

Company Registration No. 10777921 (England and Wales)

KADANT NORTHERN UK CO. LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



KADANT NORTHERN UK CO. LTD

COMPANY INFORMATION

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

KADANT NORTHERN UK CO. LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of income and retained earnings	6
Balance sheet	7
Statement of cash flows	8
Notes to the financial statements	9 - 16

KADANT NORTHERN UK CO. LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

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

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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

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 2020

On behalf of the board

A handwritten signature in black ink, appearing to be 'S.C. Heley', written over the printed name.

Mr S.C. Heley
Director

27 May 2021

KADANT NORTHERN UK CO. LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF KADANT NORTHERN UK CO. LTD

Opinion

We have audited the financial statements of Kadant Northern UK Co. Ltd (the 'company') for the year ended 31 December 2020 which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and notes to the financial statements, including 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 2020 and of its loss 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

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.

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

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.

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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

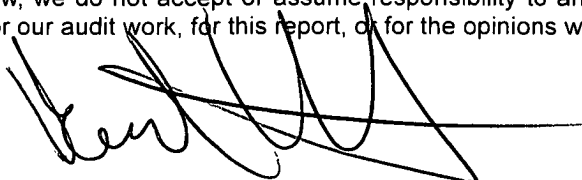
KADANT NORTHERN UK CO. LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF KADANT NORTHERN UK CO. LTD

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.



Bernard Verby (Senior Statutory Auditor)
For and on behalf of Bennett Verby Limited
Chartered Certified Accountants
Statutory Auditor
7 St Petersgate
Stockport
Cheshire
SK1 1EB

27 May 2021

KADANT NORTHERN UK CO. LTD

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	€	€
Administrative expenses		(20,621)	(18,709)
Interest receivable and similar income	5	21,913	8,056,641
Interest payable and similar expenses	6	(1,481,805)	(1,481,805)
(Loss)/profit before taxation		(1,480,513)	6,556,127
Tax on (loss)/profit	7	-	-
(Loss)/profit for the financial year		(1,480,513)	6,556,127
Retained earnings brought forward		1,023,752	(2,657,600)
Dividends	8	-	(2,874,775)
Retained earnings carried forward		<u>(456,761)</u>	<u>1,023,752</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 2020

	Notes	2020 €	€	2019 €	€
Fixed assets					
Investments	9	53,734,408		53,734,408	
Current assets					
Debtors	11	2,184,999		4,053,291	
Creditors: amounts falling due within one year	12	<u>(1,494,505)</u>		<u>(1,882,284)</u>	
Net current assets			690,494		2,171,007
Total assets less current liabilities			54,424,902		55,905,415
Creditors: amounts falling due after more than one year	13		<u>(37,045,123)</u>		<u>(37,045,123)</u>
Net assets			<u>17,379,779</u>		<u>18,860,292</u>
Capital and reserves					
Called up share capital	15	17,836,441		17,836,441	
Share premium account		99		99	
Profit and loss reserves		<u>(456,761)</u>		<u>1,023,752</u>	
Total equity			<u>17,379,779</u>		<u>18,860,292</u>

The financial statements were approved by the board of directors and authorised for issue on 27 May 2021 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 2020

	Notes	2020 €	€	2019 €	€
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	17		1,459,892		(3,682,320)
Interest paid			(1,481,805)		(1,481,805)
Net cash outflow from operating activities			(21,913)		(5,164,125)
Investing activities					
Proceeds on disposal of subsidiaries		-		(390,705)	
Interest received		21,913		31,866	
Dividends received		-		8,024,775	
Net cash generated from investing activities			21,913		7,665,936
Financing activities					
Dividends paid		-		(2,874,775)	
Net cash used in financing activities			-		(2,874,775)
Net increase/(decrease) in cash and cash equivalents			-		(372,964)
Cash and cash equivalents at beginning of year			-		372,964
Cash and cash equivalents at end of year			-		-

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Kadant Northern UK Co. Ltd is a wholly owned subsidiary of Kadant international Luxembourg S.C.S. which is incorporated in the Grand Duchy of Luxembourg, and the results of Kadant Northern UK Co. Ltd are included in the consolidated financial statements of Kadant Inc. Copies of the group accounts can be obtained from One Technology Park Drive, Westford, MA 01886, United States of America.

