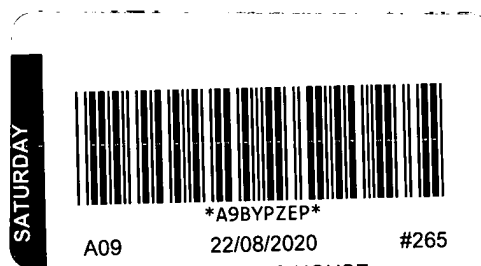


KCI Holding UK Limited

Report and Financial Statements

31 December 2019



Directors

T Myntti
S T Poitsalo
T J Ottola
M Bennett

Secretary

A T Spencer

Auditors

Ernst & Young LLP
No. 1 Colmore Square
Birmingham
B4 6HQ

Registered Office

Unit 1 Charter Point Way
Coalfield Way
Ashby Business Park
Ashby De La Zouch
LE65 1NF

Registered No. 02911925

Strategic report

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

Principal activities and review of the business

The principal activity of the company is that of a holding company. No changes to this arrangement are expected in the future.

Review of developments and future prospects

There have been no significant changes in the company's operations in 2019.

In the year the company received dividends from some of its subsidiaries, this dividend income has been used to reduce the company's investment value.

The company has also paid interest on its loan from an immediate parent, as well as repaid part of the capital amount.

No significant changes in activity is anticipated in the future.

Result for the year

The loss for the year after tax was £2,021,000 (2018: Profit of £2,503,000).

The company paid dividends of £nil (2018: £nil).

Principal risks and uncertainties

The principal risk and uncertainties facing the company is risk of decline in the investment in subsidiary undertakings impacting the carrying value. The company manages this risk through management focus on the operations of its trading subsidiaries.

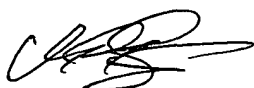
Subsequent events

Since 31 December 2019, the outbreak and spread of the global pandemic Covid-19 has severely impacted many local economies around the globe. The Konecranes Group has been forced to adapt to the negative impact on business activity levels during these unprecedented times and continues planning cost mitigation activities to protect the Group.

The company holds investments in subsidiary undertakings that operate in countries affected by the pandemic which are currently being impacted both through restrictions on their own operations and also the operations of these entity's end customers. This is likely to have a detrimental impact on the subsidiary undertakings' revenues, profits and their ability to pay dividends which are received by the company. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the company, and specifically the impact on future dividend income or the carrying value of the investments held by the company.

Although, as mentioned, steps are being taken in order to minimise the impact of the situation.

On behalf of the board



M Bennett

Director

Date: 11 August 2020

Directors' report

Directors

The current directors are listed on page 1. The directors who served throughout the year and any changes since the year end are detailed below:

S T Poitsalo

T J Ottola

T Myntti

M Bennett

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information 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 they are obliged to take as director in order to make themselves aware of any relevant information and to establish that the auditor is aware of that information.

Going concern

The financial statements are prepared on the going concern basis. The business is an intermediate holding company. Normal activity consists of the receipt of dividend and royalty income, and the receipt and payment of interest

The directors have considered the company's remaining obligations and commitments at the date of approval of the financial statements amidst the pandemic Covid-19 and the impact it is having around the globe.

At 31 December 2019, the company had net current liabilities of £33,371k (2018: £44,876k) and net assets of £20,763k (2018: £22,784k). The company's net current liabilities position is due to an inter-group loan that is classified as repayable on demand.

The company has obtained a letter of support from Konecranes Finance OY, that

- a) States Konecranes Finance OY will continue to provide the company with the necessary funding in order for the company to meet its liabilities in full, but only to the extent funds are not otherwise available to the company to meet such liabilities.
- b) States Konecranes Finance OY and the wider Konecranes group have irrevocably waived the right to recall any of the £47,116,361 balance due from the company until at least a period of 12 months from the date of approval of these financial statements.

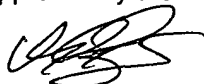
The directors have concluded that its financial resources are sufficient to enable it to meet its liabilities as they fall due for at least a period of 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to adopt the going concern basis when preparing these financial statements.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditors

The auditors, Ernst & Young LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the board



M Bennett
Director

Date: 11 August 2020

Statement of directors' responsibilities in respect of the financial statement

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.

Independent auditors' report

to the members of KCI Holding UK Limited

Opinion

We have audited the financial statements of KCI Holding UK Limited for the year ended 31 December 2019 which comprise the Income Statement, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 15, 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 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.

