

J.C.B. SALES LIMITED

DIRECTORS' REPORT

40

792807

90

The Directors present their annual report together with the audited accounts for the year ended 31st December, 1984.

BUSINESS REVIEW

The group's principal activities during the year have been the selling and marketing of products manufactured by J.C. Bamford Excavators Limited.

The trading profit of the group before taxation amounted to £1,628,135 (1983 - £1,666,190).

The group traded profitably during the year and the Directors expect that it will continue to do so for the foreseeable future.

The Directors do not recommend the payment of a dividend.

DIRECTORS

The following were Directors of the company during the year:-

Mr. A.P. Bamford
Mrs. J.C. Bamford
Mr. R.W. Ryeland
Mr. G. Johnston
Mr. J.F. Harrison
Mr. J.L. Egan

Mr. G. Johnston, the Director retiring by rotation, being eligible, offers himself for re-election.

DIRECTORS' SHAREHOLDINGS

None of the Directors held any interest in the share capital of the company during the year.

CLOSE COMPANY STATUS

The company is a close company within the provisions of the Income and Corporation Taxes Act, 1970.

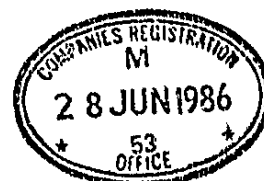
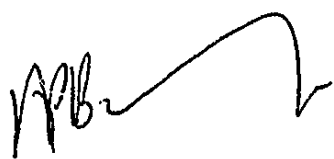
AUDITORS

The auditors Messrs. C. Howson & Co have expressed their willingness to continue in office and a resolution to re-appoint them will be put to the members at the Annual General Meeting.

Signed on behalf of the Board

CHAIRMAN

Dated 26th June 1986



REPORT OF THE AUDITORS
TO THE MEMBERS OF J.C.B. SALES LIMITED

We have audited the annexed accounts and notes thereon in accordance with approved auditing standards.

In our opinion, these accounts, which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the group and company at 31st December, 1984 and of the results and source and application of funds of the group for the year then ended and comply with the Companies Act 1985.

26th June. 1986

STOKE-ON-TRENT

C. H. H. H. H. H.

CHARTERED ACCOUNTANTS

J.C.B. SALES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1984

	<u>NOTES</u>	<u>1984</u>		<u>1983</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
TURNOVER	2	86,877,653		81,069,745	
COST OF SALES		<u>78,599,923</u>		<u>71,508,792</u>	
GROSS PROFIT		8,277,730		9,560,953	
DISTRIBUTION COSTS		2,562,664	1,811,831		
ADMINISTRATIVE EXPENSES		<u>4,169,111</u>	<u>6,252,766</u>		
		<u>6,731,775</u>		<u>8,064,597</u>	
OPERATING PROFIT	3	1,545,955		1,496,356	
INTEREST RECEIVABLE		82,180	186,782		
INTEREST PAYABLE	4	<u>-</u>	<u>(16,948)</u>		
		<u>82,180</u>		<u>169,834</u>	
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,628,135		1,666,190	
TAX ON PROFIT ON ORDINARY ACTIVITIES	7	<u>755,000</u>		<u>1,120,839</u>	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		873,135		545,351	
RETAINED PROFIT BROUGHT FORWARD		<u>381,427</u>		<u>(163,924)</u>	
RETAINED PROFIT CARRIED FORWARD		<u>1,254,562</u>		<u>381,427</u>	

J.C.B. SALES LIMITED
CONSOLIDATED BALANCE SHEET
AS AT 31ST DECEMBER 1984

	<u>NOTES</u>	<u>1984</u>		<u>1983</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Investments	9		210,429		286,459
CURRENT ASSETS					
Debtors	10	21,004,344		12,588,524	
Cash at Bank		<u>5,528,360</u>		<u>1,144,518</u>	
		26,532,704		13,733,042	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>25,113,471</u>		<u>13,237,974</u>	
NET CURRENT ASSETS			<u>1,419,233</u>		<u>495,068</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,629,662		781,527
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		<u>375,000</u>		<u>400,000</u>
NET ASSETS			<u>1,254,662</u>		<u>381,527</u>
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and loss account			<u>1,254,562</u>		<u>381,427</u>
			<u>1,254,662</u>		<u>381,527</u>

