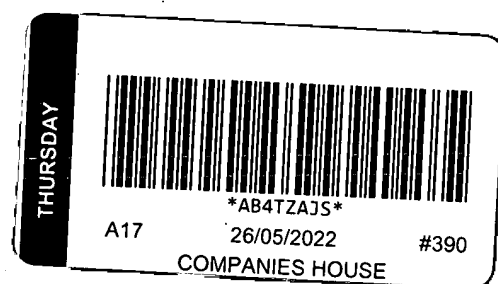


Company Registration No: SC028492

Annual Report and Financial Statements

52 weeks ended 31 October 2021

JOHN DEERE LIMITED



JOHN DEERE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

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JOHN DEERE LIMITED

STRATEGIC REPORT

The directors present the strategic report for the 52-week period ended 31st October 2021 (comparative period 52 week period ended 1st November 2020). The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

PRINCIPAL ACTIVITIES

The principal activities of the company are the importation and distribution of John Deere agricultural, lawn and ground care equipment.

REVIEW OF BUSINESS

The profit for the period was £20,552,000 and profit for 2020 was £25,304,000.

Net assets as at period end have decreased to £40,882,000 (2020: £58,832,000). The reduction is the result of a £40,000,000 dividend paid in the year.

During the year we have continued to see strong demand for equipment both Agricultural and Turf machines as well as parts. On the Agricultural side of the business improved profitability from 2020 has carried over into investment in new equipment resulting in an increase in turnover by 12.6% during the year, the outlook for 2022 is still positive given the strong fundamentals which are discussed in the going concern note below.

The decrease in net profit compared to the prior period of 18.8% is the result of movements in the fair value of derivative assets and liabilities. Underlying trade has improved on the prior year as outlined above.

Future Developments

The plan for the future of the company is to continue current operations. Farm income is considered as one of the main drivers in defining the size of the agricultural machinery market. The impact of changes to tariffs and duties, on imports and exports, are also being reviewed to understand how this may affect the company in the future.

Key performance indicators

Within the large number of performance indicators utilised by the company, two of the main performance indicators relate to sales growth and return on capital employed (defined as profit after tax divided by net current assets). During the year the company has maintained their strong sales performance with an increase in sales of 12.6% (2020: decrease of 3.9%). The return on capital employed for the period was 61.7%, (2020: return on capital employed of 53.6%).

The director is satisfied with productivity, expressed as turnover per employee, of £7,457,000 (2020: £5,583,000).

Principal risks and uncertainties

The main risk to future profitability continues to be related to farmers' incomes. As with any business there is always a risk from competition and product innovations within the farming sector. On the lawn and garden side of the business competition, climatic conditions and interest rates are some of the risk factors. The company believes that, through its strong customer relations, dealer excellence, product differentiation and continuing product reliability, it is adequately placed to mitigate these risks.

Liquidity and credit risk

The directors believe the liquidity and credit risk is low as external debtors are covered by a debt factoring arrangement by a fellow group company.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Events after the balance sheet date

There are no subsequent events that the directors consider a material impact on the accounts.

JOHN DEERE LIMITED

STRATEGIC REPORT (Continued)

Foreign currency risk

The company is subject to foreign currency risk as purchases are made from overseas. To mitigate this risk the group enters into foreign currency contracts on the company's behalf. These contracts are now disclosed in the accounts of the company and can be seen in note 16.

Section 172 (1) Statement

Section 172 of the Companies Act 2006 a director of a company to act in the way that he or she considers, in good faith, would be most likely to promote the success of the company for the benefits of its members as a whole. In doing this, section 172 requires a director to have regard, among other matters, to: the likely impacts of any decisions in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The directors have given careful consideration to the factors set out above in discharging their duties under section 172. We consider all stakeholders including our employees, our suppliers, our dealers, our customers, and the communities in which we work.

Our employees

The company values all our employees and the work that they do for us. The company communicates it all employees on a regular basis including an all employee call every quarter detailing company results and other topics the company feels employees need to be made aware of. We also feel the best culture is one that brings out the best in all of us. John Deere Employee Resource Groups are company-sponsored, employee-run organisations that are built around common interests or experiences to build a better, more inclusive business environment. Globally we employ more than 69,000 people.

Our suppliers

The majority of the John Deere Limited suppliers are other group companies, however there are a number of national and local suppliers that the company works with. The company follows section 3 of the Small Business, Enterprise and Employment Act 2015 and reports on a half-yearly basis on their payment practices, policies, and performance. The latest report to 1st November 2020 shows that the company paid 66% of their invoices with 30 days, 27% between 31-60 days and 7% 61 days or more. Invoices due but not paid within the agreed terms were 7% for the 6 month period. This was in line with previous reporting periods; however, we continue to work hard to ensure this is kept to a minimum

Our dealers and customers

John Deere customer are at the centre of everything we do. Our easy to use technology helps deliver results they see in the field on the job site and on the balance sheet. We ensure seamless access to complete goods, parts, services, in addition we provide performance upgrades from take home to trade-in providing world-class support throughout the life cycle of our equipment with productivity and sustainability in mind.