Emphasis of matter – Impact of COVID-19

We draw attention to notes 2 & 14 to the financial statements which describes:

- i. the basis on which the Directors have concluded on going concern; and
- ii. the impact post balance sheet events may have on the Company's level of future dividend income received from its subsidiary undertakings and the potential impact on the carrying value of the investments held by the Company.

Our opinion is not modified in respect of this matter.

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.

Independent auditors' report

to the members of KCI Holding UK Limited

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.

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.

Independent auditors' report

to the members of KCI Holding UK Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

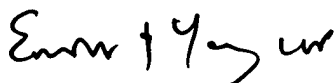
Auditor's responsibilities for the audit of the financial statements

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



Steven Bagworth (Senior statutory auditor)

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

Birmingham, UK

17 August 2020

Income Statement

for the year ended 31 December 2019

	Notes	2019 £000	2018 £000
Administrative expenses	8	(13,527)	(18)
Operating loss		(13,527)	(18)
Income from shares in group companies	4	13,526	4,309
Interest receivable	5	1	-
Interest payable	6	(2,021)	(1,721)
(Loss)/profit on ordinary activities before taxation		(2,021)	2,570
Taxation	7	-	(67)
(Loss)/profit for the financial year	12	(2,021)	2,503

All activities derive from continuing operations.

Statement of other comprehensive income

There are no recognised gains or losses other than the profit for the financial years. Accordingly, no statement of other comprehensive income is given.

Statement of changes in equity

for the year ended 31 December 2019


	Share Capital £000	Retained Earnings £000	Total Equity £000
At 1 January 2018	11,078	9,203	20,281
Profit for the year	-	2,503	2,503
At 31 December 2018	11,078	11,706	22,784
Loss for the year	-	(2,021)	(2,021)
At 31 December 2019	11,078	9,685	20,763

Balance sheet

at 31 December 2019

	Notes	2019 £000	2018 £000
Fixed assets			
Investments	8	54,134	67,660
Current assets			
Debtors	9	13,951	3,563
Cash at bank and in hand		48	409
		13,999	3,972
Creditors: amounts falling due within one year	10	(47,370)	(48,848)
Net current liabilities		(33,371)	(44,876)
Total assets less current liabilities		20,763	22,784
Net assets		20,763	22,784
Capital and reserves			
Called up share capital	11	11,078	11,078
Profit and loss account	12	9,685	11,706
Total Equity	12	20,763	22,784

These financial statements were approved by the board of directors and signed on its behalf by:



M Bennett
Director

Date: 11 August 2020

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 KCI Holding UK Limited (the "Company") for the year ended 31 December 2019 were authorised for issue by the board of directors on 11 August 2020 and the balance sheet was signed on the board's behalf by M Bennett. KCI Holding UK Limited is incorporated and domiciled in England and Wales.

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

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

The company has taken advantage of the exemptions under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Konecranes PLC. The results of KCI Holding UK Limited are included in the consolidated financial statements of Konecranes PLC which are available from Konecranes PLC, PO Box 661, Koneenkatu 8, FI-05801, Hyvinkaa, Finland.

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

2. Accounting policies

Basis of preparation

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

The Company has adopted FRS 101 and taken advantage of the following disclosure exemptions:

- The requirements of IAS 7 Statement of Cash Flows
- The requirements of IFRS 13 Fair value measurement; paragraph s91-99
- The requirements of IAS 8 Accounting policies, changes in accounting estimates and errors; paragraphs 30-31
- The requirements of IAS 1 Presentation of financial statements; paragraphs 10(d), 10 (f), 39 (c), 134-136
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures; and
- 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 undertaking which is party to the transaction is wholly owned by such a member
- The requirements of IAS 8 disclosures in respect of new standards and interpretations that have been issued but not yet effective; and
- Roll forward reconciliations in respect of share capital (IAS 1), property, plant and equipment (IAS 16) and intangible assets (IAS 38).

Going Concern

The directors have considered the company's remaining obligations and commitments at the date of approval of the financial statements amidst the pandemic Covid-19 and the impact it is having around the globe.

At 31 December 2019, the company had net current liabilities of £33,371k (2018: £44,876k) and net assets of £20,763k (2018: £22,784k). The company's net current liabilities position is due to an inter-group loan that is classified as repayable on demand.

