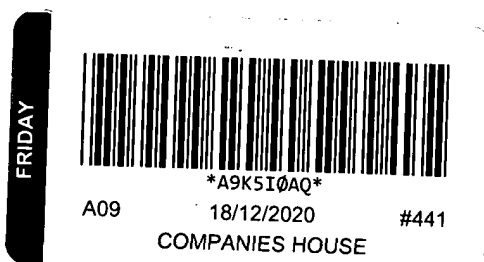


AGCO SERVICES LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
COMPANY NUMBER: 509134



AGCO SERVICES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

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AGCO SERVICES LIMITED

DIRECTORS AND COMPANY INFORMATION

Directors:	A.C Frost C.M McGeever-Cattell
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:	J. P. Morgan Chase Bank N.A 25 Bank Street London E14 5JP

AGCO SERVICES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business review and principal activities

The principal activity of AGCO Services Limited (the “Company”) 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.

During the year, the Group have determined to simplify its regional funding arrangements by transitioning an element of the Company’s funding activities to AGCO International GmbH (“AIG”). This change will result in the settlement of a portion of the Company’s short term loan book, in accordance with the provisions of those facilities. Existing long term facilities will continue to be provided by the Company.

As shown in the Company’s Statement of income on page 12, the Company’s revenue for the year has decreased by €2,247,000 compared to the previous year. There has been a decrease in interest payable and similar charges of €16,105,000 compared to the previous year, with the main contributing factor to the Company generating a profit after taxation of €8,234,000 (2018: Loss of €3,078,000) being in relation to the settlement of the intercompany payables.

The Company’s profit is a function of its loan book and the interest rates applied to those loans, with the challenge for the Company continuing to be the need to respond to the Group’s need for efficient treasury services and to provide competitively priced funding. This notwithstanding, the interest rate differential between the Company’s lending and borrowing portfolio resulted in a profit for the period. The directors acknowledge the need to maintain the balance of this differential to support the Company’s ongoing profitability.

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

The balance sheet on page 13 of these statements shows that the Company’s financial position at the period end in net assets terms has increased by €8,234,000 compared to the previous year period to €3,078,000. As a result, net current assets have increased to €695,270,000 (2018: €674,275,000) as these intercompany loan balances are deemed receivable and repayable after one year.

The Company is a wholly owned subsidiary of AGCO International Limited, a company which is registered in the UK. The ultimate parent undertaking and controlling party is AGCO Corporation, a SEC registered company incorporated in the United States of America.

AGCO SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

Going Concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company takes deposits from Group Companies and provides short and long term funding to operational businesses within the Group and they are forecasted to remain cash generative with financial headroom to fund any obligations that fall due by at least 12 months from the approval of the financial statements.

The Company has made a profit of €8,234,000 in the year and net assets of €65,816,000. As explained above, the Group have determined to simplify its regional funding arrangements by transitioning an element of the Company's funding activities to AIG. This change will result in the settlement of a portion of the short term loan book in accordance with the provision of those facilities.

The Company has a group cash agreement with its intermediate parent undertaking, AIG. At the year end the Company had a balance in the cash pooling of €42,295,000, and this balance is included in the amount disclosed in these financial statements within 'Amounts owed by fellow group undertakings' in Note 10. The Directors have prepared monthly cash flow forecasts for a period of 12 months from the date of approval of the financial statements, and during these periods, there have been transfers of short term intercompany receivables to AIG in a continuation to transfer the revolving loan facilities from the Company to AIG. Overall, at the end of the forecast periods the cash balance is €Nil, notwithstanding access to the cash pooling arrangement referred to above, which indicates that the Company has sufficient resources to meet its financial obligations.

In addition to the individual cash flow position mentioned above, in April 2020, AGCO International Holdings BV, the ultimate parent of the EME group of companies, entered into a delayed draw term loan agreement with banks from the existing Group credit facility, in support of liquidity needs during COVID-19. Of an available \$250m, \$125m was drawn down on this facility to support the Group's liquidity during the European factory shutdown. No further funds have been utilised from the facility at this time and remain available, in addition to over \$1 billion of credit facilities that the EME group has access to, and which could be drawn down on if required. It is therefore considered that there is adequate funding to support the EME group and in turn the Company.

