

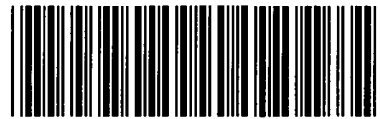
COMPANY REGISTRATION NO. 10208076 (England and Wales)

MERITOR HOLDINGS UK LTD.

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 16 MONTH PERIOD FROM 31 MAY 2016 TO 30 SEPTEMBER 2017

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MERITOR HOLDINGS UK LTD.

COMPANY INFORMATION

Directors	Mr C Anderson Mr H James Mr M Schaitkin	(Appointed 31 May 2016) (Appointed 31 May 2016) (Appointed 31 May 2016)
Secretary	Mr H James	
Company number	10208076	
Registered office	Grange Road Cwmbran Gwent NP44 3XU	
Auditor	Deloitte LLP Cardiff Wales United Kingdom	

MERITOR HOLDINGS UK LTD.

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MERITOR HOLDINGS UK LTD.

STRATEGIC REPORT

FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017

The directors present the strategic report for the 16 month period ended 30 September 2017.

Fair review of the business

The company's principal activity is that of a holding company for certain investments.

Principal risks and uncertainties

The company is exposed to potential impairments of its underlying investments. The company's investment is in Arvin European Holdings (UK) Limited, if the value of that investment should become impaired because of its own trading results and/or losses on investments, then the company will also incur the risk of an impairment loss. For further details, refer to note 6 to the accounts.

The company does not use any financial instruments for risk management. As the company is a holding company with negligible purchasing activity, there is no exposure to purchase price risk.

On behalf of the board


.....

Mr H James

Director

..... 20 April 2018

MERITOR HOLDINGS UK LTD.

**DIRECTORS' REPORT
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

The directors present their annual report and financial statements for the 16 month period ended 30 September 2017.

Principal activities

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

Directors

The directors who held office during the 16 month period and up to the date of signature of the financial statements were as follows:

Mr C Anderson	(Appointed 31 May 2016)
Mr H James	(Appointed 31 May 2016)
Mr M Schaitkin	(Appointed 31 May 2016)

Results and dividends

The results for the 16 month period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Deloitte LLP have expressed their willingness to be appointed as auditor and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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; 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.

MERITOR HOLDINGS UK LTD.

**DIRECTORS' REPORT (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


.....

Mr H James

Director

Date: 20 April 2018

MERITOR HOLDINGS UK LTD.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MERITOR HOLDINGS UK LTD.**

Report on the audit of the financial statements

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its loss for the period 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.

We have audited the financial statements of Meritor Holdings (UK) Limited (the 'company') which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 10.

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

Basis for qualified opinion

With respect to the carrying value of the company's investment in Arvin European Holdings (UK) Limited ("AEH") of £740,265,000, the audit evidence available to us was limited because AEH owns a number of subsidiary companies which do not prepare publicly available audited accounts and for which the directors have been unable to determine the future cash flows associated with the investments in order to carry out a full impairment review. We were unable to obtain sufficient appropriate audit evidence regarding the investment carrying values and the resulting impairment charge by using other audit procedures.

Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

We conducted our audit in accordance with *International Standards on Auditing (UK) (ISAs (UK))* and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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 these matters.

MERITOR HOLDINGS UK LTD.

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MERITOR HOLDINGS UK LTD.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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.

As described in the basis for qualified opinion section of our report we were unable to obtain sufficient appropriate evidence about the carrying amount of Meritor Holdings UK Limited's investment in Arvin European Holdings (UK) Limited as at 30 September 2017. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 auditor's report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

MERITOR HOLDINGS UK LTD.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MERITOR HOLDINGS UK LTD.**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 period 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.

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to investments, described above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made.

We have nothing to report in respect of these matters.

David Hedditch

**David Hedditch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP**

20 April 2018

**Chartered Accountants
Statutory Auditor**

Cardiff

MERITOR HOLDINGS UK LTD.

PROFIT AND LOSS ACCOUNT

FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017

	Notes	16 month period ended 30 September 2017 £ 000
Administrative expenses		(8)
Amounts written off investments	4	(12,951)
Loss before taxation		(12,959)
Tax on loss	5	-
Loss for the financial period		(12,959)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

MERITOR HOLDINGS UK LTD.

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

	16 Month Period ended 30 September 2017 £ 000
Loss for the period	(12,959)
Other comprehensive income	-
Total comprehensive income for the period	<u>(12,959)</u>

MERITOR HOLDINGS UK LTD.

**BALANCE SHEET
AS AT 30 SEPTEMBER 2017**

	Notes	2017 £ 000	£ 000
Fixed assets			
Investments	6		740,265
Creditors: amounts falling due within one year	8	(8)	
Net current liabilities			(8)
Total assets less current liabilities, being net assets			<u>740,257</u>
Capital and reserves			
Called up share capital	9		753,216
Profit and loss reserves			(12,959)
Total equity			<u>740,257</u>

The financial statements were approved by the board of directors and authorised for issue on 20 April 2018 and are signed on its behalf by:


.....

Mr H James
Director

Company Registration No. 10208076

MERITOR HOLDINGS UK LTD.

