

JCB FINANCE MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTORS

AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

REGISTERED NUMBER 06545253

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JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

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JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their annual report and audited financial statements of the Company for the year ended 31 December 2012

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company is a wholly owned subsidiary of JCB Finance Holdings Limited

The principle activity of the Company is the provision of management services in overseeing JCB Finance operational business within Europe. The Company has traded successfully in its chosen market and is expected to continue to do so

The results of the Company for the year to 31 December 2012 are stated in the Statement of Comprehensive Income on page 6 and show a profit after tax of £39,000 (2011: £15,000). The Company recorded satisfactory results for the year

JCB Finance Management Services Limited is incorporated in England and Wales with its registered office at Lakeside Works, Rocester, Uttoxeter, Staffordshire, ST14 5JP

FUTURE OUTLOOK

The Company expects to maintain business at a similar level to the current year

PRINCIPAL RISKS AND UNCERTAINTIES

Management considers that there are minimal risks and uncertainties in the operation of providing management services to the JCB Finance operations

KEY PERFORMANCE INDICATORS

There are no key performance indicators relevant to the Company due to the fact that all costs are invoiced to the associated companies

SHARE CAPITAL

The share capital comprised 1 allotted, called up and fully paid ordinary £1 share as at 31 December 2012 and 2011

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2012 (2011: £nil). Further details are shown in note 6 to the financial statements

DIRECTORS

The directors of the Company who served during the year were

N James

B Dilly (Resigned 2 September 2013)

T Watkins (Appointed 2 September 2013)

DIRECTOR INTERESTS

No director of the Company has at any time had any interest in the shares of the Company

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

DIRECTORS' REPORT (Continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable company 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 International Financial Reporting Standards, 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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable International Financial Reporting Standards (IFRSs) 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.

PAYMENT OF SUPPLIERS


It is the Company's general policy to pay trade creditors when they fall due for payment. In the case of a number of major suppliers, specific terms and conditions of business have been agreed, and it is the Company's policy to pay in accordance with these terms provided that the supplier is also meeting all relevant terms and conditions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps they reasonably ought to have taken, as directors, to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware.

By order of the Board


N James
Director

9th September 2013

Registered Office
Lakeside Works
Rocester
Uttoxeter
Staffordshire
ST14 5JP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JCB FINANCE MANAGEMENT SERVICES LIMITED

We have audited the financial statements of JCB Finance Management Services Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity the Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors. This report is made solely to the Company's members, as a body, 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 members 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 members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on the 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.

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.



Richard Metcalfe (Senior Statutory Auditor)

For and on behalf of Mazars LLP Chartered Accountant and Statutory Auditor

Tower Bridge House

St Katherine's Way

London E1W 1DD

16 September 2013

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012	2011
<u>CONTINUING OPERATIONS</u>	Notes	£'000	£'000
REVENUE			
Other revenue	2	<u>346</u>	<u>219</u>
		346	219
Costs from operations	3	<u>(291)</u>	<u>(189)</u>
		(291)	(189)
PROFIT FROM OPERATIONS		55	30
Administrative expenses	4	(3)	(10)
PROFIT BEFORE INTEREST AND TAX		<u>52</u>	<u>20</u>
Tax expense	7	(13)	(5)
PROFIT FOR THE YEAR			
Attributable to equity holders		<u><u>39</u></u>	<u><u>15</u></u>
Other comprehensive income for the year		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>39</u></u>	<u><u>15</u></u>

The accompanying notes are an integral part of this statement

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
ASSETS			
Current assets			
Current tax receivable	8	1	1
Amounts due from group undertakings	8	434	200
Total current assets		435	201
TOTAL ASSETS		<u>435</u>	<u>201</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	11	-	-
Retained earnings		75	36
TOTAL EQUITY		<u>75</u>	<u>36</u>
Current liabilities			
Other payables	9	173	28
Current tax liability	9	6	-
Amounts due to group undertakings	10	181	137
Total current liabilities		<u>360</u>	<u>165</u>
Total liabilities		<u>360</u>	<u>165</u>
TOTAL EQUITY AND LIABILITIES		<u>435</u>	<u>201</u>

