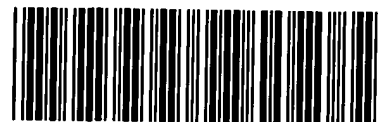


**JCB Consumer Products Limited**  
**Directors' Report and Financial Statements**  
**for the year ended 31 December 2022**

**Registered number 06268542**

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# **JCB Consumer Products Limited**

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# **JCB Consumer Products Limited**

## **Directors and advisors**

### **Directors**

I J Sayers

M J Seal

### **Company secretary**

D G Garnett

### **Independent Auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Hardman Square

Manchester

M3 3EB

### **Solicitors**

Slaughter & May

1 Bunhill Row

London

EC1Y 8YY

### **Banks**

Barclays Bank plc

PO Box 3333

One Snowhill

Snow Hill Queensway

Birmingham

B3 2WN

### **Registered office**

Lakeside Works

Rocester

Uttoxeter

Staffordshire

ST14 5JP

### **Registered number**

06268542

# **JCB Consumer Products Limited**

## **Directors' report for the year ended 31 December 2022**

The directors present their report and the audited financial statements for the year ended 31 December 2022.

The company has taken the exemption available under section 414B of the Companies Act 2006 not to prepare a strategic report and the exemption available under section 415A of the Companies Act 2006 in respect of the Directors' report having met the criteria of a small company in the current and preceding financial year.

### **Principal activities**

The principal activity of JCB Consumer Products Limited is the promotion of the JCB brand through a portfolio of licensees in various commercial markets.

### **Dividends**

The directors do not propose the payment of a dividend (2021: £nil).

### **Statutory records**

The company is a privately held unlimited company which is incorporated in the UK and its company registration number is 06268542.

### **Directors**

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

I J Sayers

M J Seal

### **Directors indemnity insurance**

The company purchases qualifying third party indemnity 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. This indemnity was in place throughout the financial year and at the date of approval.

### **Going concern**

The directors have prepared a cash flow forecast for the company for a period of at least 12 months from the date of signing these financial statements. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of J.C.B. Service. The directors have received confirmation that J.C.B. Service intends to support the company for at least one year from the date of approval of these financial statements. The JCB Service financial statements have been prepared on a going concern basis.

# **JCB Consumer Products Limited**

## **Directors' report for the year ended 31 December 2022 (continued)**

### **Statement of directors' responsibilities in respect of the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

The directors 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**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves 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.

### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office. Elective resolutions are currently in force to dispense with holding annual general meetings, the laying of financial statements before the Company in general meetings and the appointment of auditors annually. Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office. This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

**Approved on behalf of the board**



**I J Sayers**  
Director

23 June 2023

# **JCB Consumer Products Limited**

## **Independent auditors' report to the members of JCB Consumer Products Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, JCB Consumer Products Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2022; the Profit and loss account and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **JCB Consumer Products Limited**

## **Independent auditors' report to the members of JCB Consumer Products Limited (continued)**

### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### ***Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

# **JCB Consumer Products Limited**

## **Independent auditors' report to the members of JCB Consumer Products Limited (continued)**

### **Responsibilities for the financial statements and the audit (continued)**

#### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management, internal audit and the in-house legal team including consideration of known or suspected instances of non-compliance with laws and regulation or fraud;
- reviewing relevant meeting minutes, including those of the Board of Directors;
- challenging assumptions and judgements made by management in their significant accounting estimates (because of the risk of management bias);
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates and evaluating the business rationale of significant transactions outside the normal course of business;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- auditing the tax computations to ensure compliance with tax legislation.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### ***Use of this report***

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.



# **JCB Consumer Products Limited**

## **Independent auditors' report to the members of JCB Consumer Products Limited (continued)**

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

*Helen Smuts*

**Helen Smuts (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

*23 June 2023*

## JCB Consumer Products Limited

### Profit and loss account for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Turnover	5	3,068	2,869
Cost of sales		(88)	(80)
Gross profit		2,980	2,789
Administrative expenses		(821)	(782)
Operating profit	6	2,159	2,007
Interest receivable and similar income	10	580	40
Profit before taxation		2,739	2,047
Tax on profit	9	(521)	(386)
Profit for the financial year		2,218	1,661

All activities are derived from continuing operations.

The company has no other comprehensive income or expense for the year and prior year other than the results above and therefore no separate statement of comprehensive income has been presented.