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.

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

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 2020

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 2020

3 Turnover and other revenue

	2020	2019
	€	€
Other significant revenue		
Interest income	21,913	31,866
Dividends received	-	8,024,775
	<u> </u>	<u> </u>

4 Operating loss

	2020	2019
	€	€
Operating loss for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	2,008	374
Fees payable to the company's auditor for the audit of the company's financial statements	5,400	5,400
	<u> </u>	<u> </u>

5 Interest receivable and similar income

	2020	2019
	€	€
Interest income		
Interest receivable from group companies	21,913	31,866
Income from fixed asset investments		
Income from shares in group undertakings	-	8,024,775
	<u> </u>	<u> </u>
Total income	<u>21,913</u>	<u>8,056,641</u>

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Interest payable and similar expenses

	2020	2019
	€	€
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 (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	€	€
(Loss)/profit before taxation	(1,480,513)	6,556,127
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(281,297)	1,245,664
Tax effect of income not taxable in determining taxable profit	-	(1,524,707)
Group relief	281,297	279,043
Taxation charge for the year	-	-

8 Dividends

	2020	2019
	€	€
Interim paid	-	2,874,775

9 Fixed asset investments

	Notes	2020	2019
		€	€
Investments in subsidiaries	10	53,734,408	53,734,408

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings €
Cost or valuation	
At 1 January 2020 & 31 December 2020	53,734,408
Carrying amount	
At 31 December 2020	53,734,408
At 31 December 2019	53,734,408

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 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

	2020 €	2019 €
Amounts falling due within one year:		
Amounts owed by group undertakings	2,184,999	4,051,502
Prepayments and accrued income	-	1,789
	<u>2,184,999</u>	<u>4,053,291</u>

12 Creditors: amounts falling due within one year

	2020 €	2019 €
Amounts owed to group undertakings	1,481,805	1,872,509
Accruals and deferred income	12,700	9,775
	<u>1,494,505</u>	<u>1,882,284</u>

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

13 Creditors: amounts falling due after more than one year

	Notes	2020 €	2019 €
Other borrowings	14	37,045,123	37,045,123

14 Loans and overdrafts

	2020 €	2019 €
Loans from group undertakings	37,045,123	37,045,123
Payable after one year	37,045,123	37,045,123

15 Share capital

	2020 Number	2019 Number	2020 €	2019 €
Ordinary share capital Issued and fully paid ordinary of €1.14 each	15,646,001	15,646,001	17,836,441	17,836,441

16 Ultimate controlling party

At 31 December 2020, the directors consider that the ultimate parent undertaking of this company is Kadant Inc which is incorporated in the United States of America.

In May 2021, Kadant International Luxembourg S.C.S. was liquidated. As a result of the liquidation, the Company is now a wholly owned subsidiary of Kadant Luxembourg Holdings S.a.r.l. 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.

KADANT NORTHERN UK CO. LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Cash generated from/(absorbed by) operations

	2020 €	2019 €
(Loss)/profit for the year after tax	(1,480,513)	6,556,127
Adjustments for:		
Finance costs	1,481,805	1,481,805
Investment income	(21,913)	(8,056,641)
Movements in working capital:		
Decrease/(increase) in debtors	1,868,292	(4,053,291)
(Decrease)/increase in creditors	(387,779)	389,680
Cash generated from/(absorbed by) operations	1,459,892	(3,682,320)

18 Analysis of changes in net debt

	1 January 2020 €	31 December 2020 €
Borrowings excluding overdrafts	(37,045,123)	(37,045,123)

KADANT NORTHERN UK CO. LTD

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Year ended 31 December 2020		Year ended 31 December 2019	
	€	€	€	€
Administrative expenses				
Accountancy	5,400		5,400	
Bank charges	1,754		2,656	
Sundry expenses	11,459		10,279	
Profit or loss on foreign exchange	2,008		374	
		(20,621)		(18,709)
Operating loss		(20,621)		(18,709)
Interest receivable and similar income				
Investment income	21,913		31,866	
Dividends receivable from group companies	-		8,024,775	
		21,913		8,056,641
Interest payable and similar expenses				
Interest payable to group companies		(1,481,805)		(1,481,805)
(Loss)/profit before taxation		(1,480,513)		6,556,127