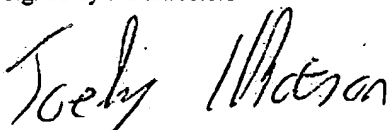
The communities in which we work

Wherever we operate, John Deere is committed to being a responsible corporate citizen. Globally the company and its foundation made large charitable donations. These contributions focussed on helping local communities grow, providing quality educational opportunities and empowering smaller farmers in developing markets. In addition, Deere employees supported their communities through extensive volunteering programmes.

Political and charitable donations

During the period, the company made charitable donations of £250 (2020: £1,037). There were no political donations in either the current or prior period.

Approved and signed by the Directors



J Ibbotson, E Stephenson, B D'Arcy
Company Directors

Company Registered Office address - 5th Floor, Quartermile Two, 2 Lister Square, Edinburgh EH3 9GL

25 May 2022

JOHN DEERE LIMITED

DIRECTOR'S REPORT

The directors present the annual report and the audited financial statements for the 52-week period ended 31st October 2021.

DIRECTORS

The director who served during the period and up to the date of signing were:

J Ibbotson (Appointed 11th December 2020)

E Stephenson (Appointed 11th December 2020)

B D'Arcy (Appointed 23rd April 2021)

J Henry (resigned 11th December 2020)

The directors listed above, do not have any beneficial interest in the shares of the company or in any other company registered within the United Kingdom.

DIRECTORS INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE BALANCE SHEET DATE

Details of future developments can be found in the Strategic Report on page 1 and events that have occurred after the balance sheet date can be found below in the going concern area of the Director's Report by cross-reference.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company is continued and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE INVOLVEMENT

Company employees are kept informed on matters of concern to them, including those factors affecting the performance and future of the business by the issue of circulars and briefing notes. Quarterly all employee meetings are held where Health and Safety metrics, a global and local financial update is provided, employee service awards are presented and any other topics that are of interest or important to the employees as discussed.

DIVIDEND

A dividend of £40m was paid on the 10th August 2021, no final dividend has been proposed. (No dividend paid in 2020)

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of financial risk management objectives and policies can be found in the principal risks section of the Strategic Report on page 1 and form part of this report by cross-reference.

POLITICAL AND CHARITABLE DONATIONS

Refer to Strategic report for details.

GOING CONCERN

The directors have prepared a forecast up to October 2023.

2022 looks set to be dominated by the recovery to the identified risks from 2021 namely Brexit and COVID-19. Whilst we continue to see tail winds with positive fundamentals from crop prices, economic growth and increased investment in infrastructure there is still supply chain pressures that may pose challenges in our industry as well as other macro-economic pressures including the increased inflation and interest rates.

Supporting Dealers and Customers: Because maintaining customer uptime is critical to delivering value to our customers, Deere continues to produce and ship machinery and repair parts to meet demand. Responding to this demand in the face of the pandemic and Brexit has been a challenge as a result various regulatory, economic, and other barrier that have affected production facilities and the supply chain. The company is represented by a world class dealer channel that has continued operating throughout. Leveraging digital tools and connected support abilities has allowed our dealers to remote service customer machines and maintain appropriate social distancing protocols. Measures to ensure continuity of operations have helped customers to continue essential work of prompting food security and providing critical infrastructure.

JOHN DEERE LIMITED

DIRECTOR'S REPORT (Continued)

The Directors have modelled alternative scenarios which demonstrate that the Company has sufficient cash resources to meet its liabilities as they fall due and manage the liquidity demands of the business for the foreseeable future, including a period of at least twelve months from the date of approval of these financial statements. As a cash generating part of the group the company has increased their reserves in line with expectations. Net assets as at period end have decreased to £40,882,000. (2020: £58,832,000). The reduction is the result of a £40,000,000 dividend paid in the year.

The companies defined benefit pension scheme has also been reviewed and assessed and the latest provision shows that existing pension asset has not changed significantly despite the changes in bonds, gilts and equities values during the pandemic.

With the actions taken and detailed above and accordingly the director continues to adopt the going concern assumption in preparing the financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

In line with the changes in regulations in relation to Companies Act 2006, John Deere Limited has undertaken an external agency, JRP Solutions Ltd to conduct the analysis for energy efficiencies as required; below are the findings.

Summary

John Deere Limited has commissioned this report from JRP Solutions Ltd to confirm and validate their greenhouse gas emissions for the 20/21 reporting period. Total emission for the year were 415 tonnes of carbon dioxide equivalents (tCO₂e) based on a verified usage of 1,850,728 kilo-Watt-hours (kWh) of energy. Emissions have reduced by 24.7% on the previous reporting year and baseline reporting year. As this is the second year of reporting the baseline and previous year are the same. Areas of changes are identified in Table 1.

Energy Efficiency Action

The organisation has undertaken one energy efficiency action (EEA) in this reporting year - LED light bulb replacement.

Methodology

This report has been compiled in line with the "Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019".

Due to changes in the understanding of the passenger vehicle information and how this should be interpreted, the baseline data has been corrected and the baseline data quoted in this report will vary from that shown in the 2019/20 report.

Boundary

A Financial Control Boundary has been chosen for reporting on Green House Gases (GHGs).

A financial boundary has been chosen which ensures that the energy and carbon reporting aligns to other annual financial reporting.