The conclusion of the directors with regard to the going concern basis of preparation is dependent on the group cash pooling facility being available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. In forming their conclusion, the directors have made appropriate inquiries of the parent group as to its latest results and financial position, including the impact that COVID-19 is having on the operations of the parent group, and have not identified any matters which impact its conclusions regarding the ability of the company to continue as a going concern.

AGCO SERVICES LIMITED**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****Going Concern (continued)**

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Key performance indicators

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

	2019	2018
Gross profit / (loss) percentage	22.5%	(5.3%)
Ratio of current assets to current liabilities	3.10	1.53

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. All hedge against exchange rate movements is carried out by AIG of which the Company is a subsidiary.

The Company continues to monitor the development of the Brexit process. Given the Company's principal activity continues to be the provision of treasury services to the Group, the Company are particularly mindful of the challenges to respond to the Group's need for efficient treasury services and to provide competitively priced funding. The Company currently does not anticipate any material consequences of Brexit on its provision of services to other group companies.

AGCO SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

Statement by the Directors in relation to Performance of their Statutory Duties in accordance with Section 172(1) Companies Act 2006

Section 172 of the Companies Act 2006, requires Directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1) (a)-(f). The following section sets out how the Directors have engaged with the Company's stakeholders during the year.


The Company is wholly owned by AGCO International Limited, and the Directors consider the impact of the Company's activities on its immediate parent. Any decisions taken will be aligned to the strategy and standards of the Group and be made in the best interests of all stakeholders.

The Company has no employees or customers. The Company provides treasury services to the Group and consequently have intra-group customers and intra-group suppliers. The Directors consider the impact of the Company's activities on the Group and other stakeholders. The Company's stakeholders are consulted routinely on funding decisions and compliance with Group policies with the aim of maximising returns on amounts advanced or deposited for the benefit of its shareholder.

The Company engages with its stakeholders on an ad hoc basis on requests for additional funding. The Directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term.

During the year, the Group have determined to simplify its regional funding arrangements by transitioning an elements of the Company's funding activities to AIG. This change will result in the settlement of a portion of the Company's short term loan book, in accordance with the provisions of those facilities. Existing long term facilities will continue to be provided by the Company.

By order of the board:

DocuSigned by:

53DB6392707949D...

A.C Frost

Director

Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

16 December 2020

AGCO SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The Statement of Income for the period is set out on page 12. The directors do not recommend the payment of a dividend (2018: €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

C.M McGeever-Cattell (appointed 30 September 2019)

D.F Hayden (retired 30 June 2019)

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 below.

Events after the reporting date

At the date of finalisation of the annual financial statements, the COVID-19 outbreak is a material subsequent non-adjusting event that requires disclosure in the financial statements.

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Many governments are taking increasingly stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. There has also been a significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a significant decline in long-term interest rates in developed economies.

AGCO SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*


Events after the reporting date *(continued)*

At this stage, the impact on the Company and its financial results has not been significant given the principal activity continues to be the provision of treasury services to the Group and its profitability continues to be assessed based on the interest rates differential from the Company's lending and borrowing portfolio. The main consideration of COVID-19 for the Company is the recoverability of intercompany receivables. Since the year end, the Company has not incurred any losses due to impairments on outstanding receivables and still continues to operate within its revolving loan facility.