The company has obtained a letter of support from Konecranes Finance OY, that

Notes to the financial statements

at 31 December 2019

2. Accounting policies (continued)

Going Concern (continued)

- States Konecranes Finance OY will continue to provide the company with the necessary funding in order for the company to meet its liabilities in full, but only to the extent funds are not otherwise available to the company to meet such liabilities.
- States Konecranes Finance OY and the wider Konecranes group have irrevocably waived the right to recall any of the £47,116,361 balance due from the company until at least a period of 12 months from the date of approval of these financial statements.

The directors have concluded that its financial resources are sufficient to enable it to meet its liabilities as they fall due for at least a period of 12 months from the date of approval of these financial statements. On this basis, the directors consider it appropriate to adopt the going concern basis when preparing these financial statements.

Judgement and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual amounts could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Investment impairment

The directors have carried out an impairment review of the fixed asset investments in accordance with FRS 101. The impairment review was carried out by reviewing investment asset book values for indicators of impairment.

Foreign currency translation

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

Fixed asset investments

Investments in group companies are stated at cost less provision for impairment.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IFRS9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Notes to the financial statements

at 31 December 2019

2. Accounting policies (continued)

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another loan from the same lender on substantially different terms, or the terms of an existing liability are substantially modified such as an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The flowing criteria must also be met before revenue is recognised:

Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

Dividends

Revenue is recognised when the company's right to receive payment is established.

Notes to the financial statements

at 31 December 2019

3. Information regarding directors and employees

There are no employees. No director received any remuneration in relation to their services to this company as the service is considered inconsequential.

Auditors remuneration of £5,000 (2018: £4,000) has been accrued in the accounts. No further monies have been accrued in respect of fees paid to the auditors for tax compliance related services.

4. Income from shares in group companies

	2019 £000	2018 £000
Dividends received	13,526	4,309
	<u>13,526</u>	<u>4,309</u>

As set out in Note 8, the company has received dividends from its subsidiaries and subsequently reduced the investment by an equivalent amount, such that there is no gain or loss recorded.

5. Interest receivable

	2019 £000	2018 £000
Bank interest received	1	-
	<u>1</u>	<u>-</u>

6. Interest payable and similar charges

	2019 £000	2018 £000
Interest on loan from parent undertaking	2,021	1,721
	<u>2,021</u>	<u>1,721</u>

Notes to the financial statements

at 31 December 2019

7. Taxation

(a) Tax on profit on ordinary activities

The tax charge/(credit) is made up as follows:

	2019 £000	2018 £000
Current tax:		
Group relief receivable	-	-
Adjustment in respect of previous years	-	(1)
Total current tax (credit)	-	(1)
Deferred tax:		
Originating and reversal of timing differences	-	68
Adjustment in respect of previous years	-	-
Total deferred tax charge/(credit)	-	68
Tax on profit on ordinary activities	-	67

The adjustment in respect of prior years represents the finalisation of the UK group of company's tax computations.

(b) Factors affecting the total tax charge 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)/Profit on ordinary activities before tax	(2,021)	2,570
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(384)	488
Effects of:		
Expenses not deductible for tax purposes	2,570	3
Income not taxable	(2,570)	(819)
Adjustment in respect of prior year on current tax	-	(1)
Tax rate changes	40	35
Deferred tax not recognised	344	361
Taxation for the year charge/(credit)	-	67

Notes to the financial statements

at 31 December 2019

Tax (continued)

(c) Deferred tax

	2019	
	£000	
Deferred tax (asset) at 1 January 2019	-	
Charge for the year	-	
Deferred tax at 31 December 2019	-	
	2019	2018
	£000	£000
Deferred tax (asset) recognised in relation to losses	-	-
	-	-

(d) Factors that may affect future tax charges

The Summer Budget 2015, the UK government announced legislation setting the Corporation Tax main rate at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. A further reduction to 17% for the year starting 1 April 2020 was announced at Budget 2016.

At Budget 2020, the government announced that the Corporation Tax main rate for the years starting 1 April 2020 and 2021 would remain at 19%.

The company has unrecognised deferred tax assets of £4,154,000. The company is uncertain over the time in which these assets will be utilised and therefore no deferred tax asset is recognised.

