

JCB CONSUMER PRODUCTS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



JCB CONSUMER PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Lady Carole Bamford Alice Bamford Joseph Bamford
Company secretary	Steve Ovens
Registered number	06268542
Registered office	Lakeside Works Rocester Uttoxeter Staffordshire ST14 5JP
Independent auditor	Nexia Smith & Williamson Statutory Auditor & Chartered Accountants 25 Moorgate London EC2R 6AY

JCB CONSUMER PRODUCTS LIMITED

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JCB CONSUMER PRODUCTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

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

Directors

The directors who served during the year were:

Lady Carole Bamford
Alice Bamford
Joseph Bamford

Going concern

Information regarding the Company's going concern status is included in note 2.3.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Post balance sheet events

No material events have occurred since the balance sheet date.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Lady Carole Bamford
Director
Date:

Carole Bamford

23.6.21

JCB CONSUMER PRODUCTS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

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JCB CONSUMER PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCB CONSUMER PRODUCTS LIMITED

Opinion

We have audited the financial statements of JCB Consumer Products Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

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.

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)**

Other information

The other information comprises the information included in the Directors' Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Directors' Report and Financial Statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCB CONSUMER PRODUCTS LIMITED
(CONTINUED)**

Auditor's 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 auditor's 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:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management in respect of their understanding of the relevant laws and regulations, the entity's policies and procedures regarding compliance and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory accounts; and
- Updating and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the Company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were:

- Manipulation of the financial statements through the posting of manual journal entries and incorrect recognition of revenue.

The procedures carried out to gain evidence in the above areas included:

- Testing of revenue transactions to underlying documentation; and
- Testing of a sample of manual journal entries, selected through applying specific risk assessments applied based on the Company's processes and controls surrounding manual journal entries.

The senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

JCB CONSUMER PRODUCTS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JCB CONSUMER PRODUCTS LIMITED
(CONTINUED)**

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Timothy Adams

Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson

Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 24/06/2021

JCB CONSUMER PRODUCTS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Revenue		2,619,151	2,619,156
Cost of sales		(21,696)	(14,595)
Gross profit		2,597,455	2,604,561
Administrative expenses		(728,522)	(678,059)
Government grants receivable		26,823	-
Operating profit		1,895,756	1,926,502
Tax on profit	5	-	-
Profit after tax		1,895,756	1,926,502
Retained earnings at the beginning of the year		20,219,007	18,292,505
Profit for the year		1,895,756	1,926,502
Retained earnings at the end of the year		22,114,763	20,219,007

There was no other comprehensive income for 2020 (2019: £nil).

The notes on pages 9 to 13 form part of these financial statements.

JCB CONSUMER PRODUCTS LIMITED
REGISTERED NUMBER: 06268542

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Current assets			
Stocks	6	46,940	35,488
Debtors	7	16,971,316	16,669,313
Cash at bank and in hand		5,507,440	4,044,667
		<u>22,525,696</u>	<u>20,749,468</u>
Creditors: amounts falling due within one year	8	(410,932)	(530,460)
Net current assets		22,114,764	20,219,008
Net assets		<u>22,114,764</u>	<u>20,219,008</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	22,114,763	20,219,007
		<u>22,114,764</u>	<u>20,219,008</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



Lady Carole Bamford
Director

Date: 23.6.21

The notes on pages 9 to 13 form part of these financial statements.

JCB CONSUMER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

JCB Consumer Products Limited (the 'Company') is a private company, limited by shares, domiciled and incorporated in England and Wales. The Company's registered office is Lakeside Works, Rocester, Uttoxeter, Staffordshire, ST14 5JP.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);

This information is included in the consolidated financial statements of BHoldings Limited and these financial statements may be obtained from Companies House.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Company made a profit after tax for the year ended 31 December 2020 of £1,895,756 (2019: £1,926,502) and had net current assets of £22,114,764 (2019: £20,219,008) which included cash balances of £5,507,440 (2019: £4,044,667) as at the balance sheet date. In making their going concern assessment, the directors have given consideration to current performance, cash reserves held by the business, market conditions, future profit & loss forecasts and the potential impact of the COVID-19 pandemic on the Company.

