

Company Registration No. 02590619 (England and Wales)

**KVERNELAND DEVIZES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

# KVERNELAND DEVIZES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Bell A Gjerde
<b>Secretary</b>	N Looker
<b>Company number</b>	02590619
<b>Registered office</b>	Walkers Lane Lea Green St Helens Merseyside WA9 4AF
<b>Auditor</b>	Mitchell Charlesworth LLP 3rd Floor 5 Temple Square Temple Street Liverpool Merseyside L2 5RH
<b>Solicitors</b>	Myerson Solicitors LLP Grosvenor House 20 Barrington Road Altrincham Cheshire WA14 1HB

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# KVERNELAND DEVIZES LIMITED

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# KVERNELAND DEVIZES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### Principal activities

The principal activity of the company continued to be that of agricultural equipment supplies.

#### Results and dividends

The results for the year are set out on page 7.

The results and financial position reflect the impact of the Covid-19 pandemic on the business for the reporting period. The directors have taken appropriate steps to mitigate this impact including monitoring cash flow, forecasts as well as managing resources.

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

#### Directors

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

J Bell

A Gjerde

#### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 11 days' purchases, based on the average daily amount invoiced by suppliers during the year.

#### Auditor

The auditor, Mitchell Charlesworth LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# KVERNELAND DEVIZES LIMITED

## DIRECTORS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

### Statement of disclosure to auditor

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

### 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.

By order of the board

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N Looker  
**Secretary**

Date: .....

# KVERNELAND DEVIZES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF KVERNELAND DEVIZES LIMITED

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#### Opinion

We have audited the financial statements of Kverneland Devizes Limited (the 'company') for the year ended 31 December 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# KVERNELAND DEVIZES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KVERNELAND DEVIZES LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

# KVERNELAND DEVIZES LIMITED

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

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### Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- the company's own assessment of the risks that irregularities may occur either as a result of fraud or error;
- the results of our enquiries of management of their own identification of and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

(i) The presentation of the Statement of Comprehensive Income, (ii) the accounting policy for revenue recognition (iii) valuation of the deferred benefit scheme. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

### Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations described above as having a direct effect on the financial statements;
- enquiring of management and directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of board meetings and reviewing correspondence with relevant authorities where matters identified were significant;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

# KVERNELAND DEVIZES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF KVERNELAND DEVIZES LIMITED

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A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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

**Michael Buxton (Senior Statutory Auditor)**

**For and on behalf of Mitchell Charlesworth LLP**

Date: .....

**Chartered Accountants**

**Statutory Auditor**

3rd Floor  
5 Temple Square  
Temple Street  
Liverpool  
Merseyside  
L2 5RH

# KVERNELAND DEVIZES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Notes	2021 £'000	2020 £'000
<b>Turnover</b>	<b>3</b>	35	44
Cost of sales		(20)	(27)
		<hr/>	<hr/>
<b>Gross profit</b>		15	17
Distribution costs		(24)	(24)
Administrative expenses		(56)	(76)
		<hr/>	<hr/>
<b>Operating loss</b>	<b>4</b>	(65)	(83)
Interest receivable and similar income	<b>6</b>	4	7
Interest payable and similar expenses	<b>7</b>	(15)	(19)
		<hr/>	<hr/>
<b>Loss before taxation</b>		(76)	(95)
Tax on loss	<b>8</b>	74	6
		<hr/>	<hr/>
<b>Loss for the financial year</b>		(2)	(89)
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing.