Notes to the financial statements

at 31 December 2019

8. Investments held as fixed assets

Shares in subsidiary undertaking

	<i>Total £000</i>
At 1 January 2019	67,660
Impairment in the year	(13,526)
At 31 December 2019	<u>54,134</u>

The company received dividends from its subsidiaries totalling £13,526,000, and subsequently reduced the value of its investments by this amount. The impairment of the investments is in relation to Saudi Cranes and Steel Works Factory LLC amounting to £2,944,000 and UKMHPS Limited amounting to £10,582,000, reflecting the dividends paid by the subsidiaries.

All the above investments are unlisted. In the opinion of the directors, the investments are not worth less than the amounts shown above.

Details of all investments are set out below:

<i>Subsidiary undertakings</i>	<i>Country of incorporation</i>	<i>Activity</i>	<i>Proportion of shares held</i>
Saudi Cranes and Steel Works Factory LLC	Saudi Arabia	Manufacturer, maintenance and installation of cranes	95%
Konecranes Demag UK Limited	England, UK	Manufacturer, maintenance and installation of cranes	100%
Morris Material Handling Limited	England, UK	Dormant	100%
UKMHPS Limited	England, UK	Dormant	100%

The registered office of all the UK subsidiaries is Unit 1 Charter Point Way, Coalfield Way, Ashby Business Park, Ashby De La Zouch, LE65 1 NF.

The registered office of the Saudi Arabia subsidiary is Section J, Plot 166 (Block 5B, Lot 6), Support Industrial Park, Jubail, Saudi Arabia.

9. Debtors

	<i>2019 £000</i>	<i>2018 £000</i>
Amounts owed by group undertakings	13,951	3,366
Group relief receivable	-	197
	<u>13,951</u>	<u>3,563</u>

Amounts owed by group undertakings are repayable on demand.

Notes to the financial statements

at 31 December 2019

10. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Amounts owed to group undertakings	47,364	48,837
Accruals	6	11
	<u>47,370</u>	<u>48,848</u>

Included within amounts owed to group undertakings is an amount owed to Konecranes Finance OY for £47,116,361 (2018: £48,618,000) that is repayable on demand. The total loan facility available to the company is £57,350,000. Interest is calculated on the outstanding balance at a 6-month Money Market Rate and interest margin. The average interest rate for the year ended 31 December 2019 was 4.21% (2018: 3.62%).

11. Issued share capital

	2019		2018	
<i>Allotted, called up and fully paid</i>	No.	£	No.	£
Ordinary shares of £1 each	11,078,000	<u>11,078,000</u>	11,078,000	<u>11,078,000</u>

12. Reconciliation of shareholders' funds

	Share capital	Profit and loss account £000	Total equity £000
At 1 January 2018	11,078	9,203	20,281
Profit for the year	-	2,503	2,503
At 31 December 2018	11,078	11,706	22,784
Profit for the year	-	(2,021)	(2,021)
Closing shareholders' funds	<u>11,078</u>	<u>9,685</u>	<u>20,763</u>

13. Related party transactions

The company has taken advantage of the exemptions available under paragraph 8(k) of FRS 101 from which disclosures relating to transactions with group companies where 100% of the voting rights are controlled within this group.

During the year, the company received a dividend from Saudi Cranes and Steel Works Factory LLC amounting to £2,944,068 (2018: £4,309,000). There were no other transactions with this company (2018: - £nil).

Notes to the financial statements

at 31 December 2019

14. Post balance sheet events

Since the year ended 31 December 2019, the outbreak and spread of the global pandemic Covid-19 has severely impacted many local economies around the globe. The Konecranes Group has been forced to adapt to the negative impact on business activity levels during these unprecedented times and continues planning cost mitigation activities to protect the Group.

The company holds investments in subsidiary undertakings that operate in countries affected by the pandemic which are currently being impacted both through restrictions on their own operations and also the operations of these entity's end customers. This is likely to have a detrimental impact on the subsidiary undertakings' revenues, profits and their ability to pay dividends which are received by the company. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approval of these financial statements to reliably make a quantified estimate of its potential impact on the company, and specifically the impact on future dividend income or the carrying value of the investments held by the company.

Although, as mentioned, steps are being taken in order to minimise the situation and its impact.

15. Ultimate parent undertaking and controlling party

The company's immediate controlling party is Konecranes Finance OY, a company registered in Finland. The company's ultimate parent undertaking and controlling party is Konecranes PLC registered in Finland. Copies of the group financial statements of Konecranes PLC are available from Konecranes PLC, PO Box 661, Koneenkatu 8, FI-05801, Hyvinkää, Finland.