

ARTHUR
ANDERSEN

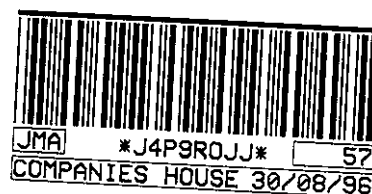
ARTHUR ANDERSEN & CO. SC

Jungheinrich (G.B.) Limited

Accounts 31 December 1995

together with directors' and auditors' reports

Registered number: 757192



Directors' report

For the year ended 31 December 1995

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 31 December 1995.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for keeping proper accounting records which 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 1985. 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.

Principal activity and business review

The principal activity of the company continues to be the sale, hire and servicing of mechanical handling equipment.

This year turnover decreased from £60,051,688 to £58,290,201 and the operating profit for the year was £579,696 (1994 - £2,067,301). The directors expect the general level of activity to improve in the ensuing year.

Results and dividends

Results, dividends and recommended transfers to reserves are as follows:

	£
Accumulated deficit, beginning of year, as restated (see note 9)	(1,578,943)
Loss for the financial year	(296,928)
Accumulated deficit, end of year	<u>(1,875,871)</u>

No dividend can be paid.

Directors' report (continued)

Directors and their interests

The directors who served during the year are as shown below.

S. Jeffs (appointed 1 January 1995)
R. Koenig

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

Fixed assets

Information relating to changes in tangible fixed assets is given in note 10 to the accounts.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Employee consultation

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company.

Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors.

By order of the Board,



R. Koenig

Secretary and Deputy Managing Director

Southmoor Road
Wythenshawe
Manchester
M23 9DU

25 July 1996

Auditors' report

Manchester

To the Shareholders of Jungheinrich (G.B.) Limited:

We have audited the financial statements on pages 4 to 21 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1995 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

Bank House
9 Charlotte Street
Manchester
M1 4EU

25 July 1996

Profit and loss account

For the year ended 31 December 1995

	Notes	1995 £	As restated (see note 9) 1994 £
Turnover	2	58,290,201	60,051,688
Change in stocks of finished goods		(206,768)	891,112
Other operating income		132,478	41,444
		<u>58,215,911</u>	<u>60,984,244</u>
Raw materials and consumables		(34,949,332)	(37,788,371)
Other external charges		(537,050)	(154,156)
Wages and salaries	3	(10,027,699)	(9,190,970)
Social security costs		(834,701)	(798,653)
Other pension costs	4	(459,090)	(386,475)
Depreciation and amounts written off tangible fixed assets		(3,888,148)	(4,644,530)
Other operating charges		(6,940,195)	(5,953,788)
Operating profit		<u>579,696</u>	<u>2,067,301</u>
Interest receivable and similar income	5	887,000	843,000
Interest payable and similar charges	6	(2,123,624)	(1,947,315)
(Loss) profit on ordinary activities before taxation	7	<u>(656,928)</u>	<u>962,986</u>
Tax on (loss) profit on ordinary activities	8	360,000	(433,000)
(Loss) profit for the financial year		<u>(296,928)</u>	<u>529,986</u>
Accumulated deficit, beginning of year		(1,578,943)	(2,108,929)
Accumulated deficit, end of year		<u>(1,875,871)</u>	<u>(1,578,943)</u>

All activity has arisen from continuing operations.

The company has no recognised gains or losses other than the loss for the year.

A statement of movements on reserves is given in note 20.

The accompanying notes are an integral part of this profit and loss account.

