

Company Registration number: 02585525

New Holland Limited

Annual Report and Financial Statements

31 December 2022



Directors

R Malta Sartori
Mizanal Choudhury

Secretary

Mizanal Choudhury

Auditor

Ernst and Young LLP
1 More London Place
London
SE1 2AF

Registered Office

Cranes Farm Road
Basildon
Essex SS14 3AD
United Kingdom

Strategic Report

Principal activity

In September 2019 the Company purchased two Brazilian equity investments. As a result of this acquisition, the decision was made to change the functional currency to EUR as these two investments represent the main part of the company transactions. Consequently, the principal activity of the company is that of investment holding. The ultimate parent of the company is CNH Industrial N.V.

Review of the Business

The company ceased to trade in 2008 with the effects of this being accounted for at the 2008 year end. Starting from September 2019 the company is acting as a holding company. These financial statements have therefore been prepared on a going concern basis.

In December 2022 the company received net notional interest on its investments of EUR 57,017,910 (2021: EUR 29,790,190), ie EUR 41,182,348 from CNH Industrial Brazil and EUR 15,835,561 from Banco CNH Industrial Capital S.A. The net notional interest (EUR 15,835,561) received from Banco CNH Industrial Capital S.A in December 2023 was reinvested in the company. There was no dividend distribution to the parent. The company paid withholding tax on gross interest received of EUR 10,061,984 (2021: EUR 5,257,092).

In December 2022 the company also received a dividend on its investments of EUR 99,572,543 (2021: EUR 16,586,319). This was not distributed to the parent company

The company will remain as a holding company for the foreseeable future.

In addition, the company is holding cash balances and interest income thereon, plus fees for management of the company.

Principal Risks and Uncertainties

The company does not use derivatives to manage its financial risks. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the main financial risk the directors consider relevant to the company is currency risk. The company will remain as an investment company for the foreseeable future and therefore will be exposed to the risk of impairments on its investments.

The company is not greatly exposed to credit risk owing to the fact that the majority of its transactions being with fellow group companies. Similarly, the company is a net lender to other group companies and therefore, although affected by fluctuations in interest rates, as the company is an interest recipient, interest rate risk is not deemed significant.

Section 172 statement

The UK Companies Act 2006 (CA2006) sets out a number of general duties, which Directors owe to the Company. New legislation has been introduced to help shareholders better understand how Directors have discharged their duty to promote the success of the Company, while having regard to the matters set out in Section 172(1)(a) to (f) of the CA2006 (S172). The Directors welcome the new Section 172 reporting requirements.

Strategic Report (continued)

Section 172 statement (continued)

As an intermediate holding company for two subsidiaries in the CNH Industrial Group, the Company's principal activity is closely aligned with that of the Group. The directors of the Company are therefore guided by the Group's culture, strategies and corporate governance policies. The directors of the Company however recognise that their statutory duties are owed to the Company and believe when taking board decisions, that they have acted in a way that they consider, in good faith, would be most likely to promote the success of the Company, having regard to those matters set out in section 172 of the Companies Act 2006.

As a holding company with no employees, third party suppliers or customers, the directors do not consider the factors listed in sections 172(1)(b), interests of employees, 172(1)(c), relationships with suppliers and customers, or 172(1)(d), impact of operations on the community and environment, as relevant to the proper discharge of their duties pursuant to section 172. As a wholly-owned subsidiary, the directors also do not consider section 172(1)(f), regard to the need to act fairly between members, as relevant to the proper discharge of their duties. The only matters that are relevant to the Company are in relation to internal stakeholders, primarily in relation to, as relevant, passing through the dividends from subsidiaries to the ultimate parent company of the group, writing down investments in subsidiaries and disposing of investments in subsidiaries either to the Group or externally. Dividends are declared depending on the profits available for distribution in accordance with the legislation contained in Part 23 of CA2006 and also considering the solvency of the Company.

From the perspective of the Directors, as a result of the group governance structure whereby the Company is a member of the CNH Industrial Group, the other matters that it is responsible for considering under S172 have been considered to an appropriate extent by the CNH Industrial Group in relation both to the CNH Industrial Group and to this Company. The board of the CNH Industrial Group has also considered relevant matters where appropriate to the extent necessary for an understanding of the development, performance and position of the Company.

On behalf of the Board



M Choudhury
Director

27 September 2023

Directors' report

The directors present their report and financial statements for the year ended 31 December 2022.

Results and dividends

The profit for the year after taxation amounted to €157,074,000 (2021 – profit of €7,280,000). The directors did not distribute any dividend to the ultimate parent company (2021 – € nil).

Future developments

The company expects to continue as per the present time acting as investment holding company, having previously served as a service company for other companies within the group.

