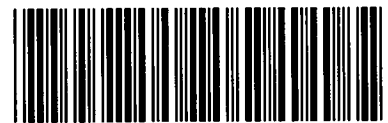


**RANSOMES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
31ST DECEMBER 2017**

**ENGLISH COMPANY REGISTRATION NO. 00019802**

WEDNESDAY



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19/09/2018  
COMPANIES HOUSE

**RANSOMES LIMITED**

English Company Registration No. 00019802

**COMPANY INFORMATION**

**DIRECTORS**

A M Prickett

**SECRETARY**

Eversecretary Limited  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
M1 5ES

**AUDITOR**

Ernst & Young LLP  
400 Capability Green  
Luton  
LU1 3LU

**BANKERS**

Bank of America N.A.  
2 King Edward Street  
London  
EC1A 1HQ

**SOLICITORS**

Eversheds LLP  
Kett House  
1 Station Road  
Cambridge  
CB1 2JY

**REGISTERED OFFICE**

West Road  
Ransomes Europark  
Ipswich  
Suffolk  
IP3 9TT

**RANSOMES LIMITED**

English Company Registration No. 00019802

**STRATEGIC REPORT**

The directors present their strategic report for the year ended 31st December 2017.

**PRINCIPAL ACTIVITY, REVIEW OF OPERATIONS AND FUTURE DEVELOPMENTS**

The principal activity of the company during the year was that of a holding company. Following withdrawal from property activities, the Ransomes Property Developments Limited subsidiary was dissolved on 5th September 2017.

The company's key financial performance indicators during the year were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Profit before tax	17,926	1
Total equity	40,049	22,336

Profit after tax increased by £17,926,000 to a profit of £17,927,000 (2016: £1,000) mainly as a result of dividends received from Ransomes Jacobsen Limited £19,214,000 (2016: £Nil) less a charge of £1,284,000 relating to the dissolution of Ransomes Property Developments Limited.

The future strategy remains to act as the holding company of the Ransomes group of companies and managing investments.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company are the future performance of its principal subsidiaries. The main income generating subsidiary is Ransomes Jacobsen Limited whose commercial turf equipment business operates in a mature market with well-established global competitors. All funding is provided from a group cash pool system, which is unconditionally guaranteed by the ultimate parent company, Textron Incorporated.

By Order of the Board



A M Prickett  
Director

Date 17 / 9 / 18

## **RANSOMES LIMITED**

English Company Registration No. 00019802

### **DIRECTORS' REPORT**

The directors present their annual report and the financial statements of the company for the year ended 31st December 2017.

### **RESULTS AND DIVIDENDS**

The company's profit after taxation for the year was £17,927,000 (2016: £1,000). Interim dividends of £214,000 were paid in respect of the current year (2016: £Nil). No final ordinary dividend is proposed in respect of the current year (2016: £Nil).

### **DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

### **DIRECTORS**

The directors who held office during the year were as follows:

Mr A M Prickett

Mrs A C Lee (resigned 30th June 2017)

No director has a service contract with the company.

### **INCOME AND CORPORATION TAXES ACT 1988**

The close company provisions of this Act do not apply to the company.

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

The directors who were members of the board at the time of approving this report are listed on page 1. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- to the best of his knowledge and belief, there is no information relevant to the preparation of this report of which the company's auditor is unaware; and
- he has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

### **GOING CONCERN**

As at the balance sheet date the company had net assets of £40,049,000. After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

**RANSOMES LIMITED**  
**DIRECTORS' REPORT** Continued

English Company Registration No. 00019802

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 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). The financial statements have been prepared in accordance with FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS102") and the requirements of the Companies Act 2006. 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 those 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 proper 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.

**AUDITOR**

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be proposed at the Annual General Meeting.

By Order of the Board



A M Prickett  
Director

Date 17/9/18

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANSOMES LIMITED

## Opinion

We have audited the financial statements of Ransomes Limited for the year ended 31st December 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 10, 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 31st December 2017 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

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.

## 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANSOMES LIMITED

Continued

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

### Responsibilities of directors

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

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

### 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

*ERNST & YOUNG LLP*

*Chris Nobbs (Senior statutory auditor)*

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

*Date 18 SEPTEMBER 2018*

**RANSOMES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

		2017	2016
	Notes	£'000	£'000
Administrative expenses		(1)	(1)
Other operating charges		(1,284)	-
<b>Operating loss</b>	2	(1,285)	(1)
Income from investments		19,214	-
Interest receivable	3	-	2
Interest payable	3	(3)	-
<b>Profit on ordinary activities before taxation</b>		17,926	1
Taxation on profit on ordinary activities	4	1	-
<b>Profit for the financial year</b>		17,927	1
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		17,927	1

All of the above results are derived from continuing operations.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31ST DECEMBER 2017**

	Share Capital	Profit and Loss Account	Total Equity
	£'000	£'000	£'000
At 1st January 2016	1,387	20,948	22,335
Profit and total comprehensive income for the year	-	1	1
At 31st December 2016	1,387	20,949	22,336
Profit and total comprehensive income for the year	-	17,927	17,927
Dividends	-	(214)	(214)
At 31st December 2017	1,387	38,662	40,049

The retained profit and loss account of the company includes £22,940,000 (2016: £5,227,000) of distributable reserves.



