

Registered Number: 443687

Adient Seating UK Ltd (formerly Johnson Controls
Automotive (UK) Ltd.)
Annual report and financial statements for the year ended
30 September 2016

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Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Annual report and financial statements for the year ended 30 September 2016

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Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Strategic report for the year ended 30 September 2016

The directors present their strategic report on the company for the year ended 30 September 2016.

Principal activities

The principal activities of the company continued to be the manufacture and sale of trimmed seats, seat components and interiors to the automotive industry.

Results

The results for the financial year and the financial position of the company are shown in the accompanying financial statements. Profit before taxation for the financial year ended 30 September 2016 was £9.1 million (2015: £9.2 million).

The company is in a robust financial position with net assets of £12.5 million (2015: £132.0 million).

Review of business and future developments

The turnover was £560.3 million, an increase of 19.8% compared to the prior year. Sales volumes continue to be strong at our Liverpool plant. Notably, sales volumes have increased compared to last year by 37% at Ellesmere Port and 8.7% at Sunderland. The business overall has been adversely impacted by foreign exchange movements, offset by volume and mix changes affecting the Just-in-time and components plants. Margin has also improved because in the prior year there were costs incurred on some of the new vehicle introductions.

The car manufacturing industry remains strong in the United Kingdom. The directors monitor the economic and political environment. At present the directors foresee no changes to the current business as a result of Brexit and expect the general level of activity to remain stable for the foreseeable future.

Business environment and strategy

The automotive industry continues to be highly competitive in all areas of the company's operations. The company continually seeks new business with a variety of vehicle manufacturers.

Key performance indicators ("KPIs")

The following KPIs are those which the directors use to monitor the business and which will assist in the understanding of its current overall position.

	2016	2015
Turnover per employee (£'000)	288	246
Gross profit as a % of turnover	3.22%	0.09%
Distribution costs as a % of turnover	0.24%	0.27%
Administrative expenses as a % of turnover	1.39%	1.93%
Days sales outstanding	55.12	52.59
Inventory turnover (days)	12.67	15.3

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Strategic report for the year ended 30 September 2016 (cont'd)

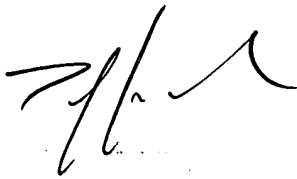
Principal risks and uncertainties

The principal risks and uncertainties of the company are the same as those as the company's ultimate parent and its risks are discussed in the financial statements of Johnson Controls International Public Limited Company at 30 September 2016.

Any of the following could materially and adversely impact the results of operations of our business: the loss of, or changes in, automobile seating and interiors supply contracts or sourcing strategies with our major customers or suppliers; inability to meet minimum vendor volume requirements; start-up expenses associated with new vehicle programs or delays or cancellations of such programs; underutilisation of our manufacturing facilities, all of the just in time plants are located near, and devoted to, a particular customer's facility; inability to recover engineering and tooling costs; market and financial consequences of any recalls that may be required on products that we have supplied; delays or difficulties in new product development; the potential introduction of similar or superior technologies; global overcapacity and vehicle platform proliferation.

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

On behalf of the Board



J Bell
Director
26 June 2017

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Directors' report for the year ended 30 September 2016

The directors present their report and the audited financial statements of the company for the year ended 30 September 2016.

On 18 October 2016 the company name changed from Johnson Controls Automotive (UK) Ltd. to Adient Seating UK Ltd.

Dividends

The directors declared and paid an interim ordinary dividend of £81,175,390 (2015: nil) (see note 5). The directors do not recommend the payment of a final dividend (2015: nil).

Capital reduction

On 15 December 2015 a reduction of share capital took place, £203,000,333 was transferred to distributable reserves.

Subsequent event

On 31 October 2016 the ultimate parent Johnson Controls International Public Limited Company spun off its entire automotive business into a separately listed global group.

The new ultimate parent company is Adient Public Limited Company.

Future developments

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

Financial risk management

Credit risk

The company's policy is that the credit-worthiness of any prospective client, contractor, subcontractor, vendor, joint venture partner or any entity engaging in an economic transaction with the company must be evaluated to ascertain whether it has the financial capacity to enter into and perform its obligations under such transactions. This process is undertaken to ensure from a financial standpoint that any third party has the financial stability and strength necessary to fulfil its commitments to the company. The extent of the credit evaluation must be commensurate with the level of risk associated with the inability of the counterparty to perform under the contract.