The accompanying notes are an integral part of this statement

These financial statements were approved by the Board of Directors on

N James

Director

9th September 2013



JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

Notes	Ordinary Shares	Retained Earnings	Total
	£'000	£'000	£'000
Opening balance sheet as at 1 January 2011	-	21	21
Profit for the year	-	15	15
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	15	15
Dividends for the year	-	-	-
Opening balance sheet as at 1 January 2012	-	36	36
Profit for the year	-	39	39
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	39	39
Dividends for the year	-	-	-
Equity as at 31 December 2012	-	75	75

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	Notes	2012 £'000	2011 £'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before interest and tax		52	20
Adjusted for non cash items		-	-
		52	20
Movements in working capital			
Decrease /(increase) in other payables		145	(64)
Loans received from group undertakings		(234)	(24)
Repayments to group undertakings		44	80
Cash flow from operating activities before tax		(45)	(8)
Corporation tax paid		(7)	(12)
Total cash flow from operating activities		-	-
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at the start of the year		-	-
Cash and cash equivalents at the end of the year		-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

GENERAL INFORMATION

JCB Finance Management Services Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is on page 3. The nature of the Company's operations and its principal activity is the provision of management services in overseeing JCB Management Finance Limited.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Company does not have any subsidiary undertakings.

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS) and the Companies Act 2006 as applicable to companies reporting under IFRS.

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Management are not aware of any material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

First time adoption of IFRS

These are the Company's first financial statements prepared in accordance with IFRS and as such IFRS 1 'First Time Adoption of International Reporting Standards' has been applied to these financial statements as at the Company's date of transition, being 1 January 2011. The accounting policies on pages 10 to 20 have been applied in preparing the financial statements for the current year, being the year ended 31 December 2012 and the comparative year, being the year ended 31 December 2011.

An explanation of the effect of transition on the Statement of Financial Position at 1 January 2011 and 31 December 2011 and on the Statement of Comprehensive Income for the year ended 31 December 2011 is disclosed in note 15.

Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the financial statements and in preparing the opening IFRS Statement of Financial Position at 1 January 2011 for the purposes of transition to IFRS.

Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business. Revenue includes interest income arising from finance lease receivables, interest income arising from financial assets and income from the disposal of recovered assets, which are subject to lease arrangements. Revenue is stated net of any discounts, value-added taxes and other sales taxes.

Financial assets - loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognised at fair value, plus directly attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.

Loans and receivables comprise loans due from customers, other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. Where applicable, bank overdrafts are included within Borrowings in current liabilities of the Statement of Financial Position.

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

Financial liabilities and equity

Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities measured at amortised cost comprise amounts due to group undertakings and other payables.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. The liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

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. The tax rates used in the determination of deferred income tax are the rates which are expected to apply when the asset is realised or the liability settled, based on the tax rates that have been substantially enacted at the reporting date of that period. They are not discounted.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions 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. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

Standards, amendments and interpretations in issue, but not yet effective

At the date of authorisation of these financial statements the following standards, amendments and interpretations were in issue but not yet effective. These standards, amendments, and interpretations have not been adopted early and have not been applied to these financial statements.

