

AGCO SERVICES LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2015

COMPANY NUMBER: 509134

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AGCO SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

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AGCO SERVICES LIMITED

DIRECTORS AND COMPANY INFORMATION

Directors:	A.C Frost D.F Hayden
Secretary:	R.N Batkin
Registered Office:	Abbey Park Stoneleigh Kenilworth CV8 2TQ
Registered number:	509134
Auditor:	KPMG LLP Chartered Accountants and Registered Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH
Bank:	HSBC Bank Plc Level 37 8 Canada Square London E14 5HQ

AGCO SERVICES LIMITED
STRATEGIC REPORT
FOR THE 18 MONTHS ENDED 30 JUNE 2015

Business Review and principal activities

The Company's principal activity continues to be the provision of treasury services to the AGCO International Holdings BV Group (the "Group") of which the Company is a subsidiary. There have been no significant changes in the Company's principal activities in the period under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

The Company takes deposits from Group companies and provides short and longer term funding to operational businesses within the Group. Excess funds are invested using deposits of up to one week with financial institutions with at least an A credit rating by Standard & Poor's Rating Services.

The strategy of the Company is to provide an adequate return on amounts advanced or deposited. The Company is measured against its budgets for interest income and expense for the 18 month period.

As shown in the Company's profit and loss account on page 8, the Company's turnover for the 18 month period has increased by £23,914,000 compared to the prior 12 month period and profit after taxation stands at £9,154,000 (2013: £7,976,000).

The challenge for the Company continues to be the need to respond to the Group's need for efficient treasury services and to provide competitively priced funding.

The Company continues to look for opportunities to improve its efficiency and service levels.

The Company continues to provide forward cover against the foreign exchange risk arising from the element of the Group's balance sheet which is not in the relevant functional currency of the other Group companies, together with the risk on sales and purchases in foreign currencies. Foreign exchange contracts are provided in multi currencies but predominantly in Euros, Sterling and US Dollars.

The balance sheet on page 9 of the financial statements shows that the Company's financial position at the period end in net assets terms has improved.

The main key performance indicators (KPIs) regularly monitored by the Company are as follows:

	2015	2013
Gross profit percentage	15%	19%
Return on capital employed	29%	31%
Ratio of current assets to current liabilities	1.03	1.02

The decreases in the gross profit percentage and the return on capital employed arose as a result of a change in the composition of the loan portfolio and a proportionate decrease in high margin subordinated loan funding.

AGCO SERVICES LIMITED


STRATEGIC REPORT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2015 (continued)

Principal risks and uncertainties

The Company's assets are primarily interest-bearing and comprise cash balances at bank and loans to other Group companies. The main risk arising from these is credit risk; this is mitigated as the borrowers are primarily from within the Group and cash balances are held with financial institutions scoring at least an A credit rating by Standard & Poor's Rating Services.

The principal uncertainties are interest rate fluctuations and exchange rate movements. It is the Company's policy to hedge against exchange rate movements with regard to projected cash flow requirements and an acceptable level of risk exposure.

By order of the board:



D.F Hayden
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

24th March 2016

AGCO SERVICES LIMITED

DIRECTORS' REPORT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2015

The directors present their annual report and the audited financial statements for the eighteen months ended 30 June 2015.

Results and dividends

The profit and loss account for the period is set out on page 8. The directors do not recommend the payment of a dividend (2013: £nil).

Directors

The directors during the period under review and up to the date of signing the financial statements were:

R.N Batkin (resigned 23 January 2014)

J.M Ray (appointed 8 May 2014, resigned 28 November 2014)

M.L Sharman (resigned 11 November 2015)

A.C Frost (appointed 11 November 2015)

D.F Hayden (appointed 11 November 2015)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board:



D.F Hayden

Director

Abbey Park

Stoneleigh

Kenilworth

CV8 2TQ

24th March 2016

AGCO SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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 period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AGCO SERVICES LIMITED

