

Kverneland Devizes Limited
Directors' report and financial statements
for the year ended 31 December 2009

Registered Number 2590619

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Kverneland Devizes Limited

Directors' report and financial statements for the year ended 31 December 2009

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Kverneland Devizes Limited

Directors and Advisors

Directors

J Bell

Secretary

J Raeburn

Auditors

PricewaterhouseCoopers LLP

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St Nicholas Place

Liverpool

L3 1QJ

Solicitors

Neil Myerson Solicitors

The Cottages

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Lea Green

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WA9 4AF

Registered Number

2590619

Kverneland Devizes Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of the company continues to be the manufacture and sale of agricultural machinery and spare parts. The production functions are performed at a branch based at a group company facility in Denmark. The company is incorporated in the United Kingdom.

Review of business and future developments

Financial crisis and sharp reductions in milk prices in 2009 led to a sharp slowdown in investment by milk producers and contractors. In addition dealers reduced their stocks as never seen before, and together these circumstances resulted in a fall in turnover and a poor operating result. The year 2009 was primarily used to reduce stocks and costs to ensure the company liquidity and future profitability.

The future is expected again to be favourable for dairy farmers and the new agricultural opportunities in energy-oriented production in mind, Kverneland Group Kerteminde carried out heavy investments in new product rights in the four quarter of 2009. Total investment amounted to DKK 74 million.

Results and dividends

The results for the company show a pre-tax profit of £77,000 (2008: £1,093,000) for the year and sales of £8,488,000 (2008: £13,025,000).

The company has net assets of £2,860,000 (2008: £3,058,000).

The directors do not propose a dividend for the year (2008: £Nil).

Key performance indicators ("KPIs")

As a wholly owned subsidiary of Kverneland ASA, the company's performance is best viewed in the context of the Kverneland Group which is addressed within the Group's annual report a copy of which is available upon request.

Research and development

In 2009 Kverneland continued the development of the self loading balechopper. The project is delayed due to the financial crisis and stock situation. The project will continue until autumn 2010.

Directors and directors' interests

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

J Bell

None of the directors who held office at the end of the financial year had any notifiable interest in the shares of the company or any group company during the year.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. As with all businesses our performance is largely dependant upon the income and profitability of our customers, any significant deterioration in these factors would impact upon our own performance.

Kverneland Devizes Limited

Directors' report for the year ended 31 December 2009 (continued)

Financial and other risks, and their management

The company manages all its risks in order to minimise any possible impact on the trading activities and the financial results of the business. See note 5 for further details.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

For each person who is a director at the time of approval of this report:

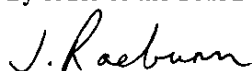
- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This information is given in accordance with section 418 of the Companies Act 2006.

Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General meeting.

By order of the Board



J Raeburn

Secretary

27 May 2010

Kverneland Devizes Limited

Independent auditors' report to the members of Kverneland Devizes Limited

We have audited the financial statements of Kverneland Devizes Limited for the year ended 31 December 2009 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, the Cash flow statement, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Kverneland Devizes Limited

Matters on which we are required to report by exception

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

PChick

Paul Christian (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Liverpool
27 May 2010

Kverneland Devizes Limited

Profit and loss account for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Revenue		8,488	13,025
Cost of sales		(7,618)	(11,283)
Gross profit		870	1,743
Distribution costs		(295)	(103)
Administrative expenses		(532)	(515)
Operating profit	1	43	1,069
Interest expense	4	(22)	(64)
Interest income	4	56	88
Profit on ordinary activities before taxation		77	1,093
Taxation	6	(68)	(512)
Profit for the year		9	581
Other comprehensive income – exchange (loss)/ gain		(207)	552
Total comprehensive (loss)/ income		(198)	1,133

Statement of changes in equity

	Share capital £'000	Translation reserve £'000	Profit and loss reserve £'000	Total £'000
At 1 January 2008	5,300	73	(3,448)	1,925
Exchange adjustment	-	552	-	552
Loss for the year	-	-	581	581
At 31 December 2008	5,300	625	(2,867)	3,058
At 1 January 2009	5,300	625	(2,867)	3,058
Exchange adjustment	-	(207)	-	(207)
Profit for the year	-	-	9	9
At 31 December 2009	5,300	418	(2,858)	2,860

Kverneland Devizes Limited

Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
Assets			
Non-current assets			
Intangible assets	7(b)	208	233
Property, plant and equipment	7(a)	23	29
Deferred tax asset	6	214	247
		445	509
Current assets			
Inventories	8	749	1,268
Trade and other receivables	9	1,379	3,071
Cash		2,695	2,266
		4,823	6,605
Liabilities			
Current liabilities			
Financial liabilities – bank overdraft		-	-
Trade and other payables	10	(1,513)	(3,054)
		(1,513)	(3,054)
Net current assets		3,310	3,551
Non-current liabilities			
Provisions	11	(895)	(1,002)
Net assets		2,860	3,058
Shareholders' equity			
Ordinary shares	12	5,300	5,300
Translation reserve		418	625
Profit and loss reserve		(2,858)	(2,867)
Total equity		2,860	3,058