The impact and duration of COVID-19 is uncertain. It is widely accepted that the economic impact of this pandemic will be severe and therefore, the directors have given due consideration to the impact that COVID-19 could have on the Company. Whilst the forecasts prepared show future profitability, even in the most adverse of scenarios the Company would have sufficient liquidity with which to meet all of its outstanding liabilities and obligations as they fall due, for a period of at least 12 months from the date of the authorisation of these financial statements.

On this basis, the directors of the Company have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern. Consequently, the directors have prepared these financial statements on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2.5 Revenue

Revenue comprises royalty income receivable from licensees. Revenue 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 revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Government grants receivable

Government grants relate to income received in respect of the Coronavirus Job Retention Scheme ("CJRS") which was provided by the government to businesses in the UK to help alleviate the financial impact of COVID-19 by placing staff on temporary leave. Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure when reasonable assurance is gained that the Company will comply with the conditions attached to the grant and the grant will be received.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash at bank and in hand

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. Employees

The average monthly number of employees, including directors, during the year was 9 (2019 - 8).

4. Directors' remuneration

None of the directors received any emoluments for their services (2019: £nil).

5. Taxation

The Company has claimed group relief of £371,974 (2019: £367,442) during the year to offset the taxable profits in the business. As a result, no tax charge has been recognised.

JCB CONSUMER PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

6. Stocks

	2020 £	2019 £
Work in progress	-	31,366
Finished goods	46,940	4,122
	<u>46,940</u>	<u>35,488</u>

7. Debtors

	2020 £	2019 £
Trade debtors	1,078,135	508,518
Amounts owed by group undertakings	14,873,543	14,873,543
Amounts owed by related parties	43,780	59,084
Accrued income	975,858	1,228,168
	<u>16,971,316</u>	<u>16,669,313</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	70,884	15,653
Amounts owed to related parties	100,949	150,145
Other taxation and social security	87,322	167,663
Other creditors	4,000	-
Accruals	147,777	196,999
	<u>410,932</u>	<u>530,460</u>

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary A Shares share of £1.00	<u>1</u>	<u>1</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Reserves

Profit & loss account

The profit and loss account relates to the cumulative profit or loss of the Company since incorporation, net of any distributions to shareholders recognised to date.

11. Contingent liabilities

There is an unlimited cross guarantee in place with the bankers of the Company's parent, BHoldings Limited, and other subsidiaries in the wider group to which the Company belongs. This cross guarantee entails that where an overdraft balance exists in one bank account, it can be offset against a positive balance in another account. A liability would arise if an overdraft in one company was called due by the bank, potentially resulting in the Company having to repay this debt via their own cash balance. The total overdrafts of group companies at 31 December 2020 were £1,164,165.

12. Related party transactions

The Company has taken advantage of the exemption available in FRS 102 Section 33 from disclosing transactions with group companies, headed by the Company's parent entity, on the grounds that these companies are wholly owned within the group.

During the year the Company recharged costs to entities that are related parties by virtue of sharing common ownership and control. The recharges to related entities totalled £147,993 (2019: £342,516), and recharges of costs from related entities were £114,101 (2019: £284,212). No payments were made or received from related entities during the year (2019: £386,634 payment made). As at 31 December 2020, amounts of £100,949 were owed to related entities (2019: £150,145) and amounts of £43,780 were owed from related entities (2019: £59,084). All of these balances are interest-free, unsecured and repayable on demand.

13. Controlling party

The Company is 100% owned and controlled by BHoldings Limited ("BHoldings"), which is the Company's ultimate and immediate controlling party. The results of the Company are included in the consolidated financial statements of BHoldings, which is the largest group of undertakings for which group accounts are drawn up. BHoldings' registered office is 19 Mossop Street, London, SW3 2LY.