

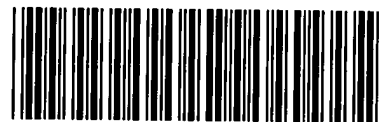
CNH Industrial UK Limited

Annual Report and Financial Statements

31 December 2021

Company Registration Number: 10551189

THURSDAY



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22/09/2022

#41

COMPANIES HOUSE

Directors

M Choudhury (appointed 11 May 2022)

F Catasta

Secretary

M Choudhury (appointed 11 May 2022)

Auditor

Ernst and Young LLP

1 More London Place

London

SE1 2AF

Registered Office

25 St James's Street

London

SW1A 1HA

Strategic Report

The Company's main activity is to participate in and finance CNH Industrial N.V. group companies (the "Group"). However, it may carry out any transactions whatsoever, whether commercial or financial, connected with its purpose.

Review of the Business

In 2017 the Company was party to a restructuring of the group debt. As part of that restructuring the Company issued 100 ordinary shares of US\$1 each for a consideration of US\$1.2 billion and holds a Promissory Note of US\$1.2 billion nominal value.

During the current year, the Company earned interest on the Promissory Note for a total amount of €28.0 million (2020: €37.4 million) which represented the main revenue.

In addition, the US dollar strengthened against the Euro and as a result the revaluation of the Promissory Note generated a significant foreign exchange gain of €81.6 million (2020: loss of €90.3 million).

Principal Risks and uncertainties

The principal risk of the company is the foreign exchange risk on the revaluation of the Promissory Note which is denominated in US dollar, whereas the functional currency of the Company is the Euro.

In order to cover the potential losses that could arise in the foreseeable future, due to the volatility of the exchange rate between the US dollar and the Euro, the Company has obtained a comfort letter from the parent company, CNH Industrial N.V. to support the company for the period of at least twelve months following the signing of the financial statements.

By order of the Board



M Choudhury

Director

15 September 2022

Directors' report

The directors present their report and financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year after taxation amounted to €114.6 million (2020: loss of €69.2 million) and was mainly made up of interest income matured on the Promissory Note of €28.0 million (2020: €37.4 million) and the foreign exchange gain which arose from the revaluation of the Promissory Note of €81.6 million (2020: loss of €90.3 million).

Future developments

For the foreseeable future, the company will continue to operate in its current capacity.

Going Concern

The company had net current assets and net assets as at 31 December 2021. 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 15 September 2023.

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 2022 and taking into considerations 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 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 15 September 2023. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

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

S M McCarthy (resigned on 11 May 2022)

F Catasta

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 herself auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Subsequent Events

Effective 1 January 2022, the Iveco Group business was separated from CNH Industrial N.V. by way of a legal statutory demerger to Iveco Group N.V. and Iveco Group became a public listed company independent from CNH Industrial with its common shares trading on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A.

Escalating tensions between Russia and Ukraine and massive military actions between Russia and Ukraine could adversely impact macroeconomic conditions, give rise to regional instability and result in heightened economic sanctions from the U.S., EU, and UK which may adversely affect the CNH Industrial Group and the business in Russia, Ukraine and potentially elsewhere in Eastern Europe, including possible restrictions on the ability to do business with certain vendors or suppliers as well as the ability to repatriate funds from

Directors' report (continued)

the region. The Group has conducted business in jurisdictions that may be subject to trade or economic sanction regimes and such sanctions could be expanded.

If CNH Industrial Group fails to comply with sanction regimes or other similar laws or regulations, it could be subject to damages and potentially other financial penalties, suspension of licenses, or a cessation of operations at Group businesses, as well as damage to Group brands' images and reputations.

There can be no guarantee that the Group will be able to quickly and completely adapt the business model to changes that could result from the foregoing, and any such changes may have an adverse effect on the business, results of operations and financial condition.

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.

Auditor

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

By order of the Board



M Choudhury

Director

15 September 2022

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 CNH Industrial UK Limited

Opinion

We have audited the financial statements of CNH Industrial UK Limited for the year ended 31 December 2021 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 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 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 ending 15 September 2023 from when the financial statements are authorized for issue.

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.

Independent auditor's report (continued)

to the members of CNH Industrial 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 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.

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 course of 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.

