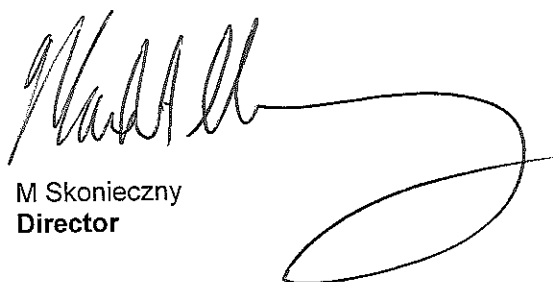
Independent auditors

The auditors, PricewaterhouseCoopers LLP were appointed during the prior period, and have indicated their willingness to continue in office.

Registered office

2nd Floor, Gaspe House, 66-72 Esplanade, St Helier, Jersey JE1 1GH

On behalf of the board

A handwritten signature in black ink, appearing to read 'M Skonieczny', followed by a large, stylized loop.

M Skonieczny
Director

12 March 2019

Adient Global Holdings Ltd

Independent auditors' report to the members of Adient Global Holdings Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Adient Global Holdings Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (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 (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report, which comprise: the balance sheet as at 30 September 2018; the statement of comprehensive income, and 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

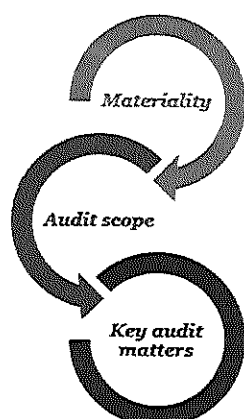
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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 as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

- *Overview*



\$90,868,000 (2017: \$93,400,000) based on 1% of total assets

A full scope audit of the company was performed.

Impairment of fixed asset investments.

Adient Global Holdings Ltd

Independent auditors' report to the members of Adient Global Holdings Ltd (cont'd)

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

• *Key audit matters*

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<i>Key audit matter</i>	<i>How our audit addressed the key audit matter</i>
<i>Impairment of fixed asset investments</i> The company owns \$7.3bn of fixed asset investments in the Adient Plc group. Under FRS 102, an impairment review is required where there is an indication of potential impairment. An impairment has been recorded in Adient Plc 30 September 2018 consolidated financial statements, based on the performance and market capitalisation of the Adient Plc group. As such, Management have considered whether this should give rise to an impairment of fixed asset investments held by this company. An impairment of \$503m has been posted in the year ended 30 September 2018 to reduce the value of fixed asset investments to that of their estimated recoverable amounts.	We obtained management's impairment assessment for investments and have tested the reasonableness of methodology applied and performed an assessment of key assumptions including future cash flows, discount rates and growth rates (where applicable). We verified the integrity and mathematical accuracy of supporting calculations and have tied in the key inputs to supporting evidence. Where applicable we performed sensitivity analysis over key assumptions included within the model to assess the impact of a deterioration in any of the key assumptions. Based on our audit procedures performed, we found the methodology and assumptions used in the impairment assessment to be reasonable.

• *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

A full scope audit of the company was performed.

Adient Global Holdings Ltd

Independent auditors' report to the members of Adient Global Holdings Ltd (cont'd)

The scope of our audit (cont'd)

- **Materiality**

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	\$90,868,000 (2017: \$93,400,000)
How we determined it	1% of total assets.
Rationale for benchmark applied	The company is a holding company and therefore does not trade. As such total assets are deemed to be the appropriate benchmark amount as the entity is not profit-driven nor is their performance measured against this.

We agreed with Management that we would report to them misstatements identified during our audit above \$4,500,000 (2017: \$4,670,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report 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 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.

Adient Global Holdings Ltd

Independent auditors' report to the members of Adient Global Holdings Ltd (cont'd)

Responsibilities for the financial statements and the audit

- *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' responsibilities statement set out on pages 1 and 2, 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our 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 Article 113A of the Companies (Jersey) Law 1991 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.