# KVERNELAND DEVIZES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

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	2021 £'000	2020 £'000
Loss for the year	(2)	(89)
	<u>          </u>	<u>          </u>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial gain/(loss) on defined benefit pension schemes	558	(222)
Movements of deferred tax relating to pension deficit	(141)	59
	<u>          </u>	<u>          </u>
<b>Total items that will not be reclassified to profit or loss</b>	419	(163)
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	417	(252)
	<u>          </u>	<u>          </u>

# KVERNELAND DEVIZES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

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		2021		2020	
	Notes	£'000	£'000	£'000	£'000
<b>Current assets</b>					
Deferred tax asset	11	157		224	
Debtors	9	1,473		1,531	
		<u>          </u>		<u>          </u>	
		1,630		1,755	
<b>Creditors: amounts falling due within one year</b>					
		(30)		(29)	
		<u>          </u>		<u>          </u>	
<b>Net current assets</b>			1,600		1,726
<b>Provisions for liabilities</b>					
Retirement benefit obligations	12		(634)		(1,178)
			<u>          </u>		<u>          </u>
<b>Net assets</b>			966		548
			<u>          </u>		<u>          </u>
<b>Capital and reserves</b>					
Called up share capital	13		5,300		5,300
Other reserves			626		625
Profit and loss reserves			(4,960)		(5,377)
			<u>          </u>		<u>          </u>
<b>Total equity</b>			966		548
			<u>          </u>		<u>          </u>

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

.....

J Bell  
Director

Company Registration No. 02590619

# KVERNELAND DEVIZES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

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	Share capital	Other reserves	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2020</b>	5,300	625	(5,125)	800
	—	—	—	—
<b>Year ended 31 December 2020:</b>				
Loss for the year	-	-	(89)	(89)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(222)	(222)
Tax relating to other comprehensive income	-	-	59	59
	—	—	—	—
Total comprehensive income for the year	-	-	(252)	(252)
	—	—	—	—
<b>Balance at 31 December 2020</b>	5,300	625	(5,377)	548
	—	—	—	—
<b>Year ended 31 December 2021:</b>				
Loss for the year	-	-	(2)	(2)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	559	559
Tax relating to other comprehensive income	-	-	(140)	(140)
	—	—	—	—
Total comprehensive income for the year	-	-	417	417
Currency translation differences	-	1	-	1
	—	—	—	—
<b>Balance at 31 December 2021</b>	5,300	626	(4,960)	966
	==	==	==	==

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

Kverneland Devizes Limited is a private company limited by shares incorporated in England and Wales. The registered office is Walkers Lane, Lea Green, St Helens, Merseyside, WA9 4AF. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

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

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

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: (i) paragraph 79(a) (iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 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 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

The company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

The company is a wholly owned subsidiary of Kverneland Holding (UK) Limited, the ultimate parent of which is Kubota Corporation. The results of the company are included in the consolidated financial statements of Kubota Corporation which are available from 2-47, Shikitsu-higashi 1-chome, Naniwa-ku, Osaka 556-8601, Japan.

##### 1.2 Going concern

At the time of approving the financial statements and having due regard to the impact of COVID-19, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### 1.3 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 measured reliably.

#### 1.4 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

#### 1.5 Cash at bank and in hand

Cash and cash equivalents include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### ***Financial assets at fair value through other comprehensive income***

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### ***Impairment of financial assets***

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### 1.7 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

#### *Other financial liabilities*

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

### 1.8 Equity instruments

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

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.10 Retirement benefits**

The company operates a defined benefit plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Service costs (current and past service cost and gains and losses on curtailments and settlements) and net interest are recognised in the income statement, while re-measurements (actuarial gains and losses, any changes in the effect of the asset ceiling and the difference between the (expected) net interest income and the actual return) are recognised in the statement of comprehensive income for retirement benefits and in the income statements for other long-term employee benefits. The financing cost and expected return on plan assets are recognised within financing costs in the period in which they arise. The accumulated effect of changes in estimates, changes in assumptions and deviations from actuarial assumptions (actuarial gains and losses) are recognised in the statement of comprehensive income.