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:

DocuSigned by:

53DB6392797949D...
A.C Frost
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

16 December 2020

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 year. 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 *FRS 102 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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

AGCO SERVICES LIMITED

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

Opinion

We have audited the financial statements of AGCO Services Limited (the "Company") for the year ended 31 December 2019 which comprise the Statement of Income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 4.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

AGCO SERVICES LIMITED

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AGCO SERVICES LIMITED

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

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Chris Cole (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

16 December 2020

AGCO SERVICES LIMITED**STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 €'000	2018 €'000
Revenue	5	49,376	51,623
Cost of sales	8	<u>(38,269)</u>	<u>(54,374)</u>
Gross profit / (loss)		11,107	(2,751)
Administrative expenses		<u>(96)</u>	<u>(236)</u>
Profit / (loss) before taxation		11,011	(2,987)
Tax on profit / (loss)	9	<u>(2,777)</u>	<u>(91)</u>
Profit / (loss) for the financial year, being total comprehensive income		<u>8,234</u>	<u>(3,078)</u>

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 15 to 25 form an integral part of the financial statements.

AGCO SERVICES LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2019**

	Note	2019 €'000	2018 €'000
Current assets			
Debtors: amounts falling due within one year (including €168,970,000 (2018: €166,706,000) due after more than one year)	10	1,193,181	2,110,911
Cash at bank and in hand		<u>1,938</u>	<u>-</u>
		1,195,119	2,110,911
Creditors: amounts falling due within one year	11	<u>(330,879)</u>	<u>(1,269,930)</u>
Net current assets		864,240	840,981
Creditors: amounts falling due after one year	12	<u>(798,424)</u>	<u>(783,399)</u>
Net assets		<u>65,816</u>	<u>57,582</u>
Capital and reserves			
Called-up share capital	14	10,535	10,535
Share premium account		3,742	3,742
Profit and loss account		<u>51,539</u>	<u>43,305</u>
Total equity		<u>65,816</u>	<u>57,582</u>

Notes on pages 15 to 25 form an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 16 December 2020 and were signed on its behalf by:

DocuSigned by:

 53DB6392767949D...
A.C Frost
 Director

Company number: 509134

16 December 2020

AGCO SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up Share capital €'000	Share Premium account €'000	Profit and loss account €'000	Total €'000
Balance at 1 January 2018	10,535	3,742	46,383	60,660
Total comprehensive loss for the year				
Loss for the year	-	-	(3,078)	(3,078)
Total comprehensive loss for the period	-	-	(3,078)	(3,078)
Balance at 31 December 2018	10,535	3,742	43,305	57,582
Balance at 1 January 2019	10,535	3,742	43,305	57,582
Total comprehensive income for the year				
Profit for the year	-	-	8,234	8,234
Total comprehensive income for the year	-	-	8,234	8,234
Balance at 31 December 2019	10,535	3,742	51,539	65,816

Notes on pages 15 to 25 form an integral part of the financial statements.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1 Reporting entity

The Company is incorporated in the UK and its company number is 509134. The address of the Company's registered office is Abbey Park, Stoneleigh, Kenilworth CV8 2TQ.

The principal activity of AGCO Services Limited (the "Company") 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 immediate parent undertaking and controlling party is AGCO International Limited. The ultimate parent undertaking and controlling party is AGCO Corporation.

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.

The Company is consolidated within the consolidated financial statements of AGCO Corporation. Copies of the consolidated financial statements of AGCO Corporation may be obtained from 4205 River Green Parkway, Duluth, Georgia, 30096.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- 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.

As the consolidated financial statements of AGCO Corporation include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by *FRS 102.26 Share Based Payments*; and,
- Certain disclosures required by *FRS 102.11 Basic Financial Instruments* and *FRS 102.12 Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

2. Basis of preparation *(continued)*

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Company takes deposits from Group Companies and provides short and long term funding to operational businesses within the Group and they are forecasted to remain cash generative with financial headroom to fund any obligations that fall due by at least 12 months from the approval of the financial statements.

The Company has made a profit of €8,234,000 in the year and net assets of €65,816,000. As explained above, the Group have determined to simplify its regional funding arrangements by transitioning an element of the Company's funding activities to AIG. This change will result in the settlement of a portion of the short term loan book in accordance with the provision of those facilities.

