

AGCO SERVICES LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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 YEAR ENDED 31 DECEMBER 2016

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.

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 financial year.

These accounts are presented up for the 12 month period to 31st December 2016, and have a comparator covering the 6 month period to 31st December 2015, by virtue of the Company having amended its period of account.

As shown in the Company's Statement of Income and Retained Earnings on page 8, the Company's revenue for the 12 month period has increased by €21,150,000 compared to the prior 6 month period (on an apportioned basis a reduction of €6,273,000). A profit after taxation of €5,649,000 (31.12.2015: loss €2,937,000).

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 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 increased by €5,649,000 compared to the prior 6 month period of €52,364,000.

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

	12 months to 31 December 2016	6 months to 31 December 2015
Gross profit / (loss) percentage	5%	(7%)
Return on capital employed	6%	(5%)
Ratio of current assets to current liabilities	1.03	1.03

The increased return on capital employed compared to the prior 6 months is mainly due to AGCO Services Limited agreeing to waive the interest on a Sparex Holdings Limited loan in the 6 months to December 2015.

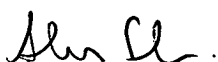
AGCO SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (continued)

Principal risks and uncertainties

The principal uncertainties are interest rate fluctuations and exchange rate movement. 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:



A.C Frost
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

29 September 2017

AGCO SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Results and dividends

The Statement of Income and Retained Earnings for the period is set out on page 8. The directors do not recommend the payment of a dividend (31.12.2015: € nil).

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Directors

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

A.C Frost

D.F Hayden

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

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 2 and 3.

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:



A.C Frost
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

29 September 2017

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), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland.

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. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

We have audited the financial statements of AGCO Services Limited for the year ended 31 December 2016 set out on pages 8 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 the financial reporting standard applicable in the UK and Republic of Ireland.

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 web-site 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 31 December 2016 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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.



Catherine Pattenden (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

29 September 2017

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

AGCO SERVICES LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS

		12 months to 31 December 2016 €'000	6 months to 31 December 2015 €'000
	Note		
Revenue	5	54,846	33,696
Cost of sales	8	<u>(51,850)</u>	<u>(35,902)</u>
Gross profit / (loss)		2,996	(2,206)
Administrative expenses		<u>(167)</u>	<u>(17)</u>
Profit / (Loss) on ordinary activities before taxation		2,829	(2,223)
Tax on profit / (loss) on ordinary activities	9	<u>2,820</u>	<u>(714)</u>
Profit / (Loss) for the financial period		<u>5,649</u>	<u>(2,937)</u>
Retained Earnings at beginning of period		32,438	35,375
Profit / (Loss) for Period		<u>5,649</u>	<u>(2,937)</u>
Retained Earnings at end of period		<u>38,087</u>	<u>32,438</u>

There are no recognised gains or losses for the current or preceding period other than as shown above. Accordingly, no Statement of Comprehensive Income has been prepared.

All amounts above relate to continuing activities.

Notes on pages 10 to 17 form part of the financial statements.

AGCO SERVICES LIMITED

BALANCE SHEET

	Note	31 December 2016 €'000	31 December 2015 €'000
Current assets			
Debtors: amounts falling due within one year	10	1,649,770	1,840,497
Cash at bank and in hand		4	19,256
		<u>1,649,774</u>	<u>1,859,753</u>
Creditors: amounts falling due within one year	11	<u>(1,597,410)</u>	<u>(1,813,038)</u>
Net current assets		52,364	46,715
Net assets		<u>52,364</u>	<u>46,715</u>
Capital and reserves			
Called-up share capital	12	10,535	10,535
Share premium account		3,742	3,742
Reserves		38,087	32,438
Shareholders' funds		<u>52,364</u>	<u>46,715</u>

These financial statements were approved by the Board of Directors on 29 September 2017 and were signed on its behalf by:



A.C Frost
Director

Company number: 509134

29 September 2017

Notes on pages 10 to 17 form part of the financial statements.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Reporting entity

AGCO Services Limited ("the company") is a company incorporated in the U.K.. The address of the company's registered office is Abbey Park, Stoneleigh, Kenilworth CV8 2TQ.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are presented in euros (€), rounded to the nearest €1,000..

These accounts are presented up for the 12 month period to 31st December 2016, and have a comparator covering the 6 month period to 31st December 2015. The change in accounting period is a result of the change in functional currency from sterling (£) to euro (€) which took place from 1st July 2015.

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.

The individual accounts of AGCO Services Limited have adopted the following disclosure exemptions available under FRS102:

- The requirement to present a statement of cash flows and related notes.
- Reconciliation of the number of shares outstanding from beginning to end of the period.
- Key management personnel compensation.

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.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Significant judgements and estimates

The preparation of financial statements in conformity with FRS102 requires management to make significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The directors have reviewed the estimates and underlying assumptions used in preparing these accounts and in their opinion there are no critical estimates or judgements to disclose.

4. Principal accounting policies

a. Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (i) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (ii) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

b. Functional Currency

The functional currency of the company is Euros, this is due to the fact that the majority of the company's transactions are completed in Euros.

c. Debtors

Short term debtors are measured at transaction price, less any impairment. Loans to other group Companies are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective market based interest method, less any impairment.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (*continued*)

d. Creditors

Short term creditors are measured at transaction price. Loans from other group Companies are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective market based interest method, less any impairment.

e. Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

f. Taxation

The charge for taxation is based on the profit or loss of 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 where otherwise required by FRS102 Section 29.

g. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue includes interest receivable from the provision of treasury services to the Group. Revenue is recognised at the end of each month based on the daily receivable balances and interest charged according to the agreement in place.

h. Cost of Sales

Cost of Sales is measured at the fair value of the consideration paid or payable. Cost of Sales includes interest payable from the provision of treasury services to the Group. Cost of Sales is recognised at the end of each month based on the daily payable balances and interest charged according to the agreement in place.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (*continued*)

i. Foreign exchange

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of income, except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income, which are recognised in other comprehensive income.