##### **1.11 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year which they are incurred.

##### **1.12 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 2 Critical accounting estimates and judgements

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

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Critical judgements

##### 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.

### 3 Turnover

	2021 £'000	2020 £'000
<b>Turnover analysed by class of business</b>		
Sale of goods	35	44
	=====	=====
	2021 £'000	2020 £'000
<b>Other significant revenue</b>		
Interest income	4	7
	=====	=====

### 4 Operating loss

	2021 £'000	2020 £'000
Operating loss for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	7	7
	=====	=====

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.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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### 5 Employees

The company has no employees other than the directors, who did not receive any remuneration (2020: £Nil).

### 6 Interest receivable and similar income

	2021 £'000	2020 £'000
<b>Interest income</b>		
Interest income on bank deposit	4	7
	<u>          </u>	<u>          </u>

### 7 Interest payable and similar expenses

	2021 £'000	2020 £'000
<b>Interest on other financial liabilities:</b>		
Net interest on the net defined benefit liability	15	19
	<u>          </u>	<u>          </u>

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Income tax expense

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(74)	(6)
	<u>          </u>	<u>          </u>
The charge for the year can be reconciled to the loss per the profit and loss account as follows:		
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Loss before taxation	(76)	(95)
	<u>          </u>	<u>          </u>
Expected tax credit based on a corporation tax rate of 19.00%	(14)	(18)
Group relief	-	(8)
Deferred tax not recognised	304	12
Remeasurement of deferred tax for changes in tax rates	(333)	8
Deferred tax recognised in OCI	(31)	-
	<u>          </u>	<u>          </u>
<b>Taxation credit for the year</b>	<b>(74)</b>	<b>(6)</b>
	<u>          </u>	<u>          </u>

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	141	(59)
	<u>          </u>	<u>          </u>

#### 9 Debtors

	Due within one year		Due after one year	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts owed by fellow group undertakings	1,441	1,502	-	-
Other debtors	32	29	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Deferred tax asset	1,473	1,531	-	-
	-	-	157	224
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>1,473</b>	<b>1,531</b>	<b>157</b>	<b>224</b>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Trade debtors disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 9 Debtors (Continued)

As at 31 December 2021 (and 31 December 2020), 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 2021, no trade receivables (2020: £Nil) were impaired or provided for.

#### 10 Creditors

	2021 £'000	2020 £'000
Trade creditors	1	-
Amounts owed to subsidiary undertakings	25	25
Accruals and deferred income	4	4
	<u>30</u>	<u>29</u>

As at 31 December 2021 (and 31 December 2020), amounts owed to other group undertakings are non interest bearing and have no fixed repayment date.

#### 11 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	Retirement benefit obligations £'000
Deferred tax asset at 1 January 2020	(158)
<b>Deferred tax movements in prior year</b>	
Charge/(credit) to profit or loss	(7)
Charge/(credit) to other comprehensive income	(59)
	<u>(224)</u>
Deferred tax asset at 1 January 2021	(224)
<b>Deferred tax movements in current year</b>	
Charge/(credit) to profit or loss	(74)
Charge/(credit) to other comprehensive income	141
	<u>(157)</u>

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 11 Deferred taxation

(Continued)

Deferred tax assets and liabilities are offset in the financial statements only where the company has a legally enforceable right to do so.

#### 12 Retirement benefit schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The company operates one defined benefit pension plan, the Kverneland Devizes Limited Retirement Benefits Scheme. The scheme entitles its members to defined future benefits. These benefits are primarily dependent on the number of years of employment and the salary level at the time of retirement. The latest triennial valuations were performed at 31 December 2019 by an independent professional actuary.