The company's policy is to use financial institutions authorised by Adient Public Limited Company who actively manage the global banking facilities. All cash held on deposit is pooled at a European level to mitigate risk and as such the company is party to guarantee funds jointly and severally.

Exchange rate risk

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

Price risk

Competitor price strategies remain an on-going risk to the company's operations. This risk is mitigated through a high-performance culture that inspires our employees, leadership in cost, quality, launch execution, and customer satisfaction.

Liquidity and interest rate risk

Cash balances held with external institutions form part of the Adient Public Limited Company group global cash pool arrangement. If funding is required then this is achieved by an internal loan from an Adient Public Limited Company 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 Public Limited Company.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Directors' report for the year ended 30 September 2016 (cont'd)

Environmental, health and safety matters

Adient Public Limited Company is a global market leader and therefore has adopted a uniform global approach to managing environmental, health and safety matters by following the principles and guidance contained in both international standards ISO 14001 and OHSAS 18001. All parts of the corporation are expected to demonstrate through their EHS management system that the principles and objectives set out in these two key standards have been met.

The organisation has clear management and functional lines with detailed responsibilities at all levels, which ensure hazards, and risks are properly identified and controlled through effective management processes and performance related objectives and targets.

Employment policies

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The company gives full and fair consideration to applications for employment for disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the company. If members of staff become disabled the company continues employment, either in the same or an alternative position, with appropriate retraining being given if necessary.

The company systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the company is encouraged, achieving a common awareness on the part of all employees of the financial and economic factors affecting the company. The company encourages the involvement of employees by means of an employee share purchase scheme, regular employee briefings, annual global employee survey and regular awareness days on different topics for company specific matters.

Creditor payment policy

It is the company's policy to pay creditors when they fall due for payment. Terms of payment are agreed with suppliers when negotiating each transaction and the policy is to abide by those terms, provided that the suppliers also comply with all relevant terms and conditions. Creditor days in 2016 were 56 days (2015: 54 days), calculated using third party supplier balances and cost of sales excluding engineering costs.

Directors

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

J Bell	
S Belfield	
B Cadwallader	resigned 18 October 2016
C Ebacher	appointed 18 October 2016
G Edwards	resigned 18 October 2016
M Flanagan	
B Gray	resigned 10 June 2016
D McMahon	
R Tate	
M Skonieczny	appointed 18 October 2016
B Stief	resigned 18 October 2016

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Directors' report for the year ended 30 September 2016 (cont'd)

Directors' indemnities

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Johnson Controls International Public Limited Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Ireland ("FRS 102"), and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Political and charitable donations

Charitable donations during the year amounted to £8,000 (2015: £13,000). No contributions to political organisations were made during the year (2015: nil).

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Directors' report for the year ended 30 September 2016 (cont'd)

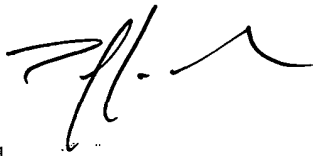
Disclosure of information to auditors

Each of the persons who are directors at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



J Bell
Director
26 June 2017

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Independent auditors' report to the members of Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Report on the financial statements

Our opinion

In our opinion, Adient Seating UK Ltd's (formerly Johnson Controls Automotive (UK) Ltd.) financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual report and financial statements (the "Annual Report"), comprise:

- the statement of financial position as at 30 September 2016;
- 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 summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on others matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Independent auditors' report to the members of Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.) (cont'd)

Other matters on which we are required to report by exception Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 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
- adequate accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.


Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Independent auditors' report to the members of Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.) (cont'd)

What an audit of financial statements involves (cont'd)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Julian Gray (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Southampton.