# JCB Consumer Products Limited

## Balance sheet as at 31 December 2022

	Note	2022 £'000	2021 £'000
<b>Current assets</b>			
Debtors	10	24,505	21,386
Cash at bank and in hand		2,758	3,174
		<b>27,263</b>	24,560
<b>Creditors: amounts falling due within one year</b>	11	<b>(1,269)</b>	(784)
<b>Net assets</b>		<b>25,994</b>	23,776
<b>Capital and reserves</b>			
Called up share capital	13	-	-
Retained earnings	14	25,994	23,776
<b>Total equity</b>		<b>25,994</b>	23,776

The financial statements on pages 8 to 18 were approved by the board of directors on 23 June 2023 and were signed on its behalf by:



**I J Sayers**  
Director

**Registered Number: 06268542**

## JCB Consumer Products Limited

### Statement of changes in equity for the year ended 31 December 2022

	Called up share capital	Retained earnings	Total equity
	£'000	£'000	£'000
Balance as at 1 January 2021	-	22,115	22,115
Profit for the financial year	-	1,661	1,661
Total comprehensive income for the year	-	1,661	1,661
Balance as at 31 December 2021	-	23,776	23,776
Profit for the financial year	-	2,218	2,218
Total comprehensive income for the year	-	2,218	2,218
Balance as at 31 December 2022	-	25,994	25,994

# **JCB Consumer Products Limited**

## **Notes to the financial statements for the year ended 31 December 2022**

### **1. General information**

The principal activity of JCB Consumer Products Limited is the promotion of the JCB brand through a portfolio of licensees in various commercial markets.

The company is a private limited company incorporated and domiciled in England, UK. The address of its registered office is Lakeside Works, Rocester, Uttoxeter, Staffordshire, ST14 5JP.

### **2. Statement of compliance**

The financial statements of JCB Consumer Products Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

The company is a wholly-owned subsidiary of J.C.B. Service and is included in the consolidated financial statements of J.C.B. 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 102. The company is also exempt under the terms of FRS 102 from disclosing related party transactions with entities that are part of the J.C.B. Service group or investees of the J.C.B. Service group. The company has taken advantage of the exemption from disclosing total compensation to key management personnel under paragraph 33.7 of FRS 102. The company has also taken the exemption in respect of certain financial instrument disclosures as allowed by FRS 102.

### **3. Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **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.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

#### **Going concern**

The directors have prepared a cash flow forecast for the company for a period of at least 12 months from the date of signing these financial statements. The directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial support of J.C.B. Service. The directors have received confirmation that J.C.B. Service intends to support the company for at least one year from the date of approval of these financial statements. The J.C.B. Service financial statements have been prepared on a going concern basis.

# **JCB Consumer Products Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **Turnover recognition**

Turnover comprises royalty income receivable from licensees. Turnover is recognised on an accruals basis in accordance with the relevant licence agreements when it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **Foreign currency**

The company's functional and presentational currency is the pound sterling. Therefore these financial statements are presented in pound sterling and have been rounded to the nearest thousand pounds.

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.

#### **Employee benefits**

Post-employment 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. Full details of the defined benefit scheme can be found in the Financial Statements of J.C.B. Service which are publicly available.

The defined benefit schemes are closed to new entrants and have been replaced by a stakeholder scheme which is a defined contribution scheme. Post-employment 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.

#### **Taxation**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

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.

# **JCB Consumer Products Limited**

## **Notes to the financial statements for the year ended 31 December 2022 (continued)**

### **3. Summary of significant accounting policies (continued)**

#### **Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within the creditors falling due within one year note, on the bank loans and overdrafts line.

#### **Debtors**

Trade debtors are recorded less any provision for bad or doubtful debts. Initial recognition is at transaction price, subsequently measured at amortised cost.

#### **Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### *Financial assets*

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

# JCB Consumer Products Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 3. Summary of significant accounting policies (continued)

#### Financial instruments (continued)

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### Financial liabilities

Basic financial liabilities, including trade and other creditors, bank and other loans, loans from fellow company companies and preference shares, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

### 4. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management does not consider any of the below areas to be significant judgements.

#### Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 10 for the net carrying amount of the debtors and associated impairment provision.



# JCB Consumer Products Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 5. Turnover

An analysis of turnover by geographical market is given below:

	2022 £'000	2021 £'000
UK & Ireland	2,698	2,695
Europe	214	174
Far East	30	-
Africa	126	-
	<b>3,068</b>	<b>2,869</b>

JCB Consumer Products Limited is engaged in a single class of business: the promotion of the JCB brand through a portfolio of licensees.