The Company has a group cash agreement with its intermediate parent undertaking, AIG. At the year end the Company had a balance in the cash pooling of €42,295,000, and this balance is included in the amount disclosed in these financial statements within 'Amounts owed by fellow group undertakings' in Note 10. The Directors have prepared monthly cash flow forecasts for a period of 12 months from the date of approval of the financial statements, and during these periods, there have been transfers of short term intercompany receivables to AIG in a continuation to transfer the revolving loan facilities from the Company to AIG. Overall, at the end of the forecast periods the cash balance is €Nil, notwithstanding access to the cash pooling arrangement referred to above, which indicates that the Company has sufficient resources to meet its financial obligations.

In addition to the individual cash flow position mentioned above, in April 2020, AGCO International Holdings BV, the ultimate parent of the EME group of companies, entered into a delayed draw term loan agreement with banks from the existing Group credit facility, in support of liquidity needs during COVID-19. Of an available \$250m, \$125m was drawn down on this facility to support the Group's liquidity during the European factory shutdown. No further funds have been utilised from the facility at this time and remain available, in addition to over \$1 billion of credit facilities that the EME group has access to, and which could be drawn down on if required. It is therefore considered that there is adequate funding to support the EME group and in turn the Company.

The conclusion of the directors with regard to the going concern basis of preparation is dependent on the group cash pooling facility being available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. In forming their conclusion, the directors have made appropriate inquiries of the parent group as to its latest results and financial position, including the impact that COVID-19 is having on the operations of the parent group, and have not identified any matters which impact its conclusions regarding the ability of the company to continue as a going concern.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

2. Basis of preparation *(continued)*

Going concern *(continued)*

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

4. Principal accounting policies *(continued)*

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.

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

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

AGCO SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*****4. Principal accounting policies *(continued)*****f. Taxation *(continued)***

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

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.

AGCO SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****5. Revenue**

Revenue is analysed by geographical market as follows:

	2019	2019	2018	2018
	€'000	%	€'000	%
UK	19,081	39.0	7,292	14.0
Rest of Europe	25,212	51.0	35,848	69.0
Asia	3,499	7.0	7,646	15.0
Africa	1,037	2.0	599	2.0
Americas	539	1.0	62	0.0
Australia	8	0.0	176	0.0
	<u>49,376</u>	<u>100</u>	<u>51,623</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.

	2019	2018
	€'000	€'000
Interest receivable	<u>49,376</u>	<u>51,623</u>
	<u>49,376</u>	<u>51,623</u>
Amounts received from third party	15	2
Amounts received from group undertakings	<u>49,361</u>	<u>51,621</u>
	<u>49,376</u>	<u>51,623</u>

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.

	2019	2018
	€'000	€'000
Auditor's remuneration for audit of these financial statements	<u>12</u>	<u>12</u>

No payment was made by the Company to the auditors in respect of non-audit services during the current period (2018: €nil).

7. Directors and employees

The Directors are employed and remuneration is paid by another group company. The allocation of remuneration for qualifying services provided to this company during the period is negligible (2018: Negligible).

The Company has no employees and no staff costs.

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)

8. Cost of Sales

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

	2019 €'000	2018 €'000
Interest payable and similar expenses	38,269	54,374
	<u>38,269</u>	<u>54,374</u>
Amounts paid to third parties	11	-
Amounts paid to group undertakings	34,320	51,604
Exchange losses	3,938	2,770
	<u>38,269</u>	<u>54,374</u>

9. Taxation

Total tax expense recognised in the income statement

	2019 €'000	2018 €'000
Current tax:		
Current tax on income for the period	2,484	430
Adjustment in respect of prior periods	(56)	10
Total current tax	<u>2,428</u>	440
Deferred tax (see Note 13):		
Origination and reversal of timing differences	333	(390)
Change in tax rate	(35)	41
Adjustment in respect of prior periods	51	-
Total deferred tax	<u>349</u>	(349)
Total tax	<u>2,777</u>	91