All sites and companies in the UK have been included in the reporting for 19/21, even if they do not qualify in their own right. In 20/21 the Newton warehouse site has been excluded as its lease has expired and is no longer within the organisational boundary.

In 19/20 and 20/21 both Newton Warehouse sites were omitted from the report as these sites had an operational lease tenure (active until 19/20). As per the environmental reporting guidelines, this means the lessee does not have ownership or financial control. Therefore, emissions associated with fuel combustion are scope 3 and with use of purchased electricity are scope 3. Consequently, emissions are beyond the scope of this report as only grey fleet scope 3 emissions are being reported.

Reporting Period

This report covers emissions from the period 02 Nov 2020 to 31 Oct 2021. This reporting period has been chosen to match the organisations own financial reporting year.

Environmental Impacts

Only environmental impacts from greenhouse gases (GHG) are included in this report/section.

Environmental impacts from waste, water, resource efficiency, ecosystem interaction and other none-GHG emitting activities are considered separately and are outside the scope of this report/section.

The report has been limited to Scope 1 and Scope 2 emissions with Scope 3 emissions for grey fleet travel as required by SECR reporting for large unquoted companies.

JOHN DEERE LIMITED

DIRECTOR'S REPORT (Continued)

Greenhouse Gas Emissions

Table 1 below shows the GHG emissions for John Deere Limited in tonnes of carbon dioxide equivalent for the base year of 19/20 and the current reporting year. Total emissions for 20/21 are 415 tonnes of carbon dioxide equivalent. The general definitions of the GHG Scopes are detailed below:

Scope 1 – All Direct Emissions from the activities of an organisation or under their control. Including combustion of fuel on site such as gas boilers, purchased fuel for vehicles and air-conditioning leaks.

Scope 2 – Indirect Emissions from electricity purchased and used by the organisation.

Scope 3 – All Other Indirect Emissions from activities of the organisation, occurring from sources that they do not own or control. Only Grey Fleet/employee car mileage claims need including for SECR.

Table 1: Greenhouse Gas Emission (GHG)

	Emission Source	Units	Baseline	Last Year	Report Year
			19/20	19/20	20/21
Scope 1	Gaseous Fuel	Emissions (tCO ₂ e)	80.4	80.4	93.5
	Liquid Fuel	Emissions (tCO ₂ e)	122.6	122.6	84.7
	Passenger Vehicles	Emissions (tCO ₂ e)	207.2	207.2	119.1
	Site Vehicles	Emissions (tCO ₂ e)	16.5	16.5	20.8
	Sub Total	Emissions (tCO₂e)	426.7	426.7	318.1
Scope 2	Grid Electricity	Emissions (tCO ₂ e)	115.2	115.2	95.3
	Sub Total	Emissions (tCO₂e)	115.2	115.2	95.3
Total Scope 1 and 2		Emissions (tCO₂e)	541.9	541.9	413.9
Scope 3	Grey Fleet	Emissions (tCO ₂ e)	9.4	9.4	1.5
	Sub Total	Emissions (tCO₂e)	9.4	9.4	1.5
TOTAL EMISSIONS		Emissions (tCO₂e)	551.4	551.4	415.0
Variance		%	-24.7%	-24.7%	
Carbon Offsets & Green Tariffs Purchased		Emissions (tCO ₂ e)	0.0	0.0	0.0
TOTAL EMISSIONS WITH		Emissions (tCO₂e)	551.4	551.4	415.0
Variance		%	-24.7%	-24.7%	

Underlying Energy Use

Table 2 below shows the energy use for John Deere Limited in kilowatt hours (kWh) for the base year of 19/20 and the current reporting year. Total energy used for 20/21 was 1,850,728 kWh.

Table 2: Underlying Energy Use

	Emission Source	Units	Baseline	Report Year	Report Year
			19/20	19/20	20/21
Scope 1	Gaseous Fuel	Energy (kWh)	437,426	437,426	510,286
	Liquid Fuel	Energy (kWh)	457,753	457,753	316,001
	Passenger Vehicles	Energy (kWh)	831,247	831,247	481,303
	Site Vehicles	Energy (kWh)	68,791	68,791	87,941
	Sub Total	Energy (kWh)	1,795,218	1,795,218	1,395,530
Scope 2	Grid Electricity	Energy (kWh)	494,229	494,229	448,819
	Sub Total	Energy (kWh)	494,229	494,229	448,819
Total Scope 1 and 2		Energy (kWh)	2,289,447	2,289,447	1,844,349
Scope 3	Grey Fleet	Energy (kWh)	38,427	38,427	6,379
	Sub Total	Energy (kWh)	38,427	38,427	6,379
TOTAL ENERGY		Energy (kWh)	2,327,873	2,327,873	1,850,728
Variance		%		0.0%	-20.5%

JOHN DEERE LIMITED

DIRECTOR'S REPORT (Continued)

Intensity Ratios

The tables below show the intensity ratios for the organisation.