The financial statements on pages 6 to 20 were approved by the board of directors on 27 May 2010 and were signed on its behalf by



J Bell
Director

Company Name Kverneland Devizes Limited
Registered Number 2590619

Kverneland Devizes Limited

Cash flow statement for the year ended 31 December 2009

	2009 £'000	2008 £'000
Cash flows from operating activities		
Net profit before taxation	77	1,093
Adjustments for		
Interest expense	22	64
Interest income	(56)	(88)
Depreciation and amortisation	60	10
Decrease/ (increase) in trade and other receivables	1,692	(354)
Decrease/ (increase) in inventories	519	(570)
(Decrease)/ increase in payables	(1,293)	1,022
Increase in other provisions	14	38
Pension cost (less than)/in excess of pension payments	(121)	(114)
Cash flow from operating activities	914	1,101
Interest paid	(22)	(64)
Interest received	56	88
Income taxation paid	(283)	(266)
Net cash from operating activities	665	859
Cash flows from investing activities		
Expenditure on intangible fixed assets	(22)	(145)
Expenditure on tangible fixed assets	(7)	(32)
Net cash used in investing activities	(29)	(177)
Cash flows from financing activities		
Repayment of borrowings	-	(107)
Net cash used in financing activities	-	(107)
Effects of exchange rate changes	(207)	552
Net increase in cash	429	1,127
Cash at 1 January	2,266	1,139
Cash at 31 December	2,695	2,266

Kverneland Devizes Limited

Accounting policies

The principal accounting policies applied in the preparation of these financial statements according to IFRS are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations endorsed by the European Union (EU) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared on a going concern basis under the historical cost convention. A summary of the more important accounting policies is set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Revenue

Revenue is the net invoiced sales value, excluding VAT and trade discounts. Revenue is recognised at the point of despatch of goods.

Tangible assets

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on a straight line basis to write off the cost of fixed assets over their estimated useful lives as follows:

Plant and machinery over periods ranging from 4 to 10 years.

Tangible assets are written down to fair value whenever there is a permanent reduction in value. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Intangible assets

Development costs are capitalised when the directors are confident that a project is technically feasible and will result in an inflow of future economic benefits to the company.

Salary and material costs which are directly attributable to such projects are capitalised and amortised over a period of 5 years from the date that production commences.

Inventory

Raw materials are valued at the lower of acquisition cost calculated in accordance with the weighted average cost method, and net realisable value. Work in progress and finished goods are included at the lower of cost and net realisable value. Cost comprises direct materials, direct labour costs and an appropriate amount of works overhead expenses related to the state of manufacture of the goods concerned.

Cash

The company recognises cash as being the net amount processed by the bank. Uncleared banking items are reported in short-term debtors and creditors. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

Kverneland Devizes Limited

Accounting policies (continued)

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is more likely than not that future taxable profit will be available against which the temporary differences can be utilized.

The profit and loss account includes tax cost, which comprises the tax expense related to the fiscal result of the year. The tax expense consists of taxes payable and the net change in deferred taxes as described above. Taxes payable are calculated based on the fiscal result, and changes in deferred taxes are calculated based on the annual change in temporary differences.

Employee benefits

The company operates a defined benefit pension scheme funded through payments to trustee-administered funds, determined by periodic actuarial calculations. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are not recognised on the company's balance sheet unless the net cumulative unrecognised actuarial gains and losses at the end of the start of the financial year exceed the greater of either 10% of the value of plan assets or 10% of the defined benefit obligation at that date. Where they exceed this level, they are charged or credited to income over the employees' expected average remaining working lives.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

The net pension cost for the period is included in salaries, wages and other personnel expenses and consists of current year pension earnings, interest expenses on calculated pension liabilities, expected return on pension funds, booked effect of changes in estimates and pension schemes, and social security.

Foreign currency translation

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency") which is Danish Kroners (DKK). The financial statements are presented in sterling, which is the Company's presentation currency, for the use of the directors as sterling is the functional currency for all the other companies within the UK Group. Assets and liabilities denominated in foreign currencies are expressed in sterling at the rate of exchange ruling at the balance sheet date. Income and expenses are translated into sterling using monthly exchange rates. Translation differences have been charged directly to equity.