Statement of total recognised gains and losses

For the year ended 31 December 1995

	1995 £	1994 £
(Loss) profit for the financial year	(296,928)	529,986
Total recognised gains and losses relating to the year	(296,928)	529,986
Prior year adjustment (as explained in note 9)	(838,000)	-
Total gains and losses recognised since last financial statements	(1,134,928)	529,986

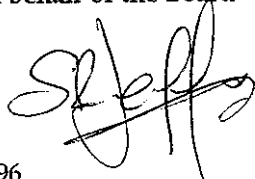
Balance sheet

31 December 1995

	Notes	1995 £	As restated (see note 9) 1994 £
Fixed assets			
Tangible assets	10	15,398,669	11,179,989
Current assets			
Stocks	11	7,679,542	6,778,189
Debtors: Amounts falling due after more than one year	12	7,540,000	7,533,000
Debtors: Amounts falling due within one year	12	21,999,911	18,312,132
Cash at bank and in hand		-	100,346
		37,219,453	32,723,667
Creditors: Amounts falling due within one year	13	(30,237,341)	(27,199,522)
Net current assets		6,982,112	5,524,145
Total assets less current liabilities		22,380,781	16,704,134
Creditors: Amounts falling due after more than one year	14	(20,230,652)	(15,974,077)
Provisions for liabilities and charges	15	(236,000)	(619,000)
Net assets		1,914,129	111,057
Capital and reserves			
Called-up share capital	16	1,690,000	1,690,000
Capital contribution	17	2,100,000	-
Profit and loss account		(1,875,871)	(1,578,943)
Total capital employed		1,914,129	111,057

Signed on behalf of the Board

S. Jeffs



Director

25 July 1996

A reconciliation of shareholders' funds is given in note 21.

The accompanying notes are an integral part of this balance sheet.

Cash flow statement

For the year ended 31 December 1995

	Notes	1995		1994	
		£	£	£	£
Net cash inflow from operating activities	18a		3,168,582		3,504,867
Returns on investments and servicing of finance					
Interest paid		(925,319)		(394,337)	
Interest element of finance lease payments		(1,370,943)		(1,416,340)	
Interest element of finance lease receipts		887,000		843,000	
Net cash outflow from returns on investments and servicing of finance			(1,409,262)		(967,677)
Taxation					
UK Corporation tax paid		(60,007)		-	
Tax paid			(60,007)		-
Investing activities					
Purchase of tangible fixed assets		(3,371,427)		(6,021,119)	
Sale of tangible fixed assets		2,740,220		2,821,808	
Purchase of trucks subsequently sold to leasing companies		(10,914,533)		(3,680,706)	
Net cash outflow from investing activities			(11,545,740)		(6,880,017)
Net cash outflow before financing			(9,846,427)		(4,342,827)
Financing					
Capital contribution receipt		2,100,000		-	
Capital element of finance lease payments		(8,414,507)		(6,380,782)	
Capital element of finance lease receipts		3,256,238		2,801,068	
Cash received from assets sold to leasing companies		17,540,544		3,988,706	
Loan (repayment) receipt		(3,600,000)		1,500,000	
Net cash inflow from financing	18b		10,882,275		1,908,992
Increase (decrease) in cash and cash equivalents	18c		1,035,848		(2,433,835)

The accompanying notes are an integral part of this statement.

Notes to accounts

31 December 1995

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below.

a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Tangible fixed assets

Tangible fixed assets are shown at cost less accumulated depreciation.

Depreciation is provided on a straight-line basis to write off the cost of fixed assets over their estimated economic lives, as follows:

Freehold buildings	25 years
Motor vehicles	4 years
Fixtures, fittings, tools and equipment	5 years
Trucks on hire to customers	5 years
Plant and machinery	8 years

c) Leased assets

Finance leases

Certain trucks for hire, motor vehicles and office equipment are held under finance leases. A sum equivalent to the cost of these assets is capitalised and is depreciated over the shorter of the lease term or the estimated economic lives of the assets. A corresponding amount is recorded as a creditor and is reduced by the capital element of the annual lease payments. Finance charges are allocated to accounting periods over the period of the lease to produce a constant rate of interest on the outstanding balance. Residual interest in stocks and corresponding liabilities are recognised in respect of the buy back cost of trucks sold to leasing companies under sale and repurchase transactions where the repurchase requirements become effective on the expiry of lease contracts.

