

JCB Materials Handling Limited

Company Registration Number 1351843

REPORT AND ACCOUNTS

For the year ended 31 December 1993

HOWSONS

Chartered Accountants

Registered Auditor



AN0P0365

RECEIPT DATE: 23/07/94

JCB Materials Handling Limited

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31 December 1993.

BUSINESS REVIEW

The company's principal activities during the year have been the design, manufacture and marketing of telescopic handling machines and equipment.

The company traded profitably during the year and the directors expect that it will do so for the foreseeable future.

The profit on ordinary activities before taxation amounted to £2,378,000 (1992: £2,647,000).

The directors do not recommend the payment of a dividend and therefore £1,578,000 has been transferred to reserves.

DIRECTORS AND SHAREHOLDINGS

The directors who served during the year and subsequently were:-

Sir Anthony Bamford DL

Gilbert Johnston CBE - resigned 31 October 1993

Mr. M. Coyne - appointed 22 February 1994

Mr. M.J. Butler

None of the directors had any interest in the share capital of the company during the year.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Howsons, shall continue in office under the Elective Resolution pursuant to Section 386 of the Companies Act 1985 passed by the company on 18 October 1990, the directors having received no notice from any member requiring their re-appointment.

Signed on behalf of the Board



SIR ANTHONY BAMFORD DL

CHAIRMAN

JCB Materials Handling Limited

DIRECTORS RESPONSIBILITIES

For the year ended 31 December 1993

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable;
- state whether applicable 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 not appropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITOR'S REPORT TO THE MEMBERS
OF JCB MATERIALS HANDLING LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes the examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1993 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

[Signature]

Howsons
Chartered Accountants
Registered Auditor

Park Chambers,
28 Avenue Road,
Stoke-on-Trent,
ST4 2EZ.

Date: 10th May 1994

JCB Materials Handling Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1993

		1993	1992
	Note	£'000	£'000
TURNOVER - continuing operations	2	43,606	33,845
Cost of sales		37,865	30,930
GROSS PROFIT		5,741	2,915
Distribution costs		597	-
Administrative expenses		2,971	1,098
Selling expenses		-	818
OPERATING PROFIT - continuing operations	3	2,173	999
Interest receivable	6	999	1,648
Interest payable	7	(794)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,378	2,647
Taxation on profit on ordinary activities	8	800	799
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED PROFIT FOR THE YEAR	12	1,578	1,848

Due to a re-organisation within the group, certain items of income and expenditure have been re-allocated to other group companies. The 1992 comparatives have not been amended to reflect these changes.

TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained profit for the year ends as stated.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The accounts are prepared under the historical cost convention and thus the reported profit on ordinary activities before taxation is the historical cost profit.

JCB Materials Handling Limited

BALANCE SHEET

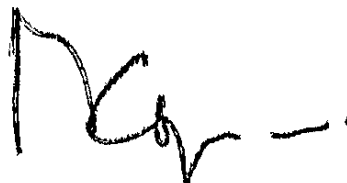
As at 31 December 1993

	Notes	1993 £'000	1992 £'000
CURRENT ASSETS			
Debtors	9	6,388	1,490
Cash at bank		10,571	13,798
		16,959	15,288
CREDITORS: Amounts falling due within one year	10	2,427	2,334
NET ASSETS		14,532	12,954
CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account	12	14,532	12,954
SHAREHOLDERS' FUNDS	13	14,532	12,954

The accounts were approved by the Board of Directors on 10th May 1994



SIR ANTHONY BANFORD DL



H. COYNE

JCB Materials Handling Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1993

1. ACCOUNTING POLICIES

a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

b) Research and Development

Research and development expenditure is written off to revenue as it is incurred.

c) Foreign Currencies

Foreign exchange conversion differences are taken to the profit and loss account for the year.

d) Repairs and Renewals

All repairs and renewals are charged against revenue as incurred.

e) Warranty

Provision is made for the company's estimated liability on all machines still under warranty, including claims already received. The provision is charged against trading profits and is included in creditors.

f) Pension Costs

Pension costs are charged in the profit and loss account at the actuarially recommended funding rate on pensionable salary costs for the year.