Date: 30 June 2017

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Statement of comprehensive income for the year ended 30 September 2016

	Note	2016 £'000	2015 £'000
Turnover	6	560,334	467,825
Cost of sales		(542,316)	(467,405)
Gross profit		18,018	420
Distribution costs		(1,362)	(1,284)
Administrative expenses		(7,811)	(9,034)
Operating profit/(loss)		8,845	(9,898)
Interest receivable and similar income	7	656	10,048
Interest payable and similar expenses	8	(382)	(1,015)
Profit on disposal of tangible fixed assets	9	-	10,114
Profit before taxation	10	9,119	9,249
Tax on profit	12	(5,217)	2,938
Profit for the financial year		3,902	12,187
Other comprehensive income			
Remeasurement of net defined benefit obligation	21	(51,208)	3,028
Movement on deferred tax relating to pension benefit	19	8,955	(606)
Total comprehensive (expense)/ income for the year		(38,351)	14,609

All amounts relate to continuing operations.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Statement of financial position at 30 September 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	13	8,276	10,888
Investments	14	-	-
		8,276	10,888
Current assets			
Stocks	15	18,698	19,315
Debtors (including £6,286,000 (2015: £6,875,000) due in more than one year)	16	119,710	225,100
Deferred tax asset	17	16,291	12,553
		154,699	256,968
Creditors – amounts falling due within one year	18	(106,537)	(124,894)
Net current assets		48,162	132,074
Total assets less current liabilities		56,438	142,962
Provisions for liabilities	19	(1,083)	(2,365)
Pension liability	21	(42,879)	(8,595)
Net assets		12,476	132,002
Capital and reserves			
Called up share capital	22	140	203,140
Retained earnings		12,336	(71,138)
Total equity		12,476	132,002

The notes on pages 13-31 are an integral part of these financial statements.

The financial statements on pages 10 to 31 were approved by the Board of directors on 26 June 2017 and were signed on its behalf by:



J Bell

Director

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Registered number: 443687

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Statement of changes in equity for the year ended 30 September 2016

	Note	Called up share capital £'000	Retained earnings/ (accumulated losses) £'000	Total equity £'000
Balance at 1 October 2014	22	203,140	(85,747)	117,393
Profit for the financial year		-	12,187	12,187
Other comprehensive income for the year		-	2,422	2,422
Total comprehensive income for the year		-	14,609	14,609
Balance at 30 September 2015		203,140	(71,138)	132,002
Profit for the financial year		-	3,902	3,902
Other comprehensive expense for the year		-	(42,253)	(42,253)
Total comprehensive expense for the year		-	(38,351)	(38,351)
Capital reduction		(203,000)	203,000	-
Dividend	5	-	(81,175)	(81,175)
Balance at 30 September 2016	22	140	12,336	12,476

Retained earnings represents accumulated comprehensive income for the year and prior periods.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016

1 General information

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.) ("the company") is a private company limited by shares domiciled and incorporated in England. The address of its registered office is Building 2010 Meriden Business Park, Birmingham Road, Coventry, CV5 9RG.

The company manufactures and sells trimmed seats, seat components and interiors to the automotive industry.

2 Statement of compliance

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

3 Summary of significant accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention, as modified by certain financial assets and liabilities measured at fair value through profit or loss. 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 which have been applied consistently throughout the year. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The company has also chosen to early adopt SI 2015/980, incorporating changes to FRS 102 as a result of EU Accounting Directive 2013/34/EU.

Details of the transition to FRS 102 are disclosed in note 24.

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 Johnson Controls International Public Limited Company, 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 23:

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;

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

3 Summary of significant accounting policies (cont'd)

Reduced disclosures (cont'd)

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;

Section 26 'Share based payments'

Details of equity instruments used to compensate employees; as required by paragraphs 26.18(b), 26.19 to 26.21 and 26.23 of FRS 102; and

Section 33 'Related Party Disclosures'

Compensation for key management personnel as required by paragraph 33.7 of FRS 102.

Group financial statements

The company is exempt from the requirement to prepare and deliver consolidated financial statements under the provisions of Section 401 of the Companies Act 2006 as it is a subsidiary undertaking of Johnson Controls International Public Limited Company, 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 23. Accordingly consolidated financial statements have not been prepared and the financial information presented for both the current and preceding years is for the company as an individual undertaking.

Turnover

Turnover represents the net invoiced value, excluding value added tax, of sales to customers and is recognised at the point of dispatch of goods or provision of services or when risk has been passed to the customer.

Foreign currencies

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

Operating leases

The costs of operating leases are charged to the statement of comprehensive income in the period to which they relate on a straight line basis.

Taxation

Corporation tax is provided on taxable profits at the standard effective rate of corporation tax in the UK for the year.

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.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

3 Summary of significant accounting policies (cont'd)

Taxation (cont'd)

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.