Going concern

The company had net current assets and net assets as at 31 December 2022. However, as the company's cash is subject to a cash pooling agreement, whereby it is held in a group treasury account, the company is reliant on the ultimate parent company for ensuring that it has access to sufficient funds to ensure it can continue as a going concern for the going concern period ending 27 September 2024.

The directors have received a letter of support from CNH Industrial N.V. confirming that support will be available to the company for the going concern period as defined above. The directors have assessed the ability of CNH Industrial N.V. to provide this support by reviewing its latest published financial information as of 30 June 2023 and taking into consideration the forecast available liquidity and limited debt maturing within the going concern period.

Given the quantum of the forecast available liquidity and the limited debt maturing during the going concern period for CNH Industrial N.V., the Board of Directors conclude that the company is able to continue as a going concern for the period ending 27 September 2024. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Post Balance sheet events

A dividend of EUR 142m to the ultimate parent company, CNH Industrial N.V, was declared and paid on 8 March 2023. A board meeting to approve the resolution was held on the same day. The distribution was funded from cash held as part of the group cashpooling system and posted to Retained Earnings.

CNH Industrial UK Limited has evaluated subsequent events through 6 July 2023, which is the date the financial statements were authorized for issuance, and identified the following: On 19 April 2023, CNH Industrial Group announced the divestiture of its business activities in Russia for a total consideration of approximately US\$60 million. Until March 2022, CNH Industrial Group operated a corporate office in the Moscow region through which it managed the import and distribution of its products in Russia, regional business activities and commercial financing. Its industrial footprint included manufacturing sites for agricultural equipment and implements and construction equipment, and a parts depot. The Russian operations revenue and earnings were not material to CNH Industrial's operating results. During the quarter ended March 2022, CNH Industrial Group recorded charges of US\$71 million related to assets write down, financial receivable allowances, and a valuation allowance against deferred tax assets. During the first quarter of 2023, CNH Industrial sold CNH Capital Russia at a loss of US\$6million; During the second quarter of 2023, CNH Industrial sold CNH Industrial Russia at a loss of US\$17million.

Although neither the Company's performance and going concern nor operations, at the date of these annual accounts were authorized for issuance, have been significantly impacted by the above, the Management continues to monitor the evolving situation and its impact on the Company's accounts.

Directors' report (continued)

Directors

The directors who served the company during the year and up to date of this report, unless otherwise indicated, were as follows:

R Malta Sartori

S M McCarthy– resigned 11 May 2022

M Choudhury – appointed 11 May 2022

The directors held no interests in the share capital of the company.

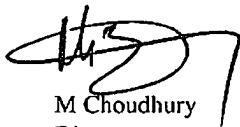
Disclosure of information to the auditor

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 they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young will be resigning as auditor due to the fact their tenure has come to an end. A resolution to appoint Deloitte as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



M Choudhury
Director

27 September 2023

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 auditor's report

to the members of New Holland Limited

We have audited the financial statements of New Holland Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Profit or Loss, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12, 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 "Reduced Disclosure Framework" (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 2022 and of its profit 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

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 to 27 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Independent auditor's report (continued)

to the members of New Holland Limited

Other information (continued)

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 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 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 6, 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.

Independent auditor's report (continued)

to the members of New Holland 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 "Reduced disclosure framework" (United Kingdom Generally Accepted Accounting Practice)), Companies Act 2006, Bribery Act 2010 and relevant tax compliance regulations in the jurisdiction in which the company operates.
- We understood how New Holland Limited is complying with those frameworks by making enquiries of management and observing the oversight of those charged with governance. We corroborated our enquiries through the reading of the following documentation: all minutes of board meetings held during the year and any relevant correspondence with local tax authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by gaining an understanding of the entity level controls and policies that the company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business and enquiries with management.

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.

Independent auditor's report (continued)

to the members of New Holland Limited

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.

Ernst & Young LLP

Jacqueline Geary (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

27 September 2023

Statement of Profit or Loss

for the year ended 31 December 2022

		2022	2021
	Notes	€000	€000
Administrative expenses		(24)	(30)
Other income	9	166,652	51,634
Operating profit	3	166,628	51,604
Loss on sale of investment	8	-	(39,067)
Interest receivable and similar income		508	-
Profit before taxation		167,136	12,537
Tax	5	(10,062)	(5,257)
Profit for the financial year		157,074	7,280

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 31 December 2022

	2022	2021
	€000	€000
Profit for the financial year	157,074	7,280
Total comprehensive income for the year	157,074	7,280

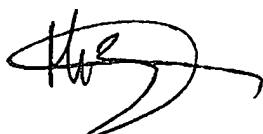
Balance Sheet

at 31 December 2022

	Notes	2022 €000	2021 €000
Fixed assets			
Investments in subsidiaries	8	1,081,358	1,045,657
Current assets			
Debtors	6	143,144	204,140
Net current assets		143,144	204,140
Net assets		1,224,502	1,249,798
Capital and reserves			
Called up share capital	7	1,066,584	1,218,954
Retained earnings		158,391	31,317
Translation reserve		(473)	(473)
Shareholders' funds		1,224,502	1,249,798

These financial statements of New Holland Limited, registered number 02585525 were approved and authorised by the Board of Directors on 27 September 2023.