Table 3: Operation Consumption Intensity Ratios

Type	Units	Baseline	Last Year	Report Year
		19/20	19/20	20/21
Floor Area	kWh/GIA m ²	238.1	238.1	189.3

Table 4: Operation Emissions Intensity Ratios

Type	Units	Baseline	Last Year	Report Year
		19/20	19/20	20/21
Floor Area	tCO ₂ e/GIA m ²	56.40	56.40	42.45

Energy Efficiency Actions Taken

During the reporting year 20/21 the following energy efficiency actions were taken:

Category	Title	Description
Lighting	LED Lighting upgrade	Continuation – Lighting is being progressively upgraded to LED for improved energy efficiency.

Assurance

The data and information included in this report has been compiled and verified by independent consultants JRP Solutions Limited. Electricity and gas consumption are both provided from monthly invoices that include a combination of estimated and actual reads. Heating oil and red diesel consumption data has been provided from delivery invoices. Litres of diesel and petrol used for business trips and miles claimed for grey fleet is compiled through the company expenses system.

AUDITOR

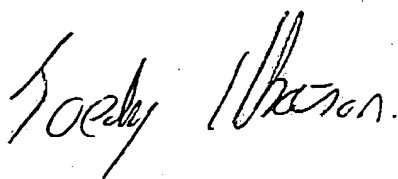
The Directors at the date of approval of this report confirm that:

- (1) so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved and signed by the Directors



J Ibbotson, E Stephenson, B D'Arcy
Company Directors

Company Registered Office address - 5th Floor, Quatermile Two, 2 Lister Square, Edinburgh, EH3 9GL

25 May 2022

JOHN DEERE LIMITED

DIRECTOR'S RESPONSIBILITY STATEMENT

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 period. 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) including FRS102 "The Financial reporting Standard Applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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.

JOHN DEERE LIMITED

Independent auditor's report to the members of John Deere Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of John Deere Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

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 Financial Reporting Council's (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 of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

JOHN DEERE LIMITED

Independent auditor's report to the members of John Deere Limited (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue Cut-Off: Detail testing is performed on goods sold in the two weeks prior to and post the balance sheet date to ensure that these have been recognised in the correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

JOHN DEERE LIMITED

Independent auditor's report to the members of John Deere Limited (Continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.

Carl Acton

Carl Acton (Senior statutory auditor) BA (Hons) BFP FCA

For and on behalf of Deloitte LLP

Statutory Auditor

Manchester, United Kingdom

25 May 2022

JOHN DEERE LIMITED

PROFIT AND LOSS

For the period ended 31 October 2021

	Note	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
TURNOVER	3	559,248	496,928
Cost of sales		(516,550)	(454,724)
Gross profit		42,698	42,204
Distribution costs		(3,018)	(3,845)
Administrative expenses		(10,882)	(13,296)
OPERATING PROFIT	4	28,798	25,063
Interest receivable and similar income		103	275
Other finance (expense)/income (net)	6	(3,658)	6,208
Interest payable and similar expenses		(4)	-
PROFIT BEFORE TAXATION		25,239	31,546
Tax on profit	7	(4,687)	(6,242)
PROFIT FOR THE FINANCIAL PERIOD		20,552	25,304

All of the transactions relate to continuing operations.

The notes to the accounts on pages 15 to 30 form part of the financial statements.

JOHN DEERE LIMITED**STATEMENT OF COMPREHENSIVE INCOME****For the period ended 31 October 2021**

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Profit for the period	20,552	25,304
Remeasurement of net defined benefit asset	2,489	(1,065)
Deferred tax on actuarial (loss)/ gain	(1,009)	323
Total comprehensive income	22,032	24,562

JOHN DEERE LIMITED

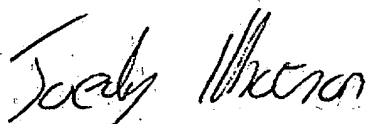
BALANCE SHEET

As at 31 October 2021

	Note	31 October 2021 £'000	1 November 2020 £'000
FIXED ASSETS			
Tangible assets	8	1,953	2,264
Investments	9	10,300	10,300
Pension asset	18	7,083	4,493
		<u>19,336</u>	<u>17,057</u>
CURRENT ASSETS			
Stocks	10	13,827	23,761
Debtors	11	113,745	112,033
Cash at bank and in hand		8,612	8,651
		<u>136,184</u>	<u>144,445</u>
CREDITORS: amounts falling due within one year	12	<u>(114,638)</u>	<u>(102,670)</u>
NET CURRENT ASSETS		<u>21,546</u>	<u>41,755</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>40,882</u>	<u>58,832</u>
NET ASSETS		<u>40,882</u>	<u>58,832</u>
CAPITAL AND RESERVES			
Called up share capital	14	5,013	5,013
Share premium account	14	5,612	5,612
Profit and loss account	14	30,257	48,207
SHAREHOLDERS' FUNDS		<u>40,882</u>	<u>58,832</u>

The notes to the accounts of John Deere Limited, registered number SC028492, on pages 15 to 30 form part of the financial statements and these financial statements were approved by the Board of Directors and authorised for issue on 25 May 2022.

