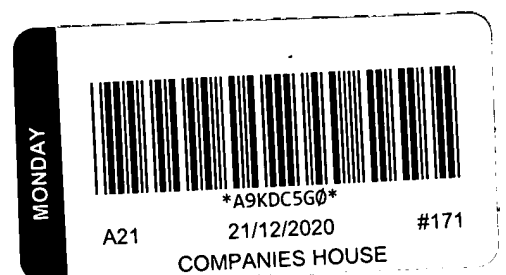


Registered No : 00492855

Seddon Atkinson Vehicles Limited

Report and Financial Statements

31 December 2019



Seddon Atkinson Vehicles Limited

Directors

S McCarthy

P Hunter (Resigned 15 September 2019)

A Del Vecchio (Appointed 25 September 2019)

Secretary

S McCarthy

Auditor

Ernst & Young LLP,
1 More London Place
London
SE1 2AF

Bankers

Barclays Bank PLC
1 Churchill Place
London E14 5HP

Registered Office

Cranes Farm Road
Basildon
Essex
SS14 3AD

Seddon Atkinson Vehicles Limited

Registered No. 00492855

Strategic Report

The Company ceased trading in October 2006. The Company's principal activity had been the sale of new and used commercial vehicles, together with spare parts.

The Directors are in receipt of a letter of support from the ultimate parent company whereby the ultimate parent agrees to guarantee all financial commitments of the company.

Post balance sheet event

Following the completion of a pension reconciliation and Guaranteed Minimum Pension equalisation project, a payment of £801,366 was made on 21st August 2020 to Rothesay Life. The impact of this was to secure the pension liability arising from the projects. The pension provision being reclassified to creditors in 2019.

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chain or otherwise impact the business of the CNH Industrial Group to which the Company belongs to. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The ultimate severity of the Coronavirus outbreak is uncertain at this point in time and therefore the Company cannot reasonably estimate the impact it may have at the end on the Group.

The Company doesn't employ any staff.

On behalf of the Board



S McCarthy
Director

14 December 2020

Seddon Atkinson Vehicles Limited

Registered No. 00492855

Directors' Report

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

Results and dividends

The loss for the year, after taxation, amounted to £1,194,000 (2018 – loss of £1,803,000). The directors do not recommend a final dividend (2018 – £nil).

Going concern

The Company is in a net liabilities position at year-end and is reliant on the ultimate parent company CNH Industrial N.V who have confirmed that it is their intention to support the company with a view to carrying on its business as a going concern for at least 12 months from the date of signing of the financial statements, being the 12 months ending 31 December 2021.

The directors have assessed the ability of the parent company to provide financial support to the Company noting that the group had available liquidity of \$13.2bn as of 30th September 2020. Available liquidity comprising cash and cash equivalents plus unrestricted cash, undrawn committed facilities and other current financial assets (primarily current securities, short-term deposits and investments towards high-rating level counterparts).

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

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

S McCarthy	
A Del Vecchio	(Appointed on 25 September 2019)
P Hunter	(Resigned on 15 September 2019)

Disclosure of information to the 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, 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.

Auditor

In accordance with s485 of the Companies Act 2006 a resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



S McCarthy
Director

14 December 2020

Seddon Atkinson Vehicles Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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.

Seddon Atkinson Vehicles Limited

Independent auditor's report

to the members of Seddon Atkinson Vehicles Limited

Opinion

We have audited the financial statements of Seddon Atkinson Vehicles Limited for the year ended 31 December 2019 which comprise the Statement of profit or loss and Statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 17, 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 including FRS 101 "The Financial Reporting Standard applicable in the UK" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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 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.

Seddon Atkinson Vehicles Limited

Independent auditor's report (continued)

to the members of Seddon Atkinson Vehicles Limited

Other information

The other information comprises the information included in the annual report set out on pages 1 to 4, 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.

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 year 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.

Seddon Atkinson Vehicles Limited

Independent auditor's report (continued)

to the members of Seddon Atkinson Vehicles Limited

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.

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.

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.

DocuSigned by:


4C59430C0057407...

Jacqueline Ann Geary

(Senior statutory auditor)

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

London

16 December 2020

Seddon Atkinson Vehicles Limited

Statement of Profit or Loss

For the year ended 31 December 2019

		2019	2018
	Notes	£000	£000
Operating expenses	3	(444)	(1,241)
Operating Loss	4	(444)	(1,241)
Interest payable and similar charges	7	(1,051)	(1,033)
Loss before taxation	8	(1,495)	(2,274)
Tax		301	471
Loss for the financial year		<u>(1,194)</u>	<u>(1,803)</u>

All amounts relate to discontinued activities.