KPMG LLP

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

Independent auditor's report to the members of AGCO Services Limited

We have audited the financial statements of AGCO Services Limited for the eighteen months ended 30 June 2015 set out on pages 8 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of its profit for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

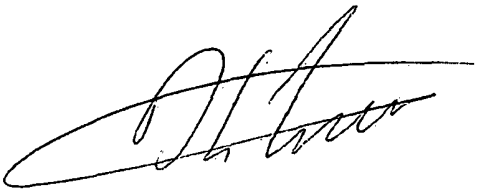
AGCO SERVICES LIMITED

Independent auditor's report to the members of AGCO Services Limited *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Darren Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

24 March 2016

AGCO SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2015

	Note	18 Months to 30 June 2015 £'000	12 Months to 31 December 2013 £'000
Turnover	2	67,333	43,419
Cost of sales		(57,053)	(35,084)
Gross profit		10,280	8,335
Administrative expenses		(244)	(183)
Operating profit, being profit on ordinary activities before taxation	3	10,036	8,152
Tax on profit on ordinary activities	5	(882)	(176)
Profit for the financial period	9,10	9,154	7,976

There are no recognised gains or losses for the current or preceding period other than as shown above.

All amounts above relate to continuing activities.

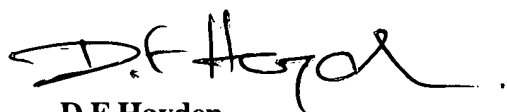
Notes on pages 10 to 14 form part of the financial statements.

AGCO SERVICES LIMITED

BALANCE SHEET AT 30 JUNE 2015

	Note	30 June 2015 £'000	31 December 2013 £'000
Current assets			
Debtors	6	1,177,948	1,068,436
Cash at bank and in hand		0	110,402
		<u>1,177,948</u>	<u>1,178,838</u>
Creditors: amounts falling due within one year	7	<u>(1,142,778)</u>	<u>(1,152,822)</u>
Net current assets		35,170	26,016
Net assets		<u>35,170</u>	<u>26,016</u>
Capital and reserves			
Called-up share capital	8	8,217	8,217
Share premium account	9	2,919	2,919
Profit and loss account	9	24,034	14,880
Shareholders' funds	10	<u>35,170</u>	<u>26,016</u>

These financial statements were approved by the board of directors on 24th March 2016 and were signed on its behalf by:



D.F Hayden
Director

Company number: 509134

24th March 2016

Notes on pages 10 to 14 form part of the financial statements.



AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2015

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 2 to 3. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The Company is a wholly owned subsidiary of AGCO Corporation, which is established under the law of the United States of America. AGCO Corporation is required to publish consolidated financial statements incorporating the results of AGCO Services Limited and consequently, in accordance with FRS 1, no cash flow statement is included in these financial statements.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements therefore present information about the Company as an individual undertaking and not about its group. The Company is consolidated within the consolidated financial statements of AGCO Corporation, an SEC registered company incorporated in the United States of America. Copies of the consolidated financial statements of AGCO Corporation may be obtained from 4205 River Green Parkway, Duluth, Georgia, 30096.

Turnover and cost of sales

The principal activity of the Company is provision of treasury services to the Group. Accordingly, turnover comprises interest receivable and cost of sales comprises interest payable and net exchange gains / (losses).

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at a forward contract rate, if applicable. All exchange differences are taken to the profit and loss account.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Accounting policies *(continued)*

Taxation

The charge for taxation is based on the profit or loss for the period and takes into account deferred taxation.

Current tax, including foreign tax where appropriate, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed, by the balance sheet date, except as otherwise required by Financial Reporting Standard No. 19.

2. Turnover

Turnover is analysed by geographical market as follows:

	18 Months to		12 Months to	
	30 June 2015 £'000	30 June 2015 %	31 December 2013 £'000	31 December 2013 %
UK	11,895	18	8,226	19
Rest of Europe	50,995	76	33,703	78
Asia	4,226	6	1,490	3
Africa	217	0	0	0
	<u>67,333</u>	<u>100</u>	<u>43,419</u>	<u>100</u>

All turnover arises from the Company's single class of business.