Signed on behalf of the Board of Directors



J Ibbotson, E Stephenson, B D'Arcy

Company Directors

JOHN DEERE LIMITED

STATEMENT OF CHANGES IN EQUITY

52 week period ended 31 October 2021

	Note	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 3 November 2019		5,013	5,612	23,645	34,270
Profit for the financial period		-	-	25,304	25,304
Remeasurement of net defined benefit asset	18	-	-	(1,065)	(1,065)
Tax relating to items of other comprehensive income	13	-	-	323	323
Total comprehensive income		-	-	24,562	24,562
Dividends paid on equity shares		-	-	-	-
At 1 November 2020		5,013	5,612	48,207	58,832
Profit for the financial period		-	-	20,552	20,552
Remeasurement of net defined benefit asset	18	-	-	2,489	2,489
Tax relating to items of other comprehensive income	13	-	-	(1,009)	(991)
Total comprehensive income		-	-	22,032	22,450
Dividends paid on equity shares		-	-	(40,000)	(40,000)
At 31 October 2021		5,013	5,612	30,239	40,882

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

John Deere Limited, company number SC028492, is a private limited company, limited by shares, incorporated in the Scotland, United Kingdom under the Companies Act and registered in Scotland. The address of the registered office is given on page 4. The nature of the group's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the company is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

John Deere Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available. John Deere Limited is consolidated into the financial statements of its ultimate parent company, Deere & Company, which may be obtained from the address in note 20. Exemptions have been taken as per FRS102 section 1.12 (d) in relation to share-based payments, financial instruments, related party transactions, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The director has prepared a forecast up to October 2023, this forecast continues to show strong market performance with a profitable return; the company continues to have more than sufficient liquid resources to enable it to pay its liabilities as they fall due. The results to date are in line with the forecast. The company does not have any external debt, deeds or covenants and accordingly the directors continue to adopt the going concern assumption in preparing the financial statements.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. No depreciation is charged on freehold land. It is provided on all other assets in equal annual instalments, based on cost, to reduce assets to their residual value over their expected useful lives. The rates of depreciation used are as follows:

Buildings	5% to 10% per annum
Plant and machinery	10% to 20% per annum
Fixtures, fittings, tools and equipment	10% to 25% per annum

Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

1. ACCOUNTING POLICIES (Continued)

Investments

In the company's balance sheet, investments in subsidiaries are measured at cost less impairment.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

The company also uses derivatives financial instruments to reduce the exposure to foreign exchange risk. The company does not hold any financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit or loss immediately.

Taxation

Current tax, including UK corporation tax and foreign 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 tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

1. ACCOUNTING POLICIES (Continued)

Taxation (Continued)

and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is represented by the purchase price of finished goods including importation costs. Cost is calculated using the weighted average cost method. Net realisable value is based on estimated selling price less all further costs to completion including all relevant marketing, selling and distribution costs.

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Pension costs

Retirement benefits to employees are provided by a defined benefit scheme, which is funded by contributions from the company and employees. The company accounts for the defined benefit scheme in accordance with FRS 102 section 28. Operating profit is charged with the cost of providing pension benefits earned by employees in the period and gains and losses on settlements and curtailments. The expected return on pension scheme assets less the interest on pension scheme liabilities is shown as other finance income/(costs) within the profit and loss account. Past service costs are recognised immediately in the profit and loss account if the benefits have vested.

Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on the pension scheme liabilities and the effects of changes in demographics and financial assumptions are included in the statement of comprehensive income.

Foreign currency balances

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the translation rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Share options

The company issues Restricted Share Units (RSU's) in the ultimate parent company to certain employees. The RSU's vest on the 3rd anniversary of their grant date and are expensed at this point. At grant date RSU's become actual shares and can be held in a brokerage account, transferred to another broker or sold for cash.

Turnover

Turnover, which arises wholly in the United Kingdom and Ireland, represents amounts receivable for goods sold to customers in the ordinary course of business net of retail sales discounts and sales taxes. Turnover is recognised when the risks and rewards of ownership are deemed to have been transferred. All turnover relates to the principal activities of the company.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

1. ACCOUNTING POLICIES (Continued)

Interest receivable and similar income

Interest receivable arises from intercompany loans and cash pooling, similar income has been recognised from internal or external commissions and channel fees. All income is recognised on receipt.

Consolidation

The company is exempt from the obligation to prepare and deliver consolidated financial statements under s400 of the Companies Act 2006. This is due to the fact that it is included in the consolidated financial statements prepared by Deere & Company, the ultimate parent company – see note 20. These financial statements therefore present information about the company and not about its group.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical accounting judgements, apart from those involving estimations (which are dealt with separately below), that the director has made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Warranty Provision

In line with company policy the warranty provision is calculated with assistance from actuaries based on the current profit/loss ratio of the programme. Since 2009 the John Deere Limited has retained the provision in relation to its extended warranty program, PowerGard. A range of reasonable estimates is produced by considering the sensitivity of reasonable alternative assumptions.

Pension scheme

The companies Defined Benefit pension scheme valuation is calculated with the assistance from the actuaries. The assumptions that are used for discounts rate, inflation rate, increases in pensions in payment and salary increases are all made with advice from the actuaries and in consultation with the pension trustees. In addition, there are sensitivities regarding all the principal assumptions to measure the scheme liabilities. These are all detailed in the note below.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

3. TURNOVER

An analysis of the company's turnover by geographical market is set out below.