Independent auditor's report (continued)

to the members of CNH Industrial UK Limited

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

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 CNH Industrial U.K. 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 CNH Industrial UK 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 Ann Geary (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
15 September 2022

Statement of Profit or loss

for the year ended 31 December 2021

	Notes	2021 €000	2020 €000
Administrative expenses	3	(7)	(14)
Operating loss		(7)	(14)
Interest receivable and similar income	4	28'356	38'112
Other Financial income / (costs)	5	92'135	(100'069)
Profit or (Loss) before taxation		120'484	(61'971)
Tax on Profit or (Loss)	7	(5'857)	(7'253)
Profit or (Loss) for the year		114'627	(69'224)

Statement of Comprehensive Income

for the year ended 31 December 2021

	2021 €000	2020 €000
Profit or (Loss) for the year	114'627	(69'224)
Total comprehensive income / (loss) for the year	114'627	(69'224)

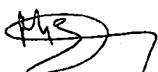
Balance Sheet

as at 31 December 2021

	Notes	2021 €000	2020 €000
Fixed assets			
Financial assets of a long-term nature	8	<u>1'059'509</u>	<u>977'915</u>
		1'059'509	977'915
Current assets			
Cash and cash equivalents		43	47
Debtors	9	162'185	131'093
Accrued interest	8	1'509	1'372
Current financial assets	11	<u>58</u>	<u>119</u>
		163'795	132'631
Creditors: amounts falling due within one year	10	(5'398)	(7'267)
Net current assets		<u>158'397</u>	<u>125'364</u>
Total assets less current liabilities		<u>1'217'906</u>	<u>1'103'279</u>
Net assets		<u><u>1'217'906</u></u>	<u><u>1'103'279</u></u>
Capital and reserves			
Called up share capital	12	1	1
Share premium		1'046'938	1'046'938
Retained earnings		<u>170'967</u>	<u>56'340</u>
Shareholders' funds		<u><u>1'217'906</u></u>	<u><u>1'103'279</u></u>

These financial statements of CNH Industrial UK Limited, registered number 10551189 were approved and authorized by the board of Directors on 15 September 2022.

Signed on behalf of the Directors



M Choudhury

Statement of changes in equity

at 31 December 2021

	Share Capital	Share Premium	Retained Earnings	Total Equity
	€ 000	€ 000	€ 000	€ 000
At 31 December 2019	1	1'046'938	125'564	1'172'503
Total comprehensive loss for the financial year	-	-	(69'224)	(69'224)
At 31 December 2020	1	1'046'938	56'340	1'103'279
Total comprehensive income for the financial year	-	-	114'627	114'627
At 31 December 2021	1	1'046'938	170'967	1'217'906

Notes to the financial statements

For the year ended at 31 December 2021

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

The financial statements of CNH Industrial UK Limited (the "Company") for the year ended 31 December 2021 were authorised for issue by the board of directors on 15 September 2022 and the balance sheet was signed on the board's behalf by M Choudhury. CNH Industrial UK Limited is incorporated and domiciled in England and Wales.

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

The Company's financial statements are presented in Euros and all values are rounded to the nearest thousand euros (€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 2021. 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 15 September 2023.

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 2022 and taking into considerations 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 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 15 September 2023. 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;
- (d) The requirements of IFRS 7 Financial Instruments: Disclosures;
- (e) The requirements of paragraphs 91 – 99 of IFRS 13 Fair Value Measurement; and
- (f) The requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors in relation to standards not yet effective

Notes to the financial statements (continued)

For the year ended 31 December 2021

2. Accounting policies (continued)

COVID-19 effects, actions, and use of accounting estimates and management's assumptions

During 2021 the COVID-19 pandemic and the related actions of governments and other authorities to contain COVID-19 spread continued to affect CNH Industrial's business, results and cash flow. Governments in many countries where the CNH Industrial Group operates, designated part of our businesses as essential critical infrastructure businesses. This designation allowed CNH Industrial to operate in support of its dealers and customers to the extent possible. CNH Industrial also continues to prioritize the health, safety and well-being of its employees.

The Group remains cautious about future impacts on CNH Industrial's end-markets and business operations of restrictions on social interactions and business operations to limit the resurgence of the pandemic. CNH Industrial is closely monitoring the impact of the COVID-19 pandemic on all aspects of its business.

The Company does not expect any negative impact related to COVID-19, considering that the only business currently carried out by the Company is the holding of the Promissory note. In addition, the Company does not employ any staff that can be infected.

