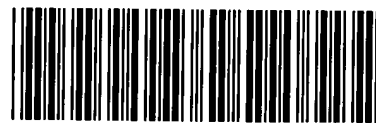


J.C.B. Service

**Directors' Report and Consolidated Financial Statements
for the year ended 31 December 2020**

Registered number 00564955

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J.C.B. Service

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J.C.B. Service

Directors and advisors

Directors

The Lord Bamford DL
Lady Bamford OBE
G H A Bamford
J C E Bamford
A C Bamford
E T D Leadbeater
G A Macdonald
M W E Turner
R I Molson

Company secretary

S E R Ovens

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Hardman Square
Manchester
M3 3EB

Solicitors

Slaughter & May
1 Bunhill Row
London
EC1Y 8YY

Bankers

Barclays Bank plc
PO Box 3333
One Snowhill
Snow Hill Queensway
Birmingham
B3 2WN

HSBC Bank plc
4th Floor
120 Edmund Street
Birmingham
B3 2QZ

National Westminster Bank plc
250 Bishopsgate
London
EC2M 4AA

Lloyds Bank plc
Ground Floor
10 Gresham Street
London
EC2V 7AE

Citibank NA
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Canary Wharf
London
E14 5LB

ABC International Bank plc
1-5 Moorgate
London
EC2R 6AB

BNP Paribas Bank
10 Harewood Avenue
London
NW1 6AA

Registered office

Lakeside Works
Rocester
Uttoxeter
Staffs
ST14 5JP

Registered number

00564955

J.C.B. Service

Strategic report for the year ended 31 December 2020

The directors present their strategic report on the group for the year ended 31 December 2020.

Principal activities

The principal activity of J.C.B. Service and its subsidiaries (together the 'group') is the design, manufacture, marketing and sale of a comprehensive range of excavating, earthmoving, materials handling, agricultural and industrial machines and the provision of after sales service and supply of parts for those machines, in construction, agriculture and industrial markets.

Review of the business and future developments

Results in 2020 have been significantly impacted by the Covid-19 pandemic, which has brought about a period of economic uncertainty in the group's markets. On 18 March 2020, the group took the decision to close a significant number of its factories and furloughed a proportion of its workforce under various Government schemes in the markets it operates. The group reopened the majority of its factories in May 2020.

The global construction equipment market, excluding China, contracted significantly in Q2 of 2020; however many markets rebounded faster than expected with the Construction and Agricultural sectors learning to live with the impacts of Covid-19. Globally the construction equipment market grew by 4% compared to 2019 (Source: ISTAT) although if China is excluded then the markets reduced by 7%. This growth was impacted by local, regional and global political landscapes, creating a mixture of market expansions and contractions as follows: UK & Ireland -27%, Continental Europe -12%, India, -7%, North America -5%, Middle East +9%, and China +36%. The post-Covid-19 market recovery is expected to gather momentum through 2021.

Group turnover fell to £3,141.8 million (2019: £4,158.7 million) and the number of units sold decreased by 21.7%. Operating profit for the year was £136.6 million (2019: £290.3 million). The group continues to invest in research and development, spending £82.8 million (2019: £104.4 million) in the year on new products which put JCB in a strong position in the construction equipment market.

The group has a strong balance sheet and net cash is £675.7 million (2019: £418.8 million). The group generated operational cash of £310.3 million (2019: £174.7 million), invested £47.0 million (2019: £90.2 million) in capital assets and paid no dividend (2019: £95.0 million).

On 22 April 2020, J.C.B. Service issued commercial paper of £600.0 million through the Covid Corporate Finance Facility (CCFF) implemented by the UK Government. At the balance sheet date, this facility had been repaid in full.

In 2020 the assets and liabilities of Transmissions and Engineering Services Netherlands BV ("TESN") were merged with those of J.C.B. Service at book value under the principles of merger accounting. Immediately prior to the merger the 48,710 shares that were in issue were cancelled and new shares of an equivalent amount were issued to JCB Group Holdings Sàrl. Immediately following the issue of the shares, by way of a special resolution, the amount standing to the credit of the share premium account was cancelled and extinguished and £436.8 million was converted into distributable reserves. More detail of this merger are included in note 22 of these financial statements.

Going concern

The uncertainty as to the future impact of the Covid-19 outbreak has been considered as part of the group's adoption of the going concern basis. The Directors have reviewed financial forecasts for the 12 months from the approval date of these financial statements, taking account of reasonably possible changes in trading conditions. After making enquiries and testing the assumptions, including consideration of a severe but plausible downside scenario which models a significant reduction in sales volumes, together with considering sales performance during the post year end period and the current order book, the Directors have satisfied themselves that the group will be able to operate well within the level of its facilities and in continuing compliance with its financial covenants. In addition, the group has identified a number of mitigating actions that are within management's control and can be actioned on a timely basis to be effective should trading deteriorate and are therefore satisfied there is no material uncertainty. Accordingly, the group continues to adopt the going concern basis in preparing the financial statements.

J.C.B. Service

Strategic report for the year ended 31 December 2020 (continued)

Principal risks and uncertainties

The principal risk facing J.C.B. Service is the cyclical nature of the industry as a whole which, in broad terms, tracks the global economic cycle. To manage this risk, J.C.B. Service addresses a spectrum of regional markets and product sectors, and operates an organisation and capital structure which is flexible and fast reacting to market conditions. Over its history, J.C.B. Service has grown in the good years and weathered the downturns, increasing the size of the business as each cycle progresses.

Other key risks monitored by the executive management team are the competitive environment, protection of intellectual property, agility of the supply chain, availability of key raw materials, changing regulations and macroeconomic factors such as cyber security, terrorism, natural disaster and infectious disease. Executive management monitors these on a regular basis and has plans in place to mitigate these risks.

The group continues to monitor the situation relating to Covid-19 and its impact on both the business and the industry as a whole.

Financial risk management

The group's operations expose it to a variety of risks that include credit risk, liquidity risk, exchange rate risk and interest rate risk. The group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group.

Credit risk

J.C.B. Service's principal financial assets are cash held on deposit with financial institutions and trade and other debtors. The credit risk is primarily attributable to its trade debtors with potential recoverability issues mitigated by credit insurance. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings by international credit rating agencies. J.C.B. Service has no significant concentration of credit risk, with exposure spread over a number of counterparties and a broad customer base.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, J.C.B. Service uses a mixture of short term facilities, invoice discounting, and senior loan notes. Adequate facilities are available to support the group's business for at least 12 months from the date of this report.

Exchange rate risk

As part of their normal operating activities, certain companies in the group hedge exchange rate exposure on foreign currency transactions, mainly those relating to sales, where a significant proportion thereof are invoiced in foreign currencies. It is the group's policy to reduce this exposure through the use of forward currency contracts. The aggregate fair value of forward currency contracts outstanding at 31 December 2020 was a net asset of £22.0 million (2019: asset of £4.8 million).

Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. The group manages the risk through a combination of fixed and floating rate facilities. Long-term borrowings include senior loan notes of £195.2 million (2019: £195.2 million), which attract a fixed interest rate, whilst interest payable on the bank loans and overdrafts is linked to LIBOR.

Key performance indicators (KPIs)

J.C.B. Service uses a range of financial and non-financial indicators to monitor performance.

Financial measures are turnover, operating profit and cash generated from operations:

	2020 £m	2019 £m
Turnover	3,141.8	4,158.7
Operating profit	140.7	290.3
Net cash generated from operating activities	310.3	174.7

Non-financial indicators include operational statistics, health and safety measures and environmental factors.

J.C.B. Service

Strategic report for the year ended 31 December 2020 (continued)

Environmental key performance indicators

Streamlined Energy & Carbon Report

J.C.B. Service has reported its current UK based annual energy usage and associated annual greenhouse gas emissions pursuant to the Companies (Directors' Report) and Limited Liability Partnership (Energy & Carbon Report) Regulations 2018 (the regulations) that is effective from 1 April 2019.

The calculations have been completed in line with the ESOS methodology specified in the 'Energy Savings Opportunity Scheme Guidance' Version 6. Greenhouse Gas conversion factors were taken from the 2020 Condensed set of conversion factors published by DEFRA.

Breakdown of energy consumption

Total energy use covering electricity, gas and transport	164,306,707	kWh
Total emissions generated through combustion of gas	15,679	tCO2e
Total emissions generated through use of purchased electricity	15,708	tCO2e
Total emissions generated through use of other fuels (LPG)	125	tCO2e
Total emissions generated through owned business travel	347	tCO2e
Total gross emissions	31,859	tCO2e
Intensity ratio (total gross emissions per machine)	1,232	kgCO2e/machine

Energy efficiency actions

In line with its commitment on environmental sustainability, the group has taken the following actions to improve energy efficiency in recent years:

- Upgraded factory and office lighting to LED and fitted light sensors during upgrades;
- Increased availability and encouraged use of video conferencing to reduce travel;
- Used Building Management Systems to ensure efficient control of HVAC services;
- Installed an elevated energy efficient curing oven in the new Cabs factory;
- Installed inverter controls on a significant number of pumps and motors; and
- Maintained and extended use of our energy management software and reporting tool.

Section 172(1) statement

The directors satisfy their duty to promote the long-term success of the company whilst having regard to the matters and stakeholders described in Section 172, points (a) to (f) of the Companies Act 2006 through the adherence to its Corporate Governance framework, as outlined in the directors report. The ultimate long-term success of the group is dependent upon the efforts of its stakeholders, including employees, suppliers and customers, and the directors take into consideration the interests of these stakeholders when making decisions.

Employees

The directors consider the interests of employees when making decisions through regular consultation where both important information is provided and feedback is obtained. The directors have a strong and collaborative working relationship with employees, for example, the directors engaged closely with the workforce when they assessed how the group should react to the Covid-19 outbreak.

Suppliers and customers

The group develops innovative new products that are designed to meet global customer needs. This requires a close relationship with customers who provide valuable feedback, which the directors use when making decisions regarding the direction of product development. New product development requires new components and regular discussions with suppliers help drive the direction of sourcing decisions made by the directors. Regular meetings and conferences with customers and suppliers facilitate this process.

Community and the Environment

The group's strategy for environmental sustainability covers six core work streams - alternative fuels and product efficiency; waste reduction; use of recycled materials; carbon reduction in the logistics and manufacturing operations; removal of single use plastics; and culture and behaviour change. Achieving these core work streams drives the decision making of the directors who are committed to delivering a reduction in carbon emissions from the business.

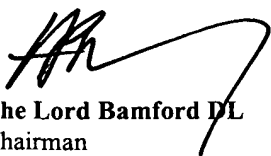
J.C.B. Service

Strategic report for the year ended 31 December 2020 (continued)

Business conduct

The group maintains a strict code of conduct to promote and maintain high standards of business conduct and to ensure it acts fairly towards its various stakeholders. The group's supplier code of conduct, health and wellbeing policy and other documents are published on the group's website.

On behalf of the board



The Lord Bamford DL
Chairman

07-MAY-2021

J.C.B. Service

Directors' report for the year ended 31 December 2020

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

Future developments

Details of anticipated future developments in the group's business have been provided in the strategic report on page 2.

Dividends

No dividend was paid during the year (2019: £95.0 million).

Research and development

The group continues to invest in product research and development with expenditure during the year of £82.8 million (2019: £104.4 million).

Political donations

The group made political donations to the Midlands Industrial Council of £25,000 (2019: £150,000) and made no political donations to The Conservative Party during the year (2019: £2.8 million).

Statutory records

The company is a privately held unlimited company which is incorporated in the UK and its company registration number is 00564955.

Directors

The directors who held office during the year and up to the date of approving the financial statements, unless stated, are given below:

The Lord Bamford DL
Lady Bamford OBE
G H A Bamford
J C E Bamford
A C Bamford
E T D Leadbeater
G A Macdonald
M W E Turner
R I Molson

Directors' indemnity insurance

The company purchases qualifying third party indemnity insurance cover for directors and officers of the company which gives appropriate cover for any legal action brought against them in their capacity as directors or officers. The company also provides indemnity for its directors (to the extent permitted by law) in respect of liabilities which could occur as a result of their office. This indemnity does not provide cover should a director be proved to have acted fraudulently or dishonestly. This indemnity was in place throughout the financial year and at the date of approval.

Corporate Governance

The directors are collectively responsible for ensuring that they operate in a manner which best promotes the interests of the group with consideration to its wider group of stakeholders. Underpinning this responsibility is an appropriate Corporate Governance framework, specifically designed to meet the needs of JCB and is broadly in line with the Wates Principles. The framework ensures the values, strategy and culture of the group are communicated and followed.

Purpose and leadership

The group's mission is to grow by providing innovative, strong and high-performance products and solutions to meet the needs of global customers, supported by superior customer care. This care extends to the environment and the community. The group wants to help build a better future where hard work and dedication are given their just reward. These fundamental principles drive the governance of the group.

J.C.B. Service

Directors' report for the year ended 31 December 2020 (continued)

Board composition

The directors possess the required skills and experience to run the business. Executive directors that are appointed have demonstrated substantial experience working within the group. The directors comprise the Chairman, Chief Executive Officer, executive directors and a non-executive director. The diversity of the board supports the group's values on gender equality. The directors meet on a regular basis, however additional meetings can be called as necessary to perform its functions.

Director responsibilities

The directors are responsible for the group's strategy, including the likely consequences of any decisions in the long term and the general conduct of the group's affairs. The directors review and oversee the group's policy in relation to employee remuneration (delegated to a remuneration committee); succession planning; risk management and internal control; safety and environmental matters; and regulatory compliance. A wider team of senior management is responsible for the operational management of the group with support and guidance from the directors. Clear written guidelines have been set outlining matters solely reserved for approval by the directors.

Opportunity and risk

The directors regularly review the strategies, opportunities and risks faced by the group. A group risk and control committee meets on a monthly basis to identify and monitor risks and these are communicated to senior management. The principal risks facing the group are set out in detail in the strategic report.

Remuneration

The directors ensure that remuneration for all employees is appropriate and fair. The directors have appointed a remuneration committee comprising certain directors and advisors that is responsible for senior directors pay and benefits. Remuneration is linked to the achievement of the group as well as personal performance. The directors are mindful of the gender pay gap and report on this annually on the group's website.

Stakeholder relationships and engagement

The directors acknowledge the need to encourage employee involvement in the improvement of the group's performance by supporting individual training and performance plans. Important information is supplied and feedback is obtained through regular consultation with employees. Regarding the local community, the group has a long-standing tradition of providing support through various means including sponsoring local schools, recreational facilities and other good causes. In addition, the group regularly meets with local government representatives to discuss and understand the likely consequences of any decisions. The group's statement on stakeholder engagement is set out below.

Employee engagement

The directors consider the interests of employees when making decisions through regular consultation where both important information is provided and feedback is obtained. The directors have a strong and collaborative working relationship with employees, for example, the directors engaged closely with the employees when they assessed how the group should react to the Covid-19 outbreak.

The group discharges, equitably, its statutory and social duties in respect of the Sex Discrimination Act 1975, the Race Relations Act 1976, the Disability Discrimination Act 1995 and the Employment Equality Regulations on sexual orientation, religion, belief or age. An equal opportunities policy is in operation. For those employees becoming disabled during the course of their employment, every effort is made, whether through training or redeployment, to provide an opportunity for them to remain with the group.

Stakeholder engagement

The group maintains a close relationship with customers who provide valuable feedback, critical for developing innovative new products that are designed to meet global customer's needs. Regular discussions with suppliers help drive the direction of sourcing decisions made by the directors. Regular meetings and conferences with customers and suppliers facilitate this process. Regarding the environment, the group's strategy for environmental sustainability covers six core work streams - alternative fuels and product efficiency; waste reduction; use of recycled materials; carbon reduction in the logistics and manufacturing operations; removal of single use plastics; and culture and behaviour change. Achieving these core work streams drives the decision making of the directors who are committed to delivering a reduction in carbon emissions from the business.

J.C.B. Service

Directors' report for the year ended 31 December 2020 (continued)

Matters disclosed elsewhere within the financial statements

Required disclosures in relation to the group's key performance indicators, business review, going concern, future prospects, principal risks and uncertainties, and financial risk management have been included within the group's Strategic Report on pages 2 and 3 of these financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 group and company and of the profit or loss of the group and company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

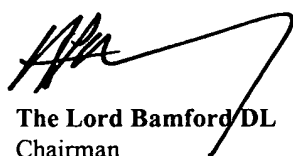
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the group and company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group and company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Elective resolutions are currently in force to dispense with holding annual general meetings, the laying of financial statements before the group in general meetings and the appointment of auditors annually. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



The Lord Bamford DL
Chairman

07-MAY-2021

J.C.B. Service

Independent Auditors' report to the members of J.C.B. Service

Report on the audit of the financial statements

Opinion

In our opinion, J.C.B. Service's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the consolidated and company balance sheets as at 31 December 2020; the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the group's forecasts for the period to 31 December 2022;
- Performing procedures to assess the mathematical accuracy of management's cash flow forecasts, and resulting cash headroom;
- Consideration and corroboration of assumptions made in management's base case and downside scenarios;
- Performing sensitivity analysis on management's model to understand the sensitivity of cash headroom to specific assumptions;
- Review of management's assessment and calculations with regards to covenant compliance, specifically over the going concern period; and
- Reviewing the appropriateness of the disclosures within the financial statements

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

J.C.B. Service

Independent Auditors' report to the members of J.C.B. Service (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

J.C.B. Service

Independent Auditors' report to the members of J.C.B. Service (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, local and international tax regulations, health and safety regulations and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, internal audit and the in-house legal team including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing internal audit reports;
- challenging assumptions and judgements made by management in their significant accounting estimates (because of the risk of management bias), in particular in relation to the carrying value of goodwill and investments; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

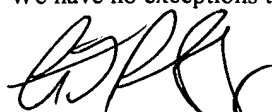
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Graham Parsons (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

7 May 2021

J.C.B. Service

Consolidated profit and loss account for the year ended 31 December 2020

	Note	2020 £m	2019 £m
Turnover	5	3,141.8	4,158.7
Cost of sales		(2,575.7)	(3,324.7)
Gross profit		566.1	834.0
Distribution costs		(153.4)	(199.0)
Administrative expenses		(306.1)	(352.4)
Other operating income	6	34.1	7.7
Operating profit	6	140.7	290.3
Share of associate's profit before tax		8.2	5.5
Interest receivable and similar income		5.6	8.6
Interest payable and similar expenses	9	(24.4)	(28.1)
Profit before taxation		130.1	276.3
Tax on profit	10	(46.3)	(79.6)
Profit for the financial year		83.8	196.7

The company has taken advantage of Section 408 (1) of the Companies Act 2006 not to publish its own profit and loss account. The company's profit for the financial year was £47.2 million (2019: £22.2 million).

All activities are derived from continuing operations.

Consolidated statement of comprehensive income for the year ended 31 December 2020

	Note	2020 £m	2019 £m
Profit for the financial year		83.8	196.7
Other comprehensive income/(expense)			
Foreign exchange adjustments		(32.6)	(27.8)
Change in value of hedging instruments:			
Gains arising during the year		29.3	31.9
Re-classified to profit and loss		(12.1)	(11.4)
Movement on deferred tax relating to hedging instruments		(2.9)	(3.5)
Re-measurement of pension liability	21	(50.0)	(53.0)
Movement on deferred tax relating to pension liability		9.1	9.1
Other comprehensive expense net of tax		(59.2)	(54.7)
Total comprehensive income for the year		24.6	142.0

J.C.B. Service

Consolidated balance sheet as at 31 December 2020

	Note	2020 £m	2019 £m
Fixed assets			
Intangible assets	12	153.6	170.6
Tangible assets	13	532.5	576.3
Investments	14	14.6	3.7
		700.7	750.6
Current assets			
Stock	15	500.8	530.3
Debtors	16	1,119.8	663.0
Investments	17	7.8	12.7
Cash at bank and in hand		872.9	615.6
		2,501.3	1,821.6
Creditors – amounts falling due within one year	18	(905.8)	(745.6)
Net current assets		1,595.5	1,076.0
Total assets less current liabilities		2,296.2	1,826.6
Creditors: amounts falling due after more than one year	19	(217.3)	(212.7)
Provisions for liabilities	20	(93.4)	(104.7)
Pension scheme deficit	21	(352.9)	(306.3)
Net assets		1,632.6	1,202.9
Capital and reserves			
Called up share capital	24	-	-
Share premium account	25	-	31.7
Other reserves	25	57.4	43.1
Profit and loss account	25	1,575.2	1,128.1
Total equity		1,632.6	1,202.9

The financial statements on pages 12 to 47 were approved by the board of directors on **07-MAY-2021** and were signed on its behalf by:


The Lord Bamford DL
Chairman

Company registration number: 00564955

J.C.B. Service

Company balance sheet as at 31 December 2020

	Note	2020 £m	2019 £m
Fixed assets			
Tangible assets	13	19.1	20.2
Investments	14	472.2	477.9
		491.3	498.1
Current assets			
Stock	15	77.0	80.6
Debtors	16	495.2	358.6
Cash at bank and in hand		362.0	16.3
		934.2	455.5
Creditors – amounts falling due within one year	18	(205.7)	(189.7)
Net current assets		728.5	265.8
Total assets less current liabilities		1,219.8	763.9
Creditors: amounts falling due after more than one year	19	(216.1)	(211.5)
Provisions for liabilities	20	(8.5)	(15.3)
Net assets		995.2	537.1
Capital and reserves			
Called up share capital	24	-	-
Share premium account	25	-	31.7
Other reserves	25	6.7	0.9
Profit and loss account	25	988.5	504.5
Total equity		995.2	537.1

The financial statements on pages 12 to 47 were approved by the board of directors on **07-MAY-2021** and were signed on its behalf by:



The Lord Bamford DL
Chairman

Company registration number: 00564955

J.C.B. Service

Consolidated statement of cash flows for the year ended 31 December 2020

	Note	2020 £m	2020 £m	2019 £m	2019 £m
Net cash inflow from operating activities	26		385.7		263.7
Taxation paid			(75.4)		(89.0)
Net cash generated from operating activities			310.3		174.7
Cash flow from investing activities					
Purchase of tangible assets		(47.0)		(90.2)	
Proceeds from sale of tangible assets		10.6		2.8	
Interest received		5.6		8.6	
Dividends received from associate		-		5.0	
Acquisition of subsidiaries (net of cash acquired)		-		(51.8)	
Cash acquired with merger	22	5.9		-	
Net cash used in investing activities			(24.9)		(125.6)
Cash flow from financing activities					
Receipts from revolving credit facility		359.0		-	
Repayment of revolving credit facility		(359.0)		-	
Issue of Commercial Paper		600.0		-	
Redemption of Commercial Paper		(600.0)		-	
Dividends paid to shareholders	11	-		(95.0)	
Interest paid		(24.4)		(28.1)	
Net cash used in financing activities			(24.4)		(123.1)
Net increase/(decrease) in cash and cash equivalents			261.0		(74.0)
Cash and cash equivalents at the beginning of the year			614.0		700.0
Foreign exchange translation adjustment			(4.1)		(12.0)
Cash and cash equivalents at the end of the year			870.9		614.0
Cash and cash equivalents consists of:					
Cash at bank and in hand			872.9		615.6
Overdrafts	18		(2.0)		(1.6)
Cash and cash equivalents			870.9		614.0
Net debt due after one year	19		(195.2)		(195.2)
Net cash			675.7		418.8

J.C.B. Service

Consolidated statement of changes in equity for the year ended 31 December 2020

	Called-up share capital	Share premium	Other reserves	Profit and loss account	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2019	-	31.7	26.1	1,098.1	1,155.9
Profit for the financial year	-	-	-	196.7	196.7
Other comprehensive income/(expense) for the year	-	-	17.0	(71.7)	(54.7)
Total comprehensive income/(expense) for the year	-	-	17.0	125.0	142.0
Dividends paid	-	-	-	(95.0)	(95.0)
Balance as at 31 December 2019	-	31.7	43.1	1,128.1	1,202.9
Profit for the financial year	-	-	-	83.8	83.8
Other comprehensive income/(expense) for the year	-	-	14.3	(73.5)	(59.2)
Total comprehensive income for the year	-	-	14.3	10.3	24.6
Merger transactions recognised in equity	-	-	405.1	-	405.1
Capital reduction	-	(31.7)	(405.1)	436.8	-
Balance as at 31 December 2020	-	-	57.4	1,575.2	1,632.6

J.C.B. Service

Company statement of changes in equity for the year ended 31 December 2020

	Called-up share capital	Share premium	Other reserves	Profit and loss account	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2019	-	31.7	(7.1)	577.3	601.9
Profit for the financial year	-	-	-	22.2	22.2
Other comprehensive income for the year	-	-	8.0	-	8.0
Total comprehensive expense for the year	-	-	8.0	22.2	30.2
Dividends paid	-	-	-	(95.0)	(95.0)
Balance as at 31 December 2019	-	31.7	0.9	504.5	537.1
Profit for the financial year	-	-	-	47.2	47.2
Other comprehensive income for the year	-	-	5.8	-	5.8
Total comprehensive income for the year	-	-	5.8	47.2	53.0
Merger transactions recognised in equity	-	-	405.1	-	405.1
Capital reduction	-	(31.7)	(405.1)	436.8	-
Balance as at 31 December 2020	-	-	6.7	988.5	995.2

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020

1. General information

The principal activity of J.C.B. Service and its subsidiaries (together the 'group') is the design, manufacture, marketing and sale of a comprehensive range of excavating, earthmoving, materials handling and agricultural machines and the provision of after sales service and supply of parts for those machines, in construction, agriculture and industrial markets.

The company is incorporated and domiciled in England, UK. The address of its registered office is Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP.

2. Statement of compliance

The consolidated financial statements of J.C.B. Service have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the group financial statements of J.C.B. Service which are included within this Annual Report. The company has taken advantage of the disclosure exemptions set out in paragraph 1.12 of FRS 102 specifically in relation to the company not preparing its own cash flow statement and the disclosure of transactions between companies within the same group.

In addition, the company has taken the exemption available in paragraph 408 (1) of the Companies Act 2006 to not disclose its own profit and loss account. The profit recorded by the company in the year ended 31 December 2020 totalled £47.2 million (2019: £22.2 million).

3. Summary of significant accounting policies

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

Principal accounting policies

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 as modified for certain financial assets and liabilities measured at fair value through profit or loss.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The uncertainty as to the future impact of the Covid-19 outbreak has been considered as part of the group's adoption of the going concern basis. The Directors have reviewed financial forecasts for the 12 months from the approval date of these financial statements, taking account of reasonably possible changes in trading conditions.

After making enquiries and testing the assumptions, including consideration of a severe but plausible downside scenario which models a significant reduction in sales volumes, together with considering sales performance during the post year end period and the current order book, the Directors have satisfied themselves that the group will be able to operate well within the level of its facilities and in continuing compliance with its financial covenants. In addition, the group has identified a number of mitigating actions that are within management's control and can be actioned on a timely basis to be effective should trading deteriorate and are therefore satisfied there is no material uncertainty. Accordingly, the group continues to adopt the going concern basis in preparing the financial statements.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Basis of consolidation and accounting for other investments

Subsidiaries

The consolidated financial statements incorporate the financial statements of J.C.B. Service and entities controlled by J.C.B. Service (its subsidiaries) made up to the reporting date each year. Control is achieved where J.C.B. Service has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

On acquisition, the assets, liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of the acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Any negative goodwill that arises where the fair value of the group's interest in the identifiable assets and liabilities acquired of a subsidiary undertaking exceeds the fair value of the consideration given is recognised in the balance sheet and is credited to the profit and loss account in the period in which the non-monetary assets are recovered.

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from the effective date of acquisition or disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies into line with those used by the group.

All intra-group balances and transactions are eliminated on consolidation and all unrealised gains on transactions between group companies are eliminated on consolidation.

Associates

Associates are entities over which the group has significant influence but not control. Investments in associates are accounted for using the equity method of accounting. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

The group's share in associates' post-acquisition profits or losses is recognised in the profit and loss account.

Unrealised gains on transactions between group companies and transactions between the group and its associates are eliminated to the extent of the group's interest in each associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Merger accounting

Under the merger accounting method, the results and cash flows of all the combining entities are brought into the financial statements from the beginning of the financial year in which the combination occurred. Assets and liabilities are merged at book value. The comparative information has not been restated.

The difference between the nominal value of the shares issued and the nominal value of the assets has been credited to other reserves as shown in the statement of equity.

Foreign currency

The group's presentational currency is the pound sterling. Therefore these consolidated financial statements are presented in pounds sterling and have been rounded to the nearest hundred thousand pounds.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences on exchange are taken to the profit and loss account.

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end. Exchange adjustments arising from the retranslation of opening net investments, net assets of overseas subsidiaries including long term funding balances with those subsidiaries and from the translation of the profits or losses at average rates are recognised in other comprehensive income.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Turnover recognition

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for machines and parts supplied or services rendered to customers outside of the group, excluding VAT and sales taxes and net of sales incentives.

The group recognises turnover from sales of products when significant risk and rewards have been transferred to external parties, normally on an ex-works basis for machines and on despatch for parts. Turnover from the provision of services is recognised in the accounting period in which the services are rendered and when the outcome of contracts can be estimated reliably. Turnover from warranty contracts is spread over the life of the contract.

Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established.

Employee benefits

The group operates several defined benefit pension schemes for the benefit of its employees both in the UK and in certain overseas locations, the assets of which are held separately from those of the group in independently administered funds.

The fair value of pension scheme assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability as determined by an independent actuary. The increase in the present value of the liabilities of the group's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The interest income and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in interest and are calculated based on the discount rate. Curtailment gains are recognised in the profit and loss account. Remeasurement gains and losses are recognised in other comprehensive income.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

The group also operates a number of defined contribution pension schemes. The assets of these schemes are held in separately administered funds from the group. The pension charge represents contributions payable by the group to the funds.

Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred.

Deferred tax assets are regarded as recoverable and recognised in the financial statements when, on the basis of available evidence, it is more likely than not that there will be sufficient taxable profits from which the future reversal of the timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates that have been enacted or substantially enacted at the balance sheet date.

The deferred tax assets and liabilities are not discounted.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Intangible assets - Goodwill

Goodwill on consolidation, representing the excess of the cost of shares in subsidiaries over their net assets at the date of acquisition, is amortised to the profit and loss account on a straight line basis over its estimated useful economic life which is no more than 20 years.

Annually, the group assesses whether there are any indicators that the carrying amount of goodwill and other tangible assets may be impaired. Where indicators of impairment are identified, the group performs an impairment test to determine the recoverable amount of goodwill and other tangible assets. In assessing recoverable amount the group looks at the higher of the asset's value in use and its fair value less cost to sell. Where the recoverable amount is less than the asset's carrying amount, an impairment is recognised which is charged to the profit and loss account. For tangible assets where the factors that gave rise to the impairment have reversed, and the recoverable amount is determined to exceed the carrying amount, the impairment is reversed, such as to bring the asset back to the value it would have been carried at prior to the impairment charge being recognised, to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation and amortisation) had no impairment loss been recognised in prior periods.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the original cost by equal annual instalments over the expected useful economic lives of the assets concerned, other than freehold land and assets in the course of construction which are not depreciated.

The principal rates used are:

Freehold buildings	1 - 5%
Leasehold land and buildings	Shorter of lease period and 50 years
Plant and machinery	10 - 33.33%
Fixtures, fittings and equipment	4 - 33.33%
Motor vehicles	20 - 25%

Additional depreciation is provided where, in the opinion of the directors, there has been a permanent diminution in the value of the fixed asset.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Stocks and work in progress

Stocks are stated at the lower of historical cost and estimated selling price less costs to complete and sell. Stock is recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method and includes direct materials, labour and appropriate works overhead.

At the end of each reporting period stock is assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is recognised the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Warranty provision

Provision is made for the group's estimated liability on all machines still under warranty, including claims already received. The provision is charged against trading profits and is included in provisions for liabilities, with amounts recoverable from suppliers included within other debtors. Deferred income in relation to extended warranty contracts is included within creditors and released to revenue over the life of the policy. Warranty associated costs are taken to cost of sales.

Where the costs associated with extended warranty contracts are forecast to exceed the income derived from those contracts the contracts are deemed to be onerous. Where warranty contracts are determined to be onerous, provision is made in full for all future costs expected to be incurred in excess of the income to be derived from those contracts.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Research and development

Expenditure on research and development is incurred continuously and is expensed as incurred.

Repairs and renewals

All repairs and renewals are expensed as incurred.

Debtors

Trade debtors are recorded net of amounts discounted without recourse, less any provision for bad or doubtful debts. Initial recognition is at transaction price, subsequently measured at amortised cost.

Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions and the grants will be received. FRS 102 allows for government grants to be accounted for under either the performance or accruals model. The group applies either the performance or accruals model to different classes of government grants with each class of grant being accounted for under a consistent model. In determining whether grants represent different classes the issuing body, country of issue, performance conditions and specific terms are considered to determine whether grants should be treated as separate classes of grant.

Grants accounted for using the performance model recognise the entire amount of the grant when performance conditions are met. Where performance conditions are not met in full at the year end, the grant is taken to deferred income and released to the profit and loss account when the remaining performance conditions are met.

Grants accounted for using the accruals model recognise the amount of the grant over the period the associated costs are incurred. Where grants relate to capital expenditure items, grant income will be recognised over the same useful life over which the capital items are being depreciated. Where grant income relates to employee or other costs the grant income will be recognised in line with the proportion of costs incurred in any one financial period. Where amounts are received in excess of that which can be recognised in a financial period the excess amount is taken to deferred income and is released in subsequent periods. Grants that become receivable under the accruals model in respect of capital expenditure already depreciated or employee or other costs already incurred shall be recognised as income in the period they become receivable.

Investments

Investments are included in the balance sheet at their cost on acquisition. Where appropriate, provision is made for any impairment in their value.

Finance costs

Finance costs incurred in securing the group's financing arrangements are capitalised and amortised over the term of the associated debt. Interest and other finance costs are charged to the profit and loss account as incurred.

Operating leases

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Dividends

Dividends and other distributions to the group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are declared and approved. These amounts are recognised in the statement of changes in equity.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Financial instruments

The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank and other loans, loans from fellow group companies and preference shares, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Derivatives

The group enters into certain foreign exchange forward contracts to manage its cash flow exposure over certain transactions undertaken in currencies other than the functional currency. These foreign exchange forward contracts are put in place to manage the risk of highly probable future forecast transactions.

The group applies hedge accounting to certain transactions entered to manage the foreign exchange risk. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in other comprehensive income. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

3. Summary of significant accounting policies (continued)

Derivatives (continued)

value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss account.

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss account when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged instrument is derecognised or the hedging instrument is terminated.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an 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.

4. Critical accounting judgements and estimation uncertainty

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.

Critical accounting estimates and assumptions

The company and group make 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 addressed below.

Useful economic lives and recoverability of tangible and intangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the tangible assets, and note 3 for the useful economic lives for each class of assets.

The useful economic lives of intangible assets are determined by the directors upon inception and are re-assessed annually. They are amended to reflect any degradation of the asset that becomes apparent. See note 12 for the carrying amount of intangible assets.

There are a number of assumptions made when performing annual impairment reviews over the group's tangible and intangible assets. Where an indicator of impairment exists, determining whether such assets are impaired requires an estimation of the value in use of the assets, based upon expected future cash flows and a suitable discount rate.

Stock provisioning

The group considers the recoverability of the cost of stock and makes an estimate of the associated provision required. When calculating the stock provision, management considers the nature and condition of its stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials. See note 15 for the net carrying amount of the stock and associated provision.

Impairment of debtors

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 16 for the net carrying amount of the debtors and associated impairment provision.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

4. Critical accounting judgements and estimation uncertainty (continued)

Defined benefit pension scheme

The group has an obligation to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management employs actuaries to estimate these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. See note 21 for the disclosures relating to the defined benefit pension scheme.

Warranty provision

The group considers the future cost of warranty claims and makes an estimate of the provision arising. When calculating the provision required, management considers its obligation to make good eligible issues within the relevant warranty period for those product lines having warranty conditions attached, and takes into account historical data, known performance issues and supplier recoveries. See note 20 for the warranty movement and year end provision.

Sales incentive provision

Under certain conditions the group offers sales incentives in order to maintain its competitiveness in its respective markets. The provision is calculated by considering economic indicators across geographic regions and market segments. Provisions are made with reference to agreed terms with customers or based on historical experience where formal agreements are not in place.

Taxation

Transactions may occur during the normal course of business where the final tax determination is uncertain. Where such transactions occur, the group recognises liabilities for these transactions based on the likelihood that an additional liability will arise and an estimate of any additional tax that may become payable. In estimating the value of any uncertain tax positions, the group exercises judgement based on past experience and previous legal interpretations. Any differences between the estimated and actual tax liabilities are recognised in the financial statements in the year in which the uncertain position becomes known.

In the case of deferred tax arising on the unremitted earnings of the group's overseas subsidiaries, provision is made for the amount that is expected to be settled, based on management's judgement as to the probable amount of repatriation to the UK in the foreseeable future.

5. Turnover

An analysis of turnover by geographical market is given below:

	2020 £m	2019 £m
United Kingdom	412.5	667.8
Europe	853.4	1,187.2
The Americas	622.7	876.8
India	944.0	1,045.4
Middle East	154.0	170.7
Australia and the Far East	100.4	124.7
Africa	54.8	86.1
	3,141.8	4,158.7

The J.C.B. Service group companies are engaged in a single class of business: the design, manufacture, marketing and sale of a comprehensive range of excavating, earthmoving, materials handling, agricultural and industrial machines and the provision of after sales service and supply of parts for those machines, in construction, agriculture and industrial markets.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

6. Operating profit

Operating profit is stated after (crediting)/charging

	2020 £m	2019 £m
Government grants	(34.1)	(7.7)
Reorganisation expense	43.8	-
Research and development expenditure	82.8	104.4
Hire of machinery and equipment	9.1	9.4
Foreign currency loss	42.5	44.4
Loss/(profit) on sale of fixed assets	0.6	(0.2)
Depreciation of tangible fixed assets (note 13)	49.1	42.7
Amortisation of goodwill (note 12)	17.0	16.8

Government grants include income from the UK government's Coronavirus Job Retention Scheme and from the State Government of Rajasthan for investment in manufacturing facilities in the locality.

The reorganisation expense was incurred because of the Covid-19 pandemic. In July 2020, the group carried out a review of its business structure and completed a reorganisation to streamline operations and secure the group's long-term future.

Services provided by the company's auditors:

During the year the group (including its overseas subsidiaries but excluding associates) obtained the following services from the company's auditors and its associates:

	2020 £m	2019 £m
Fees payable to the company's auditors and its associates for the audit of parent company and consolidated financial statements	0.4	0.3
Fees payable to the company's auditors and its associates for other services:		
The audit of the company's subsidiaries	1.5	1.3
Audit-related assurance services	0.1	-
Tax-related services	1.2	1.8
Other	-	0.2
	3.2	3.6

7. Particulars of employees

The average monthly number of persons employed by the group (including directors) during the year, analysed by category, was as follows:

	Group		Company	
	2020 Number	2019 Number	2020 Number	2019 Number
Directors	9	9	9	9
Administration and service	3,478	4,182	144	176
Production	6,811	6,861	223	262
	10,298	11,052	376	447

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

7. Particulars of employees (continued)

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2020 £m	2019 £m	2020 £m	2019 £m
Wages and salaries	366.4	447.3	26.0	25.5
Social security costs	36.2	39.3	1.8	2.0
Defined benefit pension cost	27.9	19.1	-	-
Defined contribution pension cost	17.4	14.5	1.4	1.7
	447.9	520.2	29.2	29.2

Key management compensation

Key management includes the directors and members of senior management. The compensation paid or payable to key management personnel for employee services is shown below:

	2020 £m	2019 £m
Salaries and other benefits	8.7	11.8

8. Directors' emoluments

The directors' emoluments for the year were as follows:

	2020 £m	2019 £m
Aggregate emoluments	5.4	5.9

During the year the number of directors who were accruing benefits under company pension schemes was as follows:

	2020 Number	2019 Number
Defined benefit	1	1

The aggregate emoluments of the highest paid director (excluding pension contributions) were £2.5 million (2019: £2.5 million).

9. Interest payable and similar expenses

	2020 £m	2019 £m
Discounting charges	10.7	18.3
Interest payable on bank loans and overdrafts	13.6	9.8
Other	0.1	-
	24.4	28.1

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

10. Tax on profit on ordinary activities

Analysis of charge in the year	2020 £m	2019 £m
Current tax		
UK corporation tax charge	-	4.1
Adjustments in respect of prior year	(1.5)	(0.6)
UK corporation tax	(1.5)	3.5
Overseas tax charge	76.9	80.3
Adjustments in respect of prior year	2.6	(4.6)
Foreign tax	79.5	75.7
Share of associate's tax	1.7	1.1
Total current tax	79.7	80.3
Deferred tax		
Origination and reversal of timing differences	(29.3)	(10.8)
Adjustments in respect of prior year	(4.1)	10.1
Total deferred tax	(33.4)	(0.7)
Total tax on profit	46.3	79.6

Factors affecting current year tax charge

The tax assessed on the profit for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

The differences are explained below:	2020 £m	2019 £m
Profit before taxation	130.1	276.3
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	24.7	52.5
Expenses not deductible for tax purposes	3.5	10.4
Other permanent differences	(7.1)	(13.4)
Adjustment in respect of foreign tax rates on trading income	21.5	22.1
Tax on overseas distributions	23.0	18.6
Adjustments in respect of prior year	(2.9)	4.9
Recognition of previously unrecognised tax losses	(23.2)	(15.5)
Unrecognised deferred tax	6.8	-
Total tax for the year	46.3	79.6

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is a credit of £6.2 million (2019: £5.6 million).

Future tax changes

Changes to the UK corporation tax rates were announced on 16 March 2016. These changes were substantively enacted as part of the Finance Bill 2016 on 6 September 2016 and include reductions to the main rate to 17% from 1 April 2020. On 11 March 2020, it was announced that the reduction in the main rate to 17% would no longer proceed with the UK rate remaining at 19%. This change was enacted at the balance sheet date and is therefore reflected in these financial statements.

On 3 March 2021 it was announced that the main rate would increase from 19% to 25% from 1 April 2023. This change has not been substantively enacted and therefore is not included in these financial statements. We expect that this will have a significant impact on the measurement of deferred tax balances once enacted.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

11. Dividends

Group and Company

	2020 £m	2019 £m
Equity dividends £nil per share (2019: £1,950.32 per share)	-	95.0

12. Intangible fixed assets

Group	Goodwill £m
Cost	
As at 1 January 2020 and 31 December 2020	347.7
Accumulated amortisation	
As at 1 January 2020	177.1
Charge for the year	17.0
As at 31 December 2020	194.1
Net book value at 31 December 2020	153.6
Net book value at 31 December 2019	170.6

Amortisation is charged in administrative expenses.

13. Tangible fixed assets

Group	Land & Buildings £m	Plant & Machinery £m	Fixtures, Fittings & Equipment £m	Motor Vehicles £m	Assets in Course of Construction £m	Total £m
Cost						
As at 1 January 2020	413.2	386.9	236.0	10.9	81.9	1,128.9
Additions	3.0	18.8	0.3	1.1	23.8	47.0
Disposals	(26.0)	(10.0)	(5.3)	(1.1)	(1.2)	(43.6)
Reclassifications	33.7	17.6	6.9	-	(58.2)	-
Exchange adjustments	(8.8)	(7.8)	(1.8)	-	(1.1)	(19.5)
As at 31 December 2020	415.1	405.5	236.1	10.9	45.2	1,112.8
Accumulated depreciation						
As at 1 January 2020	104.0	280.9	159.4	8.3	-	552.6
Charge for the year	9.0	28.9	9.9	1.3	-	49.1
Disposals	(3.4)	(6.8)	(2.5)	(1.1)	-	(13.8)
Exchange adjustments	(1.1)	(5.1)	(1.4)	-	-	(7.6)
As at 31 December 2020	108.5	297.9	165.4	8.5	-	580.3
Net book value at 31 December 2020	306.6	107.6	70.7	2.4	45.2	532.5
Net book value at 31 December 2019	309.2	106.0	76.6	2.6	81.9	576.3

Included within land and buildings is freehold land of £42.7 million (2019: £37.8 million) that is not depreciated.

Depreciation is charged in cost of sales, distribution costs and administrative expenses.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

13. Tangible fixed assets (continued)

Capital commitments

	2020 £m	2019 £m
Contracted but not provided for in the financial statements	24.6	20.1

Company	Land & Buildings £m	Plant & Machinery £m	Fixtures, Fittings & Equipment £m	Assets in Course of Construction £m	Total £m
Cost					
As at 1 January 2020	20.6	3.5	12.9	1.4	38.4
Additions	-	-	1.6	(1.4)	0.2
As at 31 December 2020	20.6	3.5	14.5	-	38.6
Accumulated depreciation					
As at 1 January 2020	6.0	3.3	8.9	-	18.2
Charge for the year	0.4	0.1	0.8	-	1.3
As at 31 December 2020	6.4	3.4	9.7	-	19.5
Net book value at 31 December 2020	14.2	0.1	4.8	-	19.1
Net book value at 31 December 2019	14.6	0.2	4.0	1.4	20.2

Included within land and buildings is freehold land of £2.0 million (2019: £2.0 million) that is not depreciated.

Depreciation is charged in cost of sales, distribution costs and administrative expenses.

14. Investments

	Group		Company	
	2020 £m	2019 £m	2020 £m	2019 £m
Loans to group undertakings				
As at 1 January	-	-	32.4	34.3
Foreign exchange	-	-	(4.3)	(1.9)
At 31 December	-	-	28.1	32.4
Shares in group undertakings				
As at 1 January	-	-	445.5	394.3
Additions	-	-	(0.3)	51.2
Impairment	-	-	(1.1)	-
At 31 December	-	-	444.1	445.5
Total fixed asset investments	-	-	472.2	477.9

Loans to group undertakings

Loans to group undertakings represent loans made to JCB Vibromax GmbH. The loan is repayable on demand and the interest rate is floating at 1% above Euro Refi Rate, payable annually in arrears.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

14. Investments (continued)

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Investment in associates				
At 1 January	3.7	4.4	-	-
Share of profit after taxation	10.9	4.3	-	-
Dividend	-	(5.0)	-	-
At 31 December	14.6	3.7	-	-

The group has a 25% investment in the ordinary share capital of JCB Finance Limited, a company incorporated in the UK that provides instalment credit and leasing facilities and an investment in the ordinary share capital of JCB Finance Holdings Limited, a holding company incorporated in the UK that is a joint operation established between BNP Paribas Lease Group Plc (50.1%) and JCB Financial Solutions UK Limited (49.9%). The investments are accounted for using the equity method.

Group undertakings

At 31 December 2020 the company directly has the following subsidiary companies. All equity holdings are in Ordinary shares. The Directors consider the value of investments to be supported by the underlying assets and future trading forecasts.

	Equity held	Principal business	Country of Incorporation
J C Bamford Excavators Limited	100%	Equipment manufacturer and sales	UK
JCB Earthmovers Limited	100%	Equipment manufacturer and sales	UK
JCB Cab Systems Limited	100%	Equipment manufacturer and sales	UK
JCB Sales Limited	100%	Sales and marketing	UK
JCB Transmissions	100%	Transmissions manufacturer and sales	UK
JCB Accounting and Systems Ltd	100%	Property investment company	UK
JCB Parts Ltd	100%	Non-trading	UK
JCB Compact Products Limited	100%	Equipment manufacturer and sales	UK
JCB Power Products Limited	100%	Equipment manufacturer and sales	UK
JCB do Brasil Ltda	100%	Equipment manufacturer and sales	Brazil
JCB Vibromax GmbH	100%	Equipment manufacturer and sales	Germany
JCB SpA	100%	Equipment distributor	Italy
JCB Maquinaria SA	100%	Services provider	Spain
JCB Sales Asia Pacific Pte Ltd	100%	Equipment distributor	Singapore
JCB Kenya Services Limited	100%	Services provider	Kenya
JCB Mini Excavators Limited	100%	Non-trading	UK
JCB Special Products Limited	100%	Non-trading	UK
JCB Attachments Limited	100%	Non-trading	UK
JCB Argentina SRL	100%	Services provider	Argentina
JCB Finance International Limited	100%	Non-trading	UK

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

14. Investments (continued)

Through its holding in the subsidiary companies listed above, the company also has an interest in:

	Equity held	Principal business	Country of Incorporation
JCB Australia Pty Ltd	100%	Services provider	Australia
J C Bamford Investments	100%	Investment trading	UK
JCB Benelux Ltd	100%	Intermediate holding company	UK
JCB Insurance Services Limited	100%	Insurance broker	UK
JCB Materials Handling Limited	100%	Non-trading	UK
JCB Power Systems Limited	100%	Equipment manufacturer and sales	UK
JCB Landpower Ltd	100%	Equipment manufacturer and sales	UK
JCB Heavy Products Ltd	100%	Equipment manufacturer and sales	UK
JCB Power Products Broadcrown Limited	100%	Equipment manufacturer and sales	UK
JCB Backhoe Loaders Ltd	100%	Non-trading	UK
JCB Remarketing Limited	100%	Non-trading	UK
JCB Defence Products Limited	100%	Non-trading	UK
JCB North America Limited	98%	Intermediate holding company	UK
A Bamford Trading Company Limited*	100%	Non-trading	UK
JCB Drivetrain Systems Limited*	100%	Non-trading	UK
JCB Equipment Limited	100%	Non-trading	UK
JCB Golf and Country Club Limited	100%	Golf and Leisure facilities	UK
L Gardner & Sons Limited	100%	Non-trading	UK
JCB Management Services	100%	Non-trading	UK
JCB Credit Limited	100%	Non-trading	UK
JCB Financial Solutions UK Limited	100%	Intermediate holding company	UK
JCB US Holdings Inc	98%	Intermediate holding company	USA
JCB Inc	98%	Equipment distributor	USA
JCB Manufacturing Inc	98%	Equipment manufacturer and sales	USA
JCB Finance Company	98%	Finance company	USA
North Georgia Construction LLC	50%	Non-trading	USA
JCB Vibromax Inc	100%	Non-trading	USA
JCB Dallas LLC	98%	Equipment distributor	USA
JCB Houston LLC	98%	Equipment distributor	USA
JCB Southern California LLC	98%	Equipment distributor	USA
JCB Dallas Real Estate LLC	98%	Real estate	USA
JCB Houston Real Estate LLC	98%	Real estate	USA
JCB Southern California Real Estate LLC	98%	Real estate	USA
JCB Belgium NV	100%	Equipment distributor	Belgium
JCB Excavators Limited	100%	Non-trading	Canada
JCB Europe SARL	100%	Equipment marketing	France
JCB Ile de France SNC	99.9%	Equipment distributor	France
JCB SAS	99.9%	Services provider	France
Lyomat SAS	99.9%	Equipment distributor	France
JCB Euroservices SARL	100%	Services provider	France
JCB Deutschland GmbH	99%	Services provider	Germany
JCB Vertrieb and Service GmbH	99%	Equipment distributor	Germany
JCB India Limited	100%	Equipment manufacturer and sales	India
JCB Industries Private Limited	100%	Equipment manufacturer and sales	India
J.C.Bamford Investments Private Limited	100%	Intermediate holding company	India
JCB Literature Foundation*	100%	Charitable company	India
Lady Bamford Foundation*	100%	Charitable company	India
JCB Power Products India Private Limited	100%	Equipment manufacturer and sales	India
JCB Bamford Myanmar Private Limited	100%	Non-trading	Myanmar
JCB Bamford NV	100%	Equipment distributor	Netherlands
JCB Global Financial Solutions BV	100%	Intermediate holding company	Netherlands
JCB Russia LLC	100%	Equipment distributor	Russia

The companies marked with an asterisk (*) are not consolidated because they are not material to the group. The registered addresses of these companies are included in note 30.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

14. Investments (continued)

On 1 January 2020, the group disposed of its investments in JCB Farms Limited, Daylesford Organic Farms Limited, and Wootton Organic Wholesale Limited to Bamford Property Limited for cash consideration of £1. There was no profit or loss on disposal.

15. Stock

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Raw materials	247.4	210.4	3.3	3.7
Work in progress	51.7	104.7	-	-
Finished goods	102.9	115.5	-	-
Parts for resale	98.8	99.7	73.7	76.9
	500.8	530.3	77.0	80.6

During the year group stock recognised as an expense in cost of sales was £1,970.4 million (2019: £2,565.8 million). The company recognised £193.4 million (2019: £210.4 million) of stock as an expense in cost of sales.

Group stocks are stated after provisions of £52.9 million (2019: £45.9 million). Company stocks are stated after provisions of £21.3 million (2019: £17.2 million).

The value of stock in the balance sheet is not materially different from the replacement cost.

16. Debtors

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Trade debtors	138.2	152.3	14.6	15.1
Amounts owed by parent	397.6	-	397.6	-
Amounts owed by fellow subsidiaries of JCB Group Holdings Sàrl	-	0.2	-	-
Amounts owed by subsidiary undertakings	-	-	60.0	326.7
Amounts owed by related parties outside the J.C.B. Service Group	268.9	197.2	4.3	4.9
Corporation tax recoverable	14.8	11.3	8.4	6.5
Deferred tax	141.9	106.8	0.3	-
Other taxation and social security	62.4	78.1	-	0.9
Other debtors	60.7	79.9	-	0.1
Prepayments and accrued income	13.1	29.6	1.8	1.9
Derivative financial assets	22.2	7.6	8.2	2.5
	1,119.8	663.0	495.2	358.6

Group and company trade debtors are stated net of amounts discounted without recourse of £194.3 million (2019: £237.2 million) and £14.1 million (2019: £14.4 million) respectively.

A bad debt provision of £4.8 million (2019: £4.5 million) has been recognised against group trade debtors, and £nil (2019: £nil) against company trade debtors. No other category of debtors is deemed to be impaired.

Of the amounts owed by subsidiary undertakings £18.2 million (2019: £26.6 million) are trading balances and do not gather interest. The remaining balance relates to loans which carry rates of interest between 1% and 4% (2019: 1% and 4%). All amounts owed by subsidiary undertakings and related parties outside the J.C.B. Service Group are repayable on demand.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

16. Debtors (continued)

Deferred tax

The movement in the deferred tax asset during the year was:

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
As at 1 January	52.4	54.8	-	1.2
Deferred tax credit in profit and loss account	30.9	0.3	-	-
Deferred tax (charge)/credit to the statement of other comprehensive income	(2.9)	(3.5)	0.3	(1.2)
Deferred tax asset brought in on acquisitions	-	2.3	-	-
Currency adjustments	(4.5)	(1.5)	-	-
As at 31 December	75.9	52.4	0.3	-

The deferred tax asset consists of the tax effect of timing differences in respect of:

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Excess of taxation allowances over depreciation on fixed assets	(3.4)	(2.3)	-	-
Tax losses available	51.7	21.8	-	-
Other timing differences	27.6	32.9	0.3	-
	75.9	52.4	0.3	-

The movement in the deferred tax asset relating to pension schemes during the year was:

	Group	
	2020	2019
	£m	£m
As at 1 January	54.4	44.9
Deferred tax credit in profit and loss account	2.5	0.4
Deferred tax charged to the statement of other comprehensive income:		
- On remeasurement loss	9.1	9.1
As at 31 December	66.0	54.4

The net reversal of group deferred tax expected to occur next year is £17.0 million (2019: £8.9 million), relating to the increase in short term timing differences offset by the utilisation of tax losses.

The total amount of unrecognised deferred tax is £6.6 million (2019: £27.2 million) relating to carried forward tax losses. An asset has not been recognised due to the uncertainty of the future profitability of the companies to which it relates. These losses do not expire and can be carried forward indefinitely.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

17. Current asset investments

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Other investments	7.8	12.7	-	-

Other investments represent holdings of other UK equities traded in active markets, the valuation of which is based on quoted market prices at the balance sheet date. The quoted market price used to value current asset investments held by the group is the current bid price. A fair value loss on other investments of £7.4 million (2019: £1.4 million gain) has been recognised in the profit and loss account during the year.

18. Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Bank loans and overdrafts	2.0	1.6	-	-
Trade creditors	410.2	302.8	22.8	13.1
Derivative financial instruments	0.2	2.8	-	1.4
Amounts owed to fellow subsidiaries of JCB Group Holdings Sàrl	-	1.7	-	1.7
Amounts owed to subsidiary undertakings	-	-	137.0	62.8
Amounts owed to other related parties outside J.C.B. Service Group	31.2	25.7	10.7	15.1
Corporation tax	9.1	2.8	-	-
Other taxation and social security	30.6	19.7	0.6	0.5
Pension costs	9.5	13.4	-	-
Other creditors	58.4	65.8	0.9	7.1
Sales incentives	105.1	86.9	2.0	1.4
Accruals and deferred income	249.5	222.4	31.7	86.6
	905.8	745.6	205.7	189.7

The bank overdrafts are repayable on demand.

19. Creditors: amounts falling due after more than one year

	Group		Company	
	2020	2019	2020	2019
	£m	£m	£m	£m
Senior loan notes	195.2	195.2	195.2	195.2
Other creditors	1.2	1.2	-	-
Deferred income	20.9	16.3	20.9	16.3
	217.3	212.7	216.1	211.5

The group issued senior loan notes of £195.5 million principal on 26 July 2013. The loan notes mature on 26 July 2028 and interest is payable at a rate of 4.12%. The loan notes are stated net of capitalised arrangement fees of £0.3m (2019: £0.3m).

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

20. Provisions for liabilities

Group

	2020 Deferred tax £m	2020 Warranty provision £m	2020 Total £m	2019 Deferred tax £m	2019 Warranty provision £m	2019 Total £m
As at 1 January	20.0	84.7	104.7	20.0	88.1	108.1
Charged to the profit and loss account	-	52.4	52.4	-	73.1	73.1
Amounts utilised during the year	-	(63.7)	(63.7)	-	(76.5)	(76.5)
As at 31 December	20.0	73.4	93.4	20.0	84.7	104.7

Company

	2020 Deferred tax £m	2020 Warranty provision £m	2020 Total £m	2019 Deferred tax £m	2019 Warranty provision £m	2019 Total £m
As at 1 January	0.5	14.8	15.3	-	13.7	13.7
Charged/(credited) to the profit and loss account	(0.5)	17.0	18.7	0.5	31.0	31.5
Amounts utilised during the year	-	(23.3)	(25.5)	-	(29.9)	(29.9)
As at 31 December	-	8.5	8.5	0.5	14.8	15.3

The group deferred tax liability relates to unremitted retained earnings of overseas subsidiaries.

The company deferred tax liability relates to excess taxation allowances over depreciation and other timing differences.

It is expected that most warranty expenditure will be incurred in the next financial year, and the significant majority will be incurred within two years of the balance sheet date. Included in other debtors (note 16) is an amount totalling £17.0 million (2019: £30.6 million) (group), and £nil (2019: £nil) (company) representing amounts recoverable from suppliers.

The movements in the Group prior year comparatives have been re-classified to better align with the nature of the transactions.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

21. Pension scheme deficit

Pension schemes	2020	2019
	£m	£m
Defined benefit schemes with net assets (net of deferred tax) comprise:		
UK	-	-
Defined benefit schemes with net liabilities (net of deferred tax) comprise:		
	2020	2019
	£m	£m
UK	279.5	241.9
Overseas	10.9	10.0
	290.4	251.9

UK

In the UK, pension arrangements are principally provided by two defined benefit schemes, J C Bamford Lifeplan and J C Bamford Excavators Limited Senior Directors and Executives Retirement Benefit Scheme (Senior Directors). The most recent formal actuarial valuations were carried out as at 6 April 2018 and 1 January 2020 respectively (both updated to 31 December 2020) by Mercer, a qualified independent actuary.

Overseas

Four schemes provide pensions under defined benefit arrangements. A valuation of these schemes has been prepared by an independent, qualified actuary, as at 31 December 2020 using a methodology consistent with FRS 102.

