

JCB Sales Limited

Directors' Report and Financial Statements
for the year ended 31 December 2009

Registered number 792807

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JCB Sales Limited

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JCB Sales Limited

Directors and advisors

Directors

Sir Anthony Bamford DL
J C E Bamford
A R Blake
D R Bell
C Fiorentini
T J Burnhope
I Sayers

Company secretary

S E R Ovens

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

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

Citibank NA
Canada Square
Canary Wharf
London
E14 5LB

Registered office

Lakeside Works
Rocester
Uttoxeter
Staffs
ST14 5JP

Registered number

792807

JCB Sales Limited

Directors' report for the year ended 31 December 2009

The directors present their report and the audited financial statements for the year ended 31 December 2009

Principal activities

The principal activity of JCB Sales Limited is the selling and marketing of products manufactured by JCB group and non-group companies, as an agent, on which it earns commission. The company acts as principal on the sale of machines into Germany. The company also operates the sales ledger in respect of machine sales for most UK-based JCB group and non-group companies.

Review of business and future developments

As identified in last year's report, market conditions continued to be difficult in 2009. The global market for construction equipment declined by 46% in 2009, which was the steepest downturn ever recorded. JCB Sales Limited's turnover declined 45% to £22.5 million (2008: £40.9 million).

Given the steep decline in volumes, and despite the swift and decisive action taken in late 2008 and early 2009 to realign the cost base to lower volumes, JCB Sales Limited made an operating loss of £23.7 million in 2009 (2008: £13.6 million) and the company ended the year with net liabilities of £15.2 million (2008: net assets £2.4 million).

The first quarter of 2010 has given rise to some cautious optimism. Whilst market recovery is mixed across regions, continued new product investment across the JCB group means that JCB Sales Limited is well placed to capitalise on the improving conditions as and when they arise.

Dividends

The directors approved and paid a dividend of £60 million during the year (2008: £nil).

Charitable and political contributions

The company made no charitable contributions or political contributions during the year (2008: £nil).

Statutory Records

The company is incorporated in England and its company registration number is 792807.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

Sir Anthony Bamford DL

J Patterson (resigned 1 March 2010)

P Leboucher OBE (resigned 1 March 2010)

J C E Bamford

M G R Taylor (resigned 4 November 2009)

F Rausch (resigned 2 January 2010)

D R Bell (appointed 5 January 2009)

A R Blake (appointed 2 January 2010)

T J Burnhope (resigned 4 November 2009, appointed 2 January 2010)

C Fiorentini (appointed 2 January 2010)

I Sayers (appointed 2 January 2010)

Directors Indemnity Insurance

The company purchases liability 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.

JCB Sales Limited

Directors' report for the year ended 31 December 2009 (continued)

Employees

The directors acknowledge the need to encourage employee involvement in the improvement of the company's performance by supplying information on matters of importance through regular consultation with employees. Information is provided by various means, including audio-visual presentations, company newspapers and information bulletins. There is also an annual review of the company's performance, which is presented to all employees. Employees are encouraged to participate in local schemes designed to improve performance in the areas in which they work.

The company 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 company.

Creditor payment policy

The company does not follow any external code or standard on payment practice. The policy for all company suppliers is to set terms of payment when agreeing the terms for each business transaction and to ensure that the supplier is aware of those terms. The company seeks to abide by those terms whenever it is satisfied that the supplier has met its contractual obligations.

Principal risks and uncertainties

The principal risk facing JCB Sales Limited is the cyclical nature of the industry as a whole which, in broad terms, tracks the global economic cycle. To manage this risk, JCB Sales Limited 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.

Credit risk

JCB Sales Limited's principal financial assets are bank balances and cash, trade and other receivables. The credit risk is primarily attributable to its trade receivables 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. JCB Sales Limited 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, JCB Sales Limited uses a mixture of short term facilities and invoice discounting. Adequate facilities are available to support the company's business for at least 12 months beyond the date of this report.

Exchange rate risk

As part of its normal operating activities, the company hedges exchange rate exposure on foreign currency transactions. It is the company's policy to manage this exposure through the use of forward currency contracts. The aggregate value of forward currency contracts at 31 December 2009 was £47,010,000 (2008 £131,469,000). Potential unrecognised gains on these contracts at 31 December 2009, expected to be recognised during the next financial year, amount to £2,454,000 (2008 £2,441,000 loss).

Key performance indicators (KPIs)

JCB Sales Limited uses a range of financial and non-financial indicators to monitor performance. The key performance indicators referred to in the business review reported above include market share, revenue and profit trends, cash generation and research and development investment.