- *Partner responsible for the audit*

The engagement partner on the audit resulting in this independent auditors' report is Julian Gray.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants
Southampton
22 March 2019

Adient Global Holdings Ltd

Statement of comprehensive income for the year ended 30 September 2018

	Note	2018 \$'000	16 months ended 30 September 2017 \$'000
Administrative expenses		(351)	(8,973)
Income from fixed asset investments	5	237,489	208,286
Profit on disposal of fixed asset investments	6	45,936	26,189
Impairment of fixed asset investments	12	(503,400)	-
Interest receivable and similar income	7	109,714	137,052
Interest payable and similar expenses	8	(206,658)	(185,113)
Other finance charges		(6,144)	(6,204)
(Loss)/profit before taxation	10	(323,414)	171,237
Tax on (loss)/profit	11	2,279	3,437
(Loss)/profit for the financial year/period and total comprehensive (expense)/income		(321,135)	174,674

All amounts relate to continuing operations.

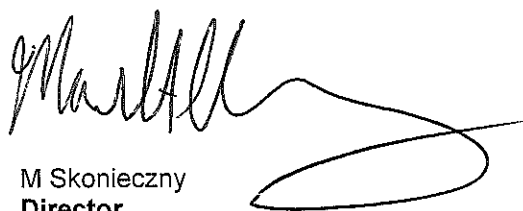
Adient Global Holdings Ltd

Balance sheet as at 30 September 2018

	Note	2018 \$'000	2017 \$'000
Fixed assets			
Fixed asset investments	12	7,372,427	6,654,883
		7,372,427	6,654,883
Current assets			
Debtors (including \$1,688,870,000 (2017: \$1,718,743,000 due after more than one year)	13	1,718,687	2,457,859
		1,718,687	2,457,859
Creditors – amounts falling due within one year	14	(1,131,558)	(486,632)
Net current assets		587,129	1,971,227
Total assets less current liabilities		7,959,556	8,626,110
Creditors – amounts falling due after more than one year	15	(4,281,931)	(4,633,984)
Net assets		3,677,625	3,992,126
Capital and reserves			
Called up share capital	16	-	-
Share premium account		6,617,811	6,617,452
Capital redemption reserve	16	-	-
Other reserves	16	6,275	-
Accumulated losses		(2,946,461)	(2,625,326)
Total equity		3,677,625	3,992,126

The notes on pages 11 to 22 form an integral part of these financial statements.

The financial statements on pages 8 to 22 were approved by the Board of Directors on 12 March 2019 and were signed on its behalf by:



M Skonieczny
Director
Adient Global Holdings Ltd
Registered number: 121385

Adient Global Holdings Ltd

Statement of changes in equity for the year ended 30 September 2018

	Note	Called up share capital \$'000	Share premium account \$'000	Other reserves \$'000	Accumulated losses \$'000	Total \$'000
At 26 May 2016, date of incorporation, issuance of 2 £1 shares at par		-	-	-	-	-
Issuance of a further 125 £1 shares	16	-	7,120,877	-	-	7,120,877
Repurchase of 853 £0.01 own shares	16	-	(503,425)	-	-	(503,425)
Profit for the financial period and total comprehensive income		-	-	-	174,674	174,674
Dividends paid	16	-	-	-	(2,800,000)	(2,800,000)
Balance at 30 September 2017		-	6,617,452	-	(2,625,326)	3,992,126
As at 1 October 2017		-	6,617,452	-	(2,625,326)	3,992,126
Additional paid in capital		-	-	6,275	-	6,275
Currency translation adjustment		-	359	-	-	359
Loss for the financial year and total comprehensive expense		-	-	-	(321,135)	(321,135)
Balance at 30 September 2018		-	6,617,811	6,275	(2,946,461)	3,677,625

Accumulated losses represent accumulated comprehensive income and expense for the year, less dividends paid.

In September 2018 a cash capital contribution of \$6,275,438 was received from Adient Global Holdings Luxembourg SARL.

Currency translation adjustment in the amount of \$359,000 in respect of foreign exchange on an investment originally booked in the prior period.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018

1 General information

Adient Global Holdings Ltd, ("the Company") is a public company limited by shares incorporated in Jersey and resident in the United Kingdom for tax purposes. The registered office is located at 2nd Floor, Gaspe House, 66-72 Esplanade, St Helier, Jersey JE1 1GH

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 (Jersey) Law 1991.

3 Summary of significant accounting policies

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

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value. 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.

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 17;

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.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

Group financial statements

The Company is not required to deliver consolidated financial statements. The Company 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 17.

Accordingly, consolidated financial statements have not been prepared and the financial information presented for the current year is for the Company as an individual undertaking.

Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate as the Company has net current assets of \$587,129,000 and the Directors have a reasonable expectation that Adient Plc group has adequate resources to continue in operational existence for the foreseeable future. Furthermore, the Directors have a reasonable expectation that Adient Plc group will achieve all the bank covenants relating to the long term debt disclosed in note 15 for at least 12 months from the date of approval of the financial statements.

Functional and presentational currency

The currency of the primary economic environment in which the Company operates is the US dollar (\$). These financial statements are also presented in US dollars.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are expressed in US dollars at rates ruling at the balance sheet date. Income and expenditure denominated in foreign currencies has been translated into US dollar 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 balance sheet date.

Tax deferred or accelerated as a 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 in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet 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.

Fixed asset investments

Fixed assets investments are stated at cost plus incidental expenses less provisions for impairment in value. The Company reviews the carrying value of investments when there has been an indication of potential impairment. If it is determined that the carrying value exceeds the recoverable amount, the excess is written off to the statement of comprehensive income. See note 4 for the details of current year estimates.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

3 Summary of significant accounting policies (cont'd)

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 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, including 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.

Derivative financial instruments

Adient Plc group of companies selectively uses derivative instruments to reduce market risk associated with changes in foreign currency. The use of derivatives is restricted to those intended for hedging purposes; the use of any derivative instrument for speculative purposes is strictly prohibited.

Cross currency interest rate swaps are not basic financial instruments. They are initially measured at fair value on the date the contract is entered into and are then subsequently re-measured at fair value. The Company does not apply hedge accounting. Changes in the value of the contracts are recognised in comprehensive income within interest income or expense as they are incurred.

Fair value is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for USD:EUR and EUR:USD.

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 are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impairment of fixed asset investments

The Company makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management consider whether any of its fixed asset investment are impaired.

Where an indication of impairment is identified, the recoverable amount is calculated. This is calculated as the higher of fair value less costs to sell and value in use, this approximates to be net assets of the underlying investment. Where applicable, value in use is calculated using estimation of future cash flows from the underlying investment and selection of appropriate discount rates in order to calculate net present values of those cash flows.

If a fixed asset investment is impaired, the value is written down to the recoverable amount and the impairment loss is recognised in the statement of comprehensive income. The current year assessment has resulted in an impairment loss of \$503.4 million (2017: nil).

5 Income from fixed asset investments

	2018 \$'000	16 months ended 30 September 2017 \$'000
Cash dividends received from fixed asset investments	237,489	208,286

During the year, the Company received a dividend of MXN 161,693,000 (\$8,473,188) from Adient Financing Ltd, \$11,425,846 from Adient Mezölak Korlátolt Felelősségű Társaság, \$71,069,969 from Adient Financial Luxembourg S.à r.l, \$14,240,135 from Adient & Summit Corporation Ltd., TRY 19,605,243 (\$4,765,231) from Diniz Adient Oto Donanim Ticaret ve Sanayi A.S., EUR 1,806,679 (\$2,226,370) from Adient Seating d.o.o., \$865,539 and EUR 1,938,120 (\$2,270,499) from Trim Leader a.s., \$47,172,712 from Adient Holding International Ireland LLC, \$3,417,255 from Adient Holding Ireland LLC, RUB 688,235,294 (\$11,097,616) from Adient International Joint Stock Company, \$35,156,700 from Adient Ltd., GBP 7,771,000 (\$10,118,621) from Adient Financing International Ltd and GBP 11,665,000 (\$15,189,000) from Adient Properties UK Ltd.

In the prior period, the Company received a dividend of MXN 1,162,700,000 (\$65,367,230) from Adient Financing Ltd, HUF 3,353,507,000 (\$12,657,529) from Adient Mezölak Korlátolt Felelősségű Társaság, \$92,000,000 from Adient Financial Luxembourg S.à r.l, \$5,946,116 from JCMM Automotive d.o.o., THB 733,373,970 (\$21,249,740) from Adient & Summit Corporation Ltd., THB 306,124,000 (\$8,773,225) from Adient (Thailand) Co., Ltd., TRY6,638,408 (\$1,944,694) from Diniz Adient Oto Donanim Ticaret ve Sanayi A.S. and \$347,353 from Uni Auto Parts Manufacture Co. Ltd.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

6 Profit on disposal of fixed asset investments

	2018 \$'000	16 months ended 30 September 2017 \$'000
Profit on disposal of fixed asset investments	45,936	26,189

On 1 October 2017 the Company disposed of 100% of its investment in Michel Thierry Argentina SA for \$922,128 to another group Company, resulting in a loss on disposal of \$98,655.