- IAS 12 (amendment) Income taxes – Recovery of underlying assets – effective on or after 1 January 2012
- IAS 1 (amendment) Presentation of Financial Statements – Revision to items presented within other comprehensive income – effective on or after 1 July 2012
- IAS 19 (amendment) Employee Benefits – Revision to post-employment benefits and termination benefits – effective on or after 1 January 2013
- IFRS 10 Consolidated Financial Statements – effective on or after 1 January 2013
- IFRS 11 Joint Arrangements – effective on or after 1 January 2013
- IFRS 12 'Disclosure of Interests in Other Entities' – effective on or after 1 January 2013
- IFRS 13 Fair Value Measurement – effective on or after 1 January 2013
- IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures' (Revised) – effective on or after 1 January 2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – effective on or after 1 January 2013
- Improvements to IFRS (May 2012) – effective on or after 1 January 2013
- IFRS 10 (amendment) 'Consolidated financial statements', IFRS 11 (amendment) 'Joint arrangements' and IFRS 12 (amendment) Disclosure of interest in other entities, transition guidance – effective on or after 1 January 2013
- IFRS 7 (amendment) Financial instruments: Disclosure of Offsetting financial assets and financial liabilities, and IAS 32 (amendment) Financial instruments: Presentation – effective on or after 1 January 2013
- IFRS 9 Financial instruments: Classification and measurement – effective on or after 1 January 2015

The standards, amendments, and interpretations, which are relevant to the Company, and may have a material effect on the Company's forthcoming financial statements are as follows. The adoption of all other standards, amendments, and interpretations are not expected to have a material impact.

IFRS 9 'Financial Instruments: Classification and measurement' - effective 1 January 2015

This standard is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and will affect the Company's accounting for its financial assets. The key features are as follows:

- Financial assets are required to be classified into two measurement categories: those to be measured subsequently at fair value, and those to be measured subsequently at amortised cost. The decision is to be made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.
- An instrument is subsequently measured at amortised cost only if it is a debt instrument and both the objective of the entity's business model is to hold the asset to collect the contractual cash flows, and the asset's contractual cash flows represent only payments of principal and interest (that is, it has only 'basic loan features'). All other debt instruments are to be measured at fair value through profit or loss.

IFRS 13 'Fair Value Measurement' - effective 1 January 2013

This standard sets out a comprehensive framework for defining and measuring fair value and also includes additional disclosure requirements about fair value measurements. The standard does not provide any new information regarding the measurement of fair value but brings together all the existing guidance currently in issue into this one standard.

The Company is continuing to assess the full impact that IFRS 9 and IFRS 13 is expected to have as a result of the ongoing amendments that are being issued by the IASB as part of the wider financial instruments project.

JCB FINANCE MANAGEMENT SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

2 REVENUE

	2012	2011
	£'000	£'000
Management Fees received are analysed below		
France	148	55
Germany	103	83
Italy	8	77
Spain	87	4
	<u>346</u>	<u>219</u>

3. COSTS FROM OPERATIONS

	2012	2011
	£'000	£'000
Note		
Management charges paid	<u>291</u>	<u>189</u>

4 ADMINISTRATION EXPENSES

	2012	2011
	£'000	£'000
Note		
Fees payable to the Company's auditor for the audit of the Company	<u>3</u>	<u>10</u>
The Company does not employ any staff (2011: None)		

5 AUDITOR'S REMUNERATION

	2012	2011
	£'000	£'000
Fees payable to the Company's auditor for the audit of the Company	<u>3</u>	<u>10</u>

6 DIVIDENDS

	2012	2011
	£'000	£'000
Final dividends paid – 0.00 pence per share (2011: 0.00 pence per share)	<u>-</u>	<u>-</u>

7 TAXATION

a) Analysis of charge for the year

	2012	2011
	£'000	£'000
Note		
Current Tax		
UK Corporation tax on profits of the current year	13	5
Current tax expense	<u>13</u>	<u>5</u>

Corporation tax is calculated at the weighted average applicable tax rate of 24.5% (2011: 26.5%) on the estimated taxable

JCB FINANCE MANAGEMENT SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

7 TAXATION (continued)

The charge for the year can be reconciled to the profit per the Statement of Comprehensive Income as follows

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	52	20
	<u> </u>	<u> </u>
Profit on ordinary activities at the rate of corporation tax of 24.5% (2011: 26.5%)	<u>13</u>	<u>5</u>

8 OTHER RECEIVABLES

	2012 £'000	2011 £'000
Current tax receivable	1	1
Amounts due from group undertakings	12 <u>434</u>	<u>200</u>
	<u>435</u>	<u>201</u>

