

JCB Hydrapower Limited

Company Registration Number 1224998

REPORT AND ACCOUNTS

For the year ended 31 December 1992



HOWSONS

Chartered Accountants

Registered Auditor

JCB Hydrapower Limited

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their annual report together with the audited accounts for the year ended 31 December 1992.

BUSINESS REVIEW

The company's principal activities during the year have been the manufacture and supply of hydraulic power packs and attachments and the manufacture, selling and marketing of earthmoving equipment.

A geographical analysis of turnover is given in Note 2 to the accounts.

RESULTS AND DIVIDEND

The profit on ordinary activities before taxation amounted to £1,083,000 (1991: Loss £187,000).

The directors do not recommend the payment of a dividend and therefore, £725,000 has been transferred to reserves.

DIRECTORS AND SHAREHOLDINGS

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

Sir Anthony Bamford DL
Gilbert Johnson CBE
Mr. M.

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

FIXED ASSETS

The movements in tangible fixed assets are set out in Note 8 to the accounts.

TAX 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

AUDITOR'S REPORT TO THE MEMBERS
OF JCB HYDRAPOWER LIMITED

We have audited the financial statements on pages 3 to 10 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 31 December 1992 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Howsons

Howsons
Chartered Accountants
Registered Auditor

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

Date: *20th September 1993*

JCB Hydrapower Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 1992

	Notes	1992 £'000	1991 £'000
TURNOVER	2	14,336	9,102
Cost of sales		10,395	6,605
GROSS PROFIT		3,941	2,497
Administrative expenses		2,680	2,686
Other operating income		-	(120)
OPERATING PROFIT/(LOSS)	3	1,261	(69)
Interest payable	6	178	118
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,083	(187)
Tax on profit on ordinary activities	7	358	13
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		725	(200)
Retained profit brought forward		251	451
RETAINED PROFIT CARRIED FORWARD		976	251


JCB Hydrapower Limited

BALANCE SHEET

As at 31 December 1992

	Notes	1992		1991	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8		1,440		1,618
CURRENT ASSETS					
Stocks	9	1,103		1,618	
Debtors	10	2,598		1,742	
		<u>3,701</u>		<u>3,360</u>	
CREDITORS: Amounts falling due within one year	11	3,710		4,288	
		<u> </u>		<u> </u>	
NET CURRENT LIABILITIES			(9)		(928)
			<u> </u>		<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,431		690
PROVISION FOR LIABILITIES AND CHARGES	12		123		107
			<u> </u>		<u> </u>
NET ASSETS			1,308		583
			<u> </u>		<u> </u>
CAPITAL AND RESERVES					
Called up share capital	13		332		332
Profit and loss account			976		251
			<u> </u>		<u> </u>
TOTAL CAPITAL EMPLOYED			1,308		583
			<u> </u>		<u> </u>

The accounts were approved by the Board of Directors on 20th September 1992


SIR ANTHONY BAMFORD DL


M. COYNE

JCB Hydrapower Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1992

1. ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Depreciation

Depreciation of tangible fixed assets is calculated so as to write off the original cost by equal annual instalments over the expected useful lives of the assets concerned. The principal rates used are:-

Plant and machinery	10%
Fixtures and fittings, office equipment	10% and 20%
Motor vehicles	20% and 25%
Computers	33 1/3%

(c) Stock and Work in Progress

Stock and work in progress are valued at the lower of cost and net realisable value, with due allowance being made for any obsolete or slow moving items. Cost includes direct materials, labour and appropriate works overheads.

(d) Research and Development

Research and development expenditure is written off to revenue when it is incurred.

(e) Deferred Taxation

Provision is only made for deferred taxation in respect of timing differences where it is considered that the deferral is unlikely to continue for the foreseeable future and where the consequent liability is expected to be material.

(f) 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.

(g) 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.

JCB Hydrapower Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1992

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 regions is as follows:-

	1992 £'000	1991 £'000
United Kingdom	4,097	3,088
Europe	9,956	5,665
North America	10	11
America-Central & South	61	82
Middle East	132	157
Africa	78	83
Far East & Australia	2	5
Other	-	11
	<hr/> 14,336	<hr/> 9,102

3. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after the following items:-

	1992 £'000	1991 £'000
Directors remuneration	7	89
Auditors remuneration - audit	9	9
- other services	2	2
Depreciation of tangible fixed assets	314	359
Operating lease - property rent	175	175
Research and development	17	85
Exceptional item - profit on exchange	317	32

NOTES TO THE ACCOUNTS

For the year ended 31 December 1992

4. STAFF NUMBERS AND COSTS

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

	1992	1991
Management and sales	34	32
Production	<u>65</u>	<u>60</u>
	99	92

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

	1992 £'000	1991 £'000
Wages and salaries	1,780	1,399
Social security costs	138	115
Other pension costs	<u>83</u>	<u>94</u>
	2,001	1,608

5. DIRECTORS REMUNERATION

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

	1992 £	1991 £
Chairman	Nil	Nil
Highest paid director	5,000	65,000

The number of other directors whose emoluments fell within the following range was:-

	1992	1991
£NIL to £5,000	1	1

6. INTEREST PAYABLE

	1992 £'000	1991 £'000
Group interest	<u>178</u>	<u>118</u>

JCB Hydrapower Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1992

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	1992 £'000	1991 £'000
Corporation Tax at 33% (1991: 33.25%)		
On profit for the year	343	-
Adjustment in respect of prior year	<u>-</u>	<u>(2)</u>
	343	(2)
Deferred Taxation	<u>15</u>	<u>15</u>
	358	13
	<u>-</u>	<u>-</u>

8. TANGIBLE FIXED ASSETS

	Plant and Machinery £'000	Fixtures and Equipment £'000	Total £'000
COST			
At 31 December 1991	2,020	460	2,480
Additions	91	76	167
Disposals	<u>(51)</u>	<u>-</u>	<u>(51)</u>
At 31 December 1992	<u>2,060</u>	<u>536</u>	<u>2,596</u>
DEPRECIATION			
At 31 December 1991	565	297	862
Charge for the year	248	65	313
Disposals	<u>(19)</u>	<u>-</u>	<u>(19)</u>
At 31 December 1992	<u>794</u>	<u>362</u>	<u>1,156</u>
NET BOOK VALUE			
At 31 December 1992	<u>1,266</u>	<u>174</u>	<u>1,440</u>
At 31 December 1991	<u>1,455</u>	<u>163</u>	<u>1,618</u>

9. STOCKS

	1992 £'000	1991 £'000
Production materials and parts	969	1,457
Work in progress	122	77
Finished goods	<u>12</u>	<u>84</u>
	1,103	1,618
	<u>-</u>	<u>-</u>

JCB Hydrapower Limited

NOTES TO THE ACCOUNTS

For the year ended 31 December 1992

10. DEBTORS

	1992 £'000	1991 £'000
Trade debtors	607	516
Amounts owed by group undertakings	1,856	1,118
Corporation Tax	-	5
Other debtors	112	73
Prepayments	<u>23</u>	<u>30</u>
	<u>2,598</u>	<u>1,742</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1992 £'000	1991 £'000
Bank overdraft	795	2,498
Trade creditors	1,863	861
Amounts owed to group undertakings	150	635
Amount owed to J.C.B. Company	8	-
Other creditors	455	200
Corporation tax	343	-
Accruals and deferred income	<u>96</u>	<u>94</u>
	<u>3,710</u>	<u>4,288</u>

Other creditors includes social security of £39,000 (1991: £35,000).

12. PROVISION FOR LIABILITIES AND CHARGES

DEFERRED TAXATION

	Provision		Full Potential Liability	
	1992	1991	1992	1991
	£'000	£'000	£'000	£'000
Accelerated capital allowances	<u>123</u>	<u>107</u>	<u>123</u>	<u>107</u>

13. SHARE CAPITAL

	1992 £'000	1991 £'000
Authorised, issued and fully paid:-		
332,294 Ordinary shares of £1 each	<u>332</u>	<u>332</u>

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 6 April 1992. 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.