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J.C.B. HYDRAPOWER LIMITED
ANNUAL ACCOUNTS
YEAR ENDED 31ST DECEMBER 1982



J.C.B. HYDRAPOWER LIMITED
REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER, 1982

1. ACTIVITIES

The Company's principal activity is the manufacture and supply of hydraulic power packs and attachments.

2. STATE OF AFFAIRS

The profit for the year before taxation and after providing for all charges amounted to £7,038 (1981 Loss £12,755).

The Directors do not recommend the payment of a dividend.

3. TURNOVER

The turnover of the Company amounted to £953,011 (1981 £646,651).

4. FIXED ASSETS

The movement of fixed assets is shown in the notes to the accounts.

5. FREEHOLD LAND AND BUILDINGS

During the year the Company purchased a factory at Cheadle, Staffordshire.

The Directors are of the opinion that at the end of the year there was no material difference between the market value of the land and buildings and the cost as stated in the accounts.

6. DIRECTORS

The following were Directors of the Company during the year and their respective interests in shares were as follows:-

	<u>31/12/82</u>	<u>31/12/81</u>
Mr. A.P. Bamford - appointed 25th October, 1982	-	-
Mr. R.W. Ryeland	50,000	50,000
Mr. G. Johnston	-	-
Mr. C. Marsden	-	-

Mr. R.W. Ryeland retiring in accordance with Article 90 of Table A Part 1 of the First Schedule to the Companies Act 1948, being eligible, offers himself for re-election.

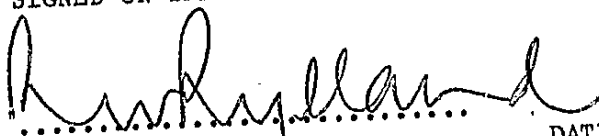
7. TAX STATUS

The Company is a close company for tax purposes.

8. 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


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CHAIRMAN

DATE 13th June 1984

REPORT OF THE AUDITORS

TO THE MEMBERS OF J.C.B. HYDRAPOWER LIMITED

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

In our opinion the accounts which have been prepared under the historical cost convention, give a true and fair view of the state of affairs of the Company at 31st December, 1982 and of the results and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

DATE *13th June, 1984*

STOKE-ON-TRENT

C. Howson & Co.

C. HOWSON & CO.

CHARTERED ACCOUNTANTS

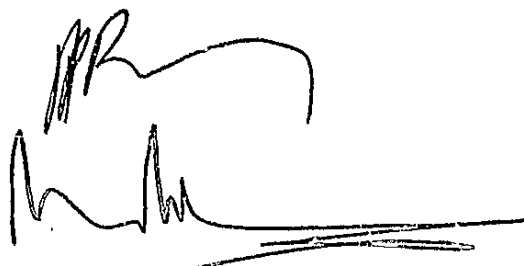
J.C.B. HYDRAPOWER LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1982

	<u>Notes</u>	<u>1982</u>	<u>1981</u>
		<u>£</u>	<u>£</u>
<u>TURNOVER</u> - being the invoice value of goods, and services supplied, excluding Value Added Tax		<u>953,011</u>	<u>646,651</u>
TRADING PROFIT/(LOSS) BEFORE TAXATION	4	7,038	(12,755)
TAXATION		<u>-</u>	<u>(91,959)</u>
TRADING PROFIT AFTER TAXATION		7,038	79,204
LOSSES BROUGHT FORWARD		<u>(361,954)</u>	<u>(441,158)</u>
LOSSES CARRIED FORWARD		<u>(354,916)</u>	<u>(361,954)</u>

J.C.B. HYDRAPOWER LIMITED
BALANCE SHEET AS AT 31ST DECEMBER, 1982

	<u>Notes</u>	<u>1982</u>	<u>1981</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS	1	197,129	43,673
CURRENT ASSETS			
Stock and Work-in-progress		200,484	165,184
Debtors:			
Holding Company		25,262	106,414
Group Companies		1,262	37,355
J.C.B. Companies		-	12,213
Others		329,360	316,177
Cash		<u>106</u>	<u>178</u>
		<u>556,474</u>	<u>637,521</u>
CURRENT LIABILITIES			
Creditors:			
Group Companies		25,589	1,205
J.C.B. Companies		7,145	-
Others		364,571	314,872
Bank Overdraft and Loan	2	<u>378,920</u>	<u>394,777</u>
		<u>776,225</u>	<u>710,854</u>
NET CURRENT LIABILITIES		<u>(219,751)</u>	<u>(73,333)</u>
		<u>(22,622)</u>	<u>(29,660)</u>
SHARE CAPITAL	3	332,294	332,294
PROFIT AND LOSS ACCOUNT			
Accumulated Losses		<u>(354,916)</u>	<u>(361,954)</u>
		<u>(22,622)</u>	<u>(29,660)</u>

These accounts were approved by the
Board of Directors on 13th June 1984.