9 OTHER PAYABLES

	2012 £'000	2011 £'000
Current tax liability	6	0
Accruals and other payables	173	28
	<u>179</u>	<u>28</u>

10 AMOUNTS DUE TO GROUP UNDERTAKINGS

	2012 £'000	2011 £'000
Other payables	<u>181</u>	<u>137</u>

11 SHARE CAPITAL

	2012 £	2011 £
Authorised and fully paid share capital	<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

12 RELATED PARTY TRANSACTIONS AND BALANCES

During the year the Company was charged management charges and recharged them to related parties

The balances outstanding at the year end is as follows

	Note	2012 £'000	2011 £'000
BNP Paribas Leasing Solutions Ltd - Management charges	3,4	<u>294</u>	<u>199</u>
<u>Associated undertakings</u>			
BNP Paribas Leasing Solutions Ltd		204	-
JCB SAS		138	180
JC Bamforth Limited		-	20
JCB Maquinaria SA		5	-
JCB Deutschland GmbH		87	-
	8	<u>434</u>	<u>200</u>
The amounts payable to group undertakings at the year end were-			
BNP Paribas Leasing Solutions Ltd		135	78
JCB Finance Holdings Limited		46	59
	10	<u>181</u>	<u>137</u>

JCB Finance Holdings Limited is the parent undertaking on JCB Finance Management Services Limited

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts owed by related parties.

The Company does not employ any staff directly with all administration carried out by BNP Paribas Leasing Solutions Ltd, a wholly owned subsidiary of BNP Paribas Lease Group plc, which in turn is ultimately owned by BNP Paribas SA. The Company is charged for the services provided.

No remuneration has been paid to the directors of the Company, in the current or prior year. The directors are considered to be the key management personnel.

13 CAPITAL COMMITMENTS AND CONTINGENCIES

There were no capital commitments and contingencies at 31 December 2012 (2011: Nil).

14 FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Interest Rate Risk
- Foreign Currency Risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits.

The Company manages its capital in order to safeguard its ability to continue as a going concern and in order to provide adequate returns for equity holders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid or issue new ordinary share capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Financial assets and liabilities - Fair values and categories

The financial assets and financial liabilities held by the Company at the reporting date were as follows

	2012 £'000		2011 £'000	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets - receivables				
Current tax receivable	1	1	1	1
Amounts due from group undertakings	434	434	200	200
	<u>435</u>	<u>435</u>	<u>201</u>	<u>201</u>
Financial liabilities				
Other payables	173	173	28	28
Corporation Tax	6	6	-	-
Amounts due to group undertakings	181	181	137	137
	<u>360</u>	<u>360</u>	<u>165</u>	<u>165</u>

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or fails to meet its contractual obligations, and arises principally from the Company's receivables from associated companies. The Company's exposure to credit risk is therefore not considered to be significant and therefore sensitivity analysis information has not been provided

Foreign currency risk

Foreign exchange risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to this risk as it invoices overseas companies in sterling. The Company's exposure to foreign exchange risk is therefore not considered to be significant and accordingly sensitivity analysis information has not been provided

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no borrowings and therefore is not subject to interest rate risk and a sensitivity analysis is not provided

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages its liquidity through intercompany accounts with BNP Paribas Leasing Solutions Limited. Access to sources of funding is sufficiently available and is sufficiently available with Group companies

Maturity profile of assets and liabilities

The maturity profile of the Company's financial assets and liabilities based on contractual undiscounted payments is all under 3 months

JCB FINANCE MANAGEMENT SERVICES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

15 RECONCILIATION OF UK GAAP TO IFRS

The Company's date of transition to IFRS is 1 January 2011. For years up to, and including 31 December 2011, the Company prepared its financial statements in accordance with UK GAAP. This note explains the adjustments that have been made to restate the UK GAAP financial statements as at 1 January 2011 and for the year ending 31 December 2011 to IFRS.