### 6. Operating profit

Operating profit is stated after charging:

	2022 £'000	2021 £'000
Services provided by the company auditors:		
Fees payable for the audit	28	30

### 7. Particulars of employees

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

	2022 Number	2021 Number
Directors	2	2
Administration and service	7	7
	<b>9</b>	<b>9</b>

The aggregate payroll costs of these persons were as follows:

	2022 £'000	2021 £'000
Wages and salaries	365	406
Social security costs	44	47
Other pension costs	136	58
	<b>545</b>	<b>511</b>

# JCB Consumer Products Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 8. Directors' emoluments

No emoluments were paid to the directors during the year (2021: £nil) for services provided to the company. Emoluments of other directors are borne by other group companies.

### 9. Tax on profit

#### Analysis of charge in the year

	2022 £'000	2021 £'000
<b>Current tax</b>		
UK corporation tax charge on profit of the year	520	392
Total current tax	520	392
<b>Deferred tax</b>		
Origination and reversal of timing differences	1	(6)
Total deferred tax	1	(6)
Total tax on profit	521	386

#### Factors affecting current year tax charge

The tax assessed on the profit for the year is higher than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are explained below:

	2022 £'000	2021 £'000
Profit before taxation	2,739	2,047
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	520	389
Permanent differences	1	4
Unrecognised temporary differences	-	(7)
Total tax for the year	521	386

Deferred tax liabilities have not been discounted.

#### Future tax changes

The UK headline corporation tax rate for the year was 19.0% (2021: 19.0%). In the 2021 Spring Budget, the UK Government announced that from 1 April 2023 the rate of UK corporation tax will increase from 19% to 25%. This new law was substantively enacted on 24 May 2021. UK deferred tax assets and liabilities have therefore been calculated at a rate of 25% (2021: 25%).

# JCB Consumer Products Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 10. Debtors

	2022 £'000	2021 £'000
Trade debtors	237	289
Amounts owed by group undertakings	23,000	20,000
Deferred tax	5	6
Other debtors	1,231	1,077
Prepayments and accrued income	32	14
	<b>24,505</b>	<b>21,386</b>

An impairment loss of £1,000 was recognised against trade debtors (2021: £nil).

Amounts owed by group undertakings relate to an unsecured loan which is repayable on demand and on which interest is charged at 1% above base rate. This is the only interest earned by the company.

### Deferred tax

The movement in the deferred tax asset during the year was:

	2022 £'000	2021 £'000
As at 1 January	6	-
Deferred tax (charge)/credit to the profit and loss account	(1)	6
As at 31 December	<b>5</b>	<b>6</b>

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

	2022 £'000	2021 £'000
Difference between taxation allowances over depreciation on fixed assets	<b>5</b>	<b>6</b>

### 11. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	5	49
Amounts owed to group undertakings	456	82
Corporation tax	520	392
Taxation and social security	21	113
Other creditors	-	6
Accruals	102	-
Deferred income	165	142
	<b>1,269</b>	<b>784</b>

The amounts owed to group undertakings are unsecured trading balances that do not gather interest and are repayable on demand.

# JCB Consumer Products Limited

## Notes to the financial statements for the year ended 31 December 2022 (continued)

### 12. Financial instruments

	Note	2022 £'000	2022 £'000	2021 £'000	2021 £'000
Financial assets constituting debt instruments measured at amortised cost					
- Trade debtors	10	237		289	
- Amounts owed by group undertakings	10	23,000		20,000	
- Other debtors	10	1,231		1,077	
			24,468		21,366
Financial liabilities measured at amortised cost					
- Trade creditors	11	5		49	
- Amounts owed to group undertakings	11	456		82	
- Other creditors	11	-		6	
- Accruals	11	102		142	
			563		279

### 13. Called up share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid up</b>		
1 Ordinary share of £1 each (2021: 1 Ordinary share of £1 each)	1	1

Each share is entitled to one vote in any circumstances. Each share is entitled pari passu to dividend payments or any other distribution. Each share is entitled pari passu to participate in a distribution arising from winding up of the company. The shares are non-redeemable.

### 14. Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Retained earnings – includes all current year and prior year profits and losses.

### 15. Contingent liabilities

The company is part of the J.C.B. Service group cash pooling facility which includes the funds and overdrafts of all trading J.C.B. Service subsidiaries in the United Kingdom for cash management purposes. The facility is jointly and severally liable and contains a cross-guarantee structure.

### 16. Ultimate controlling party

The company is a wholly-owned subsidiary of J.C.B. Service, an unlimited liability company incorporated in England and Wales. J.C.B. Service is the smallest company to consolidate the results of the company. The largest company to consolidate the financial statements of J.C.B. Service is JCB Group Holdings Sàrl, a company incorporated in Switzerland. JCB Group Holdings Sàrl is ultimately controlled by Bamford family interests.