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Turnover: UK and Ireland	559,248	496,928

An analysis of the company's turnover is as follows:

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Sale of goods	559,248	496,928
	<u>559,248</u>	<u>496,928</u>

4. OPERATING PROFIT

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Operating profit is stated after charging/(crediting):		
Rents under operating leases:		
Plant and machinery	337	229
Other	168	385
Gain on foreign exchange	(183)	(98)
Depreciation	255	284
Sales, Administration and General expenses	6,994	9,643
Foreign exchange cost of sales	13,298	(5,845)
Freight on sales	3,215	3,206
Cost of stock recognised as an expense	492,229	438,052

The analysis of auditor's remuneration is as follows:

Total audit fees - fees payable to the company's auditor for the audit of the company's financial statements

Total non-audit fees - other services pursuant to legislation

50	52
-	-

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Director's remuneration		
Remuneration:		
Salaries and taxable benefits	336	234
Pension contributions	82	58
	<u>418</u>	<u>292</u>
Remuneration of the highest paid director:		
Emoluments	147	234
Company contributions to money purchase schemes	-	-
	<u>-</u>	<u>-</u>
	Number	Number
The number of directors to whom retirement benefits are accruing in respect of qualifying services in respect of defined benefit schemes	2	1
Are members of a money purchase pension scheme	<u>1</u>	<u>-</u>

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

During the year three directors were paid by John Deere Limited and their remuneration is disclosed above. None of the directors exercised any share options in the period.

	52 week period Ended 31 October 2021 Number	52 week period Ended 1 November 2020 Number
Average number of persons employed:		
Sales and distribution	58	72
Administration	17	17
	<u>75</u>	<u>89</u>
	£'000	£'000
Staff costs incurred during the period:		
Wages and salaries	4,540	5,583
Social security costs	589	741
Other pension costs	1,035	1,492
	<u>7,048</u>	<u>7,816</u>

Other pension costs reflect the amounts charged to operating profit. Other costs, such as interest cost, expected return on assets and actuarial gains and losses are excluded.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

6. OTHER FINANCE INCOME/(EXPENSE) (NET)

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Interest income on pension scheme assets (note 18)	833	951
Interest on pension scheme liabilities (note 18)	(755)	(841)
Movement in fair value of derivative balance (note 17)	(3,736)	6,098
	<u>(3,658)</u>	<u>6,208</u>

7. TAX ON PROFIT

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Current tax		
UK corporation tax at 19% (2020: 19%) based on profit for the period	4,796	5,993
Adjustment in respect of prior periods	(25)	2
Total current tax charge	<u>4,771</u>	<u>5,995</u>
Deferred tax		
Origination and reversal of timing differences	23	143
Adjustments in respect of prior periods	0	0
Effect of changes in tax rates	(107)	104
Total deferred tax charge/(credit) (note 13)	<u>(84)</u>	<u>247</u>
Tax on profit	<u>4,687</u>	<u>6,242</u>

Corporation tax is calculated at 19% (2020: 19% of estimated taxable profit for the year. The 2021 Budget announced a change to the UK main rate of corporation tax, increasing it from 19% to 25% with effect from 1 April 2023. This change to the UK main rate of corporation tax was substantively enacted as part of Finance Bill 2021 (on 24 May 2021) and therefore a tax rate of 25% was used to calculate deferred tax.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

7. TAX ON PROFIT (Continued)

The actual tax charge for the period and previous period differs from the standard rate for the reasons set out in the following reconciliation:

	52 week period Ended 31 October 2021 £'000	52 week period Ended 1 November 2020 £'000
Profit before taxation	25,240	31,546
Tax on profit at standard rate of 19% (2020: 19%)	4,796	5,994
Factors affecting tax charge for the period:		
Expenses not deductible for tax purposes	23	23
Net pension scheme adjustment	-	121
Effect of deferred tax rate changes	(107)	104
Adjustments in respect of prior periods	(25)	-
Total tax charge for the period	4,687	6,242

8. TANGIBLE ASSETS

	Freehold land & buildings £'000	Plant & machinery £'000	Fixtures, fittings, tools & equipment £'000	Total £'000
Cost				
At 1 November 2020	3,291	1,268	1,154	5,713
Additions	38	16	72	126
Disposals	(48)	(240)	(19)	(307)
At 31 October 2021	3,281	1,044	1,207	5,532
Accumulated depreciation				
At 1 November 2020	2,002	462	984	3,448
Charge for the period	97	80	78	255
Disposals	(20)	(85)	(19)	(124)
At 31 October 2021	2,079	457	1,043	3,579
Net book value				
At 1 November 2020	1,289	805	170	2,264
At 31 October 2021	1,202	587	164	1,953

There are no outstanding contractual commitments for the purchase of property, plant, or equipment.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

9. INVESTMENTS HELD AS FIXED ASSETS

Shares in
subsidiary
undertakings
£'000

Cost and net book value at 1 November 2020 and 31 October 2021

10,300

An impairment review is performed on an annual basis and in addition with consideration to the COVID-19 situation an additional review has been completed and in management opinion no impairment is required.