Back-to-back finance leases

The company also enters into certain lease transactions whereby it acts as both lessee and lessor in respect of trucks. The capital elements of the obligations under these arrangements payable to lessors are included within creditors, with corresponding amounts receivable from lessees included in debtors. Finance charges payable and receivable are allocated to accounting periods over the period of the leases to produce a constant rate of interest on the outstanding balances. Lease payments receivable, to the extent that they exceed lease payments payable, represent maintenance income which is recognised when it arises.

Notes to accounts (continued)

1 Accounting policies (continued)

c) *Leased assets (continued)*

Operating leases

Certain land and buildings and plant and machinery are held under operating leases, for which rentals are charged on a straight-line basis over the lease term. Further information on charges in the year and future commitments is given in note 19b.

d) *Stocks*

Finished goods are stated at the lower of first-in, first-out cost (including duty and inward carriage charges) or net realisable value.

e) *Taxation*

Corporation tax payable is provided on taxable profits at the current rate.

Deferred taxation (which arises from differences in the timing of the recognition of items, principally depreciation, in the accounts and by the tax legislation) has been calculated using the liability method. Deferred taxation is provided on all and only those timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred taxation is not provided on timing differences which, in the opinion of the directors, will probably not reverse. However, the amount of all deferred taxation, including that which will probably not reverse, is shown in note 15.

f) *Turnover*

Turnover, other than on long-term contracts, comprises the sales value of goods made available to customers under finance leases and invoiced sales of goods, services and rental income, net of trade discounts, allowances and value added tax.

g) *Foreign currency*

Transactions denominated in foreign currency are recorded in the local currency at actual exchange rates as of the date of the transaction or where appropriate, at the rate of exchange in the related forward exchange contract. Monetary assets and liabilities denominated in foreign currency at the year end are reported at the rates of exchange prevailing at the year end or, where appropriate, at the rate of exchange in a related forward exchange contract. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Notes to accounts (continued)

1 Accounting policies (continued)

h) Pension costs

The amount charged to the profit and loss account in respect of the company's defined benefit pension scheme comprises the regular cost of providing the benefits earned during the year adjusted for variations from the regular cost. The regular cost is calculated so that it represents a substantially level percentage of current and future pensionable payroll. Variations from regular cost are allocated to accounting periods as a constant percentage of pensionable payroll over employees' estimated average remaining service life.

Any difference between amounts charged in the profit and loss account and contributions paid to external funds held by independent trusts is shown as either accruals or prepayments in the balance sheet.

Further information on pension costs is provided in note 4.

2 Turnover

Contributions to turnover by geographical area were as follows:

	1995 £	1994 £
United Kingdom	56,855,023	58,629,241
Other European Countries	1,435,178	1,422,447
	<u>58,290,201</u>	<u>60,051,688</u>

Included in the turnover which arises from Europe is £541,168 (1994 - £577,618) of sales made to other group undertakings.

3 Wages and salaries

The average weekly number of persons employed by the company during the year was as follows:

	1995 Number employed	1994 Number employed
Service	274	258
Administration and sales	218	206
	<u>492</u>	<u>464</u>

Notes to accounts (continued)

3 Wages and salaries (continued)

Directors' remuneration in respect of directors of the company who served during the year was as follows:

	1995 £	1994 £
Emoluments (including pension contributions)	<u>186,272</u>	<u>222,435</u>

The directors' remuneration shown above (excluding pensions and pension contributions) included:

	1995 £	1994 £
Chairman and highest paid director	<u>97,896</u>	<u>129,267</u>

Directors received emoluments (excluding pensions and pension contributions) in the following ranges:

	1995 Number	1994 Number
£ 20,001 - £ 25,000	-	1
£ 45,001 - £ 50,000	-	1
£ 70,001 - £ 75,000	1	-
£ 95,001 - £ 100,000	1	-
£ 125,001 - £ 130,000	<u>-</u>	<u>1</u>

4 Other pension costs

Contributions to the company's defined benefit pension scheme are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The most recent valuation was at 6 April 1994. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increase in salaries. It was assumed that investment returns would be 9% per annum and that salary increases would average 6.5% per annum, plus a scale to reflect merit and promotional increases.

At the valuation date the market value of the scheme's assets was £6,926,521 and the valuation showed that the actuarial value of these assets represented approximately 118% of the benefits that had accrued to members calculated on the basis of the projected accrued benefit method. The surplus is being spread over the remaining service lives of the current employees.

The pension charge for the year was £459,090 (1994 - £386,475).

Included in prepayments and accrued income is a prepayment of £174,000 which represents the excess of contributions paid over the accumulated pension cost (1994 - £46,000).

Notes to accounts (continued)

5 Interest receivable and similar income

Interest receivable and similar income represents the interest element of charges receivable under finance leases.

6 Interest payable and similar charges

	1995 £	1994 £
On bank loans, overdrafts and other loans		
- repayable within five years, by instalments	1,370,943	1,416,340
- repayable within five years, not by instalments	752,681	530,975
	<u>2,123,624</u>	<u>1,947,315</u>

Included in the above is the interest element of charges payable under finance leases amounting to £1,370,943 (1994 - £1,416,340) and interest paid to group undertakings of £12,871 (1994 - £2,012).

7 (Loss) profit on ordinary activities before taxation

(Loss) profit on ordinary activities before taxation is stated after charging:

	1995 £	1994 £
Depreciation and amounts written off tangible fixed assets		
- owned	1,640,731	1,844,449
- held under finance leases	2,247,414	2,800,081
Hire of plant and machinery under operating leases	1,160,405	1,018,300
Other operating lease rentals	910,684	898,104
Auditors' remuneration		
- audit services	28,000	26,900
- non-audit services	<u>15,025</u>	<u>11,200</u>

8 Tax on (loss) profit on ordinary activities

The tax (credit) charge is based on the loss for the year, and comprises:

	1995 £	1994 £
Corporation tax at 33% (1994 - 33%)	112,000	205,000
Deferred taxation arising from		
- capital allowances	(342,000)	123,000
- other timing differences	<u>(130,000)</u>	<u>105,000</u>
	<u>(360,000)</u>	<u>433,000</u>

Notes to accounts (continued)

9 Prior year adjustment

During the current year, the directors have written off tangible fixed assets disposed of in prior periods amounting to £704,000. The equivalent write offs at 31 December 1994 and 1993 were £838,000 and £811,000 respectively. These prior period effects have been accounted for in accordance with FRS3 as prior year adjustments. The comparative figures in the primary statements and notes have been restated.

The effects of this correction are summarised below:

	1995 £	1994 £
Profit and loss account		
Decrease (increase) in cost of sales	134,000	(27,000)
Increase (decrease) in profit for the financial year	134,000	(27,000)
Decrease in profit and loss reserve brought forward	(838,000)	(811,000)
Balance sheet		
Tangible fixed assets - trucks on hire (leased)	(704,000)	(838,000)
Decrease in net assets	(704,000)	(838,000)

Notes to accounts (continued)

10 Tangible fixed assets

The movement in the year was as follows:

	Freehold land and buildings £	Motor vehicles Owned £	Fixtures fittings, tools and equipment Owned £	Trucks on hire Owned £	Leased £	Short term rental fleet Leased £	Plant and machinery Owned £	Total £
Cost								
Beginning of year (as restated see note 9)	48,900	572,123	1,184,565	10,914,677	8,328,170	-	234,960	21,283,395
Additions	-	8,990	361,650	2,995,931	-	7,423,162	4,856	10,794,589
Disposals	-	(282,934)	(336,927)	(2,004,134)	(3,272,646)	(1,857,234)	(14,513)	(7,768,388)
Transfers	-	-	-	(7,375,620)	-	6,381,615	-	(994,005)
End of year	48,900	298,179	1,209,288	4,530,854	5,055,524	11,947,543	225,303	23,315,591
Depreciation								
Beginning of year (as restated see note 9)	13,811	517,213	840,560	2,934,374	5,619,512	-	177,936	10,103,406
Charge	1,956	29,040	182,765	1,400,560	1,516,042	731,372	26,410	3,888,145
Disposals	-	(282,907)	(336,927)	(1,091,521)	(3,244,038)	(110,718)	(14,513)	(5,080,624)
Transfers	-	-	-	(994,005)	-	-	-	(994,005)
End of year	15,767	263,346	686,398	2,249,408	3,891,516	620,654	189,833	7,916,922
Net book value								
Beginning of year (as restated see note 9)	35,089	54,910	344,005	7,980,303	2,708,658	-	57,024	11,179,989
End of year	33,133	34,833	522,890	2,281,446	1,164,008	11,326,889	35,470	15,398,669

