

Registered number: 02590619

## KVERNELAND DEVIZES LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



## **KVERNELAND DEVIZES LIMITED**

### **CONTENTS**

	<b>Page(s)</b>
<b>Company Information</b>	<b>1</b>
<b>Directors' Report</b>	<b>2 - 3</b>
<b>Independent Auditors' Report to the Members of Kverneland Devizes Limited</b>	<b>4 - 6</b>
<b>Statement of Comprehensive Income</b>	<b>7</b>
<b>Balance Sheet</b>	<b>8</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Notes to the Financial Statements</b>	<b>10 - 22</b>

## **KVERNELAND DEVIZES LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	J Bell A Gjerde
<b>Company secretary</b>	J Raeburn
<b>Registered number</b>	02590619
<b>Registered office</b>	Walkers lane Lee Green St. Helens Merseyside WA9 4AF
<b>Independent auditors</b>	PricewaterhouseCoopers LLP 1 Hardman Square Spinningfields Manchester M3 3EB
<b>Solicitors</b>	Myerson Solicitors LLP Grosvenor House 20 Barrington Road Altrincham Cheshire WA14 1HB

## **KVERNELAND DEVIZES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their annual report and the audited financial statements of Kverneland Devizes Limited (the "Company") for the year ended 31 December 2018.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

J Bell  
A Gjerde

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

**KVERNELAND DEVIZES LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Small companies exemption**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006. In addition, the Company has taken advantage of the exemption available and has not presented a Strategic Report.

This report was approved by the board and signed by order of the board by:



**J Raeburn**  
Secretary

Date: 27 June 2019

## Report on the audit of the financial statements

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### Opinion

In our opinion, Kverneland Devizes Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## KVERNELAND DEVIZES LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KVERNELAND DEVIZES LIMITED (CONTINUED)

If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the and Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KVERNELAND DEVIZES LIMITED  
(CONTINUED)**

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## **Other required reporting**

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### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

*Jonathan Studholme*

Jonathan Studholme (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Manchester  
27 June 2019



**KVERNELAND DEVIZES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Note</b>	<b>2018 £000</b>	<b>2017 £000</b>
Turnover	4	52	43
Cost of sales		(28)	(35)
<b>Gross profit</b>		<b>24</b>	<b>8</b>
Distribution costs		(40)	(1)
Administrative expenses		(250)	(104)
<b>Operating loss</b>	5	<b>(266)</b>	<b>(97)</b>
Interest receivable and similar income	8	20	14
Interest payable and similar expenses	9	(4)	(23)
Other finance expense	10	(35)	(46)
<b>Loss before taxation</b>		<b>(285)</b>	<b>(152)</b>
Tax on loss	11	10	(17)
<b>Loss for the financial year</b>		<b>(275)</b>	<b>(169)</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Currency translation differences		-	153
Actuarial gain on defined benefit schemes		103	144
Movements of deferred tax relating to pension deficit		(17)	(24)
<b>Other comprehensive income for the financial year</b>		<b>86</b>	<b>273</b>
<b>Total comprehensive (expense)/income for the financial year</b>		<b>(189)</b>	<b>104</b>

The notes on pages 10 to 22 form part of these financial statements.

**KVERNELAND DEVIZES LIMITED**  
**REGISTERED NUMBER: 02590619**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	12	245	252
Debtors: amounts falling due within one year	12	1,829	2,055
		<u>2,074</u>	<u>2,307</u>
Creditors: amounts falling due within one year	13	(6)	(8)
<b>Net current assets</b>		<u>2,068</u>	<u>2,299</u>
<b>Net assets excluding pension liability</b>		<u>2,068</u>	<u>2,299</u>
Pension liability	15	(1,439)	(1,485)
<b>Net assets</b>		<u><u>629</u></u>	<u><u>814</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	5,300	5,300
Foreign exchange reserve		626	622
Profit and loss account		(5,297)	(5,108)
<b>Total shareholders' funds</b>		<u><u>629</u></u>	<u><u>814</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**J. Bell**  
Director

Date: 27 June 2019

The notes on pages 10 to 22 form part of these financial statements.