JCB Sales Limited

Directors' report for the year ended 31 December 2009 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure of information to auditors

Each director of the company, in office at the time of approval of this report, acknowledges that

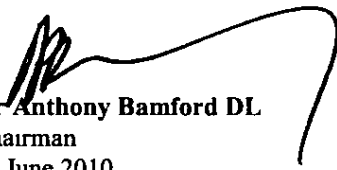
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This statement is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

Auditors

Howsons resigned as auditors and PricewaterhouseCoopers LLP were appointed as auditors during the year. PricewaterhouseCoopers LLP have indicated their willingness to continue in office.

By order of the board


Sir Anthony Bamford DL
Chairman
28 June 2010

JCB Sales Limited

Independent Auditors' Report to the members of JCB Sales Limited

We have audited the financial statements of JCB Sales Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



Nigel Richens (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Manchester

28 June 2010

JCB Sales Limited

Profit & loss account for year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Turnover	2	22,552	40,877
Cost of sales		(15,327)	(13,217)
Gross profit		7,225	27,660
Administrative costs		(30,367)	(40,768)
Exceptional administrative items	3	(569)	(474)
Total administrative expenses		(30,936)	(41,242)
Operating loss	4	(23,711)	(13,582)
Income from shares in group undertakings	7	60,356	-
Profit/(loss) on ordinary activities before taxation		36,645	(13,582)
Tax on profit/(loss) on ordinary activities	8	5,769	3,391
Profit/(loss) for the financial year	16	42,414	(10,191)

All activities are derived from continuing operations

The company has no recognised gains or losses for the year other than the results above

JCB Sales Limited

Balance Sheet as at 31 December 2009

	Note	2009	2008
		£'000	£'000
Fixed assets			
Tangible assets	9	1,122	2,922
Investments	10	2,674	2,674
		3,796	5,596
Current assets			
Stocks	11	797	2,922
Debtors	12	253,633	255,689
Cash at bank and in hand		26,191	32,766
		280,621	291,377
Creditors – amounts falling due within one year	13	(299,591)	(294,561)
Net current liabilities		(18,970)	(3,184)
Net (liabilities)/assets		(15,174)	2,412
Capital and reserves			
Share capital	15	-	-
Profit and loss account	16	(15,174)	2,412
Shareholders' (deficit)/funds	17	(15,174)	2,412

The financial statements on pages 6 to 15 were approved by the board of directors on 28 June 2010 and were signed on its behalf by



Sir Anthony Bamford DL
Chairman

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009

1. Accounting policies

Principal accounting policies

The financial statements have been prepared under the historical cost convention, on the going concern basis, and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom. JCB Service, the company's immediate parent company, has confirmed that it is its present intention to continue to provide, or procure that there is provided, sufficient financial support to the company so as to enable the company to remain in operational existence and to meet its liabilities as they fall due for a period of no less than 12 months from the date of approval of these financial statements. Having received this confirmation, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

A summary of the more important accounting policies is set out below.

Basis of consolidation

The results of the subsidiary and associated undertakings have not been included in the financial statements of JCB Sales Limited as the company itself is a wholly-owned subsidiary of JCB Service, a company registered in England and Wales, for whom consolidated financial statements are prepared and are publicly available.

Cash flow statement and related party disclosure

The company is a wholly-owned subsidiary of JCB Service and is included in the consolidated financial statements of JCB Service, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1. The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the JCB Service group or investees of the JCB Service group. For details of other related party transactions see note 19.

Turnover

Turnover represents the invoice value of commissions earned on the sales of JCB products as agent and the invoice value of machines sold as principal, excluding VAT. The company recognises revenues on commissions once earned and machine sales upon shipment.

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.

The principal rates used are:

Plant and machinery	20%
Fixtures, fittings and office equipment	10% - 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.

Stocks

Stocks are stated at the lower of cost and net realisable value after due regard for obsolete and slow moving stocks. Cost includes direct materials, labour and appropriate works overhead. Net realisable value is based on selling prices less anticipated costs to completion and selling costs.

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1. Accounting policies (continued)

Deferred taxation

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 suitable 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

Foreign currencies

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

Repairs and renewals

All repairs and renewals are charged against revenue as incurred

Accounts receivable

Trade receivables are recorded net of amounts discounted without recourse less any provision for bad or doubtful debts

Pension

Retirement benefits for eligible employees are primarily provided by two defined benefit schemes which are funded by contributions from the company and employees into separately administered trust funds. The company is unable to identify its share of the underlying assets and liabilities of these schemes. As a result, the company accounts for contributions to the schemes as if they were defined contribution schemes by charging them to the profit and loss account as incurred

The defined benefit schemes are closed to new entrants and have been replaced by a stakeholder scheme which is a defined contribution scheme. Pension costs relating to defined contribution arrangements are charged to the profit and loss account as incurred. The assets of the scheme are held in an independently administered fund