3. Profit on ordinary activities before taxation

There is no charge to the profit and loss account in respect of the auditor's remuneration as the audit fee, as detailed below, was paid by another group company.

	18 Months to 30 June 2015 £'000	12 Months to 31 December 2013 £'000
Auditor's remuneration for audit of these financial statements	<u>4</u>	<u>4</u>

In 2015: £nil, (2013: £nil) was paid by the Company to the auditors in respect of non-audit services.

The Company has no employees and no staff costs.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Directors' emoluments

No director received emoluments from the Company during the period (2013: £nil).

5. Tax on profit on ordinary activities

Analysis of the tax charge for the period:

	18 Months to 30 June 2015		12 Months to 31 December 2013	
	£'000	£'000	£'000	£'000
Current tax:				
<i>UK corporation tax</i>				
Corporation tax liability	383		0	
Adjustment in respect of prior periods	(9)		7	
		374		7
<i>Foreign Tax</i>		508		169
Total current tax (see below)		882		176
Deferred tax		0		0
Tax on profit on ordinary activities		882		176

Factors affecting the tax charge for the period:

The current tax charge for the period is lower (2013: lower) than the standard rate of corporation tax in the UK of 21.17% (2013: 23.25%). The differences are explained below:

	18 Months to 30 June 2015	12 Months to 31 December 2013
	£'000	£'000
Current tax reconciliation:		
Profit on ordinary activities before tax	10,036	8,152
Current tax thereon at 21.17% (2013: 23.25%)	2,125	1,895
<i>Effects of:</i>		
Group relief for no payment	(1,234)	(1,741)
Expenses non-deductible for tax purposes	0	15
Prior period adjustment	(9)	7
Total current tax charge (see above)	882	176

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Tax on profit on ordinary activities (continued)

Factors affecting the future tax charge

A reduction in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and then to 20% (effective 1 April 2015) were substantively enacted on 17 July 2013. In the budget on 8 July 2015, the chancellor announced additional planned reductions to 18% by 2020. This will reduce the Company's future current tax charge accordingly.

6. Debtors: amounts falling due within one year

	30 June 2015 £'000	31 December 2013 £'000
Amounts owed by group undertakings	1,177,948	1,068,435
Other debtors	0	1
	<u>1,177,948</u>	<u>1,068,436</u>

7. Creditors: amounts falling due within one year

	30 June 2015 £'000	31 December 2013 £'000
Amounts owed to group undertakings	1,133,499	1,152,680
Accruals and deferred income	24	29
Social Security and other taxes	152	23
Corporation tax liability	383	90
Overdraft	8,720	0
	<u>1,142,778</u>	<u>1,152,822</u>

8. Called-up share capital

	30 June 2015 £'000	31 December 2013 £'000
Allotted, called-up and fully-paid:		
8,217,596 ordinary shares of £1 each	<u>8,217</u>	<u>8,217</u>

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2014	2,919	14,880
Profit for period	0	9,154
At 30 June 2015	2,919	24,034

10. Reconciliation of movement in shareholders' funds

	18 Months to 30 June 2015 £'000	12 Months to 31 December 2013 £'000
Retained profit for the period	9,154	7,976
Shareholders' funds at 1 January	26,016	18,040
Closing Shareholders' funds	35,170	26,016

11. Related party disclosures

The Company is a wholly owned indirect subsidiary of AGCO Corporation, which is established under the law of the United States of America. AGCO Corporation is required to publish consolidated financial statements incorporating the results of AGCO Services Limited and consequently, in accordance with Financial Reporting Standard No. 8, transactions with group entities are not disclosed within these financial statements.

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking is AGCO International Limited, a company incorporated in the UK. The ultimate parent undertaking and controlling party is AGCO Corporation, a Company incorporated in the United States of America. Copies of the consolidated financial statements of AGCO Corporation may be obtained from 4205 River Green Parkway, Duluth, Georgia, 30096.