Signed on behalf of the Board of Directors



M Choudhury

Director

27 September 2023

Statement of changes in equity

For the year ended 31 December 2022

	Share Capital €000	Retained Earnings €000	Translation Reserve €000	Total Equity €000
At 1 January 2021	1,218,954	24,037	(473)	1,242,518
Profit for the financial year	-	7,280	-	7,280
At 31 December 2021	1,218,954	31,317	(473)	1,249,798
Profit for the financial year	-	157,074	-	157,074
Capital reduction	(152,370)	152,370	-	-
Dividend	-	(182,370)	-	(182,370)
At 31 December 2022	1,066,584	158,391	(473)	1,224,502

Notes to the financial statements

for the year ended 31 December 2022

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

The financial statements of New Holland Limited (the "Company") for the year ended 31 December 2022 were authorised for issue by the board of directors on 27 September 2023 and the balance sheet was signed on the board's behalf by M Choudhury. New Holland 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 financial statements contain information about New Holland Limited as an individual company and do not contain group financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements as it and its subsidiaries are included in the group financial statements of CNH Industrial N.V., which is incorporated within a member state of the EU. Group financial statements of CNH Industrial N.V. may be obtained from CNH Industrial N.V., 25 St James's Street London SW1A 1HA.

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

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

Going Concern

The company had net current assets and net assets as at 31 December 2022. However as the company's cash is subject to a cash pooling agreement, whereby it is held in a group treasury account, the company is reliant on the ultimate parent company for ensuring that it has access to sufficient funds to ensure it can continue as a going concern for the going concern period ending 27 September 2024.

The directors have received a letter of support from CNH Industrial N.V. confirming that support will be available to the company for the going concern period as defined above. The directors have assessed the ability of CNH Industrial N.V. to provide this support by reviewing its latest published financial information as of 30 June 2023 and taking into consideration the forecast available liquidity and limited debt maturing within the going concern period.

Given the quantum of the forecast available liquidity and the limited debt maturing during the going concern period for CNH Industrial N.V., the Board of Directors conclude that the company is able to continue as a going concern for the going concern period, defined as the period ending 26 September 2024. Accordingly, they continue to adopt the going concern basis in preparing the annual report and 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 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;

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Accounting Policies (continued)

Basis of preparation (continued)

- (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 requirements 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 Euro, 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 profit or loss.

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.

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 uncollectable amounts.

Uncollectable 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 administrative expenses in the Statement of profit or loss.

For trade debtors the company applies a simplified approach in calculating ECL's. The company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL's at each reporting period end.

Impairment of financial assets

The company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Investments

Investments in subsidiaries are accounted for using the cost method and recognised at cost less any provision for impairment. The acquisition price is determined based on the equity value of these investments.

Dividend

The Company recognises a liability to pay a dividend when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Dividends received are recognised as other income in the statement of profit or loss when the right of payment has been established.

Notes to the financial statements (continued)

for the year ended 31 December 2022

2. Accounting Policies (continued)

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.

Interest income

Interest income is recognised as the interest accrues.

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 temporary 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 temporary 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 temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

3. Operating income

This is stated after charging:

	2022 €000	2021 €000
Audit fee	5	4

4. Directors' remuneration

No director received any remuneration in respect of services to the company during the year (2021 –€ nil). The company did not have any employees during the year. (2021 – nil).

Notes to the financial statements (continued)

for the year ended 31 December 2022

5. Tax on profit

	2022	2021
	€000	€000
Total Current tax:		
Current Tax at 19% (2021: 19 %)	10,062	5,257
Tax on profit	10,062	5,257

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

	2022	2021
	€000	€000
Profit-before tax	167,136	12,537
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	31,756	2,382
Effects of:		
Expenses not deductible for tax purposes	-	1
Group relief received and not paid for	(2,775)	(1,398)
Loss on disposal of investment not deductible	-	7,423
Dividends not taxable	(18,919)	(3,151)
	10,062	5,257

Change in corporation tax rate

The Finance Act 2021 provides for the main rate of Corporation Tax to be increased from 19% to 25% from 1 April 2023.

The 25% 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 2022.

Unrecognised deferred tax assets

A potential deferred tax assets amounting to €319 (2021: €319) relating to non-trading losses 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.

6. Debtors

	2022	2021
	€000	€000
Amounts owed by group undertakings	143,144	204,140
	143,144	204,140

Included within amounts due from group undertakings is €143,144,000 (2021 – €204,140,000) which represents cash balances held in a group treasury function which is readily convertible to cash. 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 New Holland Limited.