The accounts were approved by the Board of Directors on *26th June 1986*

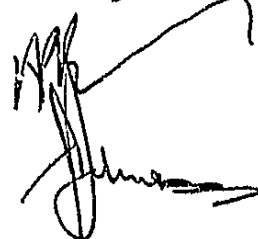
AB
James

J.C.B. SALES LIMITED
BALANCE SHEET
AS AT 31ST DECEMBER 1984

	<u>NOTES</u>	<u>1984</u>		<u>1983</u>	
		<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
FIXED ASSETS					
Investments - Subsidiary	8	100		100	
Other	9	<u>210,429</u>	210,529	<u>286,459</u>	286,559
CURRENT ASSETS					
Debtors	10	21,029,456		12,675,178	
Cash at Bank		<u>5,484,382</u>		<u>619,827</u>	
		26,513,838		13,295,005	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	<u>26,212,377</u>		<u>13,478,606</u>	
NET CURRENT ASSETS			<u>301,461</u>		(183,601)
TOTAL ASSETS LESS CURRENT LIABILITIES			511,990		102,958
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12		<u>375,000</u>		<u>400,000</u>
NET ASSETS			<u>136,990</u>		(297,042)
CAPITAL AND RESERVES					
Called up share capital	13		100		100
Profit and Loss Account			<u>136,890</u>		(297,142)
			<u>136,990</u>		(297,042)

The accounts were approved by the Board of Directors on

26th June 1985



J.C.B. SALES LIMITED
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER 1984

	<u>1984</u>		<u>1983</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
SOURCE OF FUNDS				
Profit on ordinary activities before tax	1,628,135		1,666,190	
Adjustment for items not involving the movement of funds		<u>-</u>		<u>-</u>
TOTAL GENERATED FROM OPERATIONS	1,628,135		1,666,190	
FUNDS FROM OTHER SOURCES				
Sale of trade investments		<u>86,000</u>		<u>-</u>
	1,714,135		1,666,190	
APPLICATION OF FUNDS				
Purchase of shares in J.C.B. Company	9,970		-	
Payment of Taxation	<u>492,607</u>		<u>698,835</u>	
		502,577		698,835
INCREASE IN WORKING CAPITAL	1,211,558		967,355	
REPRESENTED BY:-				
Increase in Debtors	8,415,820		1,041,966	
(Increase) in Creditors	<u>(8,666,262)</u>		<u>(414,134)</u>	
		(250,442)		627,832
MOVEMENT IN NET LIQUID FUNDS				
Increase in bank balances		<u>1,462,000</u>		<u>339,523</u>
		1,211,558		967,355

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

1. ACCOUNTING POLICIES

Basis of Accounting.

The accounts are prepared under the historical cost convention.

As permitted under the Companies Act, 1985, a profit and loss account is not presented for the company.

Basis of Consolidation

The group accounts comprise of a consolidation of the accounts of the company and its subsidiary J.C.B. Materials Handling Limited. The results of the associated company have not been included in the group accounts.

2. TURNOVER

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

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

	<u>1984</u>	<u>1983</u>
	<u>£,000</u>	<u>£,000</u>
United Kingdom	43,707	40,108
Europe	20,085	24,652
Middle East	3,916	4,619
Africa	11,459	6,677
Far East & Australia	6,063	3,299
North/South America	<u>1,648</u>	<u>1,715</u>
	<u>36,878</u>	<u>81,070</u>

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

3. OPERATING PROFIT

Operating profit is stated after charging the following:-

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Directors' Remuneration	128,074	143,487
Auditors' Remuneration	2,900	2,600
Hire of Assets	308,708	309,518

4. INTEREST PAYABLE

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
On Bank Overdrafts	-	16,948

5. DIRECTORS' REMUNERATION

The emoluments of directors (excluding pension contributions) were as follows:-

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Chairman	25,000	23,500
Highest paid director	30,000	27,500

The number of other directors whose emoluments fell within the following ranges were:-

	<u>1984</u>	<u>1983</u>
	<u>No</u>	<u>No</u>
£5,001 to £10,000	2	2
£10,001 to £15,000	1	-
£15,001 to £20,000	1	2

No other employees received more than £30,000 during the year.