**KVERNELAND DEVIZES LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £000	Foreign exchange reserve £000	Profit and loss account £000	Total shareholders' funds £000
<b>At 1 January 2017</b>	<b>5,300</b>	<b>469</b>	<b>(5,059)</b>	<b>710</b>
<b>Comprehensive (expense)/income for the financial year</b>				
Loss for the financial year	-	-	(169)	(169)
Currency translation differences	-	153	-	153
Actuarial loss on defined benefit schemes, net of tax	-	-	120	120
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>153</b>	<b>120</b>	<b>273</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>153</b>	<b>(49)</b>	<b>104</b>
<b>At 31 December 2017</b>	<b>5,300</b>	<b>622</b>	<b>(5,108)</b>	<b>814</b>
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(275)	(275)
Actuarial gains on pension scheme, net of tax	-	-	86	86
<b>Other comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>86</b>	<b>86</b>
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(189)</b>	<b>(189)</b>
<b>Contributions by and distributions to owners</b>				
Currency translation differences	-	4	-	4
<b>Total transactions with owners</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>4</b>
<b>At 31 December 2018</b>	<b>5,300</b>	<b>626</b>	<b>(5,297)</b>	<b>629</b>

The notes on pages 10 to 22 form part of these financial statements.

## **KVERNELAND DEVIZES LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. General information**

Kverneland Devizes Limited (the "Company") is engaged in the business of manufacture of agricultural and forestry machinery other than tractors.

The company is a private company limited by shares and is incorporated and domiciled in United Kingdom. The address of its registered office is Walkers Lane, Lea Green, St. Helens, Merseyside, WA9 4AF.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied consistently throughout the year:

##### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

##### **2.3 Going concern**

Having carefully reviewed the entity's funding, budget and business plan for the next twelve months, the directors have a reasonable expectation that the entity will be able to continue operating for the foreseeable future. The directors continue to adopt the going concern basis in preparing the entity's financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.4 New and amended standards adopted by the Company**

IFRS 9 'Financial Instruments' and IFRS 15 'Revenue from Contracts with Customers' are new accounting standards that are effective for the year ended 31 December 2018. The effect of the transition on the current and prior period is not considered to be material to the financial statements of the Company, and accordingly no adjustment is required to the comparative balances reported in these financial statements.

IFRS 16 'Leases' is a new accounting standard that is effective for the year ended 31 December 2019, with earlier adoption permitted if IFRS 15 has also been applied. No effect on the financial statements is expected.

**2.5 Turnover**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The company manufactures agricultural and forestry machinery. Turnover is recognised when the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and when the amount of turnover can be measure reliably.

**2.6 Debtors**

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

**2.7 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The Company classifies all of its financial assets as loans and receivables.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.7 Financial instruments (continued)**

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

**Financial liabilities**

**The Company classifies all of its financial liabilities as liabilities at amortised cost.**

**At amortised cost**

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance sheet.

**2.8 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.9 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.10 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.10 Foreign currency translation (continued)**

translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

**2.11 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.12 Pensions**

**Defined benefit pension plan**

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Balance Sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the IFRS fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Tax**

The Company has a pension surplus tax asset, and recognition of any deferred tax asset is assessed by calculation of estimated future earnings of which the asset can be utilised against.

**Pensions**

Pension valuations are based on a number of estimates and assumptions on a number of forward looking factors. Management utilise the advice of experts in order to make judgements with regards to these assumptions.

**4. Turnover**

All turnover arose within the United Kingdom.



# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 5. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Cost of stocks recognised as an expense	27	35

### 6. Auditors' remuneration

	2018 £000	2017 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	8	5

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group financial statements of the parent Company.

### 7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2017: £Nil).

### 8. Interest receivable and similar income

	2018 £000	2017 £000
Interest income on bank deposit	20	14

### 9. Interest payable and similar expenses

	2018 £000	2017 £000
Other loan interest payable	4	23

**KVERNELAND DEVIZES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. Pension finance costs**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Interest on pension scheme liability	<b>(35)</b>	<b>(46)</b>

**11. Tax on loss**

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(11)</b>	17
Changes to tax rates	<b>1</b>	-
<b>Total deferred tax</b>	<b>(10)</b>	17
<b>Total tax</b>	<b>(10)</b>	17

## KVERNELAND DEVIZES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 11. Tax on loss (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%). The differences are explained below:

	2018 £000	2017 £000
Loss before taxation	(285)	(152)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	(54)	(29)
Effects of:		
Adjustments in respect of prior periods	-	7
Effects of group relief / other reliefs	43	-
Amounts not recognised	-	41
Change in tax rate	1	(2)
Total tax (credit)/charge for the financial year	(10)	17

##### Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using this enacted tax rate and reflected in these financial statements.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 12. Debtors

	2018 £000	2017 £000
<b>Due after more than one year</b>		
Deferred tax asset	245	252
	<u>245</u>	<u>252</u>
<b>Due within one year</b>		
Trade debtors	2	2
Amounts owed by group undertakings	1,800	2,031
Other debtors	27	22
	<u>1,829</u>	<u>2,055</u>

As of 31 December 2018 (and 31 December 2017), amounts owed by other group undertakings are non interest bearing and have no fixed repayment date.