Kverneland Devizes Limited

Accounting policies (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below

Tax

The company has tax losses carried forward, and recognition of a deferred tax asset is assessed on the basis of possible future utilization of these tax losses. The assessment is made by calculation of estimated future earnings

Inventories

The company performs a continuous assessment of obsolescence and any change in obsolescence is charged to the profit and loss account

Trade receivables

Trade receivables are recognised initially at fair value. Any provision for bad debt is deducted by assessment at later stages. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The provision amounts to the residual between the face value and the estimated recoverable amount

Warranty provision

Warranty claims are provided for based on expected level of claims in relation to machines sold prior to the balance sheet date, taking into account any extended warranty terms that may be offered on individual products and previous claim history

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009

1 Operating profit

	2009 £'000	2008 £'000
Operating profit is stated after charging		
Employee costs (note 3)	945	1,258
Cost of inventories recognised as an expense	6,513	9,913
Depreciation – owned assets	13	8
Amortisation	47	2
Research and development	134	26
Auditors' remuneration		
- Fees payable for the audit	8	5
- Fees payable for other services – tax compliance	-	-

2 Directors and key management

The director did not receive any remuneration in respect of their services to the company in respect of the current or the previous year. The remuneration they receive in that role is borne by another group company. Retirement benefits are accruing to one director (2008: one) under a defined contribution scheme. There are no other key management employed by the company other than the director.

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

3 Employee costs

	2009 £'000	2008 £'000
Wages and salaries	862	1,286
Social security costs	5	4
Other pension costs (income)	78	(32)
Staff costs	945	1,258

The average weekly number of employees during the year was

	2009 Number	2008 Number
Staff	5	4
Operatives	10	18
	15	22

4 Finance costs - net

	2009 £'000	2008 £'000
Interest payable on bank overdraft	(22)	(64)
Interest income on bank deposit	56	88
Finance costs – net	34	24

5 Financial instruments and risk management

Financial risk consists of market risk, credit risk, liquidity risk and interest rate risk

Market risk

The company is exposed to foreign exchange risk primarily in respect of the Euro and Danish Krone. The company does not perform hedging and currency risk is managed by the Kverneland ASA for their entire group. The net exposure against each currency is calculated based on expected future cash inflow and outflow for the next 12 months. The consolidated exposure for each currency is hedged externally by forward exchange contracts in the exchange market.

Credit risk

Credit risk in the company is mainly related to accounts receivable. Most sales are made to other companies within the Kverneland ASA group. The level of credit risk in the company is considered to be low.

Liquidity risk

The company has sufficient cash holdings to cover its liquidity needs. Additional cash is also available to the company if needed from the Kverneland ASA group's cash pool.

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

5 Financial instruments and risk management (continued)

Interest risk

The company is exposed to interest risk through the bank overdraft. The company seeks to limit this risk by entering into agreements with banks holding a good reputation. The primary reference rate is EURIBOR. The company has not applied any financial instruments in the management of interest risk in 2009.

6 Taxation

Analysis of charge/(credit) in year

	2009 £'000	2008 £'000
<i>Current tax</i>		
Current year	(18)	214
Adjustments to prior year	20	266
Overseas taxation	29	-
	31	480
<i>Deferred tax</i>		
Deferred tax	33	32
Adjustments to prior year	4	-
	37	32
Taxation	68	512

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2008 28.5%). The differences are explained below.

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	77	1,093
Profit on ordinary activities multiplied by standard rate of 28.5%	22	312
Effects of		
Expenses not deductible for tax purposes	(68)	-
Accelerated capital allowances	3	(34)
Overseas tax at 25%	29	-
Other timing differences	(33)	(32)
Tax losses for which no deferred tax asset was recognised	91	-
Adjustment to prior year	24	266
Total taxation	68	512

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

6 Taxation (continued)

	2009 £'000	2008 £'000
Recognised deferred tax asset comprises		
Tax depreciation	-	-
Tax losses carry forward	-	-
Other timing differences	-	-
Pensions	214	247
Net deferred tax asset	214	247
Movement in the deferred tax asset recognised relates to		
At 1 January 2009	247	279
Movement in the profit and loss account	(33)	(32)
At 31 December 2009	214	247
Unrecognised deferred tax assets comprise		
Tax losses carry forward	926	793
Accelerated capital allowances	28	24
Net deferred tax assets	954	817

7(a) Property, plant and equipment

	Plant and machinery £'000
Cost	
At 1 January 2009	85
Additions	7
Disposals	-
At 31 December 2009	92
Depreciation	
At 1 January 2009	56
Provided during the year	13
Disposals	-
At 31 December 2009	69
Net book value	
At 31 December 2009	23
At 31 December 2008	29

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

7(b) Intangible Assets

Research & Development

	£'000
Cost	
At 1 January 2009	235
Additions	22
Disposals	-
At 31 December 2009	257
Amortisation	
At 1 January 2009	2
Charge for year	47
Disposals	-
At 31 December 2009	49
Net book value	
At 31 December 2009	208
At 31 December 2008	233

