

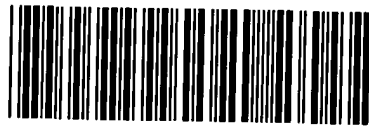
# CNH U.K. Limited

## Report and Financial Statements

31 December 2017

Company Registration Number: 02063585

FRIDAY



A14 \*A7BL2WTV\* 03/08/2018 #71  
COMPANIES HOUSE

**Directors**

P J Hunter  
E Teodorani-Fabbri  
A Watson  
N Wood

**Secretary**

S M McCarthy (appointed 14 February 2017)

**Auditors**

Ernst and Young LLP  
400 Capability Green  
Luton LU1 3LU

**Registered Office**

Cranes Farm Road  
Basildon  
Essex SS14 3AD

## Strategic Report

On 27 February 2014, the board of directors of CNH Industrial N.V., the ultimate parent company of CNH U.K. Limited, approved plans to purchase the existing assets and trade of CNH U.K. Limited.

The business was previously a manufacturer and wholesaler of Agricultural machinery, selling across the globe.

### Review of the Business

As the company is not foreseen to trade as in the recent past, its share capital has been significantly reduced and loans to and from other entities repaid.

During the year ended 31 December 2017 the company has not traded, recognizing only an amount of interest income and a small amount of administrative cost.

### Principal Risks and uncertainties

As the company does not trade it is not exposed to the risks of the market as in the past.

By order of the Board



P J Hunter  
Director

3 April 2018

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2017.

### Results and dividends

The profit for the year after taxation amounted to £nil (2016 – profit of £2,000).

The directors do not recommend a final dividend (2016 – £nil). The retained profit has been transferred to reserves.

### Future developments

For the foreseeable future, it is not foreseen that the company will trade as in its previous capacity,

### Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

### Directors

The directors who served the company during the year and appointed subsequently were as follows:

	<i>Nationality</i>
C Cantello (resigned 28 September 2017)	British
E Teodorani-Fabbri	Italian
A Watson	British
P Hunter	British
N Wood	British

### Charitable contributions

The company donated £ nil (2016 – £ nil) to charitable organisations during the year.

### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



P J Hunter  
Director

3 April 2018

## 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

# Independent auditors' report

to the members of CNH U.K. Limited

## Opinion

We have audited the financial statements of CNH UK Limited for the period ended 31<sup>st</sup> December 2017 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial position and the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31<sup>st</sup> December 2017 and of its result for the period 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 below. 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

## Other information

The other information comprises the information included in the directors report set out on page 3, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

# **Independent auditors' report (continued)**

**to the members of CNH U.K. Limited**

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. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the 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 the audit:

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

## **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 strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 4, 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

## Independent auditors' report (continued)

to the members of CNH U.K. Limited

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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

Ernst & Young LLP

Chris Nobbs (statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

5 APRIL 2018



## Statement of Profit or loss and Other Comprehensive Income

for the year ended 31 December 2017

	<i>Notes</i>	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
<b>Turnover</b>	3	-	-
Cost of sales		-	-
<b>Gross Profit</b>		-	-
Other operating expenses	4	(4)	(4)
<b>Operating Loss</b>	5	(4)	(4)
Net Interest Receivable	7	4	7
<b>Profit on ordinary activities before taxation</b>		-	3
Tax on profit on ordinary activities	8	-	(1)
<b>Profit for the financial year</b>		-	2

All amounts relate to discontinued activities as the company no longer trades.

### Other Comprehensive Income

for the year ended 31 December 2017

	<i>2017</i> <i>£000</i>	<i>2016</i> <i>£000</i>
Profit for the financial year	-	2
<b>Total recognised gains and losses relating to the year</b>	-	2

The notes on pages 11 to 15 form part of the financial statements.

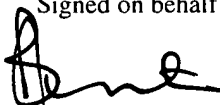
## Statement of Financial Position

at 31 December 2017

	<i>Notes</i>	<i>2017</i> £000	<i>2016</i> £000
<b>Current assets</b>			
Debtors: falling due within one year	9	1,069	1,069
		<u>1,069</u>	<u>1,069</u>
<b>Creditors:</b> amounts falling due within one year	10	-	-
<b>Net current assets</b>		<u>1,069</u>	<u>1,069</u>
<b>Total assets less current liabilities</b>		1,069	1,069
<b>Net assets</b>		<u><u>1,069</u></u>	<u><u>1,069</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	25	25
Profit and loss account		<u>1,044</u>	<u>1,044</u>
<b>Shareholders' funds</b>		<u><u>1,069</u></u>	<u><u>1,069</u></u>

These financial statements of CNH U.K. Limited, registered number 02063585 were approved and authorised by the board of Directors on 3 April 2018.

Signed on behalf of the Directors



P Hunter  
Director

## Statement of changes in equity

For the year ended 31 December 2017

	Share capital £000	Retained Earnings £000	Total Equity £000
At 1 January 2016	25	1,042	1,067
Profit for the Financial Year	-	2	2
At 31 December 2016	25	1,044	1,069
Profit for the financial year	-	-	-
Total comprehensive income for the year	-	-	-
At 31 December 2017	25	1,044	1,069

## Notes to the financial statements

at 31 December 2017

### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of CNH UK Limited (the "Company") for the period ended 31 December 2017 were authorised for issue by the board of directors on 3 April 2018 and the balance sheet was signed on the board's behalf by P J Hunter. CNH UK Limited is incorporated and domiciled in England and Wales.