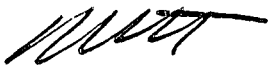
**RANSOMES LIMITED**

English Company Registration No. 00019802

**STATEMENT OF FINANCIAL POSITION  
AS AT 31ST DECEMBER 2017**

	Notes	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Investments	6	21,660	21,660
<b>Current assets</b>			
Debtors	7	18,402	702
<b>Creditors: amounts falling due within one year</b>	8	(13)	(26)
<b>Net current assets</b>		18,389	676
<b>Net assets</b>		40,049	22,336
<b>Capital and reserves</b>			
Called up share capital	9	1,387	1,387
Profit and loss account		38,662	20,949
<b>Total equity</b>		40,049	22,336

Approved by the directors and signed on their behalf by

A M Prickett  
Director

Date 17/9/18

# RANSOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2017

### 1 ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company and rounded to the nearest £'000. The financial statements have been prepared on the historical cost convention.

The company has taken advantage of the following disclosure exemptions under FRS 102 reduced disclosure framework:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a) (iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A.
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.
- The requirements of Section 12 Other Financial Instruments Issues paragraphs 12.26 to 12.29A.

#### **Judgements 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 statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes differ from those estimates.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are set out below:

- **Impairment of investments:** On a periodic basis management makes an estimation of the recoverability of carrying investments values, considering the future performance of its principal subsidiaries.
- **Impairment of debtors:** Estimations of the recoverability of all debtors are considered by management on a periodic basis based on historical experience and the credit rating of debtors.
- **Deferred tax:** The company establishes provisions based on reasonable estimates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Management is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

## RANSOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31ST DECEMBER 2017

#### 1 ACCOUNTING POLICIES Continued

##### **Revenue recognition**

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

##### Interest income

Revenue is recognised as interest accrues using the effective interest method.

##### Dividends

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

##### **Foreign exchange**

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

##### **Investments**

Investments are stated at cost less any provision for impairment.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

- Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Group financial statements**

The financial statements present information about the company and not the group. Group financial statements have not been prepared as the company is a wholly owned subsidiary undertaking which is consolidated within the group financial statements of its ultimate parent undertaking, Textron Inc., as permitted by Section 400 of the Companies Act 2006.

## RANSOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Continued AS AT 31ST DECEMBER 2017

#### 2 OPERATING LOSS IS STATED AFTER CHARGING/(CREDITING):

**Directors' emoluments** – All directors of the company are also directors of other group undertakings. The directors received total remuneration for the year of £169,000 (2016: £227,000), all of which was paid by other group undertakings. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the other group undertakings.

	2017 No.	2016 No.
Number of directors accruing benefits under defined benefit pension schemes	1	2
Number of directors who received shares (RSU's) for qualifying services	-	1
Number of directors who exercised share options over shares in the ultimate parent undertaking	-	1

Auditor's remuneration for the audit of the financial statements in the current and the prior year was borne by a subsidiary undertaking.

No staff were employed during the year (2016: Nil).

**Segmental and Geographical Information** – The company has no turnover. Profit before taxation and net assets relate to the principal activity of the company, being that of a holding company operating in the United Kingdom.

#### 3 INTEREST

	2017 £'000	2016 £'000
<b>Receivable</b>		
Interest receivable from group undertakings	-	2
	_____	_____
<b>Payable</b>		
Interest payable to immediate parent undertaking	(3)	-
	_____	_____

**RANSOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS** Continued  
**AS AT 31ST DECEMBER 2017**

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>(a) Tax on profit on ordinary activities</b>		
The tax charge/(credit) is made up as follows:		
Current Tax:		
UK Corporation tax at 19.25% (2016: 20%)	(1)	-
Adjustment for prior years	-	-
Current tax expense	<u>(1)</u>	<u>-</u>
Deferred Tax:		
Origination and reversal of timing differences	-	-
Effects of changes in tax rates	-	-
Utilisation of unrecognised tax losses	-	-
Deferred tax expense (note 4(c))	<u>-</u>	<u>-</u>
Tax expense included in profit or loss (note 4(a))	<u>(1)</u>	<u>-</u>

In prior years fully owned group companies did not recognise a current tax charge on corporation tax profits arising as they were group relieved for £Nil consideration. Now the group has returned to profitability it has been decided that any profits relieved or losses surrendered will be paid for.

