

## RANSOMES JACOBSEN LIMITED

English Company Registration No. 01070731

### STRATEGIC REPORT

The directors present their strategic report for the year ended 31st December 2021.

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

The principal activity of the company is the manufacture and sale of commercial grass care machinery.

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

	2021	Restated 2020
	£'000	£'000
Turnover	66,624	50,567
Operating profit/(loss)	1,835	(379)
Profit/(loss) for the financial year	1,204	(439)
Total equity	61,219	48,595
Current assets as % of current liabilities ("quick ratio")	226%	331%
Average number of employees	326	257
Research and development expenditure	985	743

Turnover increased by 31.8% to £66.6 million, a partial recovery from pre-Covid-19 pandemic levels. Gross profit increased by £6.4 million as volumes partially recovered, offset partly by higher operating expenses £1.7 million and £1.3 million lower UK Government support via the Job Retention scheme.

The company's 'quick ratio' worsened mainly due to higher creditor levels. Employment levels rose on average by 27% as volumes started to recover and additional product lines were relocated from the United States. Research and development expenditure increased as the company remains committed to developing and introducing high quality turf equipment and vehicles, delivering superior performance for our customers.

Future strategy remains to build our brands, introduce new products and to continue to win market share in order to become the premier supplier of high-quality turf maintenance equipment. All manufacturing of Jacobsen professional turf equipment was relocated from Augusta to Ipswich, UK during 2021.

### PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are competitive, foreign exchange exposures, economic conditions in major markets and the recovery from the pandemic. The commercial turf equipment business operates in a mature market with well-established global competitors. Forward foreign currency contracts are used to reduce exposures to foreign exchange rates. Credit risks are managed within frequently reviewed limits and dealer agreements. All funding is provided from a group cash pool system, which is unconditionally guaranteed by the ultimate parent company, Textron Incorporated. Interest rate risk is therefore mainly managed at group level with interest bearing bank accounts in a net liability position at year end.

### SECTION 172(1) STATEMENT

During the year the directors have acted in a way that they considered, in good faith, to be most likely to promote the long-term success of the company. Regular strategic reviews are held with representatives of the one main shareholder and the company's employees are frequently surveyed, briefed on performance and engaged through various formal and informal channels such as trade unions, management briefings and departmental communications. The directors also had regard to maintaining high standards of business conduct, operational impacts on the community and environment, the need to build strong enduring business relationships with suppliers, customers utilising dedicated channel managers and others and to assess the likely consequences of any decision in the long term. Annual dealer meetings, regular in-depth reviews with both dealers and suppliers using scorecard data and fortnightly full management meetings provide strong continuous oversight.

**STRATEGIC REPORT** Continued

**SECTION 172(1) STATEMENT** Continued

During the year all manufacturing of Jacobsen professional turf equipment was relocated from Augusta to Ipswich, UK, a very positive change for the company. Constant monitoring of the impact of Covid-19 on all stakeholders was maintained throughout the year with numerous site safety measures continued.

The directors review strategy and operational performance as well as legal and regulatory compliance. As a result of these activities, the directors have an overview of engagement with all stakeholders, and other relevant factors, which enables the directors to comply with their legal duty under section 172 of the Companies Act 2006.

**COVID-19**

The ongoing effects of the Covid-19 pandemic continued to negatively impact the 2021 financial performance. Whilst overall demand is returning to pre-pandemic levels, manufacturing capacity remains constrained by increased supplier lead times. Both material and logistics availability and pricing are being closely monitored, with appropriate actions being taken where necessary. The overall financial position of the company and wider group remains sound.

On behalf of the Board



S R Rainger  
Director  
Date

24/11/22