

Company Registration No. 10777921 (England and Wales)

**KADANT NORTHERN UK CO. LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**



# KADANT NORTHERN UK CO. LTD

## COMPANY INFORMATION

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<b>Directors</b>	Mr S C Heley Mr J L Powell
<b>Company number</b>	10777921
<b>Registered office</b>	7 Albemarle Street London W15 4HQ
<b>Auditor</b>	Bennett Verby Limited 7 St Petersgate Stockport Cheshire SK1 1EB

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# KADANT NORTHERN UK CO. LTD

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# KADANT NORTHERN UK CO. LTD

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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

### Principal activities

The principal activity of the company continued to be that of holding company for group.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr S C Heley

Mr J L Powell

### Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to €2,874,775. The directors do not recommend payment of a final dividend.

### Auditor

In accordance with the company's articles, a resolution proposing that Bennett Verby Limited be reappointed as auditor of the company will be put at a General Meeting.

### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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.

### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.


# **KADANT NORTHERN UK CO. LTD**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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On behalf of the board



Mr S C Heley  
Director

12 June 2020

# KADANT NORTHERN UK CO. LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF KADANT NORTHERN UK CO. LTD

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#### Opinion

We have audited the financial statements of Kadant Northern UK Co. Ltd (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, 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 state of the company's affairs as at 31 December 2019 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. 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report in this regard.

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

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

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

# KADANT NORTHERN UK CO. LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF KADANT NORTHERN UK CO. LTD

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#### **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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

#### **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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **KADANT NORTHERN UK CO. LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF KADANT NORTHERN UK CO. LTD**

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#### **Use of our report**

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



**Ian Buckley (Senior Statutory Auditor)**  
**for and on behalf of Bennett Verby Limited**  
**Chartered Certified Accountants**  
**Statutory Auditor**  
7 St Petersgate  
Stockport  
Cheshire  
SK1 1EB

12 June 2020



# KADANT NORTHERN UK CO. LTD

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

		Year ended 31 December 2019 €	Year ended 31 December 2018 €
Administrative expenses	Notes	(18,709)	(23,889)
Interest receivable and similar income	5	8,056,641	734,813
Interest payable and similar expenses	6	(1,481,805)	(1,481,805)
<b>Profit/(loss) before taxation</b>		<b>6,556,127</b>	<b>(770,881)</b>
Tax on profit/(loss)	7	-	-
<b>Profit/(loss) for the financial year</b>		<b>6,556,127</b>	<b>(770,881)</b>
Retained earnings brought forward		(2,657,600)	(1,886,719)
Dividends	8	(2,874,775)	-
Retained earnings carried forward		<u>1,023,752</u>	<u>(2,657,600)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.


# KADANT NORTHERN UK CO. LTD

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Fixed assets</b>					
Investments	9	53,734,408		53,343,703	
<b>Current assets</b>					
Debtors	11	4,053,291		-	
Cash at bank and in hand		-		372,964	
		<u>4,053,291</u>		<u>372,964</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(1,882,284)</u>		<u>(1,492,604)</u>	
<b>Net current assets/(liabilities)</b>			2,171,007		(1,119,640)
<b>Total assets less current liabilities</b>			<u>55,905,415</u>		<u>52,224,063</u>
<b>Creditors: amounts falling due after more than one year</b>	13		(37,045,123)		(37,045,123)
<b>Net assets</b>			<u><u>18,860,292</u></u>		<u><u>15,178,940</u></u>
<b>Capital and reserves</b>					
Called up share capital	15	17,836,441		17,836,441	
Share premium account		99		99	
Profit and loss reserves		<u>1,023,752</u>		<u>(2,657,600)</u>	
<b>Total equity</b>			<u><u>18,860,292</u></u>		<u><u>15,178,940</u></u>

The financial statements were approved by the board of directors and authorised for issue on 12 June 2020 and are signed on its behalf by:

  
Mr S C Heley  
Director

Company Registration No. 10777921

# KADANT NORTHERN UK CO. LTD

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 €	€	2018 €	€
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	17	(3,682,320)		724,664	
Interest paid		(1,481,805)		(1,481,805)	
<b>Net cash outflow from operating activities</b>		<b>(5,164,125)</b>		<b>(757,141)</b>	
<b>Investing activities</b>					
Proceeds on disposal of subsidiaries		(390,705)		395,292	
Interest received		31,866		-	
Dividends received		8,024,775		734,813	
<b>Net cash generated from investing activities</b>		<b>7,665,936</b>		<b>1,130,105</b>	
<b>Financing activities</b>					
Dividends paid		(2,874,775)		-	
<b>Net cash used in financing activities</b>		<b>(2,874,775)</b>		<b>-</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(372,964)</b>		<b>372,964</b>	
Cash and cash equivalents at beginning of year		372,964		-	
<b>Cash and cash equivalents at end of year</b>		<b>-</b>		<b>372,964</b>	

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

Kadant Northern UK Co. Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 7 Albemarle Street, London, W15 4HQ.

#### 1.1 Accounting convention

These 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 Euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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.