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

6. STAFF NUMBERS AND COSTS

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

	<u>1984</u>	<u>1983</u>
Management	7	7
Administration and Selling	113	107
Research	<u>20</u>	<u>14</u>
	140	128

The aggregate payroll costs of these employees were:-

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Wages and salaries	2,014,032	1,927,120
Social Security costs	104,711	99,570
Other pension costs	<u>205,551</u>	<u>189,200</u>
	2,324,294	2,215,890

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
U.K. Corporation Tax at 46.25% (1983 : 50.5%) on the profit for the year	755,000	916,000
Adjustment in respect of previous years	<u>-</u>	<u>204,839</u>
	755,000	1,120,839

8. INVESTMENT IN SUBIDIARY COMPANY

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Shares at cost	100	100

The company holds a 100% interest in J.C.B. Materials Handling Limited, an unlisted company registered in the United Kingdom.

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

9. OTHER INVESTMENTS (at cost)

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Shares in J.C.B. Group company	9,970	-	9,970	-
Shares in associated company	166,459	166,459	166,459	166,459
Trade Investments	<u>34,000</u>	<u>120,000</u>	<u>34,000</u>	<u>120,000</u>
	<u>210,429</u>	<u>286,459</u>	<u>210,429</u>	<u>286,459</u>

SHARES IN J.C.B. GROUP COMPANY

During the year the company purchased 4% of the issued share capital of J.C.B. Italy SPA, a newly formed company registered in Italy.

SHARES IN ASSOCIATED COMPANY

The company owns 40% of the issued share capital of J.C. Bamford N.W.E., a company registered in the Netherlands.

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
a) The income for the year from such investment was	nil	nil
b) The company's share of the profit for the year, attributable to the investment is:-		
i) Before tax	28,278	(12,825)
ii) After tax	28,278	(12,825)
c) The company's share of the net assets at 31st December is:	232,203	203,925

The group and company have not included the above figures in their results for 1984 or 1983.

TRADE INVESTMENTS

The directors are satisfied that the value of the investments at the year-end was not less than the amount stated in the accounts.

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

10. DEBTORS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Trade debtors	4,710,103	5,676,974	4,710,103	5,676,974
Amounts due from J.C.B. companies	16,004,385	6,473,864	16,030,460	6,562,153
Other debtors	246,250	254,390	245,515	253,230
Prepayments	43,606	183,296	43,378	182,821
	<u>21,004,344</u>	<u>12,588,524</u>	<u>21,029,456</u>	<u>12,675,178</u>

11. CREDITORS: AMOUNTS
FALLING DUE WITHIN
ONE YEAR

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Amounts due to subsidiary company	-	-	992,720	584,268
Trade creditors	3,499,531	3,213,106	3,499,531	3,038,439
Amounts due to J.C.B. Companies	14,772,519	7,395,939	14,092,190	7,867,829
Other creditors and accruals	2,701,094	1,700,234	2,524,013	1,700,234
Bank Overdraft	2,921,842	-	4,583,488	-
Social Security	17,923	15,526	12,730	11,497
Taxation	1,200,562	913,169	507,705	276,339
	<u>25,113,471</u>	<u>13,237,974</u>	<u>26,212,377</u>	<u>13,478,606</u>

12. CREDITORS: AMOUNTS
FALLING DUE AFTER
MORE THAN ONE YEAR

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1984</u>	<u>1983</u>	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Corporation tax due 1.1.86	375,000	400,000	375,000	400,000

13. SHARE CAPITAL

	<u>1984</u>	<u>1983</u>
	<u>£</u>	<u>£</u>
Authorised, issued and fully paid,		
100 Ordinary shares of £1 each	100	100

J.C.B. SALES LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 1984

14. CONTINGENT LIABILITY

GROUP AND COMPANY

During the year the company gave counter-indemnities to Barclays Bank PLC in respect of guarantees given by the Bank in support of certain export sales. At 31st December 1984 the company was contingently liable under such indemnities for amounts aggregating £1,082,073 (1983 - £1,871,331).