**STATEMENT OF CHANGES IN EQUITY
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

	Share capital	Profit and loss reserves	Total
Notes	£ 000	£ 000	£ 000
16 month period ended 30 September 2017:			
Loss and total comprehensive loss for the period	-	(12,959)	(12,959)
Issue of share capital	9 753,216	-	753,216
	<u>753,216</u>	<u>(12,959)</u>	<u>740,257</u>
Balance at 30 September 2017	<u><u>753,216</u></u>	<u><u>(12,959)</u></u>	<u><u>740,257</u></u>

MERITOR HOLDINGS UK LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Meritor Holdings UK Ltd. is a private company limited by shares incorporated in England and Wales. The registered office is Grange Road, Cwmbran, Gwent, NP44 3XU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ 000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and 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 profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Meritor Inc . These consolidated financial statements are available from its registered office, 2135 West Maple Road, Troy, Michigan, 48084-7186 USA .

The company has taken the exemption provided by Section 401 of the Companies Act 2006 and has not prepared consolidated financial statements on the basis that the company is included in the consolidated financial statements of a larger group and those consolidated financial statements meet the criteria set out in section 401 (2) of the act. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company's accounting reference date is 30 September; the company has taken advantage of the provisions of the Companies Act 2006 (s390(3)) so that its actual financial period end was 1 October 2017.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

MERITOR HOLDINGS UK LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

1 Accounting policies

(Continued)

1.3 Reporting period

The company was incorporated on 31 May 2016. The company's accounting period end date has been lengthened to 30 September 2017 to bring it in line with other group companies. Therefore current period figures are presented for a 16 month period and as such there are no comparative amounts presented in the financial statements.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

MERITOR HOLDINGS UK LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

1 Accounting policies **(Continued)**

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of fixed asset investments

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the profit or loss as follows: for financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

The carrying amount of the fixed asset investments at the balance sheet date was £740,265,000 after an impairment loss of £12,951,000 was recognised in 2017.

3 Operating loss

Operating loss for the period is stated after charging:	2017 £ 000
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Fees payable to the company's auditor for the audit of the company's financial statements	8
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**4 Amounts written off
fixed asset investments**

	2017 £ 000
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Other gains and losses	(12,951)
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MERITOR HOLDINGS UK LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

5 Taxation

The actual charge for the 16 month period can be reconciled to the expected credit for the 16 month period based on the profit or loss and the standard rate of tax as follows:

	2017
	£ 000
Loss before taxation	(12,959)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.63%	(2,543)
Tax effect of expenses that are not deductible in determining taxable profit	2,542
Unutilised tax losses carried forward	1
Taxation charge for the period	-

The company has £8,000 of tax losses carried forward; no deferred tax asset has been recognised because there is insufficient certainty when the asset will reverse.

6 Fixed asset investments

	Notes	2017
		£ 000
Investments in subsidiaries	7	740,265

Movements in fixed asset investments

	Shares in group
	undertakings
	£ 000
Cost or valuation	
At 31 May 2016	-
Additions	753,216
At 30 September 2017	753,216
Impairment	
At 31 May 2016	-
Impairment losses	12,951
At 30 September 2017	12,951
Carrying amount	
At 30 September 2017	740,265

During the year Meritor Holdings UK Ltd. acquired 100% of the issued share capital of Arvin European Holdings (UK) Limited.

MERITOR HOLDINGS UK LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

7 Subsidiaries

Details of the company's subsidiaries at 30 September 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Arvin European Holdings (UK) Limited	Grange Road, Torfaen, United Kingdom	Holding company	Ordinary	100.00	

8 Creditors: amounts falling due within one year

	2017
	£ 000
Accruals and deferred income	8
	<u>8</u>

9 Share capital and reserves

	2017
	£ 000
Ordinary share capital	
Issued and fully paid	
753,216,196 ordinary shares of £1 each	753,216
	<u>753,216</u>

Reconciliation of movements during the 16 month period:

	Number
At 31 May 2016	-
Issue of fully paid shares	753,216
	<u>753,216</u>
At 30 September 2017	<u>753,216</u>

On incorporation 100 ordinary shares were issued.

On 15 June 2016, Meritor Holdings UK Ltd. issued 366,470,909 ordinary shares in exchange for 86,193,709 shares in Arvin European Holdings (UK) Limited, a receivable of €375,046,575. No share premium was created by this transaction.

On 17 June 2016, Meritor Holdings UK Ltd. issued 307,648,447 ordinary shares in exchange for receivable notes of \$434,218,920. No share premium was created by this transaction.

On 12 July 2016, Meritor Holdings UK Ltd. issued 79,096,740 ordinary shares in exchange for receivable notes of £36,894,644 and €50,000,000. No share premium was created by this transaction.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

MERITOR HOLDINGS UK LTD.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE 16 MONTH PERIOD ENDED 30 SEPTEMBER 2017**

10 Parent company and controlling party

The ultimate parent company and ultimate controlling party of Meritor Holdings UK Ltd is Meritor, Inc., incorporated in the United States of America. Meritor, Inc. is also the parent undertaking of the smallest and largest group which includes the company and for which group financial statements are prepared. Copies of the group financial statements of Meritor, Inc. are available from 2135 West Maple Road, Troy, Michigan, 48084-7186 USA. They can also be downloaded from the website www.meritor.com.

The immediate parent company of Meritor Holdings UK Ltd is Meritor Brazil Holdings LLC, a company registered in the USA.