Foreign currency transactions

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

Transactions in foreign currencies are recorded at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or in previous financial statements, are recognized in profit or loss.

Debtors

Debtor balances are recorded at nominal amount. Value adjustments, if any, are made for any permanent impairment in value.

Financial Assets

Non-current financial assets comprise securities, non-current loans and receivables and other non-current financial assets. The Company hold a Promissory Note due from a Group undertaking based in the United States. The Promissory Note has a maturity date of 19 July 2024 and therefore it is classified under financial assets of a long-term nature.

Current financial assets include receivables from financing activities, current securities and other current financial assets which include the accrued interest income matured on the Promissory Note and not yet paid.

Non-current financial assets, as well as current financial assets are accounted for at nominal value which is deemed to approximate their fair value.

Assessments are made regularly as to whether there are any expected credit losses. If such losses are determined, they are included in profit or loss for the year.

Notes to the financial statements (continued)

For the year ended 31 December 2021

2. Accounting policies (continued)

Provisions

The Company records provisions when it has an obligation, legal or constructive, to a third party or to a Group company, as a result from a past event, when it is probable that an outflow of Company resources will be required to satisfy the obligation and when a reliable estimate of the amount can be made.

Changes in estimates are reflected in profit or loss in the period in which the change occurs.

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 recognized 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.

Current Financial Liabilities

Current financial liabilities are recognized at fair value through profit or loss.

Notes to the financial statements (continued)

For the year ended 31 December 2021

3. Administrative expenses

	2021	2020
	€ 000	€ 000
Audit fees	7	14
Total administrative expenses	7	14

4. Interest receivable and similar income

	2021	2020
	€ 000	€ 000
Interest income from CNH Industrial Finance Europe SA	322	706
Interest income from Promissory Note	28'034	37'406
Total interest receivable and similar income	28'356	38'112

Interest income from Promissory Note is due from a Group undertaking based in the United States. See note 8 "Financial assets of a long-term nature". Interest income from CNH Industrial Finance Europe SA relates to the interest paid by the Group treasury company. See note 9 "Debtors".

5. Other financial income / (costs)

	2021	2020
	€ 000	€ 000
Net currency exchange gains / (losses)	92'135	(100'069)
Total other financial income / (costs)	92'135	(100'069)

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. Staff costs and directors' remuneration

The Directors did not receive any remuneration in respect of services to the company during the period.
The company had no other employees during the period.

7. Tax on profit on continuing operations

The tax charge comprises:

	2021 € 000	2020 € 000
Current tax:		
Current year 19% (2020: 19%)	5'386	7'239
Prior year adjustment	471	14
Total tax on profit on continuing operations	5'857	7'253

The differences between the total tax shown above and amount calculated by applying the standard rate of UK corporation tax to the profit or (loss) before tax are as follows:

	2021 € 000	2020 € 000
Profit / (Loss) before tax	120'484	(61'971)
Profit / (Loss) before tax multiplied by standard rate of corporation tax 19% (2020: 19%)	22'892	(11'774)
Effects of:		
Income / Expenses not taxable / deductible for tax purposes	(17'506)	19'013
Prior year adjustment	471	14
Overall tax charge	5'857	7'253

Deferred tax

There is no deferred tax liability nor deferred tax assets at 31 December 2021 or 31 December 2020.

Change in corporation tax rate

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

The 25% rate had been substantively enacted at the Balance Sheet date.

Notes to the financial statements (continued)

For the year ended 31 December 2021

8. Financial assets of a long-term nature

	2021 € 000	2020 € 000
Promissory note due from group undertaking	1'059'509	977'915

The promissory note was signed on 19 July 2017 and it has a maturity date of 19 July 2024. Interest was earned at a rate of 1 year LIBOR (on USD deposits) plus a margin of 2.5%. Interest was payable annually for each year prior to the Promissory Note reaching the maturity date. The interest period ran from 20 July to 19 July, and interest was payable on 19 July each year, commencing on 19 July 2018.

On 14 June 2019 the Amendment No. 1 was signed, whereas from 15 June 2019 through the maturity date, the applicable interest rate is 6 Month LIBOR plus a margin of 2.5% per annum. In addition, the interest period is now a period of six months. The accrued interest recorded during the year is as follows:

	2021 € 000	2020 € 000
Accrued interest income	1'509	1'372
	<u>1'509</u>	<u>1'372</u>

The promissory note is neither past due nor impaired at 31 December 2021 and 31 December 2020.