J.C.B. HYDRAPOWER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 1982

1. FIXED ASSETS	FREEHOLD PROPERTY	LEASEHOLD IMPROVEMENTS	PLANT AND EQUIPMENT	TOTAL
	£	£	£	£
COST				
Balance 31 December 1981	-	2,584	78,665	81,249
Additions	145,886	-	47,696	193,582
Disposals	-	(2,584)	(37,649)	(40,233)
Group Transfers	-	-	2,450	2,450
Balance 31 December 1982	145,886	-	91,162	237,048
DEPRECIATION				
Balance 31 December 1981	-	1,047	36,529	37,576
Charge for the year	-	-	21,171	21,171
Disposals	-	(1,047)	(19,981)	(21,028)
Group Transfers	-	-	2,200	2,200
Balance 31 December 1982	-	-	39,919	39,919
NET BOOK AMOUNT 1982	145,886	-	51,243	197,129
NET BOOK AMOUNT 1981	-	1,537	42,136	43,673

2. BANK OVERDRAFT AND LOAN

Included in Bank Overdraft and Loan is a loan from Barclays Bank PLC for £142,800, which is secured by a charge over the freehold land and buildings at Cheadle.

3. SHARE CAPITAL	1982	1981
	£	£

Authorised and Issued:

332,294 Ordinary Shares of £1 each, fully paid	<u>332,294</u>	<u>332,294</u>
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J.C.B. HYDRAPOWER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 1982

4. TRADING PROFIT BEFORE TAXATION

The Trading Profit before Taxation has been arrived at after charging the following items:-

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
Depreciation	21,171	22,896
Directors' Remuneration	21,842	25,331
Auditors' Remuneration	1,600	1,500
Bank Interest	37,704	45,504

5. DIRECTORS' REMUNERATION

	<u>1982</u>	<u>1981</u>
	<u>£</u>	<u>£</u>
The emoluments of the Chairman were	-	-
The emoluments of the highest paid Director were	20,250	11,618
The number of other Directors whose emoluments fell within the following ranges were:-	<u>No.</u>	<u>No.</u>
£Nil to £5,000	2	5
£5,001 to £10,000	-	1

6. TRANSACTIONS WITH DIRECTORS

The interest free bridging loan of £52,050, made to Mr. C. Marsden in 1981, was repaid during the year.

7. ULTIMATE HOLDING COMPANY

The ultimate holding company of J.C.B. Hydrapower Limited is Transmissions and Engineering Services Netherlands B.V., a company registered in the Netherlands.

8. DEFERRED TAXATION

Because timing differences brought about by accelerated capital allowances are covered by taxation losses brought forward there is no potential liability to deferred tax.

J.C.B. HYDRAPOWER LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 1982

9. ACCOUNTING POLICIES

(i) ACCOUNTING CONVENTION

The accounts have been prepared under the historical cost convention and in compliance with Section 149A and Schedule 8A of the Companies Act 1948.

(ii) DEPRECIATION

Depreciation of Fixed Assets is calculated to write off the original cost by equal annual instalments over the expected useful lives of the assets concerned.

The Rates in use during the year, calculated on a straight line basis, are as follows:-

Plant and Equipment 10 - 25%

(iii) STOCKS AND WORK IN PROGRESS

Stocks and Work-in-Progress have been consistently valued at the lower of cost and net realisable value, with due allowance being made for any obsolete or slow moving items. Cost includes attributable overheads in accordance with statement of standard Accounting Practice No. 9.

J.C.B. HYDRAPOWER LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST DECEMBER, 1982

	<u>1982</u>		<u>1981</u>	
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
SOURCE OF FUNDS				
Profit/(Loss) before Taxation		7,038		(12,755)
Adjustment for items not involving the movement of funds				
Depreciation		<u>21,171</u>		<u>22,896</u>
TOTAL GENERATED FROM OPERATIONS		28,209		10,141
FUNDS FROM OTHER SOURCES				
Sale of Tax Losses	-		91,959	
Loan from Bank	<u>142,800</u>	<u>142,800</u>	<u>-</u>	<u>91,959</u>
		171,009		102,100
APPLICATION OF FUNDS				
Purchase of Freehold Property	145,886		-	
Purchase (less sales) of Other Fixed Assets	<u>28,741</u>	<u>174,627</u>	<u>14,157</u>	<u>14,157</u>
(DECREASE)/INCREASE IN WORKING CAPITAL		<u>(3,618)</u>		<u>87,943</u>
REPRESENTED BY:				
Increase in Stock and Work-in-Progress	35,300		(89,621)	
Decrease in Debtors	(116,275)		296,516	
Increase in Creditors	<u>(81,228)</u>	(162,203)	<u>(22,628)</u>	184,267
MOVEMENT OF NET LIQUID FUNDS				
Decrease in Cash	(72)		125	
Decrease in Bank Overdraft	<u>158,657</u>	<u>158,585</u>	<u>(96,449)</u>	<u>(96,324)</u>
		<u>(3,618)</u>		<u>87,943</u>