Going concern

The company meets its day to day working capital requirements through its ability to borrow funds within the Adient group. The current economic conditions continue to create uncertainty over the level of demand for the company's products but the company forecasts show that the company should be able to operate within its current facilities. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis in preparing the financial statements.

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.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost, which is the original purchase price plus incidental expenses, less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset evenly over its expected useful economic life, on a straight line basis as follows:

Leasehold land and buildings	over term of lease
Freehold land and buildings	40 to 50 years
Furniture, equipment and vehicles	2 to 7 years
Plant and machinery	2 to 10 years

Assets classed as construction in progress are not depreciated until they are brought into service.

Tooling costs

Tooling costs, which are recoverable from customers, are included within debtors. Tooling costs borne by the company are capitalised within tangible fixed assets and written off over their useful economic life depending upon the duration of the customer contract, up to a maximum of seven years.

Inventories

Stocks are valued on a first-in first-out basis, at the lower of cost and net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business. In the case of work in progress, costs comprise direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads. Where necessary, provision is made for obsolete, slow moving or defective stocks.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

3 Summary of significant accounting policies (cont'd)

Pensions

Defined contribution pension plan

The company operates a defined contribution pension scheme for the benefit of its employees, the assets of which are held separately from those of the company in independently administered funds. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position.

The company also operates a defined contribution scheme with a defined benefit underpin arrangement as a result of a previous change to certain members' contracted out status. As this is a defined benefit underpin the obligation is recognised on the face of the statement of financial position and accounted for as a defined benefit scheme (see below).

Defined benefit pension plan

The company operates a defined benefit pension plan for certain employees. On 31 March 2011 the defined benefit pension scheme was closed to the future accrual of benefits.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The liability recognised in the statement of financial position is the present value of the defined benefit pension plan less the fair value of the plan assets at the reporting date.

The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds of equivalent terms and currency to the liability ("discount rate").

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Pension scheme assets are measured consistently for the defined benefit pension schemes and the defined benefit underpin.

Actuarial gains and losses are credited or charged to other comprehensive income. The net interest cost is calculated by applying a single discount rate to the net balance of the defined benefit liability or asset. This cost is recognised in the statement of comprehensive income as interest receivable and similar income or interest payable and similar expenses.

Long term incentive plan

Adient Public Limited Company grants awards of stock appreciation rights (SARs) to senior employees of Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.). The plan liabilities are measured over the period the employee provides their services to the point of vesting and is charged to operating profit. The options are valued using a Black-Scholes option-pricing model. The employee receives the market value of their award as cash consideration when the award is vested. The employee never owns any actual stock.

Related party transactions

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

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

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

3 Summary of significant accounting policies (cont'd)

Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, 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 trade and other payables, 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.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classed as current liabilities if payment is due within one year or less.

Forward exchange contracts

Forward exchange contracts are not basic financial instruments, they are initially measured at fair value on the date the contract is entered into and is 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 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 GBP:EUR and GBP:USD.

Offsetting

Financial assets and liabilities are offset and the net amount 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 on a net basis or to realise the asset and settle the liability simultaneously.

4 Critical accounting judgements and estimation uncertainty

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are addressed below.

Defined benefit pension scheme

The company has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depends on a number of factors including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the statement of financial position. The assumptions reflect historical experience and current trends. See note 21 for disclosures relating to the pension scheme.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

5 Dividends paid

	2016 £'000	2015 £'000
Dividend in specie	81,175	-

On 26 February 2016, the company declared a dividend in specie in the amount of £81,175,390. The dividend in specie was to waive the company's loans and interest receivable from Adient Holding UK Limited (formerly Johnson Controls (U.K.) Limited). The amount comprised of loan principals of £60 million and £20 million and accrued interest of £933,542 and £241,848 and was in the form of £597.82 per ordinary share.

6 Turnover

The turnover arose from the manufacture and sale of trimmed seats, seat components and interiors to the automotive industry.