The company's subsidiaries were as follows:

Name of company Subsidiary undertakings	Country of registration (or incorporation and operation)	Registered Office	Holding	Proportion of voting rights and share held	Nature of business
Vapormatic Co Limited*	England and Wales	Kestrel Way, Exeter, EX2 7LA. UK	Ordinary shares	100%	Parts distributor
Vapormatic Co (PTY) Limited	Australia	Company Dissolved	Ordinary shares	100%	Dissolved
Vapormatic de Mexico S.A de CV	Mexico	Acceso V No. 110-A Nave 5. Desarrollo Montaña 2000 Sección III76150, Querétaro, Qro. MÉXICO	Ordinary shares	100%	Parts distributor
Vapormatic SARL	France	Cité Noiret 02250 Marle France	Ordinary shares	100%	Dissolved
Vapormatic Co Limited	Ireland	168 Walkinstown Road, Dublin 12, Ireland	Ordinary shares	100%	Parts distributor
Services Administrativos Vapormatic S.A. de CV	Mexico	Acceso V No. 110-A Nave 5. Desarrollo Montaña 2000 Sección III76150, Querétaro, Qro. MÉXICO	Ordinary shares	100%	Dormant
Vapormatic NZ Limited	New Zealand	111 Higgins Road Frankton Hamilton 3242 New Zealand	Ordinary shares	100%	Ceased trading
Vapormatic S.A.	Spain	Calle Industria, 574 – 576, 08918 Badalona, Barcelona, Spain	Ordinary shares	100%	Ceased trading
Vapormatic UK Limited	England and Wales	Kestrel Way, Exeter, EX2 7LA	Ordinary shares	100%	Parts distributor
Vapormatic Europe Limited	England and Wales	Kestrel Way, Exeter, EX2 7LA	Ordinary shares	100%	Parts distributor

*indicates direct
shareholding.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

10. STOCKS

	31 October 2021 £'000	1 November 2020 £'000
Finished goods	13,827	23,761

There is no material difference between the balance sheet value of stocks and their replacement cost.

11. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	31 October 2021 £'000	1 November 2020 £'000
Other debtors	202	3,025
Corporation tax	-	558
Trade debtors	39	979
Amounts due from group companies	113,123	104,793
Derivative financial instruments (note 16)	381	2,678
	<u>113,745</u>	<u>112,033</u>

Amounts due from group companies are all repayable on demand with no interest charged.

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 October 2021 £'000	1 November 2020 £'000
Trade creditors	3,877	3,641
Amounts owed to group undertakings	11,252	15,736
Corporation tax	422	-
Deferred tax (note 13)	1,733	808
Other taxation and social security	16,353	11,865
Accruals	47,683	43,984
Warranty provision	30,579	25,336
Derivative financial instruments (note 16)	2,739	1,300
	<u>114,638</u>	<u>102,670</u>

Amounts due to group companies are all payable on demand with no interest charged.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

13. DEFERRED TAXATION

	31 October 2021 £'000	1 November 2020 £'000
Liability at start of period	(808)	(884)
Profit and loss account charge/(credit) for the period (note 7)	84	(247)
Other comprehensive income	(1,009)	323
Liability at end of period (note 12)	<u>(1,733)</u>	<u>(808)</u>

The deferred tax rate for 2021 is 25% (2020 19%)

The amount of deferred taxation provided in the financial statements is as follows:

	31 October 2021 £'000	1 November 2020 £'000
Accelerated capital allowances	148	111
Short-term timing differences	(185)	(156)
Deferred tax on pension asset	1,770	853
	<u>1,733</u>	<u>808</u>

There are no unprovided deferred tax balances in either the current or prior period. Deferred tax is not provided where there is uncertainty over the recovery of the asset. Tax expected to be recoverable from reversal of short-term timing differences, accelerated capital allowances and future pension contributions has been provided.

14. CALLED UP SHARE CAPITAL AND RESERVES

	31 October 2021 £'000	1 November 2020 £'000
Issued, allotted and fully paid 5,012,581 ordinary shares of £1 each	<u>5,013</u>	<u>5,013</u>

The company has one class of ordinary share which carries no right to fixed income.

The company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

15. OPERATING LEASE COMMITMENTS

At 31st October 2021 total future minimum lease payments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	31 October 2021 £'000	1 November 2020 £'000	31 October 2021 £'000	1 November 2020 £'000
- within one year	-	-	21	211
- between one and five years	-	1,318	287	39
	<u>-</u>	<u>1,318</u>	<u>308</u>	<u>250</u>

16. WARRANTY PROVISION

	Current 2021 £'000	2020 £'000
Liability at start of year	25,336	26,496
Utilised during the year	(5,940)	(5,121)
Additional contracts taken out during the year	11,689	5,730
Change in loss provision during the year	(506)	(1,769)
	<u>30,579</u>	<u>25,336</u>

The warranty provision is calculated with assistance from actuaries based on the current profit/loss ratio of the programme. The current estimate of the loss ratio is 131% (2020: 156%). Whilst the provisions are expected to be utilised within one year, there is uncertainty over timing.