	2019 €'000	2018 €'000
Current Tax	€'000	€'000
Deferred Tax	€'000	€'000
Total Tax	€'000	€'000
Recognised in:		
Statement of income	2,428	349
	<u>2,428</u>	<u>349</u>
	2,777	91
	<u>2,777</u>	<u>91</u>

AGCO SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****9. Taxation (continued)***Analysis of current tax recognised in statement of income*

	2019 €'000	2018 €'000
UK corporation tax	931	10
Double tax relief	(987)	-
Foreign tax	2,484	430
	<u>2,428</u>	<u>440</u>

Reconciliation of effective tax rate

	2019 €'000	2018 €'000
Profit / (loss) for the year	8,234	(3,077)
Total tax expense	<u>2,777</u>	<u>91</u>
Profit / (loss) excluding taxation	<u>11,011</u>	<u>(2,986)</u>
Tax using the UK corporation tax rate of 19% (2018: 19.00%)	2,092	(567)
Non-deductible expenses	1,497	182
Reduction in tax rate on deferred tax balances	(35)	41
Group relief for no payment	(772)	425
Adjustment in respect of prior years	<u>(5)</u>	<u>10</u>
Total tax expense included in Statement of Income	<u>2,777</u>	<u>91</u>

A reduction in the UK corporation tax from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. However, in the Budget held on 11 March 2020, the Government announced that the reduction down to 17% would no longer take place, with the rate to remain at 19% going forward.

AGCO SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****10. Debtors**

	2019 €'000	2018 €'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,023,862	1,943,561
Prepaid taxes	349	295
Deferred tax	-	349
	<u>1,024,211</u>	<u>1,944,205</u>
Amounts falling due after one year:		
Amounts owed by group undertakings	<u>168,970</u>	<u>166,706</u>
	<u>1,193,181</u>	<u>2,110,911</u>

11. Creditors: amounts falling due within one year

	2019 €'000	2018 €'000
Bank overdraft	-	4
Amounts owed to group undertakings	<u>330,879</u>	<u>1,269,926</u>
	<u>330,879</u>	<u>1,269,930</u>

12. Creditors: amounts falling due after one year

	2019 €'000	2018 €'000
Amounts owed to group undertakings	<u>798,424</u>	<u>783,399</u>
	<u>798,424</u>	<u>783,399</u>

AGCO SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 (continued)****13. Deferred tax assets and liabilities**

The deferred tax asset has been calculated based on the rate of 17% (2018: 17%) substantively enacted for the period in which these losses are expected to be utilised.

	2019	2018
	€'000	€'000
Tax losses carried forward	-	349
Deferred tax asset	<u>-</u>	<u>349</u>
		€'000
Asset at 1 January 2019		349
Debit in Statement of income for the year		<u>(349)</u>
Deferred tax asset at 31 December 2019		<u>-</u>

The Company has no additional unrecognised gross tax losses.

14. Called-up share capital

	2019	2018
	€'000	€'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 in May 1994.

15. Related party transactions

AGCO Corporation is required to publish consolidated financial statements incorporating the results of the Company and consequently, in accordance with FRS 102 (section 33.1A), transactions with group entities are not disclosed within these financial statements. AGCO Corporation is established under the law of the United States of America. There are no other related party transactions.

16. 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 principal executive offices are at 4205 River Green Parkway, Duluth, Georgia, 30096.

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

AGCO SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 *(continued)*

17. Events after the reporting date

At the date of finalisation of the annual financial statements, the COVID-19 outbreak is a material subsequent non-adjusting event that requires disclosure in the financial statements.

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak to be a pandemic. Many governments are taking increasingly stringent steps to help contain the spread of the virus, including requiring self-isolation/quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. There has also been a significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a significant decline in long-term interest rates in developed economies.

The main risk of COVID-19 for the Company is the recoverability of intercompany receivables. Since the year end, the Company has not written off outstanding receivables and still continues to operate within its revolving loan facility. Further, we do not believe any outstanding receivables at 31 December 2019 need to be subsequently impaired.