5. Revenue

Revenue is analysed by geographical market as follows:

	12 months to		6 months to	
	31 December	31 December	31 December	31 December
	2016	2016	2015	2015
	€'000	%	€'000	%
UK	9,515	17	5,195	15
Rest of Europe	38,351	70	25,122	75
Asia	6,497	12	3,085	9
Africa	451	1	294	1
Americas	32	-	-	-
	<u>54,846</u>	<u>100</u>	<u>33,696</u>	<u>100</u>

All revenue arises from the Company's single class of business and is interest receivable from the provision of treasury services to the group.

	12 months to	6 months to
	31 December	31 December
	2016	2015
	€'000	€'000
Interest receivable	<u>54,846</u>	<u>33,696</u>
	<u>54,846</u>	<u>33,696</u>
Amounts received from third party	3	13
Amounts received from group undertakings	<u>54,843</u>	<u>33,683</u>
	<u>54,846</u>	<u>33,696</u>

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. Auditor's remuneration

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

	12 months to 31 December 2016 €'000	6 months to 31 December 2015 €'000
Auditor's remuneration for audit of these financial statements	12	13

No payment was made by the Company to the auditors in respect of non-audit services during the period. (6 months to 31 December 2015: € nil)

7. Directors and employees

The Directors are employed and remunerated by other companies in the AGCO group. They do not receive any remuneration specifically for their services as Directors of the Company (2015: €nil).

The Company has no employees and no staff costs.

8. Cost of Sales

All cost of sales arises from the Company's single class of business and is interest payable from the provision of treasury services to the group.

	12 months to 31 December 2016 €'000	6 months to 31 December 2015 €'000
Interest payable and similar charges	45,818	36,659
	<u>45,818</u>	<u>36,659</u>
Amounts paid to third party	3	33
Amounts paid to group undertakings	45,815	36,626
	<u>45,818</u>	<u>36,659</u>

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Tax on (loss) / profit on ordinary activities

Analysis of the tax charge for the period

	12 months to 31 December 2016		6 months to 31 December 2015	
	€'000	€'000	€'000	€'000
Current tax:				
Current tax on income for the period	844		849	
Adjustment in respect of prior periods	(3,664)		(135)	
		(2,820)		714
Deferred tax:				
Origination and reversal of timing differences	-		-	
Change in tax rate	-		-	
		-		-
Tax on (loss) / profit on ordinary activities		(2,820)		714

	12 months to 31 December 2016			6 months to 31 December 2015		
	€'000	€'000	€'000	€'000	€'000	€'000
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
Recognised in:						
Statement of Income	(2,820)	-	(2,820)	714	-	714
Other Comprehensive Income	-	-	-	-	-	-
Directly in Equity	-	-	-	-	-	-
	(2,820)	-	(2,820)	714	-	714

Analysis of current tax recognised in statement of income

	12 months to 31 December 2016	6 months to 31 December 2015
	€'000	€'000
UK corporation tax	(2,920)	579
Double tax relief	(93)	(438)
Foreign tax	193	573
	(2,820)	714

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. Tax on (loss) / profit on ordinary activities (continued)

Reconciliation of effective tax rate

	12 months to 31 December 2016 €'000	6 months to 31 December 2015 €'000
(Loss) / Profit for the year	5,649	(2,937)
Total tax expense	(2,820)	714
(Loss) / Profit excluding taxation	<u>2,829</u>	<u>(2,223)</u>
Tax using the UK corporation tax rate of 20% (2015: 20%)	566	(444)
Non-deductible expenses	278	1,716
Tax exempt revenues	-	-
Group relief for no payment	-	(423)
Under / over provided in prior years	(3,664)	(135)
Total tax expense included in Statement of Income	<u>(2,820)</u>	<u>714</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

10. Debtors: amounts falling due within one year

	31 December 2016 €'000	31 December 2015 €'000
Amounts owed by group undertakings	<u>1,649,770</u>	<u>1,840,497</u>
	<u>1,649,770</u>	<u>1,840,497</u>

11. Creditors: amounts falling due within one year

	31 December 2016 €'000	31 December 2015 €'000
Amounts owed to group undertakings	1,596,744	1,812,523
Withholding tax	1	2
Corporation tax liability	665	513
	<u>1,597,410</u>	<u>1,813,038</u>

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Called-up share capital

	31 December 2016 €'000	31 December 2015 €'000
Allotted, called-up and fully-paid:		
8,217,596 ordinary shares of £1 each	<u>10,535</u>	<u>10,535</u>

The share capital has been translated at the historic share capital rate of 1.2821 May 1994.

13. Related party transactions

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, advantage has been taken of the exemption permitted by FRS 102 section 33.11 not to disclose transactions within entities that are part of the group or investees of the group qualifying as related parties.

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is AGCO International Limited, a company whose registered office is at Abbey Park, Stoneleigh, Kenilworth, CV8 2TQ, U.K.

The ultimate parent undertaking and controlling party is AGCO Corporation, a company whose registered office is at 4205 River Green Parkway, Duluth, Georgia, 30096.

Copies of the consolidated financial statements can be obtained from AGCO Corporation at the above address.