None of the entities receivables from fellow subsidiary undertakings are past due. All other entity's receivables from subsidiary undertakings are denominated in Euros.

As of 31 December 2018, no trade receivables (2017: £Nil) were impaired nor provided for.

### 13. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to group undertakings	5	-
Accruals and deferred income	1	8
	<u>6</u>	<u>8</u>

As of 31 December 2018 (and 31 December 2017), amounts owed to other group undertakings are non interest bearing and have no fixed repayment date.

**KVERNELAND DEVIZES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**14. Deferred taxation**

	<b>2018 £000</b>
At beginning of year	<b>252</b>
Credited to profit or loss	<b>10</b>
Charged to other comprehensive income	<b>(17)</b>
<b>At end of year</b>	<b>245</b>

The deferred tax asset is made up as follows:

	<b>2018 £000</b>	<b>2017 £000</b>
Pension surplus	<b>245</b>	<b>252</b>

**KVERNELAND DEVIZES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. Pension commitments**

The Company operates a Defined benefit pension scheme.

Reconciliation of present value of plan liabilities:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	<b>10,682</b>	10,527
Interest cost	<b>263</b>	289
Actuarial gains/losses	<b>(504)</b>	268
Benefits paid	<b>(277)</b>	(402)
Past service cost	<b>182</b>	-
<b>At the end of the year</b>	<b>10,346</b>	10,682

Reconciliation of present value of plan assets:

	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
At the beginning of the year	<b>9,197</b>	8,807
Interest income	<b>228</b>	243
Actuarial (loss)/gains	<b>(401)</b>	412
Contributions	<b>214</b>	188
Benefits paid	<b>(277)</b>	(403)
Past service cost	-	(50)
Expenses	<b>(54)</b>	-
<b>At the end of the year</b>	<b>8,907</b>	9,197

**KVERNELAND DEVIZES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**15. Pension commitments (continued)**

Composition of plan assets:

	2018 £000	2017 £000
Equities	-	6,971
Bonds	2,216	2,226
Multi-asset funds	6,602	-
Cash	89	-
<b>Total plan assets</b>	<b>8,907</b>	<b>9,197</b>
	2018 £000	2017 £000
Fair value of plan assets	8,907	9,197
Present value of plan liabilities	(10,346)	(10,682)
<b>Net pension scheme liability</b>	<b>(1,439)</b>	<b>(1,485)</b>

The amounts recognised in profit or loss are as follows:

	2018 £000	2017 £000
Expenses	(54)	-
Net interest expenses	(35)	(46)
Past service cost	(182)	(50)
<b>Total</b>	<b>(271)</b>	<b>(96)</b>

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2018 %	2017 %
Discount rate	2.8	2.5
Future salary increases	3.5	3.4
Future pension increases	3.4	3.4
Inflation assumption	3.5	3.4

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 16. Called up share capital

	2018 £000	2017 £000
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
5,300,000 (2017: 5,300,000) Ordinary shares shares of £1.00 each	<u>5,300</u>	<u>5,300</u>

### 17. Related party transactions

The following transactions were carried out with fellow Kverneland AS subsidiaries during the year:

	2018		2017	
	Sales/ Recharges £'000	Purchases £'000	Sales/ Recharges £'000	Purchases £'000
Kverneland Group (UK) Limited	9	32	74	89
Kverneland (Ireland) Limited	-	-	3	-
Kverneland Group France	-	-	1	-
Kverneland Group Sweden	-	-	9	-
Parts Warehouse UK	62	-	5	-
Other fellow subsidiaries	-	-	7	-

Year end balances arising from sales and purchases of goods and services are as follows:

	2018		2017	
	Receivable £'000	Payable £'000	Receivable £'000	Payable £'000
Kverneland Group (UK) Limited	-	5	-	5
Kverneland ASA	1797	-	2027	-
Parts Warehouse UK	4	-	7	-

### 18. Ultimate parent undertaking and controlling party

The directors consider Kubota Corporation, a company registered in Japan, as the ultimate holding company and controlling party.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared is Kubota Corporation, incorporated in Japan. Copies of these group financial statements may be obtained from 2-47, Shikitsu-higashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan.