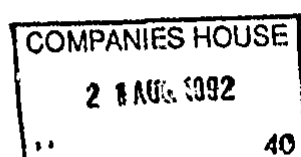


J.C.B. Earthmovers Limited

Company Registration Number 934508

REPORT AND ACCOUNTS

For the year ended 31st December 1991



HOWSONS

Chartered Accountants

Registered Auditor

J.C.B. Earthmovers Limited

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31st December 1991.

BUSINESS REVIEW

The company's principal activities during the year have been the selling and marketing of front-end loading shovels and parts.

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

The profit on ordinary activities before taxation amounted to £1,795,000 (1990: £1,729,000).

The directors do not recommend the payment of a dividend and therefore £1,189,000 has been transferred to reserves.

DIRECTORS AND SHAREHOLDINGS

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

Sir Anthony Bamford DL
Lady Bamford
Mr. M.J.C. Bamford
Gilbert Johnston CBE

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

CLOSE COMPANY STATUS

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

AUDITORS

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

Signed on behalf of the Board



SIR ANTHONY BAMFORD DL

CHAIRMAN

AUDITORS' REPORT TO THE MEMBERS OF

J.C.B. EARTHMOVERS LIMITED

We have audited the financial statements on pages 3 to 8 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st December 1991 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Howson

Howsons
Chartered Accountants
Registered Auditor

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

Date: *17th July 1992*

J.C.B. Earthmovers Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31st December 1991

	Notes	1991 £'000	1990 £'000
TURNOVER	2	22,662	29,294
Cost of sales		19,066	25,346
GROSS PROFIT		3,596	3,948
Administrative expenses		86	1,940
Selling expenses		712	1,175
OPERATING PROFIT	3	1,098	833
INCOME FROM PARTICIPATING INTERESTS			
Dividend receivable from associated company		-	270
		1,098	1,103
Interest receivable	4	697	626
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,795	1,729
Taxation on profit on ordinary activities	7	606	101
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		1,189	1,628
Retained profit brought forward		3,302	1,674
RETAINED PROFIT CARRIED FORWARD		4,491	3,302


J.C.B. Earthmovers Limited

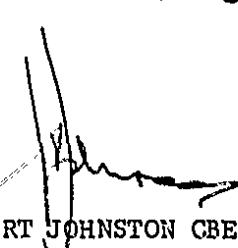
BALANCE SHEET

As at 31st December 1991

	Notes	1991		1990	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	8		1,017		1,017
CURRENT ASSETS					
Debtors	11	1,257		203	
Cash at bank		5,902		8,444	
		<hr/>		<hr/>	
		7,159		8,647	
CREDITORS: Amounts falling due within one year	12	3,629		6,306	
		<hr/>		<hr/>	
NET CURRENT ASSETS			3,530		2,341
			<hr/>		<hr/>
NET ASSETS			4,547		3,358
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	13		-		-
Capital reserve			56		56
Profit and loss account			4,491		3,302
			<hr/>		<hr/>
TOTAL CAPITAL EMPLOYED			4,547		3,358
			<hr/>		<hr/>

The accounts were approved by the Board of Directors on 17th July 1992


SIR ANTHONY BAMFORD DL


GILBERT JOHNSTON CBE

NOTES TO THE ACCOUNTS

For the year ended 31st December 1991

1. ACCOUNTING POLICIES

a) Accounting Convention

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

b) Consolidation Policy

The results of the subsidiary and associated undertakings have not been included in the accounts of J.C.B. Earthmovers Limited as the company is itself a wholly-owned subsidiary of J.C.B. Service, a company registered in England and Wales.

c) Foreign Currencies

Foreign exchange conversion differences, arising primarily on the sale of machines invoiced in foreign currency, are taken to the profit and loss account for the year.

d) Pension Costs

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

2. TURNOVER

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

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

	1991	1990
	£'000	£'000
United Kingdom	5,466	8,228
Europe	14,788	19,019
Africa	474	737
Far East	285	241
Other Regions	<u>1,649</u>	<u>1,069</u>
	22,662	29,294
	<hr/>	<hr/>

3. OPERATING PROFIT

Operating profit is stated after the following:-

	1991	1990
	£'000	£'000
Directors remuneration	42	44
Auditors remuneration	8	7

J.C.B. Earthmovers Limited

NOTES TO THE ACCOUNTS

For the year ended 31st December 1991

4. INTEREST RECEIVABLE

	1991	1990
	£'000	£'000
Group interest	676	626
Other interest	21	-
	<hr/>	<hr/>
	697	626
	<hr/>	<hr/>

5. DIRECTORS REMUNERATION

Excluding pension contributions, the emoluments of the chairman were £2,500 (1990: £2,500) and the emoluments of the highest paid director were £15,000 (1990: £15,000).

Other directors emoluments were within the following ranges:-

	1991	1990
	No.	No.
£ Nil to £5,000	1	1
£5,001 to £10,000	1	1

6. STAFF NUMBERS AND COSTS

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

	1991	1990
Management	4	4
	<hr/>	<hr/>

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

	1991	1990
	£'000	£'000
Wages and salaries	28	28
Social security	3	3
Other pension costs	15	17
	<hr/>	<hr/>
	46	48
	<hr/>	<hr/>

J.C.B. Earthmovers Limited

NOTES TO THE ACCOUNTS

For the year ended 31st December 1991

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1991	1990
	£'000	£'000
Corporation Tax at 33.25% (1990: 34.25%):-		
On profit for the year	522	34
Adjustment in respect of prior year	<u>84</u>	<u>-</u>
	606	34
Tax credit on UK dividend receivable	-	67
	<u>606</u>	<u>101</u>

8. INVESTMENTS

	1991	1990
	£'000	£'000
Shares at cost in subsidiary companies (Note 9)	1,017	1,017
Shares in an associated company (Note 10)	<u>-</u>	<u>-</u>
	1,017	1,017

9. SUBSIDIARY COMPANIES

The subsidiary companies are as follows:-

	Equity Held	Country of Incorporation/Registration
J.C.B. Equipment Limited	100%	England and Wales
J.C.B. S.A.	100%	France

and due to its holding in J.C.B. S.A.:-

JCB Ile de France S.N.C.	100%	France
J.C.B. Manutention S.A.	88%	France
J.C.B. Service S.N.C.	97.6%	France

10. ASSOCIATED COMPANY

At the 31st December 1991 and 1990 the company held 45% of the issued share capital of C.B. Brookes Advertising Limited, an unlisted company registered in England and Wales. The cost of the investment was £45. C.B. Brookes Advertising Limited has an issued share capital of £20,000 in ordinary shares.

J.C.B. Earthmovers Limited

NOTES TO THE ACCOUNTS

For the year ended 31st December 1991

11. DEBTORS

	1991	1990
	£'000	£'000
Amount owed by group undertaking	1,257	-
Amount owed by associated undertaking	-	203
	<hr/>	<hr/>
	1,257	203
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1991	1990
	£'000	£'000
Trade creditors	52	63
Amounts owed to group undertakings	2,528	5,546
Other creditors	509	665
Corporation Tax	537	21
Accruals	3	11
	<hr/>	<hr/>
	3,629	6,306
	<hr/>	<hr/>

13. SHARE CAPITAL

	1991	1990
	£	£
Authorised, issued and fully paid:-		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

14. PENSION SCHEME ARRANGEMENTS

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

The principal group scheme is the J. C. Bamford Pension Scheme, which was last valued on an ongoing basis method as at 6th April 1989. Details of the last valuation are disclosed in the accounts of J.C.B. Service.

15. ULTIMATE PARENT COMPANY

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