9. Debtors

	2021 € 000	2020 € 000
Amounts due from group undertakings	162'185	131'093
	<u>162'185</u>	<u>131'093</u>

Amounts due from group undertakings of €162'185 thousand (€131'093 thousand in 2020) represents cash balances held in the Group treasury company. The amount is readily convertible to cash and it is not pledged. This forms part of a cash pooling arrangement whereas floating interest at market rates are paid by the Group treasury company.

Notes to the financial statements (continued)

For the year ended 31 December 2021

10. Creditors: amounts falling due within one year

	2021 € 000	2020 € 000
Corporation tax payable	5'387	7'253
Accruals	11	14
	<u>5'398</u>	<u>7'267</u>

11. Current financial asset

	2021 € 000	2020 € 000
Asset from derivative financial instruments	58	119
	<u>58</u>	<u>119</u>

Asset from derivative financial instruments consists of derivative financial instruments measured at fair value at the balance sheet date. Derivative instruments are classified as Level 2 in the fair value hierarchy.

CNH Industrial UK Ltd utilizes derivative instruments to mitigate its exposure to interest rate and foreign currency fluctuations. Derivatives used as hedges are effective at reducing the risk associated with the exposure being hedged and are designated as a hedge at the inception of the derivative contract.

12. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	2021 €	2020 €
Ordinary shares of US\$1 each			
Issued on incorporation	100	95	95
Issued after the incorporation	100	87	87
		<u>182</u>	<u>182</u>

On 6 January 2017, 100 ordinary shares with an aggregate nominal value of US\$100 were issued at US\$1 each for a cash consideration.

On 17 July 2017, 100 ordinary shares with an aggregate nominal value of US\$100 were issued at US\$1 each for a consideration of US\$1,200,000,000. The parent Company, CNH Industrial N.V. transferred a Promissory Note of a nominal value of US\$1,200,000,000 which was contributed to the Company in exchange of the shares.

Notes to the financial statements (continued)

For the year ended 31 December 2021

13. Ultimate parent undertaking and controlling party

For the period ended 31 December 2021, 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.

CNH Industrial N.V. is incorporated in and under the laws of the Netherlands, has its corporate seat in Amsterdam, the Netherlands, and the place of effective management in the United Kingdom. CNH Industrial N.V. principal office and business address is at 25 St. James's Street, London, SW1A 1HA, United Kingdom. CNH Industrial N.V. is registered at the Commercial Register kept at the Chamber of Commerce in Amsterdam under file number 56532474 and at the Companies House in the United Kingdom under file number FC031116 BR016181.

The 2021 EU Annual Report of CNH Industrial N.V. is available in the Investors section of the CNH Industrial corporate website at www.cnhindustrial.com, under "Investor Relations/Financial Information/Annual Reports." It can be viewed online and is also available for download in PDF format.

14. Subsequent Events

CNH Industrial UK Limited has evaluated subsequent events through 15 September 2022, which is the date the financial statements were authorized for issuance, and identified the following:

- Effective 1 January 2022, the Iveco Group business was separated from CNH Industrial N.V. by way of a legal statutory demerger to Iveco Group N.V. and Iveco Group became a public listed company independent from CNH Industrial with its common shares trading on Euronext Milan, a regulated market organized and managed by Borsa Italiana S.p.A.
- Escalating tensions between Russia and Ukraine and massive military actions between Russia and Ukraine could adversely impact macroeconomic conditions, give rise to regional instability and result in heightened economic sanctions from the U.S., EU, and UK which may adversely affect the CNH Industrial Group and the business in Russia, Ukraine and potentially elsewhere in Eastern Europe, including possible restrictions on the ability to do business with certain vendors or suppliers as well as the ability to repatriate funds from the region. The Group has conducted business in jurisdictions that may be subject to trade or economic sanction regimes and such sanctions could be expanded.

If CNH Industrial Group fails to comply with sanction regimes or other similar laws or regulations, it could be subject to damages and potentially other financial penalties, suspension of licenses, or a cessation of operations at Group businesses, as well as damage to Group brands' images and reputations.

There can be no guarantee that the Group will be able to quickly and completely adapt the business model to changes that could result from the foregoing, and any such changes may have an adverse effect on the business, results of operations and financial condition.

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.