On 16 April 2018, the Company disposed of 100% of its investment in JP Foam Manufacturing sro for \$8,040,151 to another group Company, resulting in a profit of \$455,156.

On 8 June 2018, the Company disposed of 100% of its investment in Adient Slovenj Gradec d.o.o. and transferred and contributed all the shares to Adient Financial Luxembourg S.a.r.l. in exchange for 1000 \$1 shares and share premium of \$75,899,000 resulting in a profit of \$45,580,000.

7 Interest receivable and similar income

	2018 \$'000	16 months ended 30 September 2017 \$'000
Bank interest	1,934	698
Interest receivable from group undertakings	88,630	88,541
Gains on derivative financial instruments	3,202	-
Net foreign exchange gains on financing activity	15,948	47,813
	109,714	137,052

8 Interest payable and similar expenses

	2018 \$'000	16 months ended 30 September 2017 \$'000
Bank interest	9,298	6,904
Interest payable to group undertakings	63,818	47,053
Interest on external debt (as disclosed in note 15)	133,542	131,156
	206,658	185,113

9 Directors and employees

The directors received no remuneration in respect of their services to the Company during the year (2017: nil) as their services as directors of the Company were incidental to their other services within the Adient Plc group of companies and a reasonable allocation of costs cannot be made. Directors' remuneration costs are borne by other members of the Adient Plc group of companies. The average monthly number of employees is nil (2017: nil).

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

10 (Loss)/profit before taxation

	2018 \$'000	16 months ended 30 September 2017 \$'000
(Loss)/profit before taxation is stated after charging		
Auditors' remuneration		
- audit services for the Company	25	40

11 Tax on (loss)/profit

	2018 \$'000	16 months ended 30 September 2017 \$'000
Current tax		
UK Corporation tax at 19% (2017:19.63%)	-	-
Withholding tax	3,861	3,301
Total current tax	3,861	3,301
Deferred tax		
Origination and reversal of timing differences	(5,199)	(6,738)
Prior year adjustment	(941)	-
Total deferred tax	(6,140)	(6,738)
Total tax on (loss)/profit	(2,279)	(3,437)

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

11 Tax on (loss)/profit (cont'd)

Factors affecting the tax credit for the year

The tax assessed for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: blended rate of 19.63%) for the year ended 30 September 2018. The differences are explained below:

	2018 \$'000	16 months ended 30 September 2017 \$'000
(Loss)/profit before taxation	(323,414)	171,237
(Loss)/profit multiplied by standard rate of corporation tax of 19% (2017: blended rate of 19.63%)	(61,449)	33,614
Effects of:		
Expenses not deductible for tax purposes	78	1,708
Impairment of fixed asset investments	95,646	-
Income not subject to tax	(57,001)	(49,580)
Group relief surrendered for nil consideration	16,915	6,478
Withholding tax	3,861	3,301
Adjustment to tax charge in respect of prior periods	(941)	-
Change in UK corporation tax rate	612	1,042
Total tax credit	(2,279)	(3,437)

Finance Act 2016 was substantively enacted during the period ended 30 September 2017. It reduced the main rate of corporation tax in the UK from 19% to 17% with effect from 1 April 2020. Deferred taxes have been measured at the rate at which they are forecast to reverse.

12 Fixed asset investments

	2018 \$'000
Cost	
As at 1 October 2017	6,654,883
Additions	1,334,597
Impairment	(503,400)
Disposals (see note 6)	(113,653)
At 30 September 2018	7,372,427

The directors have assessed the carrying value of the investments held by the company. They believe it appropriate to impair the investments by \$503,400,000 to reflect changed market conditions.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

13 Debtors

	2018 \$'000	2017 \$'000
Amounts owed by group undertakings (including \$1,675,992,000 (2017: \$1,712,005,000) due after more than one year)	1,692,480	2,450,035
Other debtors	98	1,086
Derivative financial instrument	13,231	-
Deferred tax asset falling due after more than one year	12,878	6,738
	1,718,687	2,457,859