The turnover arose in the following geographical areas by origin and destination:

Turnover	2016 £'000	2015 £'000
United Kingdom	551,604	457,594
Europe	8,170	10,231
Rest of World	560	-
	560,334	467,825

7 Interest receivable and similar income

	2016 £'000	2015 £'000
Interest receivable from group undertakings	-	1,559
Interest receivable from parent undertaking	584	768
Bank interest	72	173
Other finance income from group undertakings	-	7,547
	656	10,047

8 Interest payable and similar expenses

	2016 £'000	2015 £'000
Bank interest	289	139
Interest payable to group undertakings	28	360
Net interest expenses on post-employment benefits	65	516
	382	1,015

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

9 Profit on disposal of tangible fixed assets

In the prior year, Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.) sold land and buildings with a net book value of £9,738,000 to Adient Properties UK Ltd (formerly Johnson Controls Properties UK Ltd) a fellow group company, for cash consideration of £20,080,000 resulting in a £10,342,000 profit on disposal.

10 Profit before taxation

	2016 £'000	2015 £'000
Profit before taxation is stated after charging/(crediting)		
Staff costs		
- wages and salaries	68,588	67,665
- social security costs	6,859	6,231
- other pension costs (see note 21)	2,596	2,228
Total staff costs	78,043	76,124
Depreciation of tangible assets (see note 13)	1,683	667
Operating lease charges	22,753	15,699
Operating lease income	-	(129)
Auditors' remuneration		
- for audit services	119	119
Impairment of inventory (included in cost of sales)	1,038	1,425
Inventory recognised as an expense	376,379	358,795
Impairment of trade receivables	530	24
Loss on disposal of tangible fixed assets	-	228
Profit on disposal of land and buildings (see note 9)	-	(10,342)
Foreign exchange loss/(gain)	3,600	(6,229)
Forward exchange contract loss	789	3,444

11 Directors and employees

	2016 £'000	2015 £'000
Directors' emoluments		
Aggregate emoluments of the directors	429	451
Company pension contributions to defined contribution schemes	20	25
	449	476

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

11 Directors and employees (cont'd)

	2016	2015
	£'000	£'000
Highest paid director		
Aggregate emoluments	273	247
Company pension contributions to defined contribution scheme	12	12
	285	259

Emoluments of two directors (2015: two) are borne by the company as disclosed above and five directors (2015: six) are paid via the company's payroll but all of their costs to the company are recharged to other group company undertakings since their services to the company are incidental to their services to the group as a whole.

Emoluments of two directors (2015: two) are borne by Johnson Controls International Public Limited Company group company and it is not possible to separately identify the amount relating to their remuneration for services performed for this company. No other amounts have been paid or are owed at 30 September 2016 (2015: £nil) in respect of services supplied by the directors to the company.

Retirement benefits were accruing to seven directors (2015: seven) under the defined contribution scheme. Three directors (2015: three) have benefits accrued under the now closed defined benefit scheme. During the year three directors (2015: three) were entitled to a bonus based on the share price of Johnson Controls, Inc. No shares were received or receivable by any of the directors in respect of qualifying services under a long term incentive scheme.

The monthly average number of employees for the company, including executive directors, analysed by category, was as follows:

Staff numbers	2016	2015
Manufacturing and production	1,555	1,658
Administration and management	361	210
Distribution	28	35
	1,944	1,903

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

12 Tax on profit

	2016 £'000	2015 £'000
Current tax		
Withholding tax	-	45
UK Corporation tax at 20% (2015: 20.5%)	-	-
Total current tax charge	-	45
Deferred tax		
Origination and reversal of timing differences	(52)	(709)
Prior year adjustment	1,750	(2,693)
Impact of change in corporation tax rate on timing differences	1,284	18
Pension related timing difference	1,931	421
Impact of change in corporation tax rate on pension relief	304	(20)
Total deferred tax	5,217	(2,983)
Total tax on profit	5,217	(2,938)

Factors affecting the total tax for the year

The tax assessed for the year is higher (2015: lower) than the standard rate of corporation tax in the UK of 20% (2015: 20.5%). The differences are explained below:

	2016 £'000	2015 £'000
Profit before taxation	9,119	9,249
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.5%)	1,824	1,896
Effects of:		
Expenses not deductible for tax purposes	13	60
Non taxable gain on disposal	-	(2,098)
Group relief surrendered/(claimed) for nil consideration	41	(146)
Adjustments to tax charge in respect of previous periods	1,750	(2,693)
Withholding tax	-	45
Impact of change in corporation tax rate on timing differences	1,285	18
Impact of change in corporation tax rate on pension relief	304	(20)
Total tax charge/(credit)	5,217	(2,938)