2. TURNOVER

Turnover represents the invoice value of goods sold (excluding value added tax), and net of sales incentives.

The analysis of turnover by geographical area is as follows:-

	1993	1992
	£'000	£'000
United Kingdom	21,004	10,942
Europe	12,865	20,299
Africa	209	109
Far East	660	410
Middle East	2,021	1,889
North America	6,847	-
Other	-	196
	43,606	33,845

JCB Materials Handling Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1993

3. OPERATING PROFIT

Operating profit is stated after the following:-

	1993	1992
	£'000	£'000
Directors remuneration	8	15
Auditors remuneration - for auditing	8	7
- for other services	6	6
Research and development	751	807
Hire of assets	250	76

4. DIRECTORS REMUNERATION

Excluding pension contributions, the emoluments of the chairman, who was also the highest paid director, amounted to £5,000 (1992: £5,000).

Other directors emoluments were within the following range:-

	1993	1992
	No.	No.
£ Nil to £5,000	2	2

5. STAFF NUMBERS AND COSTS

The average number of persons employed by the company (including directors) during the year was as follows:-

	1993	1992
Management	3	3
Administration	21	24
Production	79	-
	103	27

The aggregate payroll costs of these persons were as follows:-

	1993	1992
	£'000	£'000
Wages and salaries	2,072	497
Social security	172	39
Other pension costs	138	37
	2,382	573

JCB Materials Handling Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1993

6. INTEREST RECEIVABLE

	1993 £'000	1992 £'000
Group interest	999	1,648

7. INTEREST PAYABLE

	1993 £'000	1992 £'000
Group discounting charges	794	-

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1993 £'000	1992 £'000
Corporation Tax at 33% (1992: 33%):-		
On profit for the year	800	873
Adjustment in respect of prior year	-	(74)
	800	799

9. DEBTORS

	1993 £'000	1992 £'000
Accounts owed by group undertakings	6,385	1,486
Other debtors - Taxation and social security	3	4
	6,388	1,490

10. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £'000	1992 £'000
Trade creditors	128	17
Amounts owed to group undertakings	89	1,403
Amount owed to J.C.B. Company	35	28
Other creditors	1,362	12
Corporation Tax	800	873
Accruals	3	1
	2,427	2,334

JCB Materials Handling Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1993

11. SHARE CAPITAL

	1993 £	1992 £
Authorised, issued and fully paid:-		
100 Ordinary shares of £1 each	100	100

12. PROFIT AND LOSS ACCOUNT

	1993 £'000	1992 £'000
At 31 December 1992	12,954	11,106
Retained profit for the year	<u>1,578</u>	<u>1,848</u>
At 31 December 1993	<u>14,532</u>	<u>12,954</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1993 £'000	1992 £'000
Profit for the year after taxation being net increase in shareholders' funds	1,578	1,848
Shareholders' funds at 31 December 1992	<u>12,954</u>	<u>11,106</u>
Shareholders' funds at 31 December 1993	<u>14,532</u>	<u>12,954</u>

14. PENSION SCHEME ARRANGEMENTS

J.C.B. operates pension schemes for its directors and employees. Each is a funded, defined benefit scheme. The funds are valued every three years by a professionally qualified independent actuary, and contribution rates are determined by the actuary.

The principal group scheme is the J. C. Bamford Pension Scheme, which was last valued on an ongoing basis method as at 6 April 1992. Details of the last valuation are disclosed in the accounts of J.C.B. Service.

15. TRANSACTIONS WITH DIRECTORS

The company subcontracts some of its research and development projects to J.C.B. Research in which Sir Anthony Bamford is a shareholder of one third of the share capital. J.C.B. Research charges this work at cost, so as to make neither profit nor loss after providing for taxation. The total value of services purchased by the company during the year was £459,000 (1992: £Nil). The net amount owed by the company to J.C.B. Research at 31 December 1993 was £35,000 (1992: £Nil).

JCB Materials Handling Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1993

16. ULTIMATE PARENT COMPANY

The company is a wholly-owned subsidiary of J.C.B. Sales Limited, a company registered in England and Wales. The ultimate parent company is Transmissions and Engineering Services Netherlands B.V., a company incorporated in the Netherlands.