Amounts owed by group undertakings include the following: loans of \$33,331,687, \$10,300,000 and \$3,000,000 (2017: \$33,331,687, \$10,300,000 and \$3,000,000) all maturing on 1 October 2020 bearing an interest rate of 10.000%; a loan of \$100,000,000 maturing on 3 February 2027 bearing an interest rate of 5.375% (2017: \$100,000,000); a loan of \$200,000,000 (2017: \$200,000,000) maturing on 27 October 2023 bearing an interest rate of 5.125%; a loan of \$400,000,000 (2017: \$400,000,000) maturing on 27 October 2026 bearing an interest rate of 5.500%; a loan of \$929,360,000 (2017: \$943,760,153) maturing on 8 December 2024 bearing an interest rate of 3.500%. Interest on the loans is compounded and payable annually.

Amounts owed by group undertakings included in the prior period that matured and were fully repaid during the year include a loan of \$3,616,727 that matured on 1 October 2017; a loan of \$100,000,000 that matured on 1 October 2017; a loan of \$218,139,896 that matured on 1 October 2017; a loan of \$397,494,817 that matured on 1 October 2017. In addition, a loan of \$14,875,557 which was due to mature on 1 June 2029 was repaid.

All amounts owed to group undertakings in the current year and prior period are unsecured.

The derivative financial instrument represents gains on a cross-currency interest rate swap on \$200,000,000 at an exchange rate of 1.2408 USD to Euro, at a margin of 0.29775% entered on 3 September 2018 and maturing on 3 September 2020.

The deferred tax asset consists of the following amounts:

	2018 \$'000	2017 \$'000
Excess interest deductions carried forward	8,452	-
Tax losses carried forward	4,426	6,738
Total deferred tax asset	12,878	6,738

There are no unrecognized tax losses or tax credits.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

14 Creditors – amounts falling due within one year

	2018	2017
	\$'000	\$'000
Amounts owed to group undertakings	459,915	19,704
Accrued interest payable	11,726	11,117
Other creditors	12	110
Bank overdraft	659,905	455,701
	1,131,558	486,632

Amounts owed to group undertakings represent a loan of \$340,125,000 maturing in June 2019 bearing an interest rate of 3.34% and a loan of \$99,376,000, which is repayable in June 2019, but has a facility to continue to roll over 6 monthly until the final maturity date of June 2023 bearing an interest rate of 2M Libor+1.75%. Interest on the loans is compounded and payable annually. Also included in amounts owed to group undertakings is loan interest of \$20,414,000 payable on the aforementioned loans and the two intercompany loans disclosed in note 15.

In the prior period amounts owed to group undertakings represents loan interest of \$19,704,000 on the two intercompany loans disclosed in note 15.

Accrued interest payable represents loan interest on the external debt disclosed in note 15.

The bank overdraft is charged at LIBOR plus 70bps rate and is secured by way of a guarantee from the ultimate parent company, Adient Plc.

All other amounts are unsecured, interest free and repayable on demand.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

15 Creditors – amounts falling due after more than one year

	2018 \$'000	2017 \$'000
Term Loan A - LIBOR plus 1.75% due in 2021	1,200,000	1,200,000
4.875% Loan notes due in 2026	900,000	900,000
3.50% Loan notes due in 2024	1,161,700	1,179,700
Unamortised bond issuance costs	(32,249)	(38,321)
Amounts owed to group undertakings	1,052,480	1,392,605
	4,281,931	4,633,984

On July 27, 2016 the Company entered into a credit agreement providing for commitments with respect to a \$1.5 billion revolving credit facility and a \$1.5 billion Term Loan A facility ("Original Credit Facilities"). The Original Credit Facilities mature on July 2021. Commencing March 31, 2017 until the Term Loan A maturity date, repayment of the funded Term Loan A is required in an amount per quarter equal to 0.625% of the original principal amount in the first year following the closing date of the credit facilities on July 27, 2016 ("Closing Date"), 1.25% in each quarter of the second and third years following the Closing Date, and 2.5% in each quarter thereafter prior to final maturity.

The Original Credit Facilities contained covenants that include, among other things and subject to certain significant exceptions, restrictions on Adient's ability to declare or pay dividends, make certain payments in respect of the notes, create liens, incur additional indebtedness, make investments, engage in transactions with affiliates, enter into agreements restricting Adient's subsidiaries' ability to pay dividends, dispose of assets and merge or consolidate with any other person. In addition, the Original Credit Facilities contain a financial maintenance covenant requiring Adient to maintain a total net leverage ratio equal to or less than 3.5x adjusted EBITDA calculated on a quarterly basis. The Term Loan A facility also requires mandatory prepayments in connection with certain non-ordinary course asset sales and insurance recovery and condemnation events, among other things, and subject in each case to certain significant exceptions. During the first quarter of fiscal 2019, Adient entered into an amendment to the Original Credit Facilities ("Amended Credit Facilities") whereby the financial maintenance covenant was amended to require Adient to maintain a total net leverage ratio equal to or less than 4.5x adjusted EBITDA, with step down provisions starting in the quarter ending December 31, 2020. The amendment also expanded the upper range of interest rate margins such that the drawn portion of the Amended Credit Facilities will bear interest based on LIBOR plus a margin between 1.25% - 2.50% (previously 1.25% - 2.25%), based on Adient's total net leverage ratio. No other terms were impacted by the amendment.

In February 2017, Adient repaid \$100 million of the Term Loan A facility. In May 2017, Adient repaid another \$200 million of the Term Loan A facility. The total amount repaid was treated as an early repayment of the quarterly mandatory principal payment for the period between March 2017 and June 2020 resulting in no required principal payment until June 2020.

The Company may be required to pay a commitment fee on the unused portion of the commitments under the revolving credit facility based on the total net leverage ratio of Adient, ranging from 0.15% to 0.40%. No amounts were outstanding under the revolving credit facility at September 30, 2018 and 2017, respectively.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

15 Creditors – amounts falling due after more than one year (cont'd)

On August 19, 2016, the Company issued \$0.9 billion aggregate principal amount of 4.875% USD-denominated unsecured notes due 2026 and €1.0 billion (\$1.2 billion) aggregate principal amount of 3.50% unsecured notes due 2024. The proceeds of the notes were used, together with the Term Loan A facility, to pay a distribution to the former Parent, with the remaining proceeds used for working capital and general corporate purposes.

Bond issuance costs are amortised over the term of the loans to which they relate, being periods of 5 to 10 years.

Amounts owed to group undertakings include the following unsecured loans: Loans of \$200,000,000 and \$852,480,398 both maturing in December 2026 and both bearing an interest rate of 4.875%.

16 Called up share capital and other reserves

	Number of shares	Total \$'000
Allotted and fully paid		
Ordinary shares of £0.01 each at 1 October 2017 and 30 September 2018	11,947	-
	2018 \$'000	2017 \$'000
Dividends paid		
Cash dividend	-	1,296,673
Dividend in specie	-	1,503,327
	-	2,800,000

On October 31, 2016, Adient Plc, the ultimate parent of Adient Global Holdings Ltd became an independent company as a result of the separation of the automotive seating and interiors businesses of Johnson Controls International plc. As part of this separation agreement on 13 October 2016, Adient Global Holdings Ltd declared and subsequently paid Johnson Controls International plc, who at the time held 126 £1 ordinary shares, a dividend per share of \$22,222,222, comprising cash dividend of \$1,296,673,000 and a \$1,503,327,000 loan note instrument. Issuance of shares and related share premium was in consideration for the acquisition of investments in the Adient Plc group.

On 18 June 2017, the Company entered into a share buyback, repurchasing 853 ordinary shares of £0.01 each from Adient Plc and in consideration issued a loan note of \$500,124,628 to Adient Plc and transferred 12 ordinary shares in Adient International Limited (valued at \$3,300,000), resulting in a gain on disposal of \$2,593,000. These shares were immediately cancelled upon repurchase. The value of share capital relating to these shares (£8.53, equivalent to \$11) was transferred out of share capital to the capital redemption reserve on cancellation.

In September 2018 a cash capital contribution of \$6,275,438 was received from Adient Global Holdings Luxembourg SARL. This is reflected in other reserves in the Statement of changes of equity.

Adient Global Holdings Ltd

Notes to the financial statements for the year ended 30 September 2018 (cont'd)

17 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Adient Global Holdings Luxembourg S.a.r.l., a company incorporated in Luxembourg.

As at 30 September 2018, 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 2018. The consolidated financial statements of Adient Plc are available from:

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