

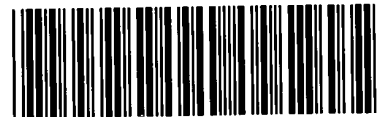
AGCO MANUFACTURING LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

COMPANY NUMBER: 571559

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AGCO MANUFACTURING LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

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AGCO MANUFACTURING LIMITED
DIRECTORS AND COMPANY INFORMATION

Directors:	A.C Frost D.F Hayden
Secretary:	R.N Batkin
Registered Office:	Abbey Park Stoneleigh Kenilworth CV8 2TQ
Registered Number:	571559
Auditor:	KPMG LLP Chartered Accountants and Registered Auditor One Snowhill Snow Hill Queensway Birmingham B4 6GH

AGCO MANUFACTURING LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

Business review and principal activities

The company's principal activity is that of a holding company. The year-end financial position remains satisfactory. The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next year.

The company is a wholly owned subsidiary of AGCO International Limited, a company which is registered in England and Wales. The ultimate parent undertaking and controlling party is AGCO Corporation, a company incorporated in the United States of America.

As shown in the company's Statement of Income and Retained Earnings on page 7 the company's loss after taxation stands at £1,439,000 (2015: £1,408,000).

The Balance Sheet on page 8 of the financial statements shows that the company's financial position at the year-end in terms of its net assets was £77,364,000 (2015: £78,803,000).

Principal risks and uncertainties

The company's funding and cash flows are operated as a part of a wider group strategy and as such the company's key risks are the same as those of the group headed by AGCO Corporation, "The Group". The primary element of risk associated with the company is liquidity risk.

The Group is funded by a mix of equity and long term debt.

By order of the board:



A.C Frost
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

14th February 2018

AGCO MANUFACTURING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Results and dividends

The Statement of Income and Retained Earnings for the year is set out on page 7. The directors do not recommend the payment of a dividend (2015: £nil).

Directors

The directors during the year under review and up to the date of signing the financial statements were:

A.C Frost
D.F Hayden

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Charitable donations and political contributions

The company made no charitable donations or political contributions during the current or prior year.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the board:



A.C Frost
Director
Abbey Park
Stoneleigh
Kenilworth
CV8 2TQ

14th February 2018

AGCO MANUFACTURING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS102, the financial reporting standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of AGCO Manufacturing Limited

We have audited the financial statements of AGCO Manufacturing Limited for the year ended 31 December 2016 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102, the financial reporting standard applicable in the UK and Ireland.

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.

Respective responsibilities of directors and auditor

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. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of AGCO Manufacturing Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Catherine Pattenden (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

14 February 2018

One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

AGCO MANUFACTURING LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016	2015
	Note	£'000	£'000
Administrative income / (expenses)		1	(59)
Interest payable and similar charges	5	(1,440)	(1,349)
Loss on ordinary activities before taxation		(1,439)	(1,408)
Tax on loss on ordinary activities	8	-	-
Loss for the financial year		(1,439)	(1,408)
Retained Earnings at the beginning of the financial year		60,991	62,399
Loss for the financial year		(1,439)	(1,408)
Retained Earnings at end of the financial year		59,552	60,991

All of the amounts above relate to continuing activities.

The company has no recognised gains or losses for the current and preceding year other than the loss shown above. Accordingly, no statement of comprehensive income has been prepared.

Notes on pages 9 to 15 form part of the financial statements.

AGCO MANUFACTURING LIMITED

**BALANCE SHEET
AT 31 DECEMBER 2016**

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	9	164,436	164,436
Debtors: amounts falling due within one year	10	2,190	-
Creditors: amounts falling due within one year	11	<u>(19,262)</u>	<u>(85,633)</u>
Net current liabilities		(17,072)	(85,633)
Total assets less current liabilities		<u>147,364</u>	<u>78,803</u>
Creditors: amounts falling due after one year	12	(70,000)	-
Net Assets		<u>77,364</u>	<u>78,803</u>
Capital and reserves			
Called-up share capital	13	17,812	17,812
Reserves		59,552	60,991
Shareholder's funds		<u>77,364</u>	<u>78,803</u>

These financial statements were approved by the Board of Directors on 14th February 2018 and were signed on its behalf by:



**A.C Frost
Director**

Company number: 571559

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Reporting entity

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements and have remained unchanged from the previous year.

2. Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

The financial statements are presented in sterling (£) rounded to the nearest £1,000.

The immediate parent undertaking and controlling party is AGCO International Limited which owns 100% of the company.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. The financial statements therefore present information about the company as an individual undertaking and not about its group. The company is consolidated within the consolidated financial statements of AGCO Corporation, an SEC registered company incorporated in the United States of America. Copies of the consolidated financial statements of AGCO Corporation may be obtained from 4205 River Green Parkway, Duluth, Georgia, 30096.

The Company has been considered a qualifying entity in these financial statements, hence the individual accounts of AGCO Manufacturing Limited have adopted the following disclosure exemptions available under FRS102:

- The requirement to present a statement of cash flows and related notes.
- Reconciliation of the number of shares outstanding from beginning to end of the period.
- The disclosures required by FRS102.11 (Basic Financial Instruments) and FRS102.12 (Other Financial Instrument issues) in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.
- Key management personnel compensations.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Although the company has net current liabilities, sufficient group resources are available to the company enabling the company to continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Company's parent undertaking has given a letter of financial support to enable the company to meet its liabilities as they fall due for at least the next twelve months (see note 11).

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3. Significant judgements and estimates

The preparation of financial statements in conformity with FRS102 requires management to make significant judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The directors have reviewed the estimates and underlying assumptions used in preparing these accounts, the impairment review has been deemed as a significant judgement in the accounts. Other than the impairment there are no other critical estimates or judgements to disclose.

4. Principal accounting policies

a. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All exchange differences are taken to the statement of income.

b. Investments

Fixed asset investments are stated at cost less provision for impairment.

c. Taxation

The charge for taxation is based on the profit or loss for the period and takes into account deferred taxation.

Current tax, including foreign tax where appropriate, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed by the balance sheet date, except where otherwise required by FRS102 Section 29.

d. Interest

Interest income and payable are recognised in statement of income as they accrue, using the effective interest method.

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

5. Interest payable and similar charges

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Interest payable and similar charges	<u>(1,440)</u>	<u>(1,349)</u>
	<u>(1,440)</u>	<u>(1,349)</u>
Amounts paid to group undertakings	<u>(1,440)</u>	<u>(1,349)</u>
	<u>(1,440)</u>	<u>(1,349)</u>

6. Auditor's Fees

There is no charge to the statement of income in respect of auditor's remuneration in the current or preceding year as the audit fee, as detailed below, was paid by another group company.

	2016 £'000	2015 £'000
Auditor's remuneration for audit of these financial statements	<u>3</u>	<u>3</u>

No amounts were received by the company's auditor in respect of non-audit services.

7. Directors and employees

The Directors are employed and remunerated by other companies in the AGCO group. They do not receive any remuneration specifically for their services as Directors of the Company (2015: £nil).

The company has no employees and no staff costs.

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8. Tax on loss on ordinary activities

Analysis of the tax charge for the period

	Year ended 31 December 2016		Year ended 31 December 2015	
	£'000	£'000	£'000	£'000
Current tax:				
Current tax on income for the period	-		-	
Adjustment in respect of prior periods	-		-	
		-		-
Deferred tax:				
Origination and reversal of timing differences	-		-	
Change in tax rate	-		-	
		-		-
Tax on loss on ordinary activities		-		-

	Year ended 31 December 2016			Year ended 31 December 2015		
	£'000	£'000	£'000	£'000	£'000	£'000
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
Recognised in:						
Statement of Income	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	-
directly in Equity	-	-	-	-	-	-
	-	-	-	-	-	-

Analysis of current tax recognised in statement of income

	Year ended 31 December 2016	Year ended 31 December 2015
	£'000	£'000
UK corporation tax	-	-
Double tax relief	-	-
Foreign tax	-	-
	-	-