Finance Act 2016 was substantively enacted during the year ended 30 September 2016. It reduces the main rate of corporation tax in the UK from 20% to 19% with effect from 1 April 2017 and to 17% from 1 April 2020. Deferred tax assets have been measured at the rate at which they are forecast to reverse.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

13 Tangible fixed assets

	Leasehold land and buildings £'000	Freehold, land and buildings £'000	Furniture, equipment and vehicles £'000	Plant and machinery £'000	Construction in progress £'000	Total £'000
Cost						
At 1 October 2015	2,870	944	2,814	844	6,264	13,736
Additions	19	38	228	854	1,395	2,534
Transfers from construction in progress	647	42	(66)	1,729	(2,352)	-
Disposals	-	(22)	(121)	-	(3,463)	(3,606)
At 30 September 2016	3,536	1,002	2,855	3,427	1,844	12,664
Accumulated depreciation						
At 1 October 2015	786	224	1,698	140	-	2,848
Charge for the year	290	97	563	733	-	1,683
Disposals	-	(22)	(121)	-	-	(143)
At 30 September 2016	1,076	299	2,140	873	-	4,388
Net book value						
At 30 September 2016	2,460	703	715	2,554	1,844	8,276
At 30 September 2015	2,084	720	1,116	702	6,264	10,888

Assets are transferred from construction in progress to other fixed asset categories on being commissioned. Any construction in progress asset transferred to Adient Properties UK Ltd (formerly Johnson Controls Properties Limited) is done so at actual cost with no gain or loss arising on this disposal. At 30 September 2016 future capital expenditure for the company authorised by the directors but not provided in the financial statements was £nil (2015: £nil).

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

14 Fixed asset investments

In August 2016, the company disposed of 1 ordinary share in Johnson Controls UK Pension Trustees Ltd for £1.

Fixed asset investments	Total £'000
Cost	
At 1 October 2015 and 30 September 2016	-

At 30 September 2016 the company had the following investments in a subsidiary undertaking registered in England and Wales:

Activity	Class of shares	Proportion of nominal value of shares issued held by:		Aggregate capital and reserves	Result for the year
		Company	Other group companies	£'000	£'000
Adient UK Pension Scheme Trustee Limited (formerly Johnson Controls UK Pension Scheme Trustee Limited)	Dormant Ordinary	100%	-	-	-

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

15 Stocks

	2016 £'000	2015 £'000
Raw materials and consumables	17,602	18,212
Work in progress	1,096	1,103
	18,698	19,315

There is no significant difference between the replacement cost of the inventories and the statement of financial position carrying amount.

Inventories are stated net of provision for impairment of £566,000 (2015: £920,000)

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

16 Debtors

	2016	2015
	£'000	£'000
Trade debtors	88,974	74,695
Amounts owed by group undertakings	19,489	55,818
Amounts owed by parent undertaking	-	80,592
Other current debtors	4,961	7,120
Other non-current debtors	6,286	6,875
	119,710	225,100

Trade debtors are stated after provisions for impairment of £550,000 (2015: £75,000)

In the prior year amounts owed by parent undertaking include a loan of £60,000,000 which bore an interest rate of 1.747% and a £20,000,000 loan which bore an interest rate of 1.809%, and £592,000 of accrued interest receivable. These amounts were waived in the current year by a dividend in specie.

Other non-current debtors are contracts where customers have agreed the engineering price but contract completion and payment is over one year.

17 Deferred tax asset

	2016	2015
	£'000	£'000
Accelerated capital allowances	7,042	9,284
Short term timing differences	234	974
Post-employment benefits	9,015	2,295
Total deferred tax asset	16,291	12,553
		£'000
Asset recognised at 1 October 2015		12,553
Amount charged to profit or loss		(5,217)
Amount credited to other comprehensive income		8,955
Asset recognised at 30 September 2016		16,291

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

18 Creditors – amounts falling due within one year

	2016 £'000	2015 £'000
Bank loans and overdrafts	664	8,604
Trade creditors	53,177	49,193
Amounts owed to group undertakings	22,474	34,150
Taxation and social security	11,590	11,358
Accruals and deferred income	15,639	19,386
Forward foreign exchange contracts	2,993	2,203
	106,537	124,894

Amounts owed to group undertakings are unsecured, interest free and repayable on demand. The bank overdraft is charged at 1.05% above bank of England base rate and is secured by way of a guarantee from the ultimate parent company, Adient Public Limited Company.