##### Defined benefit scheme

	2021	2020
<i>Key assumptions</i>	%	%
Discount rate	1.9	1.3
Pension growth rate	3.4	3.4
Salary growth rate	2.0	2.0
Inflation assumptions	3.5	3.0
	=====	=====
<i>Mortality assumptions</i>	2021	2020
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	86.9	86.9
- Females	89.3	89.2
	=====	=====
Retiring in 20 years		
- Males	88.1	88.2
- Females	90.7	90.7
	=====	=====
	2021	2020
<i>Amounts recognised in the profit and loss account</i>	£'000	£'000
Net interest on defined benefit liability/(asset)	16	19
Other gains and losses	44	51
	-----	-----
Total costs	60	70
	=====	=====

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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12 Retirement benefit schemes	(Continued)	
	2021	2020
	£'000	£'000
<i>Amounts recognised in other comprehensive income</i>		
Actuarial changes arising from changes in demographic assumptions	(13)	193
Actuarial changes arising from changes in financial assumptions	(256)	1,192
Actuarial changes arising from experience adjustments	46	(466)
Actuarial changes related to plan assets	(335)	(697)
	<u>          </u>	<u>          </u>
Total costs/(income)	(558)	222
	<u>          </u>	<u>          </u>

The amounts included in the balance sheet arising from the company's obligations in respect of defined benefit plans are as follows:

	2021	2020
	£'000	£'000
Present value of defined benefit obligations	11,516	11,879
Fair value of plan assets	(10,882)	(10,701)
	<u>          </u>	<u>          </u>
Deficit in scheme	634	1,178
	<u>          </u>	<u>          </u>

	2021	2020
	£'000	£'000
<i>Movements in the present value of defined benefit obligations</i>		
At 1 January 2021	11,879	11,046
Benefits paid	(293)	(304)
Actuarial gains and losses	(223)	919
Interest cost	153	218
	<u>          </u>	<u>          </u>
At 31 December 2021	11,516	11,879
	<u>          </u>	<u>          </u>

The defined benefit obligations arise from plans which are wholly or partly funded.

# KVERNELAND DEVIZES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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<b>12 Retirement benefit schemes</b>	<b>(Continued)</b>	
	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<i>Movements in the fair value of plan assets:</i>		
At 1 January 2021	10,701	10,114
Interest income	137	199
Actuarial gains and losses	335	697
Benefits paid	(293)	(304)
Contributions by the employer	46	46
Other	(44)	(51)
	<u>10,882</u>	<u>10,701</u>

The fair value of plan assets at the reporting period end was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Multi-asset funds	8,189	8,146
Bonds	2,647	2,525
Cash	46	30
	<u>10,882</u>	<u>10,701</u>

<b>13 Share capital</b>	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Ordinary share capital</b>		
<i>Issued and fully paid</i>		
5,300,000 Ordinary shares of £1 each	5,300	5,300
	<u>5,300</u>	<u>5,300</u>

## 14 Controlling party

The immediate holding company is Kverneland Holding (UK) Limited. A company incorporated in England and Wales. 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.

# KVERNELAND DEVIZES LIMITED

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

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		2021		2020
	£'000	£'000	£'000	£'000
<b>Turnover</b>				
Sales of goods		35		44
<b>Cost of sales</b>				
Direct costs	20		27	
	<u>          </u>	(20)	<u>          </u>	(27)
<b>Gross profit</b>	42.86%	15	38.64%	17
<b>Distribution costs</b>	24		24	
<b>Administrative expenses</b>	56		76	
	<u>          </u>	(80)	<u>          </u>	(100)
<b>Operating loss</b>		(65)		(83)
<b>Investment revenues</b>				
Other interest received	4		7	
	<u>          </u>	4	<u>          </u>	7
<b>Interest payable and similar expenses</b>				
Net interest on defined benefit liability		(15)		(19)
		<u>          </u>		<u>          </u>
<b>Loss before taxation</b>	217.14%	(76)	215.91%	(95)
		<u>          </u>		<u>          </u>

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# KVERNELAND DEVIZES LIMITED

## SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES

*FOR THE YEAR ENDED 31 DECEMBER 2021*

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	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
<b>Distribution costs</b>		
Management charge	24	24
	—	—
	24	24
	=	=
 <b>Administrative expenses</b>		
Staff pension costs defined benefit	46	51
Legal and professional fees	2	18
Audit fees	7	7
Bank charges	1	-
	—	—
	56	76
	=	=

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