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

8. Tax on loss on ordinary activities (*continued*)

Reconciliation of effective tax rate

	Year ended 31 December 2016 £'000	Year ended 31 December 2015 £'000
Loss for the year	(1,439)	(1,408)
Total tax expense	-	-
Loss excluding taxation	<u>(1,439)</u>	<u>(1,408)</u>
Tax using the UK corporation tax rate of 20% (2015: 20.25%)	(288)	(285)
Non-deductible expenses	-	-
Recognition of previously unrecognised tax assets	-	(435)
Group relief for no payment	288	720
Under / over provided in prior years	-	-
Total tax expense included in Statement of Income	<u>-</u>	<u>-</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

9. Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost and Net Book Value at 1 January 2016 and at 31 December 2016	<u>164,436</u>

Shares in subsidiary undertakings

The company owns 100% of the ordinary shares of AGCO Limited, a company registered in England and Wales, and whose business comprises the sale of agricultural tractors and other farm machinery as well as providing a range of services to the other group companies.

The company owns 100% of the ordinary shares of Massey Ferguson Works Pension Trust Limited, a company registered in England and Wales. This company did not trade during the year.

The directors are of the opinion that the value of investments in subsidiary undertakings is at least equal to the amount at which they are included in the financial statements.

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

9. Fixed asset investments (*continued*)

Name of Company Subsidiary undertakings	Country of Registration and Operation	Type of Holding	Proportion Held	Nature of Business
AGCO Limited	England	Ordinary	100%	Agricultural sales and group service provider
* AGCO Argentina S.A.	Argentina	Ordinary	24%	Sale of agricultural equipment
* Massey Ferguson Staff Pension Trust Limited	England	Ordinary	100%	Pension company
Massey Ferguson Works Pension Trust Limited	England	Ordinary	100%	Pension company

Bold – direct investment / * - indirect investment.

Name of Company Subsidiary undertakings	Registered Address
AGCO Limited	Abbey Park, Stoneleigh, Warwickshire, CV8 2TQ, United Kingdom.
AGCO Argentina S.A.	Suipacha 1111 floor 18, Buenos Aires, Argentina.
Massey Ferguson Staff Pension Trust Limited	Abbey Park, Stoneleigh, Warwickshire, CV8 2TQ, United Kingdom.
Massey Ferguson Works Pension Trust Limited	Abbey Park, Stoneleigh, Warwickshire, CV8 2TQ, United Kingdom.

10. Debtors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed by group undertakings	<u>2,190</u>	<u>-</u>

11. Creditors: amounts falling due within one year

The directors have received a letter of support from the parent company that will ensure that the company can meet its liabilities as they fall due over the next twelve months.

	2016 £'000	2015 £'000
Amounts owed to group undertakings	<u>19,262</u>	<u>85,633</u>

12. Creditors: amounts falling due after one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	<u>70,000</u>	<u>-</u>

AGCO MANUFACTURING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

13. Called-up Share Capital

	2016 £'000	2015 £'000
<u>Ordinary shares</u>		
Allotted, called-up and fully-paid:		
17,812,384 shares of £1 each	<u>17,812</u>	<u>17,812</u>

14. Related party transactions

The company is a wholly owned indirect subsidiary of AGCO Corporation, which is established under the law of the United States of America. AGCO Corporation is required to publish consolidated financial statements incorporating the results of AGCO Manufacturing Limited and consequently, in accordance with Financial Reporting Standard No. 8, transactions with group entities are not disclosed within these financial statements. Advantage has been taken of the exemption permitted by FRS 102 section 33.11 not to disclose transactions within entities that are part of the group or investees of the group qualifying as related parties.

15. Ultimate parent undertaking and controlling party

The immediate parent undertaking and controlling party is AGCO International Limited, a company whose registered office is at Abbey Park, Stoneleigh, Kenilworth, CV8 2TQ, U.K.

The ultimate parent undertaking and controlling party is AGCO Corporation, a company whose registered office is at 4205 River Green Parkway, Duluth, Georgia, 30096.

Copies of the consolidated financial statements can be obtained from AGCO Corporation at the above address.