The Company has adopted Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of CNH Industrial N.V which prepares group account which are available from The Company Secretary, Cranes Farm Road, Basildon, Essex, SS14 3AD, UK.

The principal accounting policies adopted by the Company are set out in note 2.

#### **Going Concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### 2. Accounting policies

#### **Basis of preparation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and in compliance with the Companies Act 2006.

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

- (a) The requirements of IAS 7 Statement of Cash Flows
- (b) The requirements of paragraph 17 of IAS 24 Related Party Disclosures
- (c) 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.

#### **Foreign currency**

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **Trade debtors**

Trade debtors represent the gross amount of unpaid debts to the company less amounts factored without recourse and other similar advances.

## Notes to the financial statements (continued)

at 31 December 2017

### 2. Accounting policies (continued)

#### *Taxation*

UK corporation tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Turnover*

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes. Revenue is recognised when title and all risks of ownership have transferred according to the terms of sale, generally upon shipment or delivery of goods.

### 3. Turnover

The company operated in the agricultural manufacturing industry in the United Kingdom. The directors consider it to be prejudicial to the interests of the company to disclose segmental reporting information, and accordingly have decided not to disclose turnover, profit after tax and net assets by geographical market.

### 4. Other operating expenses

	2017	2016
	£000	£000
Other operating expense	4	4
Total other operating expenses	<u>4</u>	<u>4</u>

## Notes to the financial statements (continued)

at 31 December 2017

### 5. Operating Loss

Audit fees for the company was borne by another group company.

### 6. Staff costs and directors' remuneration

No director received any remuneration in respect of services to the company during the period.

The company had no other employees during the period.

### 7. Net Interest Receivable

	2017	2016
	£000	£000
<i>Income from cash deposits</i>		
Group Finance Fee Income	4	7

### 8. Tax on Profit on Ordinary Activities

The Tax payable is made up as follows:

	2017	2016
	£000	£000
<b>Current tax:</b>		
Current year 19.25% (2016 – 20%)	-	1
<b>Total current tax</b>	<u>-</u>	<u>1</u>
<b>Total tax on profit on ordinary activities</b>	<u>-</u>	<u>1</u>

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2017	2016
	£000	£000
Profit on ordinary activities before tax	<u>-</u>	<u>3</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 – 20%)	-	1
	<u>-</u>	<u>1</u>

## Notes to the financial statements (continued)

at 31 December 2017

### 8. Tax on Profit on Ordinary Activities (continued)

#### *Deferred tax*

There is no deferred tax liability arising at 31 December 2017 or 31 December 2016

#### *Change in corporation tax rate*

The Finance Act 2016 provided for the main rate of Corporation Tax to be reduced from 18% to 17% from 1 April 2020.

The 17% rate had been substantively enacted at the Balance Sheet date and accordingly this rate has been applied in the measurement of the Company's deferred tax assets and liabilities at 31 December 2017.

### 9. Debtors

	2017	2016
	£000	£000
Amounts due from group undertakings	1,069	1,069
	<u>1,069</u>	<u>1,069</u>

Included within amounts due from group undertakings is £1,069,000 (2016 – £1,069,000) which represents cash balances held in a group treasury function which is readily convertible to cash in this company. This forms part of a cash pooling arrangement on which interest is paid in accordance with daily rates as defined by CNH Industrial Finance, the custodian and sister company of CNH UK Ltd.

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

	2017	2016
	£000	£000
Other taxes and social security costs	-	-
	<u>-</u>	<u>-</u>

### 11. Issued share capital

	2017		2016	
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£000</i>	<i>No.</i>	<i>£000</i>
Ordinary shares of £1 each	25,275	<u>25</u>	25,275	<u>25</u>

## Notes to the financial statements (continued)

at 31 December 2017

### 12. Pensions

Historically, the company provided pension arrangements for a significant number of its full time employees through a funded defined benefit scheme (CNH pension scheme) in which certain other related group companies also participate. In addition to the CNH pension scheme, following the acquisition of the trade and assets of Case United Kingdom Limited and Case International Limited, the company also operated a defined benefit contributory funded pension scheme for former employees.

The liability on the pension fund transferred with other business assets and liabilities to CNH Industrial NV based on the valuation of liabilities and assets at 31 December 2013.

After this time the scheme was transferred with all assets and liabilities of the business to CNH Industrial NV

A full actuarial valuation of the JI Case benefit plan and CNH Pension scheme were carried out at 6 April 2011 and updated to 30<sup>th</sup> April 2014, immediately prior to the date of transfer of the business to CNH Industrial NV by a qualified actuary. The schemes are a closed schemes and therefore under the projected unit method the current service costs would be expected to increase as the members of the scheme approach retirement.

### 13. Related party transactions

The company has taken advantage of the exemption not to disclose transactions with other group companies as they are 100% owned within the group and the consolidated financial statements are publically available.

### 14. Ultimate parent undertaking and controlling party

For the year ended 31 December 2017, the directors regard CNH Industrial N.V., a company incorporated in the Netherlands, as the ultimate parent undertaking and controlling party.

CNH Industrial N.V. is the parent undertaking of the largest and smallest group of which the company is a member and for which group accounts are drawn up.

Once signed and approved, copies of the 2017 financial statements of CNH Industrial Group will be available at the Corporate Offices of CNH Industrial N.V., 25 St James Street, London SW1A 1HA and also on the CNH Industrial Company website [cnhindustrial.com](http://cnhindustrial.com).