The total amounts recognised in the balance sheet are as follows:

	2020	2019
	£m	£m
Present value of funded obligations	(1,332.5)	(1,157.6)
Fair value of plan assets	1,017.7	884.9
	(314.8)	(272.7)
Effect of surplus cap	(38.1)	(33.6)
Pension scheme deficit	(352.9)	(306.3)

The amounts recognised in the profit and loss account within operating profit are as follows:

	2020	2019
	£m	£m
Current service cost & scheme administration costs	22.3	23.7
Interest cost	24.9	29.7
Interest income on plan assets	(19.3)	(23.3)
Net pension cost recognised in the profit and loss account	27.9	30.1

The amounts recognised in the statement of comprehensive income are as follows:

	2020	2019
	£m	£m
Remeasurement losses immediately recognised	46.2	56.5
Effect of surplus cap	3.8	(3.5)
Total pension losses recognised in the statement of comprehensive income	50.0	53.0

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

21. Pension scheme deficit (continued)

Changes in the present value of the defined benefit obligations are as follows:

	2020 £m	2019 £m
Benefit obligations at beginning of year	1,157.6	995.3
Current service cost	24.8	22.6
Past service cost	(3.3)	-
Interest cost	24.9	29.7
Plan participants' contributions	4.3	4.7
Remeasurement loss	169.0	136.9
Benefits paid	(44.8)	(28.7)
Insurance premiums for risk benefits	(1.0)	(1.8)
Exchange differences	1.0	(1.1)
Benefit obligations at end of year	1,332.5	1,157.6

Changes in the fair value of the plan assets are as follows:

	2020 £m	2019 £m
Fair value of plan assets at beginning of year	884.9	767.3
Interest income on plan assets	19.3	23.3
Remeasurement gains	122.8	80.4
Employer contributions	32.1	40.0
Member contributions	4.3	4.7
Benefits paid	(44.8)	(28.7)
Insurance premiums for risk benefits	(1.0)	(1.8)
Exchange differences	0.1	(0.3)
Fair value of plan assets at end of year	1,017.7	884.9

Changes in the pension scheme deficit are as follows:

	2020 £m	2019 £m
Pension scheme deficit at beginning of year	306.3	264.0
Current service cost	24.8	22.6
Past service cost	(3.3)	-
Interest cost	24.9	29.7
Interest income on plan assets	(19.3)	(23.3)
Remeasurement loss/(gains)	46.2	56.5
Employer contributions	(32.1)	(40.0)
Exchange differences	0.9	(0.8)
Effect of surplus cap	4.5	(2.4)
Pension scheme deficit at end of year	352.9	306.3

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

21. Pension scheme deficit (continued)

The major categories of plan assets as percentages of total plan assets are as follows:

	J C Bamford Lifeplan		Senior Directors		Overseas	
	2020	2019	2020	2019	2020	2019
Equities	40.1%	52.1%	-	1.9%	-	-
Property	5.2%	6.4%	-	-	-	-
Corporate Bonds	14.4%	5.2%	-	-	-	-
Gilts	39.7%	35.4%	99.9%	98.0%	-	-
Other	0.6%	0.9%	0.1%	0.1%	100.0%	100.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Weighted average assumptions used to determine benefit obligations:

	J C Bamford Lifeplan		Senior Directors		Overseas	
	2020	2019	2020	2019	2020	2019
Discount rate	1.50%	2.20%	1.50%	2.20%	1.10%	1.50%
Rate of salary increase	2.90%	2.90%	2.90%	2.90%	2.75%	2.75%
Rate of price inflation (RPI)	2.90%	2.90%	2.90%	2.90%	1.75%	1.75%
Rate of pension increases	2.70%	2.75%	2.70%	2.75%	1.75%	1.75%

Assumed life expectations on retirement at age 65:

	JC Bamford Lifeplan		Senior Directors		Overseas	
	2020	2019	2020	2019	2020	2019
Male member age 65 (current life expectancy)	22.2	22.1	25.6	26.6	20.4-24.8	19.3-24.8
Male member aged 45 (life expectancy at age 65)	23.9	23.8	27.5	29.4	23.5-28.3	23.3-28.3
Female member age 65 (current life expectancy)	24.6	24.5	27.2	28.0	23.6-28.3	22.5-28.3
Female member aged 45 (life expectancy at age 65)	26.4	26.3	29.0	30.9	26.4-32.0	26.4-32.0

The group has considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class.

Over the year to 31 December 2020 the group paid contributions of £31.6 million (2019: £39.1 million) to the J C Bamford Lifeplan scheme. The J C Bamford Lifeplan is closed to new entrants and as such the age profile of the active membership will increase over time. As a result, under the projected unit method, the current service cost will increase as members of the scheme approach retirement.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

21. Pension scheme deficit (continued)

Over the year to 31 December 2020 the group also paid contributions of £0.5 million (2019: £0.9 million) to the group's other defined benefit pension schemes.

Cumulative actuarial losses recognised in the Statement of Other Comprehensive Income, net of deferred tax, totalled £268.5 million at 31 December 2020 (2019: £228.0 million).

Defined benefit costs recognised in the profit and loss account are charged to administrative expenses.

22. Merger

In 2020 the assets and liabilities of Transmissions and Engineering Services Netherlands BV ("TESN") were merged with those of J.C.B. Service at book value under the principles of merger accounting. Immediately prior to the merger the 48,710 shares that were in issue were cancelled and new shares of an equivalent amount were issued to JCB Group Holdings Sàrl. Immediately following the issue of the shares, by way of a special resolution, the total amount standing to the credit of the share premium account and merger reserve of £436.8m was cancelled and extinguished and was converted into distributable reserves.

The net assets of the merged entities are as follows:

	Total £m
Debtors	401.5
Cash	5.9
Total assets	407.4
Creditors: amounts falling due within one year	(2.3)
Value of net assets	405.1

Prior to the merger J.C.B. Service was a wholly owned subsidiary of Transmissions and Engineering Services Netherlands BV ("TESN"), a company incorporated in the Netherlands. JCB Euroservices SARL and JCB Global Financial Solutions BV have been brought into the J.C.B. Service Group following the merger.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Financial Instruments

Group	Note	2020 £m	2020 £m	2019 £m	2019 £m
Financial assets at fair value through profit or loss					
- Derivative financial instruments	16	22.2		7.6	
- Current asset investments	17	7.8		12.7	
			30.0		20.3
Financial assets constituting debt instruments measured at amortised cost					
- Trade debtors	16	138.2		152.3	
- Amounts owed by parent	16	397.6		-	
- Amounts owed by fellow subsidiaries of JCB Group Holdings Sàrl	16	-		0.2	
- Amounts owed by related parties outside J.C.B. Service Group	16	268.9		197.2	
- Other debtors	16	60.7		79.9	
			865.4		429.6
Financial assets constituting equity instruments measured at cost less impairment	14		14.6		3.7
Financial liabilities measured at fair value through profit and loss					
- Derivative financial instruments	18		0.2		2.8
Financial liabilities measured at amortised cost					
- Bank loans and overdrafts	18	2.0		1.6	
- Senior loan notes	19	195.2		195.2	
- Trade creditors	18	410.2		302.8	
- Amounts owed to fellow subsidiaries of JCB Group Holdings Sàrl	18	-		1.7	
- Amounts owed to other related parties outside J.C.B. Service Group	18	31.2		25.7	
- Other creditors and accruals	18/19	323.5		354.2	
			962.1		881.2

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

23. Financial Instruments (continued)

Company	Note	2020 £m	2020 £m	2019 £m	2019 £m
Financial assets at fair value through profit or loss					
- Derivative financial instruments	16		8.2		2.5
Financial assets constituting debt instruments measured at amortised cost					
- Trade debtors	16	14.6		15.1	
- Amounts owed by parent	16	397.6		-	
- Amounts owed by subsidiary undertakings	16	60.0		326.7	
- Amounts owed by related parties outside J.C.B Service Group	16	4.3		4.9	
- Other debtors	16	-		0.1	
			476.5		346.8
Financial assets constituting equity instruments measured at cost less impairment					
			-		-
Financial liabilities measured at fair value through profit and loss					
- Derivative financial instruments	18		-		1.4
Financial liabilities measured at amortised cost					
- Senior loan notes	19	195.2		195.2	
- Trade creditors	18	22.8		13.1	
- Amounts owed to fellow subsidiaries of JCB Group Holdings Sàrl	18	-		1.7	
- Amounts owed to subsidiary undertakings	18	137.0		62.8	
- Amounts owed to other related parties outside J.C.B. Service Group	18	10.7		15.1	
- Other creditors and accruals	18	22.1		83.8	
			387.8		371.7

Details of conditions pertaining to debt are disclosed in notes 18 and 19 of these financial statements.

Derivative financial instruments

The group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain forecast foreign currency sales and receivables. At 31 December 2020, the outstanding contracts all mature within 21 months of the year end (2019: 23 months). The group is committed to sell \$505.0 million and €10.0 million (2019: \$470.0 million and €20.0 million) in exchange for pounds sterling.

The company is committed to sell \$180 million and €nil (2019: \$137.5 million and €nil) in exchange for pounds sterling.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD and GBP:EUR. The net fair value of the forward-foreign currency contracts is an asset of £22.0 million (2019: £4.8 million asset) for the group and a net asset of £8.2 million (2019: £1.1 million asset) for the company.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

24. Called up share capital

Group and Company	2020 £	2019 £
Allotted, called up and fully paid up		
48,710 Ordinary shares of £1 each (2019: 48,710 Ordinary shares of £1 each)	48,710	48,710

Each share is entitled to one vote in any circumstances. Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from winding up of the company. The shares are non-redeemable.

25. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Share premium account – includes premiums received on issue of share capital. Transaction costs associated with the issuing of shares are deducted from share premium.

Other reserves – comprises a merger reserve and reserves designated for capital and other purposes including derivative financial instruments.

Profit and loss account – includes all current and prior year retained profits and losses.

26. Reconciliation of operating profit to operating cash flows

	2020 £m	2019 £m
Operating profit	140.7	290.3
Depreciation	49.1	42.7
Amortisation of goodwill	17.0	16.8
(Profit)/loss on disposal of fixed assets	(0.6)	0.2
Difference between pension charge and cash contributions	(3.4)	(10.7)
Decrease/(increase) in fair value of current asset investments	7.4	(1.4)
Decrease in stock	14.3	62.3
(Increase)/decrease in debtors	(18.4)	49.3
Increase/(decrease) in creditors (including warranty provision)	169.7	(196.5)
Currency translation differences	9.9	10.7
Net cash inflow from operating activities	385.7	263.7

27. Contingent liabilities

Group

Various companies within the group have a contingent liability in respect of guarantees and indemnities given by Barclays Bank plc, HSBC Bank plc and Lloyds Bank plc on their behalf. The group's liability in respect of these at 31 December 2020 was £22.7 million (2019: £52.1 million).

Company

The company has a contingent liability in relation to guarantees and indemnities given by Barclays Bank plc and HSBC Bank plc on its behalf. The company's liability in respect of these at 31 December 2020 was £13.5 million (2019: £38.7 million).

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

28. Related party transactions

The company has taken advantage of the exemption allowed under FRS 102 paragraph 33.1A not to disclose details of transactions with entities that are wholly owned members of the group.