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

17. DERIVATIVE FINANCIAL INSTRUMENTS

	Current	
	2021	2020
	£'000	£'000
Group		
Derivatives that are carried at fair value		
Assets		
Forward foreign currency contracts (note 11)	381	2,678
	<u>381</u>	<u>2,678</u>
Liabilities		
Forward foreign currency contracts (note 12)	2,739	1,300
	<u>2,739</u>	<u>1,300</u>

The company has entered into contracts to purchase goods from suppliers in Europe and the USA. The company has entered into forward foreign currency contracts to reduce the exchange rate risk arising from these anticipated future transactions. The fair value of the contracts are quoted as at the closing exchange rates for the Dollar and Euro on 31 October 2021.

As a qualifying entity as defined under FRS 102 section 1 "Scope of FRS 102" the company has taken advantage of the exemption to disclose the requirements of FRS 102 Section 11 "Basic Financial Instruments" and FRS 102 Section 12 "Other Financial Instrument Issues" on the basis that equivalent disclosures are included in the consolidated financial statements of Deere & Company, a company registered in the United States of America.

18. PENSIONS

The company operates a defined benefit scheme for all qualifying employees. The assets of the scheme are held in separate trustee administered funds. The scheme is subject to triennial valuation by independent actuaries, the last valuation being carried out as at 31 October 2020, using the projected unit credit method, in which the actuarial liability makes allowances for projected earnings. The major assumptions used for the actuarial valuation were:

	31 October 2021	1 November 2020
Discount rate	1.81%	1.75%
Inflation rate	3.25%	2.80%
Increases to pensions in payment	3.05%	2.70%
Salary increases	4.00%	3.60%

Mortality assumptions

Investigations have been carried out within the past three years into the mortality experience of the group's defined benefit schemes. These investigations concluded that the current mortality assumptions include sufficient allowances for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	Valuation at:	
	31 October 2021	1 November 2020
Retiring today:		
Male	23.0	23.7
Female	24.9	24.8
Retiring in 20 years:		
Male	24.9	25.5
Female	27.0	26.8

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

18. PENSIONS (Continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Inflation	Increase/decrease by 0.1%	Increase/decrease by 2%
Rate of discount	Increase/decrease by 0.1%	Decrease/increase by 2%
Pension in payment increases	Increase/decrease by 0.1%	Increase/decrease by 1.9%
Mortality rates	Increase by 1 year	Increase by 2.5%

The assets in the pension scheme and the expected rate of return were:

	Value at 31 October 2021 £'000	Value at 1 November 2020 £'000	Value at 3 November 2019 £'000
Equities	-	-	-
Bonds and cash	56,689	54,447	51,396
Total market value of assets	56,689	54,447	51,396
Present value of scheme liabilities	(49,606)	(49,954)	(46,052)
Asset/(deficit) in the scheme	7,083	4,493	5,344
Related deferred tax (liability)/asset	(1,770)	(853)	(908)
Net pension surplus	5,312	3,639	4,436

	2021 £'000	2020 £'000
Analysis of the amount charged to operating profit		
Current service cost	803	805
Analysis of the amounts (debited)/credited to other finance income		
Expected return on pension scheme assets	833	951
Interest on pension scheme liabilities	(755)	(841)
Net finance income/(expense)	78	110
Analysis of the amount recognised in statement of other comprehensive income		
Return on plan assets	2,258	2,290
Effect of experience adjustments	2,892	-
Changes in assumptions	(2,661)	(3,355)
Actuarial (loss)/gain recognised in other comprehensive income	2,489	(1,065)

JOHN DEERE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

52 week period ended 31 October 2021

18. PENSIONS (Continued)

The actual return on scheme assets was £3,091,000 (2020: £3,241,000).

	2021 £'000	2020 £'000
Movements in the fair value of scheme assets were as follows:		
At 2 November 2020	54,446	51,396
Employer contributions	826	908
Members' contributions	157	173
Expected return on assets	2,258	2,290
Actuarial gains	-	-
Interest income	833	951
Benefits paid	(1,831)	(1,271)
At 31 October 2021	<u>56,689</u>	<u>54,447</u>
Movements in the present value of defined benefit obligations were as follows:		
At 2 November 2020	49,954	46,052
Service cost	802	805
Interest cost	755	841
Members' contributions	157	173
Benefits paid	(1,831)	(1,272)
Experience Adjustments	(2,892)	-
Actuarial gain/(loss)	2,661	3,355
At 31 October 2021	<u>49,606</u>	<u>49,954</u>

Following the Lloyds GPM equalisation case an estimate has been prepared with a calculated impact of 0.70% of liabilities with a £279k increase in benefit obligation. This has not been included in the above figures due to timing of the completion of the work and the materiality of any adjustment required.

19. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 102 Section 33 Paragraph 1a) not to disclose transactions with wholly owned group companies

20. ULTIMATE PARENT COMPANY

In the opinion of the directors, the immediate and ultimate parent company and controlling party is Deere & Company, a company incorporated in the United States of America. Copies of the consolidated financial statements of Deere & Company, which is both the smallest and largest group for which consolidated financial statements are prepared, may be obtained from John Deere Limited, 5th Floor, Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL. This is the registered address of John Deere Limited, not the site of operations.

21. SUBSEQUENT EVENTS

There are no subsequent events that the directors consider a material impact on the accounts detailed above.