Investments

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

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

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

2. Turnover

An analysis of turnover is given below

	2009 £'000	2008 £'000
Commission earned	12,674	27,660
Machine sales	9,878	13,217
	22,552	40,877

An analysis of turnover by geographical market is given below

	2009 £'000	2008 £'000
United Kingdom	12,183	26,696
Europe	10,078	14,181
North America	291	-
	22,552	40,877

3. Exceptional administrative items

	2009 £'000	2008 £'000
Redundancy costs	569	474

4. Operating loss

Operating loss is stated after charging/(crediting)

	2009 £'000	2008 £'000
Hire of machinery and equipment	324	126
Services provided by the company's auditor		
Fees payable for the audit	20	12
Profit on sale of tangible fixed assets	(534)	(270)
Depreciation of tangible fixed assets	596	1,060

5. Particulars of employees

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

	2009 Number	2008 Number
Directors	7	7
Administration	156	203
	163	210

The aggregate payroll costs of these persons were as follows

	2009 £'000	2008 £'000
Wages and salaries	9,039	11,171
Social security	848	966
Defined contribution pension cost	975	1,196
	10,862	13,333

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

6. Directors' emoluments

The directors' emoluments for the year were as follows

	2009 £000	2008 £000
Directors' emoluments	25	277

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

	2009 Number	2008 Number
Defined benefit	-	1

The aggregate emoluments of the highest paid director (excluding pension contributions) were £25,000 (2008 £252,000)

7. Income from shares in group undertakings

	2009 £'000	2008 £'000
Dividend from subsidiary undertaking	60,356	-

8. Tax on profit/(loss) on ordinary activities

Analysis of credit in the year

	2009 £'000	2008 £'000
Current tax		
UK Corporation tax charge at 28% (2008 28.5%)	(6,049)	(3,303)
Adjustment in respect of prior year tax charge	462	(167)
UK Corporation tax	(5,587)	(3,470)
Foreign tax	114	-
Total current tax	(5,473)	(3,470)
Deferred tax		
Origination and reversal of timing differences	(328)	26
Adjustments in respect of prior year	32	53
Total deferred tax	(296)	79
Total tax on loss on ordinary activities	(5,769)	(3,391)

Factors affecting current year tax credit

The tax assessed on the profit on ordinary activities for the year is higher than (2008 higher than) the standard rate of corporation tax in the UK of 28% (2008 28.5%)

The differences are explained below

	2009 £'000	2008 £'000
Profit/(loss) on ordinary activities before taxation	36,645	(13,582)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	10,261	(3,871)
Excess of depreciation charge over capital allowances	41	81
Permanent differences	276	595
Other timing differences	287	(108)
Income not subject to taxation	(16,800)	-
Adjustment in respect of prior year	462	(167)
Total current tax for the year	(5,473)	(3,470)

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9. Tangible fixed assets

	Plant & Machinery	Fixtures, Fittings & Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
As at 1 January 2009	4,065	2,212	1,298	7,575
Additions	-	5	-	5
Disposals	(2,330)	-	(36)	(2,366)
As at 31 December 2009	1,735	2,217	1,262	5,214
Depreciation				
As at 1 January 2009	2,447	1,058	1,148	4,653
Disposals	(1,121)	-	(36)	(1,157)
Charge for the year	283	197	116	596
As at 31 December 2009	1,609	1,255	1,228	4,092
Net book value at 31 December 2009	126	962	34	1,122
Net book value at 31 December 2008	1,618	1,154	150	2,922

10. Fixed asset investments

	2009 £'000	2008 £'000
Shares in group company		
As at 1 January 2009 and 31 December 2009	25	25
Shares in subsidiary undertakings		
As at 1 January 2009 and 31 December 2009	2,649	2,649
Total fixed asset investments	2,674	2,674

Group company

The investment in group company represents a 4% holding in JCB SpA, a company incorporated in Italy. The remaining 96% is held by JCB Service.

Subsidiary undertakings

At 31 December 2009 the company holds the following investments in subsidiary undertakings. All equity holdings are in ordinary shares.

	Equity held	Principal business	Country of Incorporation
JCB Materials Handling Limited	100%	Equipment manufacturer	UK
JCB Remarketing Limited	100%	Equipment sales	UK
JCB Defence Products Limited	100%	Sales and marketing	UK
JCB Europe EURL	100%	Equipment marketing	France
JCB Sales do Brazil Ltda	100%	Equipment manufacturer	Brazil
JCB Benelux Limited	100%	Intermediate holding company	UK
OOO JCB Russia	100%	Equipment distributor	Russia

and due to its holding in JCB Benelux Limited

	Equity held	Principal business	Country of Incorporation
JCB Bamford NV	100%	Equipment distributor	The Netherlands
JCB Belgium NV	100%	Equipment distributor	Belgium