Statement of Comprehensive Income

Loss after taxation	(1,194)	(1,803)
Other gains or losses	-	-
Total Comprehensive Loss	<u>(1,194)</u>	<u>(1,803)</u>

Seddon Atkinson Vehicles Limited

Statement of financial position

at 31 December 2019

	Notes	2019 £000	2018 £000
Current assets			
Debtors	9	309	607
Current liabilities			
Creditors: amounts falling due within one year	10	(51,699)	(49,913)
Net current liabilities		(51,699)	(49,913)
Total assets less current liabilities		(51,390)	(49,306)
Creditors: amounts falling due after more than one year	11	(100)	(100)
Defined benefit pensions provision	12	-	(890)
Net liabilities		(51,490)	(50,296)
Capital and reserves			
Called up share capital	13	41,600	41,600
Share premium account	14	1,999	1,999
Profit and loss account		(95,089)	(93,895)
Shareholders' Deficit		(51,490)	(50,296)

The accounts of Seddon Atkinson Vehicles Limited, registration number 00492855 were approved by the board of directors on 14 December 2020 and signed its behalf by:



S McCarthy
Director

Seddon Atkinson Vehicles Limited

Statement of changes in equity

For the year ended 31 December 2019

	Share capital £000	Share premium £000	Profit And loss account £000	Total Shareholders Deficit £000
At 1 January 2018	41,600	1,999	(92,092)	(48,493)
Loss for the financial year	-	-	(1,803)	(1,803)
Total comprehensive loss for the year	-	-	(1,803)	(1,803)
At 31 December 2018	41,600	1,999	(93,895)	(50,296)
Loss for the financial year	-	-	(1,194)	(1,194)
Total comprehensive loss for the year	-	-	(1,194)	(1,194)
At 31 December 2019	41,600	1,999	(95,089)	(51,490)

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

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

The financial statements of Seddon Atkinson Vehicles Limited for the year ended 31 December 2019 were authorised for issue by the board of directors on the 14 December 2020 and the Statement of Financial Position was signed on the board's behalf by S McCarthy on the 14 December 2020. Seddon Atkinson Vehicles Limited is incorporated and domiciled in England and Wales. These financial statements were prepared in accordance with Financial Reporting Standards 101 Reduced Disclosures Framework (FRS 101) under the historical cost convention and in accordance with applicable accounting standards.

The company's financial statements are prepared in pounds sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Going concern

The Company is in a net liabilities position at year-end and is reliant on the ultimate parent company CNH Industrial N.V who have confirmed that it is their intention to support the company with a view to carrying on its business as a going concern for at least 12 months from the date of signing of the financial statements, being the 12 months ending 31 December 2021.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies

The principal accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

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 and 18A 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.
- (d) The requirements of IFRS 7 Financial Instruments: Disclosures;
- (e) The requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement; and
- (f) The requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective.

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 reporting date. All differences are taken to the statement of profit or loss.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

Foreign currency (continued)

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.

Pensions

The company provided benefits for employees through a Defined Benefit Scheme closed in 2006.

Financial assets

Financial assets are recognised initially at fair value, normally being the transaction price plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs determined under IFRS 9.

The subsequent measurement of financial assets is as follows:

Loans and receivables

Subsequent to initial recognition, loans and receivables, including receivables from related companies, are measured at amortised cost less an allowance for uncollectible amounts. Uncollectible amounts are determined using the expected credit loss (ECL) impairment model. Collectability and impairment are assessed on a regular basis. Subsequent recoveries of amounts previously written off are credited against other expenses in the Statement of profit or loss.

Financial liabilities

The measurement of financial liabilities is as follows:

Financial liabilities measured at amortised cost

Financial liabilities are initially recognised at fair value, net of transaction costs. For interest-bearing loans and borrowings this is the fair value of the proceeds received net of issue costs associated with the borrowing.

After initial recognition, these financial liabilities are subsequently measured at amortised cost using the effective interest method.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

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 reporting date.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the reporting 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 reporting 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 reporting 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 reporting 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 reporting date.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

3. Other operating expenses

	2019	2018
	£000	£000
<i>Administrative expenses</i>	444	1,241

£Nil of the 2019 administrative expenses of £527,000 (2018 – £890,000) relates to a provision for liabilities. Refer to note 12.

4. Operating loss

This is stated after charging:

	2019	2018
	£000	£000
Auditors' remuneration – Audit services	7	7

5. Directors' remuneration

The directors did not receive remuneration for their services to the company. The remuneration paid by other group companies for their services as directors of this company has been apportioned as £nil (2018 – £nil) as the services of these directors in their capacity as directors did not occupy a significant amount of their time.

6. Staff costs

The company had no employees in the 2019 year (2018 – nil).