Notes to accounts (continued)

11 Stocks

	1995 £	1994 £
Finished goods	3,290,344	3,497,112
Residual interest in stocks	4,389,198	3,281,077
	<u>7,679,542</u>	<u>6,778,189</u>

In accordance with Financial Reporting Standard 5, residual interest in stocks has been recognised in respect of the buy back cost of trucks sold to leasing companies under sale and repurchase transactions where the repurchase requirements become effective on the expiry of lease contracts operated by these third parties. The corresponding liabilities are recognised in creditors under amounts falling due within and after more than one year, as shown in notes 13 and 14. Residual interest in stocks crystallise after more than one year.

12 Debtors

	1995 £	1994 £
Amounts falling due within one year:		
Trade debtors	17,244,340	13,702,060
Amounts owed by other group undertakings	114,464	216,268
Receivable under leasing agreements	3,737,151	3,229,300
Other debtors	192,062	448,399
Prepayments and accrued income	711,894	716,105
	<u>21,999,911</u>	<u>18,312,132</u>
Amounts falling due after more than one year:		
Receivable within five years under leasing agreements	7,540,000	7,533,000
	<u>29,539,911</u>	<u>25,845,132</u>

The cost of trucks acquired under finance leases during the year, for the purpose of making them available to customers under finance leases, was £3,735,767 (1994 - £3,988,706).

Notes to accounts (continued)

13 Creditors: Amounts falling due within one year

	1995 £	1994 £
Obligations under finance leases	7,555,532	5,325,047
Bank loans and overdrafts (unsecured)	8,413,321	9,549,515
Trade creditors	4,432,834	4,694,959
Amounts owed to other group undertakings	7,227,586	4,746,769
Other creditors		
- UK corporation tax payable	261,993	210,000
- VAT	843,529	917,258
- social security and PAYE	289,144	279,294
Accruals and deferred income	1,213,402	1,476,680
	<u>30,237,341</u>	<u>27,199,522</u>

Certain leasing obligations are secured on the company's leasing receivables.

Liabilities in respect of sale and repurchase transactions of £147,098 (1994 - nil) are also included within accruals and deferred income.

Included within amounts owed to other group undertakings is an interest bearing loan of £4,000,000 repayable 8 January 1996. Interest is incurred at a rate of 6.8145% p.a. on this loan. All other amounts are unsecured, repayable on demand and do not incur interest.

14 Creditors: Amounts falling due after more than one year

	1995 £	1994 £
Bank loans	-	1,500,000
Obligations payable within five years under leasing agreements	15,988,552	9,093,000
Conditionally repayable intercompany loan	-	2,100,000
Liabilities in respect of sale and repurchase transactions	4,242,100	3,281,077
	<u>20,230,652</u>	<u>15,974,077</u>

Notes to accounts (continued)

14 Creditors: Amounts falling due after more than one year (continued)

Liabilities in respect of sale and repurchase transactions represent the value of commitments to buy back trucks sold to leasing companies. Residual interest in trucks is reflected within stocks as detailed in Note 11.

15 Provisions for liabilities and charges

	1995 £	1994 £
Deferred taxation	147,000	619,000
Other provisions (see note 22)	89,000	-
	<u>236,000</u>	<u>619,000</u>

Deferred taxation

Deferred taxation has been provided in full.