19 Provision for liabilities

	Share Appreciation Rights £'000
At 1 October 2015	2,365
Charged to the profit and loss account	297
Utilised during the year	(1,579)
At 30 September 2016	1,083

The provision relates to outstanding options granted to employees and directors.

20 Operating lease commitments

The company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016 £'000	2015 £'000
Within one year	13,027	15,002
Within two to five years	12,201	11,159
Over five years	3,354	6,161
	28,582	32,322

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

21 Pension costs

The company participates in the Adient UK Pension Scheme (formerly Johnson Controls (UK) Group Pension Scheme) which has two sections, the JCA section which is a defined benefit plan and the Group scheme which is a defined contribution plan with a defined benefit underpin. In the past year, the company contributed £15,330,000 (2015: £3,780,000) to the JCA section and £2,167,000 (2015: £1,917,000) to the Group scheme. At the year end other creditors included £nil (2015: £nil) in respect of outstanding contributions.

The total amount charged to the profit before taxation for each of these funds is as follows:

	2016 £'000	2015 £'000
Adient UK Pension Scheme – JCA section	509	290
Defined contribution schemes	2,022	2,228
Total charged to operating profit	2,531	2,518
Net interest (income)/expense		
Adient UK Pension Scheme – JCA section	(79)	316
Adient UK Pension Scheme – group scheme	144	200
	2,596	3,034

The total pension liability shown in the statement of financial position for each of these funds is as follows:

	2016 £'000	2015 £'000
Adient UK Pension Scheme – JCA section	24,379	3,695
Adient UK Pension Scheme – group scheme	18,500	4,900
Pension liability	42,879	8,595

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

21 Pension costs (cont'd)

A full actuarial valuation of the schemes was carried out as at 31 March 2013 and updated to 30 September 2016 by qualified independent actuaries. Adjustments to the valuation at that date have been made based on the following assumptions:

	2016 %pa	2015 %pa
Inflation (RPI)	3.09	3.05
Inflation (CPI)	1.99	1.95
Rate of increase of pensions in payment	3.03	3.00
Discount rate	2.35	3.75

Weighted average life expectancy for mortality tables used to determine benefit obligations at:

	2016		2015	
	Male	Female	Male	Female
Member age 65 (current life expectancy)	23.1	25.6	23.0	25.5
Member age 45 (life expectancy at age 65)	25.3	28.0	25.2	27.6

Adient UK Pension Scheme – JCA section

On the 31 March 2011 the pension scheme was closed to the future accrual of benefits.

The contributions made by the employer over the financial year have been £15,330,000 (2015: £3,780,000).

Reconciliation of scheme assets and liabilities	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2015	142,295	(145,989)	(3,694)
Administrative expense	(509)	-	(509)
Interest income/(cost)	5,480	(5,401)	79
Actuarial gains/(losses) on assets and liabilities	16,765	(52,350)	(35,585)
Contributions by the Company	15,330	-	15,330
Benefits paid	(3,961)	3,961	-
At 30 September 2016	175,400	(199,779)	(24,379)

The company expects to contribute £5,000,000 to its pension plan in the year ended 30 September 2017.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

21 Pension costs (cont'd)

The return on plan assets was:

	2016 £'000	2015 £'000
Interest income	5,480	5,186
Return on plan assets less interest income	16,765	2,597
Total return on plan assets	22,245	7,783

The assets in the scheme comprised:

	2016 Fair value £'000	2016 % of total assets	2015 Fair value £'000
Equities	17,566	10.0%	13,660
Bonds	26,050	14.9%	24,024
Diversified growth fund	48,570	27.7%	42,484
Others	9,585	5.4%	8,248
Liability Driven Investment	73,629	42.0%	53,879
	175,400	100%	142,295

None of the Scheme assets are invested in the Company's financial instruments or in property occupied by, or other assets used by the Company.

Adient UK Pension Scheme - Group scheme

The contributions made by the employer over the financial year have been £2,167,000 (2015: £1,917,000).

Reconciliation of scheme assets and liabilities	Assets £'000	Liabilities £'000	Total £'000
At 1 October 2015	55,200	(60,100)	(4,900)
Interest income/(cost)	2,110	(2,254)	(144)
Actuarial gains/(losses) on assets and liabilities	6,923	(22,546)	(15,623)
Contributions by the Company	2,167	-	2,167
At 30 September 2016	66,400	(84,900)	(18,500)

The company expects to contribute £3,000,000 to its pension plan in the year ended 30 September 2017.