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>(b) Factors affecting current tax charge</b>		
The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:		
Profit on ordinary activities before taxation	17,926	1
UK Corporation tax at 19.25% (2016: 20%)	3,451	-
Actual corporation tax (note 4(a))	(1)	-
Difference	<u>3,452</u>	<u>-</u>
Permanent differences:		
Expenses not deductible for tax purposes	(3,452)	-
Effect of change in tax rate	-	-
Group relief (from)/to other Textron companies	-	-
Timing differences: Other timing differences	-	-
Difference	<u>(3,452)</u>	<u>-</u>

**RANSOMES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS Continued  
AS AT 31ST DECEMBER 2017**

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES Continued**

	2017 £'000	2016 £'000
<b>(c) Deferred tax</b>		<b>£'000</b>
At 1st January 2017	-	-
Effect of change in tax rate	-	-
Charged to profit and loss account	-	-
At 31st December 2017	-	-
	-	-
	-	-
<b><u>Provided</u></b>		
Accelerated capital allowances	-	-
Other timing differences	-	-
	-	-
	-	-
<b><u>Unprovided asset</u></b>		
Accelerated capital allowances	-	-
Other timing differences	-	-
	-	-
	-	-

There is no expiry date associated with the unclaimed capital allowances.

**(d) Factors affecting future tax charges**

The Finance (No.2) Act 2015 enacted on 18th November 2015 reduces the main rate of corporation tax to 19% from 1st April 2017 and to 18% from 1st April 2020. The Finance Act 2016 enacted on 15th September 2016 further reduces the main rate of corporation tax to 17% from 1st April 2020.

Deferred tax assets and liabilities at 31st December 2017 have been calculated at 17%.

The rate changes will impact any future cash tax payment to be made by the company.

**(e) Tax strategy**

The UK tax strategy of the company can be found at <https://investor.textron.com/investors/corporate-governance/default.aspx>.

**5 DIVIDENDS**

	2017 £'000	2016 £'000
<b><u>Equity shares</u></b>		
Interim – 0.154103 pence per share (2016: Nil)	214	-
	214	-

**RANSOMES LIMITED****NOTES TO THE FINANCIAL STATEMENTS Continued  
AS AT 31ST DECEMBER 2017****6 FIXED ASSETS - INVESTMENTS****Shares in subsidiary undertakings**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cost:</b>		
At start and end of the year	21,660	21,660
	<hr/>	<hr/>
<b>Amounts provided:</b>		
At start and end of the year	-	-
	<hr/>	<hr/>
Net book value at end of the year	21,660	21,660
	<hr/> <hr/>	<hr/> <hr/>

Details of principal subsidiaries at 31st December 2017, which unless indicated, are direct subsidiaries of Ransomes Limited:

<b>Name of company</b>	<b>Country of incorporation &amp; Holding (ordinary shares)</b>	<b>Nature of business</b>
Ransomes Jacobsen Limited	England (100%)	Manufacture and sale of machinery

**7 DEBTORS**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by immediate parent undertaking	18,402	-
Amounts owed by other group undertakings	-	689
Other debtors	-	13
	<hr/>	<hr/>
	18,402	702
	<hr/> <hr/>	<hr/> <hr/>

**8 CREDITORS: amounts falling due within one year**

	<b>2017</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	13	26
	<hr/> <hr/>	<hr/> <hr/>

## RANSOMES LIMITED

### NOTES TO THE FINANCIAL STATEMENTS Continued AS AT 31ST DECEMBER 2017

#### 9 CALLED UP SHARE CAPITAL

	2017		2016	
	No.'000	£'000	No.'000	£'000
<i>Ordinary shares of 1pence (2016: 1pence) each:</i>				
Authorised	190,022	1,900	190,022	1,900
Issued and fully paid	<u>138,652</u>	<u>1,387</u>	<u>138,652</u>	<u>1,387</u>

#### 10 PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Textron Limited. The entire issued share capital of the company was acquired from Textron Acquisition Limited on 27th October 2017. The company's ultimate parent undertaking and controlling party is Textron Inc., which is incorporated in the United States of America. Copies of its group financial statements are available from Textron Inc., 40 Westminster Street, Providence, Rhode Island, 02903, USA.

In accordance with Section 33 of FRS 102 related party disclosures with other wholly owned Textron Inc. group companies are not required as the company is a 100% owned subsidiary undertaking.