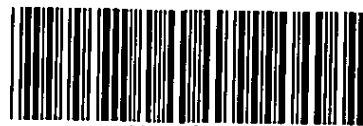


JCB Backhoe Loaders Ltd
Director's Report and Financial Statements
for the year ended 31 December 2010

Registered number 03479485

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JCB Backhoe Loaders Ltd

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JCB Backhoe Loaders Ltd

Director and advisors

Director

Sir Anthony Bamford DL

Company secretary

S E R Ovens

Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

Registered office

Lakeside Works

Rochester

Uttoxeter

Staffs

ST14 5JP

Registered number

03479485

JCB Backhoe Loaders Ltd

Director's report for the year ended 31 December 2010

The director presents his report and the audited financial statements for the year ended 31 December 2010

Principal activities

JCB Backhoe Loaders Ltd traded as a property investment company during 2010. The company has not traded since 17 March 2010, when it disposed of its investment property.

Dividends

The director does not propose the payment of a dividend (2009 £nil)

Charitable and political contributions

The company made no charitable contributions or political contributions during the year (2009 £nil)

Statutory Records

The company is incorporated in England and its company registration number is 03479485

Director

The director who held office during the year and up to the date of signing the financial statements is given below
Sir Anthony Bamford DL

Statement of director's responsibilities

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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

The 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 has taken all the steps that he ought to have taken as a director in order to make himself 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

24 JUNE 2011

JCB Backhoe Loaders Ltd

Independent Auditors' Report to the members of JCB Backhoe Loaders Ltd

We have audited the financial statements of JCB Backhoe Loaders Ltd for the year ended 31 December 2010 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 Director's Responsibilities set out on page 2 the director is 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 and express an opinion on 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 director, 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 2010 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 director's 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 director's 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
24 JUNE 2011

JCB Backhoe Loaders Ltd

Profit & loss account for year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Turnover		-	-
Operating profit		-	-
Profit on sale of investments	5	3,546	-
Interest receivable/(payable)	6	1	(133)
Profit/(loss) on ordinary activities before taxation		3,547	(133)
Tax on profit/(loss) on ordinary activities	7	(2)	37
Profit/(loss) for the financial year	12	3,545	(96)

The activities of the company are discontinued

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

JCB Backhoe Loaders Ltd

Balance Sheet as at 31 December 2010

	Note	2010	2009
		£'000	£'000
Current assets			
Debtors	8	2,716	151
Investments	9	-	7,195
		2,716	7,346
Creditors – amounts falling due within one year	10	(207)	(8,382)
Net assets/(liabilities)		2,509	(1,036)
Capital and reserves			
Share capital	11	-	-
Profit and loss account	12	2,509	(1,036)
Shareholders' funds/(deficit)	13	2,509	(1,036)

The financial statements on pages 4 to 9 were approved by the director on **24 JUNE 2011** and were signed by



Sir Anthony Bamford DL
Chairman

JCB Backhoe Loaders Ltd

Notes to the financial statements for the year ended 31 December 2010

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

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.

Investment Properties

Investment properties are stated at valuation. Values are assessed annually by the director, based on the advice of professionally qualified chartered surveyors employed by the group. Any revaluations of investment properties are disclosed as movements on the revaluation reserve to the extent the reserve is sufficient. Any impairment below cost is charged to the profit and loss account.

Depreciation is not provided on investment properties which represents a departure from the Companies Act 2006. However, these properties are not held for consumption but for investment and the director considers that systematic annual depreciation would not be appropriate. The accounting policy adopted is consistent with SSAP19 'Accounting for Investment Properties' and is therefore necessary for the financial statements to show a true and fair view. Depreciation is only one of many factors reflected in the director's valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

2. Particulars of employees

Other than the director, the company did not employ any persons during the year (2009: none).

3. Director's emoluments

No emoluments were paid to the director during the year (2009: £nil).

4. Expenses

The expenses of the company have been met by the parent company JCB Service.

5. Profit on sale of investments

	2010 £'000	2009 £'000
Profit on sale of investment property	3,546	-

6. Interest receivable/(payable)

	2010 £'000	2009 £'000
Group interest	1	(133)

JCB Backhoe Loaders Ltd

Notes to the financial statements for the year ended 31 December 2010 (continued)

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

Analysis of charge/(credit) in the year

	2010 £'000	2009 £'000
Current tax		
UK corporation tax charge/(credit) at 28% (2009 28%)	-	(37)
Adjustment in respect of prior year tax credit	39	-
UK corporation tax	39	(37)
Deferred tax		
Adjustments in respect of prior year	(37)	-
Total deferred tax	(37)	-
Total tax on profit/(loss) on ordinary activities	2	(37)

Factors affecting current year tax charge/(credit)

The tax assessed on the profit on ordinary activities for the year is lower than (2009 equal to) the standard rate of corporation tax in the UK of 28% (2009 28%)

The differences are explained below

	2010 £'000	2009 £'000
Profit/(loss) on ordinary activities before taxation	3,547	(133)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	993	(37)
Permanent differences	(993)	-
Adjustment in respect of prior year	39	-
Total current tax for the year	39	(37)

In July 2010 legislation was enacted to reduce the main rate of UK corporation tax from 28% to 27% from 1 April 2011. Consequently deferred tax balances have been remeasured.

The Budget announced on 23 March 2011 included further changes to the main rates of tax for UK companies. The main rate of corporation tax will reduce from 28% to 26% from 1 April 2011. This reduction is in addition to the decrease to 27%. The Budget also proposes to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012. It also proposes to make further reductions to the main rate of 1% per annum to 23% by 1 April 2014.

The additional 1% reduction (to 26%) from 1 April 2011 was substantively enacted on 29 March 2011. The proposed further reduction to 25% is expected to be included in the Finance Bill 2011, with future finance bills introducing the additional reductions to 23%.

Given these further changes were not substantively enacted at the balance sheet date, they are not reflected in the financial statements.

JCB Backhoe Loaders Ltd

Notes to the financial statements for the year ended 31 December 2010 (continued)

8. Debtors

	2010 £'000	2009 £'000
Amounts owed by group undertakings	2,679	114
Deferred tax	37	-
Corporation tax recoverable	-	37
	2,716	151

Deferred tax

The movement in the deferred tax asset during the year was

	2010 £'000	2009 £'000
As at 1 January 2010	-	-
Deferred tax credited to the profit and loss account	37	-
As at 31 December 2010	37	-

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

	2010 £'000	2009 £'000
Tax losses available	37	-

9. Current asset investments

	2010 £'000	2009 £'000
Investment property	-	7,195

10. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings	207	8,382

11. Share capital

	2010 £	2009 £
Allotted, called up and fully paid up		
1 Ordinary share of £1 each	1	1

12. Reserves

	Profit & Loss account £'000
Balance at 1 January 2010	(1,036)
Profit for the year	3,545
Balance at 31 December 2010	2,509

JCB Backhoe Loaders Ltd

Notes to the financial statements for the year ended 31 December 2010 (continued)

13. Reconciliation of movement in shareholders' funds/(deficit)

	2010	2009
	£'000	£'000
Profit/(loss) attributable to members of the company	3,545	(96)
Opening shareholders' deficit	(1,036)	(940)
Closing shareholders' funds/(deficit)	2,509	(1,036)

14. 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.