Notes to the financial statements (continued)

for the year ended 31 December 2022

7. Issued share capital

		2022		2021
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>€000</i>	<i>No.</i>	<i>€000</i>
Ordinary shares of £0.875 each	1,079,247,000	<u>1,066,584</u>	1,079,247,000	<u>1,218,954</u>

In November 2022 a reduction of the company's ordinary share capital was approved by the Board of Directors. The aggregate nominal value of the 1,079,247,000 ordinary shares in issue was reduced from £1,079,247,000 to £944,341,125 (with the par value changing from £1 to £0.875 per share). The amount by which the share nominal value reduced was repaid to the sole shareholder and parent of the company, CNH Industrial N.V.

8. Investments

Subsidiary details:

- **CNH Industrial Brasil Ltda.**, taxpayer number 01.844.555/0001-82, HQ address: Senador Milton Campos Street, number 175, 2nd floor – part and 8th floor, Vila da Serra, zip code 34.006-050, city of Nova Lima, State of Minas Gerais - Brazil.
Shareholding of 99.9998%
In Dec 2021 the On-Highway division within CNH Industrial Brasil Ltda was sold to CNH Industrial N.V. for €199,277,031, resulting in a loss on sale of investment of €39,067,000.
- **Banco CNH Industrial Capital S.A.**, taxpayer number 02.992.446/0001-75, HQ address: Juscelino Kubitschek de Oliveira Avenue, number 11.825 - Part, Cidade Industrial, zip code 81.170-901, city of Curitiba, State of Paraná - Brazil.
Shareholding of 99.99%
- **CNH Industrial Capital South America SPA**, taxpayer number 77359342-6, HQ address: Av Vitacura 2670 OF 1502 A P, Dpto 1501, Las Condes, Santiago, Chile.
shareholding of 100%
- **CNH Industrial Comercio de Pecas Ltda**, shareholding of 0.00006%, equalling 1 share.

		CNH Industrial Brasil Ltd	Banco CNHi Capital SA	CNHI Capital South America SPA	CNHI Comercio dePecas Ltda	Total
		€'000	€'000	€'000	€'000	€'000
31 Dec 2019	Investment	884,483	351,184			1,235,667
31 Dec 2020	Reinvestment		5,012			5,012
31 Dec 2021	Sale of Investment	(199,277)				(199,277)
31 Dec 2021	Investment			4,255	-	4,255
31 Dec 2022	Investment		35,702			35,702
		<u>685,206</u>	<u>391,898</u>	<u>4,255</u>	<u>-</u>	<u>1,081,359</u>

Notes to the financial statements (continued)

for the year ended 31 December 2022

9. Other Income

		€000	€000
Distribution earned	CNHi Brazil Ltd	148,022	25,308
Distribution earned	Banco CNHi Ltd	18,630	26,327
		166,652	51,634

10. Ultimate parent undertaking and controlling party

For the year ended 31 December 2022, 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 2022 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

11. Post Balance sheet events

A dividend of EUR 142m to the ultimate parent company, CNH Industrial N.V, was declared and paid on 8 March 2023. A board meeting to approve the resolution was held on the same day. The distribution was funded from cash held as part of the group cashpooling system and posted to Retained Earnings.

CNH Industrial UK Limited has evaluated subsequent events through 6 July 2023, which is the date the financial statements were authorized for issuance, and identified the following: On 19 April 2023, CNH Industrial Group announced the divestiture of its business activities in Russia for a total consideration of approximately US\$60 million. Until March 2022, CNH Industrial Group operated a corporate office in the Moscow region through which it managed the import and distribution of its products in Russia, regional business activities and commercial financing. Its industrial footprint included manufacturing sites for agricultural equipment and implements and construction equipment, and a parts depot. The Russian operations revenue and earnings were not material to CNH Industrial's operating results. During the quarter ended March 2022, CNH Industrial Group recorded charges of US\$71 million related to assets write down, financial receivable allowances, and a valuation allowance against deferred tax assets. During the first quarter of 2023, CNH Industrial sold CNH Capital Russia at a loss of US\$6million; During the second quarter of 2023, CNH Industrial sold CNH Industrial Russia at a loss of US\$17million.

Although neither the Company's performance and going concern nor operations, at the date of these annual accounts were authorized for issuance, have been significantly impacted by the above, the Management continues to monitor the evolving situation and its impact on the Company's accounts.

12. Contingent liabilities

The company has entered into a cross-guarantee arrangement with other UK CNH Industrial Group companies within the CNH Industrial central cash management system whereby the company has guaranteed all liabilities and obligations by those companies to their bankers and vice versa. The cash held by New Holland Limited is therefore part of this cash pooling arrangement