7. Interest payable and similar charges

	2019	2018
	£000	£000
Group interest payable	1,051	1,033

Interest payable is derived from financial payables due to CNH Industrial Finance Europe S.A., another group company, and is accrued at a variable rate of LIBOR + average spread of 1.40% on GBP balances.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

8. Tax

Tax on loss

The tax credit is made up as follows:

	2019 £000	2018 £000
Current tax:		
Current year 19% (2018 – 19%)	(301)	(472)
In respect of prior years	-	1
Total current tax	(301)	(471)

Factors affecting the current tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19%

(2018 – 19%). The differences are explained below:

	2019 £000	2018 £000
Loss before tax	(1,495)	(2,274)
Loss multiplied by standard rate of corporation tax 19% (2018 – 19%)	(284)	(432)
Effects of:		
Expenses not deductible for tax purposes	-	-
Valuation allowance temporary timing difference	(17)	(40)
Prior year adjustment	-	1
Current tax for the year	(301)	(471)

Unrecognised deferred tax assets

A potential deferred tax asset amounting to £323k (2018: £304k) has not been recognised in respect of other timing differences £152k (2018: £151k) and non-trading losses of £171k (2018: £153k) has not been recognised as there is insufficient evidence that there will be suitable taxable profits in the foreseeable future from which the reversal of the underlying timing difference can be deducted.

Change in corporation tax rate

The Finance Act 2016 provides for a further reduction in the main rate of Corporation Tax from 18% to 17% from 1 April 2020. The previous enacted tax reduction to 17% on 1 April 2020 was cancelled in the Budget of 11 March 2020, and a resolution effecting this passed by Parliament on 17 March 2020.

The 19% rate has been substantively enacted at the Reporting date and accordingly this rate has been applied in the measurement of the company's deferred tax assets and liabilities at 31 December 2019.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

9. Debtors

	2019	2018
	£000	£000
<i>Amounts falling due within one year:</i>		
Amounts owed by Group Companies	300	584
Other Debtors	9	23
	<u>309</u>	<u>607</u>

Amounts owed by group companies are interest free, unsecured and repayable on demand.

10. Creditors: amounts falling due within one year

	2019	2018
	£000	£000
Trade Creditors	11	20
Accrued Expenses	69	30
Pension Accruals	801	-
Other Creditors	-	-
Amounts owed to group companies	50,818	49,863
	<u>51,699</u>	<u>49,913</u>

Amounts owed to group companies relate to financial payables due to CNH Industrial Finance Europe S.A., another group company, and carried interest at a variable rate of LIBOR + average spread of 1.40% on GBP balances.

11. Creditors: amounts falling after more than one year

	2019	2018
	£000	£000
100,000 Preference shares of £ 1 each	<u>100</u>	<u>100</u>

Cumulative irredeemable preference shares carry an entitlement to dividend at the rate of 6% per annum payable annually. Holders of the preference shares have the right on a winding-up to receive the capital paid up on the preference shares, together with a sum equal to any arrears of the fixed dividend thereon.

Iveco Limited have waived their rights to the cumulative dividend.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

12. Pensions provision

	2019	2018
	£000	£000
Defined Benefits Pension Provision	-	890

The company provided benefits to employees through a Defined Benefit Pension Scheme. The Scheme was closed in 2006 and the principal liabilities were transferred to an Insurance Company in 2007. Provision was made in 2018 to cover remaining liabilities and associated costs, the provision being reclassified to creditors at 31 December 2019.

13. Issued share capital

	No.	2019 £000	No.	2018 £000
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	41,600,000	41,600	41,600,000	41,600

14. Share premium account

	£000
At 1 January 2019 and 31 December 2019	1,999

15. Guarantees

The Company has entered into a cross guarantee arrangement with other United Kingdom CNH Industrial Group companies within the CNH Industrial central cash management system whereby each Company guarantees all financial obligations of the participating companies to their bankers and vice versa.

16. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. Those transactions with directors are disclosed in note 5.

17. Ultimate parent undertaking and controlling party

For the year ended 31 December 2019, 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.

Copies of the 2019 financial statements of CNH Industrial N.V. are 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 www.cnhindustrial.com.

Seddon Atkinson Vehicles Limited

Notes to the financial statements

at 31 December 2019

18. Post balance sheet events

Following the completion of a pension reconciliation and Guaranteed Minimum Pension equalisation project, a payment of £801,366 was made on 21st August 2020 to Rothesay Life. The impact of this was to secure the pension liability arising from the projects. The pension provision being reclassified to creditors in 2019.

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect supply chain or otherwise impact the business of the CNH Industrial Group to which the Company belongs to. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The ultimate severity of the Coronavirus outbreak is uncertain at this point in time and therefore the Company cannot reasonably estimate the impact it may have at the end on the Group.

The Company doesn't employ any staff.