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

8 Inventories

	2009 £'000	2008 £'000
Raw materials and consumables	22	138
Work in progress	249	585
Finished goods and goods for resale	478	545
	749	1,268

9 Trade and other receivables - current

	2009 £'000	2008 £'000
Amounts falling due within one year		
Trade debtors	-	33
Less provision	-	(8)
Trade debtors - net	-	25
Fellow subsidiary undertakings – Trade (Note 13)	1,158	2,949
Other debtors	28	83
Prepayments and accrued income	193	14
	1,379	3,071

10 Trade and other payables - current

	2009 £'000	2008 £'000
Trade payables	997	2,270
Fellow subsidiary undertakings – Trade (Note 13)	479	226
Corporation tax	11	264
Other creditors and accruals	26	294
	1,513	3,054

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Provisions

	Pension provision	Warranty provision	Total
	£'000	£'000	£'000
At 1 January 2009	884	118	1,002
(Released)/provided during the year	67	135	202
Utilised during the year	(188)	(121)	(309)
At 31 December 2009	763	132	895

Warranty provision

The provision represents warranties that may be claimed in relation to sales made on or before 31 December 2009. This provision is expected to give rise to cash outflows over the next 1 to 3 years.

Pension provision

The company has a pension scheme that entitles its members to defined future benefits (defined benefits plan). These benefits are primarily dependent upon the number of years of employment and the salary level at the time of retirement.

Economic assumptions (%)	2009	2008
Discount rate	5.7	6.7
Inflation	3.8	3.0
Expected annual increase of pension payments	3.7	3.0
Expected return on plan assets	6.6	6.7
Expected rate of increase in salaries	5.8	5.0

Net Pension cost	2009	2008
	£'000	£'000
Current service cost	7	28
Interest cost on pension obligations	358	358
Return on pension funds	(298)	(425)
Amortisation of actuarial gains	-	-
Net pension (income)/cost	67	(39)

Reconciliation of financial status	2009	2008	2007	2006
	£'000	£'000	£'000	£'000
Present value of funded obligations	7,272	5,423	6,384	5,956
Fair value of plan assets	(5,376)	(4,441)	(5,897)	(5,582)
Net liability	1,896	982	487	374
Unrecognised actuarial gains/(losses)	(1,133)	(98)	511	741
Net Liability in the balance sheet	763	884	998	1,115

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11 Provisions for liabilities and charges (continued)

Pension provision (continued)

The analysis of the plan assets is as follows

	2009 £'000	2008 £'000
Equities	4,086	3,375
Property	54	45
Bonds	806	666
Cash	430	355
	5,376	4,441

Movement in the liability	2009 £'000	2008 £'000
Beginning of the year	884	998
Total (income)/expense in the income statement	67	(39)
Contributions paid	(188)	(75)
End of the year	763	884

Actual return on plan assets	2009 £'000	2008 £'000
Expected return on plan assets	298	425
Actuarial gain on plan assets	628	(1,733)
Actual return on plan assets	926	(1,308)

	2009 £'000	2008 £'000
Actuarial gains/(losses) on plan liabilities	(1,663)	(1,124)

In addition, to the defined benefit scheme above the company operates a defined contribution scheme. The amount contributed to this during the year was £11,000 (2008: £7,000).

12 Called up share capital

	2009 £'000	2008 £'000
Authorised		
5,300,000 ordinary shares of £1 each	5,300	5,300
Allotted, called up and fully paid		
5,300,000 ordinary shares of £1 each	5,300	5,300

Kverneland Devizes Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 Related party transactions

The following transactions were carried out with fellow Kverneland ASA subsidiaries during the year

	Sales £'000	Purchases £'000
Kverneland Group (UK) Limited	2,487	65
Kverneland (Ireland) Limited	218	-
Kverneland Group France	2,708	-
Kverneland Group Kerteminde	-	1,027
Kverneland Group Italy	345	-
Other fellow subsidiaries	1,292	109
	7,050	1,201

Year-end balances arising from sales and purchases of goods and services are as follows

	Receivable £'000	Payable £'000
Kverneland Group (UK) Limited	617	18
Kverneland (Ireland) Limited	268	-
Kverneland Group Metz	45	-
Kverneland Group Kerteminde	-	168
Kverneland Group France	22	24
Other fellow subsidiaries	206	269
	1,158	479

14 Ultimate parent undertaking and controlling party

The directors consider Kverneland ASA, a company registered in Norway, as the ultimate holding company and controlling party

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are prepared is Kverneland ASA, incorporated in Norway. Copies of these group financial statements may be obtained from Kverneland ASA, N-4344, Kverneland, Norway