Other related parties - Group

The group subcontracts some of its research and development projects, and related management services, to JCB Research in which The Lord Bamford DL is the sole shareholder. JCB Research charges the group for these services at cost, so as to make neither profit nor loss after allowing for taxation. The total value of services purchased by the group during the year was £41.2 million (2019: £99.1 million). The net amount owed by JCB Research to the group at 31 December 2020 was £92.2 million (2019: £68.5 million).

JCB Research is party to a jointly and severally liable pooled banking facility. At 31 December 2020 the group had an exposure of £346.2 million (2019: £307.6 million).

The group has transacted machines and parts with JCB Construction Equipment (Shanghai) Limited, a company ultimately controlled by Bamford family interests. The total value of these transactions was sales of £3.7 million (2019: £5.6 million) and purchases of £37.2 million (2019: £51.7 million). The net amount owed to JCB Construction Equipment (Shanghai) Limited at 31 December 2020 was £0.2 million (2019: £7.3 million owed to the group).

The group also purchased parts from JCB Hong Kong Limited, the parent company of JCB Construction Equipment (Shanghai) Limited. The total value of these transactions was sales of £0.9 million (2019: £0.9 million) and purchases of £87.6 million (2019: £131.7 million). The net amount owed to JCB Hong Kong Limited at 31 December 2020 was £19.7 million (2019: £21.9 million).

The group transacts business with BHoldings Limited and its subsidiaries, a group in which Lady Bamford OBE and her family are the shareholders. The group purchased branded products and merchandise from and sold parts to the BHoldings Limited group of companies. The total value of these transactions was sales and recharges of £16.3 million (2019: £16.1 million). The group paid £3.3 million (2019: £3.3 million) as a promotional services fee to BHoldings Limited. The net amount owed to the group by the BHoldings Limited group of companies at 31 December 2020 was £16.4 million (2019: £7.0 million).

The group has loaned funds to and provided administrative services to JCB Access Limited, a company in which The Lord Bamford DL is the sole shareholder. The total value of these transactions was sales and recharges of £7.7 million (2019: £6.1 million). The net amount owed to the group by JCB Access Limited at 31 December 2020 was £19.7 million (2019: £15.8 million).

The group has also provided administrative services to Thrip Enterprises LLP, a partnership in which Lady Bamford OBE is a partner. The total value of these services was £1.2 million (2019: £nil) and the amount owed to the group at 31 December 2020 was £0.8 million (2019: £1.0 million).

The group has incurred management and finance charges of £2.4 million (2019: £3.4 million) from JCB Finance SAS, a company that is jointly owned by BNP Paribas Lease Group SA and J.C.B. Service. The net amount owed to the group at 31 December 2020 by JCB Finance SAS was £2.0 million (2019: £0.6 million).

The group has incurred rental and other charges of £3.2 million (2019: £1.8 million) from Bamford Property Limited, a company ultimately controlled by Bamford family interests. The group recharged expenditure of £8.4 million (2019: £10.6 million) incurred on behalf of this company during the year. The net amount owed to the group at 31 December 2020 by Bamford Property Limited was £88.8 million (2019: £86.5 million).

The group has a receivable of £5.1 million (2019: £5.1 million) with B Uttoxeter Property Holdings Limited, a company ultimately controlled by Bamford family interests.

The group has a receivable of £nil (2019: £2.2 million) with B Cheadle Property Holdings Limited, a company ultimately controlled by Bamford family interests.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

28. Related party transactions (continued)

Other related parties – Group (continued)

On 1 January 2020 the group disposed of its interest in JCB Farms Limited, Wootton Organic Wholesale Ltd and Daylesford Organic Farms Limited to Bamford Property Limited. The group recharged expenditure of £2.9 million incurred on behalf of this company during the year. The net amount owed to the group by these companies at 31 December 2020 was £34.4 million (2019: £30.9 million).

A donation of £0.8m was made to the Centre for Policy Studies (2019: £1.0m), of which The Lord Bamford DL is a director.

Details of emoluments paid to the directors are disclosed in note 8 of these financial statements.

Other related parties – company

The company subcontracts some of its management services to JCB Research in which The Lord Bamford DL is the sole shareholder. JCB Research charges the group for these services at cost, so as to make neither profit nor loss after allowing for taxation. The total value of these transactions during the year was £nil (2019: £58.7 million). The net amount owed to JCB Research by the company at 31 December 2020 was £nil (2019: £nil).

The company has purchased parts from JCB Construction Equipment (Shanghai) Limited, a company ultimately controlled by Bamford family interests. The total value of these transactions was sales of £0.2 million (2019: £0.2 million) and purchases of £0.1 million (2019: £0.1 million). The net amount owed to JCB Construction Equipment (Shanghai) Limited by the company at 31 December 2020 by was £0.6 million (2019: £0.7 million).

The company also purchased parts from JCB Hong Kong Limited, the parent company of JCB Construction Equipment (Shanghai) Limited. The total value of these transactions was purchases of £4.8 million (2019: £4.7 million). The net amount owed to JCB Hong Kong Limited at 31 December 2020 was £10.1 million (2019: £14.4 million).

The company has loaned funds to JCB Access Limited, a company in which The Lord Bamford DL is the sole shareholder. The net amount owed to the company by JCB Access Limited at 31 December 2020 was £4.3 million (2019: £4.9 million).

Details of emoluments paid to the directors are disclosed in note 8 of these financial statements.

29. Ultimate controlling party

The company is a subsidiary of JCB Group Holdings Sàrl a company registered in Switzerland, registered address: Rue du Maupas 49, 1004 Lausanne, Switzerland. JCB Group Holdings Sàrl is the largest and smallest group which consolidates the financial statements of J.C.B. Service and is ultimately controlled by Bamford family interests.

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

30. Registered Addresses

The registered addresses of the subsidiary and associated undertakings are detailed below:

Company	Registered address
J C Bamford Excavators Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
J C Bamford Investments	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Benelux Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Earthmovers Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Cab Systems Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Insurance Services Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Materials Handling Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Sales Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Transmissions	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Power Systems Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Landpower Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Heavy Products Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Backhoe Loaders Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Accounting and Systems Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Parts Ltd	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Remarketing Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Defence Products Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Power Products Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Financial Solutions UK Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Power Products Broadcrown Limited	Hixon Airfield Industrial Estate, Hixon, Stafford, England, ST18 0PF
JCB Power Products India Private Limited	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
JCB Compact Products Limited	Harewood Estate, Leek Road, Cheadle, Stoke-on-Trent, ST10 2JU
JCB North America Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
A Bamford Trading Company Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Drivetrain Systems Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Belgium NV	Nijverheidslaan, 1501, 3660, Oplabbeek, België
JCB do Brasil Ltda	Avenida Joseph Cyril Bamford, 3600 – Eden – Sorocaba- São Paulo, 18013-139
JCB Excavators Limited	145 King St. W. Ste 2701 Toronto, CA M5H 1J8
JCB Europe SARL	3, Rue du Vignolle, 95842, Sarcelles, France
JCB Ile de France SNC	5, Rue du Vignolle, 95842 Sarcelles Cedex, France
JCB SAS	3, Rue du Vignolle, 95842 Sarcelles Cedex, France
Lyomat SAS	Chemin De La Lone, 6 9491, Pierre-Bénite, France
JCB Euroservices SARL	3, Rue du Vignolle, 95842 Sarcelles Cedex, France
JCB Deutschland GmbH	Graf-Zeppelin-Str.16, 51147 Köln, Germany
JCB Vertrieb and Service GmbH	Europaallee 113, 50226 Frechen, Germany
JCB Vibromax GmbH	Graf-Zeppelin-Str.16, 51147 Köln, Germany
JCB India Limited	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
JCB SpA	Via Enrico Fermi, 16, 20090, Assago (Milan), Italy
J C Bamford NV	Zandweistraat, 16, 4181, CG Waardenburg, Netherlands
JCB Global Financial Solutions BV	Concertgebouwplein 5, 1071 LL Amsterdam
JCB Russia LLC	Russian Federation, 107045, Moscow, Trubnaya St, 12, Office 1A
JCB Maquinaria SA	C/Francisco Alonso, 11-B, 28806, Alcalá de Henares, Madrid, Spain
JCB Sales Asia Pacific Pte Ltd	No.50 Collyer Quay, #04-04 OUE Bayfront, Singapore 049321
JCB US Holdings Inc	2711 Centerville Road, Suite 400, Wilmington, DE 19808, USA
JCB Inc	2000 Bamford Blvd, Pooler, Ga 31322, USA
JCB Manufacturing Inc	2000 Bamford Blvd, Pooler, Ga 31322, USA
JCB Finance Company	103 Foulk Road, Suite 202, Wilmington, DE 19803
North Georgia Construction LLC	2679 Barrett Lakes Blvd, Kennesaw Ga 30144, USA
JCB Kenya Services Limited	LR. 1/1228, Chaka Place, Argwings, Khodhek Road, P.O BOX 46971-00100, Kenya
JCB Australia Pty Ltd	Suite 16, 828 High Street, Kew East VIC 3102, Australia
JCB Mini Excavators Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JCB Special Products Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP

J.C.B. Service

Notes to the financial statements for the year ended 31 December 2020 (continued)

30. Registered Addresses (continued)

Company	Registered address
JCB Attachments Limited	Lakeside Works, Rocester, Uttoxeter, Staffs, ST14 5JP
JCB Vibromax Inc	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Argentina SRL	Carlos Pellegrini 1135, 6th Floor, City of Buenos Aires, Argentina
JCB Finance International Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JCB Equipment Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JC Bamford Myanmar Private Limited	192 Kaba Aye Pagoda Road, Bahan Township, Yangon City, Myanmar
JCB Golf and Country Club Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JCB Industries Private Limited	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
L Gardner & Sons Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JCB Management Services	Lakeside Works, Rocester, Staffordshire, ST14 5JP
JCB Credit Limited	Lakeside Works, Rocester, Staffordshire, ST14 5JP
J C Bamford Investments Private Limited	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
JCB Literature Foundation	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
Lady Bamford Foundation	B-1/I-1, 2 nd floor, Mohan Co-operative Industrial Estate, Mathura Rd, New Delhi, India
JCB Dallas LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Houston LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Southern California LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Dallas Real Estate LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Houston Real Estate LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Southern California Real Estate LLC	2000 Bamford Blvd. Pooler, GA 31322, USA
JCB Finance Limited	The Mill, High Street, Rocester, Nr Uttoxeter, ST14 5JW