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.7 Foreign exchange

Transactions in currencies other than Euros are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Turnover and other revenue

	2019	2018
	€	€
<b>Other significant revenue</b>		
Interest income	31,866	-
Dividends received	8,024,775	734,813
	<u>          </u>	<u>          </u>

### 4 Operating loss

	2019	2018
	€	€
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	374	(73)
Fees payable to the company's auditor for the audit of the company's financial statements	5,400	5,400
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to €374 (2018 - €73).

### 5 Interest receivable and similar income

	2019	2018
	€	€
<b>Interest income</b>		
Interest receivable from group companies	31,866	-
<b>Income from fixed asset investments</b>		
Income from shares in group undertakings	8,024,775	734,813
	<u>          </u>	<u>          </u>
Total income	8,056,641	734,813
	<u>          </u>	<u>          </u>

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Interest payable and similar expenses

	2019	2018
	€	€
Interest payable to group undertakings	1,481,805	1,481,805

### 7 Taxation

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	€	€
Profit/(loss) before taxation	6,556,127	(770,881)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,245,664	(146,467)
Tax effect of income not taxable in determining taxable profit	(1,524,707)	(139,615)
Group relief	279,043	286,082
Taxation charge for the period	-	-

### 8 Dividends

	2019	2018
	€	€
Interim paid	2,874,775	-

### 9 Fixed asset investments

	Notes	2019	2018
		€	€
Investments in subsidiaries	10	53,734,408	53,343,703



# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 9 Fixed asset investments (Continued)

#### Movements in fixed asset investments

	Shares in group undertakings €
<b>Cost or valuation</b>	
At 1 January 2019	53,343,703
Additions	390,705
At 31 December 2019	53,734,408
<b>Carrying amount</b>	
At 31 December 2019	53,734,408
At 31 December 2018	53,343,703

### 10 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Valon Kone	Finland	Manufacturing of machinery for the logging industry	Ordinary	100.00	

### 11 Debtors

	2019 €	2018 €
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	4,051,502	-
Prepayments and accrued income	1,789	-
	4,053,291	-

### 12 Creditors: amounts falling due within one year

	2019 €	2018 €
Amounts owed to group undertakings	1,872,509	1,481,804
Accruals and deferred income	9,775	10,800
	1,882,284	1,492,604

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Creditors: amounts falling due after more than one year

	Notes	2019 €	2018 €
Other borrowings	14	37,045,123	37,045,123

### 14 Loans and overdrafts

	2019 €	2018 €
Loans from group undertakings	37,045,123	37,045,123
Payable after one year	37,045,123	37,045,123

### 15 Share capital

	2019 €	2018 €
<b>Ordinary share capital Issued and fully paid</b>		
15,646,001 ordinary of €1.14 each	17,836,441	17,836,441

### 16 Ultimate controlling party

At 31 December 2019, the directors consider that the ultimate parent undertaking of this company is Kadant Inc which is incorporated in the United States of America. The immediate parent undertaking is Kadant International Luxembourg S.C.S. which is incorporated in the Grand Duchy of Luxembourg.

The largest group of undertakings for which group accounts have been drawn up including the company is that headed by Kadant Inc. Copies of the group accounts can be obtained from the parent company at One Technology Park Drive, Westford, MA 01886, United States of America.

### 17 Cash (absorbed by)/generated from operations

	2019 €	2018 €
Profit/(loss) for the year after tax	6,556,127	(770,881)
<b>Adjustments for:</b>		
Finance costs	1,481,805	1,481,805
Investment income	(8,056,641)	(734,813)
<b>Movements in working capital:</b>		
Increase in debtors	(4,053,291)	-
Increase in creditors	389,680	748,553
<b>Cash (absorbed by)/generated from operations</b>	<b>(3,682,320)</b>	<b>724,664</b>

# KADANT NORTHERN UK CO. LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Analysis of changes in net debt

	1 January 2019 €	Cash flows €	31 December 2019 €
Cash at bank and in hand	372,964	(372,964)	-
Borrowings excluding overdrafts	(37,045,123)	-	(37,045,123)
	<u>(36,672,159)</u>	<u>(372,964)</u>	<u>(37,045,123)</u>

# KADANT NORTHERN UK CO. LTD

## DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

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	Year ended 31 December 2019 €	Year ended 31 December 2018 €
<b>Administrative expenses</b>		
Accountancy	5,400	5,400
Bank charges	2,656	395
Sundry expenses	10,279	18,167
Profit or loss on foreign exchange	374	(73)
	<u>(18,709)</u>	<u>(23,889)</u>
<b>Operating loss</b>	<u>(18,709)</u>	<u>(23,889)</u>
<b>Interest receivable and similar income</b>		
Investment income	31,866	-
Dividends receivable from group companies	8,024,775	734,813
	<u>8,056,641</u>	<u>734,813</u>
<b>Interest payable and similar expenses</b>		
Interest payable to group companies	(1,481,805)	(1,481,805)
<b>Profit/(loss) before taxation</b>	- <u>6,556,127</u>	- <u>(770,881)</u>

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