In preparing these financial statements the Company has not taken advantage of any of the permitted exemptions from retrospective application of certain IFRSs.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Transition Notes	UK GAAP 2011 £'000	Effect of Reclassifica- Transition tion	IFRS 2011 £'000
CONTINUING OPERATIONS				
Other revenue		219	-	219
		219	-	219
Interest expense		-	-	-
Costs from operations		(189)	-	(189)
NET INTEREST INCOME		30	-	30
Administrative expenses		(10)	-	(10)
PROFIT BEFORE INCOME TAX		20	-	20
Income tax expense		(5)	-	(5)
PROFIT FOR THE YEAR				
Attributable to equity holders		15	-	15

There was no impact to the statement of comprehensive income on the transition to IFRS.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

RECONCILIATION OF UK GAAP TO IFRS

STATEMENT OF FINANCIAL POSITION AS AT 1 JANUARY 2011

	Transition	UK GAAP	Effect of Reclassifica	IFRS 2010
	Notes	2010 £'000	Transition tion	£'000
ASSETS				
Current assets				
Amounts due from group undertakings		-	-	176
Debtors falling due within 1 year	A	176	-	(176)
Debtors falling due after 1 year	A	-	-	-
TOTAL ASSETS		176	-	176
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital		-	-	-
Retained earnings		21	-	-
TOTAL EQUITY		21	-	21
Current liabilities				
Other payables	B	-	-	98
Amounts due to group undertakings	B	-	-	57
Creditors falling due within 1 year	B	155	-	(155)
Creditors falling due after 1 year		-	-	-
Total current liabilities		155	-	155
Total liabilities		155	-	155
Total equity and liabilities		176	-	176

JCB FINANCE MANAGEMENT SERVICES LIMITED
COMPANY NUMBER 06545253

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

RECONCILIATION OF UK GAAP TO IFRS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Transition Notes	UK GAAP 2011 £'000	Effect of Transition	Reclassification ton	IFRS 2011 £'000
ASSETS					
Current Assets					
Current tax receivable	A	-	-	1	1
Amounts due from group undertakings	A	-	-	200	200
Debtors falling due within 1 year	A	201	-	(201)	-
Debtors falling due after 1 year		-	-	-	-
TOTAL ASSETS		201	-	-	201
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital		-	-	-	-
Retained earnings		36	-	-	36
TOTAL EQUITY		36	-	-	36
Current liabilities					
Other payables	B	-	-	28	28
Amounts due to group undertakings	B	-	-	137	137
Creditors falling due within 1 year	B	165	-	(165)	-
Creditors falling due after 1 year		-	-	-	-
Total current liabilities		165	-	-	165
Total liabilities		165	-	-	165
Total equity and liabilities		201	-	-	201

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Continued

RECONCILIATION OF UK GAAP TO IFRS

Notes to the reconciliations

- | | |
|----------|--|
| A | The reclassification adjustment transfers the debtors falling due within a year to amounts due from group undertakings. This has had no overall impact on the statement of financial position. |
| B | The reclassification adjustment transfers the creditors falling due within a year to amounts due to group undertakings. This has had no overall impact on the statement of financial position. |
| C | The transition from UK GAAP to IFRS has not had a material impact on the Company's cash flow from operating, investing and financing activities. |

16 PARENT AND ULTIMATE CONTROLLING PARTY

The immediate Parent, and holding, company is JCB Finance Holdings Limited, which is incorporated and registered in England and Wales.

The ultimate parent company is BNP Paribas SA, which is registered in France.

The smallest group in which the results of the Company are consolidated is that headed by BNP Paribas SA. The consolidated financial statements of BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italiens, 75009, Paris, France.

The largest group in which the results of the Company are consolidated is that headed by BNP Paribas SA. The consolidated financial statements of BNP Paribas SA are available to the public and may be obtained from 16 Boulevard des Italiens, 75009, Paris, France.

17 EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the reporting period.