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

11. Stocks and work in progress

	2009	2008
	£'000	£'000
Finished goods	797	2,922

12. Debtors

	2009	2008
	£'000	£'000
Trade debtors	22,086	6,662
Amounts owed by group undertakings	186,991	191,863
Amounts owed by subsidiary undertakings	18,557	33,135
Amounts owed by related parties outside the JCB Service group	19,755	19,948
Corporation tax recoverable	4,130	2,319
Deferred tax	578	282
Other debtors	875	696
Prepayments and accrued income	661	784
	253,633	255,689

Deferred tax

The movement in the deferred tax asset during the year was

	2009	2008
	£'000	£'000
As at 1 January 2009	282	361
Deferred tax credited/(charged) to the profit and loss account	296	(79)
As at 31 December 2009	578	282

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

	2009	2008
	£'000	£'000
Difference between depreciation over taxation allowances on fixed assets	181	179
Other timing differences	397	103
	578	282

13. Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Bank overdrafts	110,946	5,682
Trade creditors	16,387	2,870
Amounts owed to group undertakings	122,204	178,353
Amounts owed to subsidiary undertakings	27,126	61,605
Amounts owed to other related parties outside JCB Service group	246	327
Taxation and social security	620	3,450
Other creditors	21,015	31,736
Accruals and deferred income	1,047	10,538
	299,591	294,561

The bank overdraft is repayable on demand

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

14. Pension schemes

The company is a participating employer in two defined benefit schemes J C Bamford Lifeplan & J C Bamford Excavators Limited Senior Directors and Executives Retirement Benefit scheme These schemes have a combined deficit of £38.1 million (2008 £22.5 million) calculated in accordance with FRS 17 Details of these schemes are disclosed in the financial statements of JCB Service

15. Share capital

	2009 £	2008 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid up		
100 Ordinary shares of £1 each	100	100

16. Reserves

	Profit & Loss Account £'000
Balance as at 1 January 2009	2,412
Profit for the year	42,414
Dividends paid	(60,000)
Balance as at 31 December 2009	(15,174)

17. Reconciliation of movement in shareholders' funds

	2009 £'000	2008 £'000
Profit/(loss) for the year	42,414	(10,191)
Dividends paid	(60,000)	-
Net movement in shareholders' funds	(17,586)	(10,191)
Opening shareholders' funds	2,412	12,603
Closing shareholders' (deficit)/funds	(15,174)	2,412

18. Contingent liabilities

During the year the company gave counter-indemnities to Barclays Bank Plc in respect of performance bonds given by the bank in support of certain export sales The company's liability in respect of these at 31 December 2009 was £1,164,000 (2008 £1,089,000)

The company is a guarantor to the £200.0 million unsecured term facility advanced to JCB Service by Barclays Bank PLC The outstanding liability as at 31 December 2009 was £97.2 million (2008 £130.2 million)

JCB Sales Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

19. Related party transactions

The company has taken advantage of the exemption, allowed under FRS8, available to wholly-owned subsidiary companies, whose results are included in the consolidated financial statements that are made publicly available, not to disclose details of transactions with entities that are part of the JCB Service group or investees of the group qualifying as related parties

The company subcontracts research and development projects to JCB Research, a company in which Sir Anthony Bamford is the sole shareholder. The total value of services purchased by the company during the year was £21,000 (2008 £3,000). The company has also assigned to JCB Research trade debts due to the company of £nil (2008 £8,450,000). The net amount due by the company at 31 December 2009 was £246,000 (2008 £8,293,000 due to the company).

The company has also incurred start-up costs in prior years for JCB Manufacturing Limited and JCB Construction Equipment (Shanghai) Limited, companies that are ultimately controlled by Bamford family interests. The net amounts due at 31 December 2009 were £291,000 (2008 £314,000) due from JCB Manufacturing Limited and £17,640,000 (2008 £11,013,000) due from JCB Construction Equipment (Shanghai) Limited.

The company also transacts business with JCB World Brands Limited, a company in which Lady Bamford and her family are shareholders. The net amount due from JCB World Brands Limited at 31 December 2009 was £1,313,000 (2008 £nil).

The company also transacts business with JCB Farms Limited, a non-consolidated subsidiary of JCB Service. The net amount due from JCB Farms Limited at 31 December 2009 was £511,000 (2008 £nil).

20. Ultimate controlling party

The company is a wholly-owned subsidiary of JCB Service, an unlimited liability company incorporated in England and Wales. The largest company to consolidate the accounts of JCB Service is Transmissions and Engineering Services Netherlands BV, a company incorporated in the Netherlands. Transmissions and Engineering Services Netherlands BV is ultimately controlled by Bamford family interests.

Financial statements for Transmissions and Engineering Services Netherlands BV can be obtained from the Chamber of Commerce in Rotterdam.