Total return on plan assets was:

	2016 £'000	2015 £'000
Interest income	2,110	2,100
Return on plan assets less interest income	6,923	(1,817)
Total return on plan assets	9,033	283

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

22 Called up share capital

	2016	2015
Allotted and fully paid	£'000	£'000
140,000 (2015: 4,140,000) ordinary shares of £1 each	140	4,140
nil (2015: 88,000,333) 8.5% cumulative preference shares of £1 each	-	88,000
nil (2015: 40,000,000) preference shares of £1 each	-	40,000
nil (2015: 71,000,000) cumulative preference shares of £1 each	-	71,000
	140	203,140

On 17 December 2015 a reduction of share capital took place, £203,000,333 was transferred to distributable reserves. The directors declared and paid an interim ordinary dividend of £81,175,390 (2015: nil).

None of the issued shares have any redemption rights and dividends are only declared at the discretion of the directors.

23 Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is Adient Holding UK Limited (formerly Johnson Controls (U.K.) Limited).

As at 30 September 2016, the ultimate parent undertaking and controlling party was Johnson Controls International Public Limited Company, a company incorporated in Ireland. Johnson Controls International Public Limited Company was the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 30 September 2016. The consolidated financial statements of Johnson Controls International Public Limited Company are available from:

Johnson Controls International Public Limited Company
1 Albert Quay
Cork
Ireland

From 31 October 2016, the ultimate parent undertaking and controlling party is Adient Public Limited Company, a company incorporated in Ireland, following the spin-off of the automotive business into a separately listed global group.

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

24 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements under UK GAAP were for the year ended 30 September 2015. The date of transition to FRS 102 was 1 October 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 September 2015 and the total equity as at 1 October 2014 and 30 September 2015 between UK GAAP as previously reported and FRS 102.

	Note	2015 £'000	2015 £'000
Profit for the financial year as previously reported under UK GAAP			13,791
Defined benefit pension scheme	A	(2,006)	
Total adjustments to profit before taxation			(2,006)
Deferred tax on defined benefit scheme	B	402	
Total adjustment to tax expense			402
Total adjustment to profit for the financial year			(1,604)
Profit for the financial year as revised under FRS 102			12,187

Adient Seating UK Ltd (formerly Johnson Controls Automotive (UK) Ltd.)

Notes to the financial statements for the year ended 30 September 2016 (cont'd)

24 Transition to FRS 102 (cont'd)

Reconciliation of other comprehensive income

	Note	2015 £'000
Other comprehensive income previously reported under UK GAAP		818
Defined benefit pension scheme	A	2,006
Deferred tax on defined benefit pension scheme	B	(402)
Other comprehensive income as revised under FRS 102		2,422

There were no adjustments to total equity.

A Defined benefit pension scheme

Under previous UK GAAP the company recognised an expected return on defined benefit pension plan assets in the statement of comprehensive income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in the statement of comprehensive income. Under previous UK GAAP Scheme administrator costs incurred were recognised as a deduction from expected returns on Scheme assets. Under FRS 102 these are included as administrative expenses.

The effect of these changes has been to charge an additional £1,716,000 to interest payable and to charge an additional £290,000 to administrative expenses whilst increasing the remeasurement gain of post employment benefits by £2,006,000.

B Deferred tax

Under FRS 102 the deferred tax asset at 30 September 2015 of £2,295,000 arising on the post-employment benefit liability, is now included within deferred tax on the statement of financial position. Under previous UK GAAP and applying FRS 17, the deferred tax asset arising on the post-employment liability was offset against the pension liability. This has no effect on the company's net assets nor the profit for the year.

As a consequence of adjustment A, £402,000 of deferred tax has been credited to the tax expense and an equivalent amount charged to other comprehensive income.

25 Commitments

On 31 October 2016 JP Morgan Chase Bank N.A. (And Its Successors in Title and Permitted Transferees) was assigned a fixed and floating charge which covers all the property or undertaking of the company.

26 Subsequent events

On 31 October 2016 the ultimate parent Johnson Controls International Public Limited Company spun off its entire automotive business into a separately listed global group.

The new ultimate parent company is Adient Public Limited Company.