	1995 £	1994 £
Excess of tax allowances over book depreciation of owned fixed assets	205,000	547,000
Excess of book depreciation and finance charges for leased assets over tax allowances	(17,000)	105,000
Other timing differences	(41,000)	(33,000)
	<u>147,000</u>	<u>619,000</u>

The movement on deferred tax comprises:

	1995 £	1994 £
Beginning of year	619,000	391,000
Charged (credited) to profit and loss, in respect of		
- capital allowances	(342,000)	123,000
- other timing differences	(130,000)	105,000
End of year	<u>147,000</u>	<u>619,000</u>

16 Called-up share capital

	1995 £	1994 £
<i>Authorised, allotted, called-up and fully-paid</i>		
1,690,000 ordinary shares of £1 each	<u>1,690,000</u>	<u>1,690,000</u>

Notes to accounts (continued)

17 Capital contribution

During the year the company received a non-repayable and non-interest bearing capital contribution from its parent company.

18 Cash flow information

a) Reconciliation of operating profit to net cash inflow from operating activities

	1995 £	As restated (see note 9) 1994 £
Operating profit	579,696	2,067,301
Depreciation charges	3,888,145	4,644,530
Profit on sale of tangible fixed assets	(52,456)	(41,444)
Profit on sale of trucks under back-to-back finance leases	(244,396)	(308,000)
Increase in stocks	(901,353)	(3,067,617)
Increase in debtors	(3,215,250)	(4,886,520)
Increase in creditors	3,114,196	5,096,617
Net cash inflow from operating activities	<u>3,168,582</u>	<u>3,504,867</u>

b) Analysis of changes in financing

	Share capital and capital contribution £	Conditionally repayable intercompany loan £	Bank loan £	Finance lease obligations £
Balance at 1 January 1994	1,690,000	2,100,000	-	16,810,123
Capital receipts (payments)	-	-	1,500,000	(6,380,782)
Inception of finance lease contracts	-	-	-	3,988,706
Balance at 31 December 1994	<u>1,690,000</u>	<u>2,100,000</u>	<u>1,500,000</u>	<u>14,418,047</u>
Capital contribution receipt	2,100,000	-	-	-
Capital payments	-	-	(1,500,000)	(8,414,507)
Loan repayment	-	(2,100,000)	-	-
Inception of finance lease contracts	-	-	-	17,540,544
Balance at 31 December 1995	<u>3,790,000</u>	<u>-</u>	<u>-</u>	<u>23,544,084</u>

Notes to accounts (continued)

18 Cash flow information (continued)

c) Analysis of changes in cash and cash equivalents during the year

	1995 £	1994 £
Balance at beginning of year	(9,449,169)	(7,015,334)
Net cash inflow (outflow)	1,035,848	(2,433,835)
Balance at end of year	<u>(8,413,321)</u>	<u>(9,449,169)</u>

d) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995 £	1994 £
Cash at bank and in hand	-	100,346
Bank overdrafts	<u>(8,413,321)</u>	<u>(9,549,515)</u>
Net cash and cash equivalents at end of year	<u>(8,413,321)</u>	<u>(9,449,169)</u>

19 Guarantees and other financial commitments

a) Capital commitments

At the end of the year capital commitments were £230,778 (1994 - £800,000).

	£
Contracted for but not provided	230,778
Authorised but not contracted for	-
	<u>230,778</u>

b) Operating lease commitments

The company leases certain land and buildings on short and long-term operating leases. The annual rental on these leases was £910,684 (1994 - £898,104).

In addition, the company has entered into operating leases in respect of plant and machinery, the payments for which extend over a period of up to three years. The annual rental on these leases was £1,160,405 (1994 - £1,018,300).

Notes to accounts (continued)

19 Guarantees and other financial commitments (continued)

b) Operating lease commitments (continued)

The minimum annual rentals under the foregoing leases are as follows:

	Property £	Plant and machinery £
1994		
Operating leases which expire		
- within 1 year	-	220,228
- within 2-5 years	93,074	798,072
- after 5 years	805,030	-
	<u>898,104</u>	<u>1,018,300</u>
1995		
Operating leases which expire		
- within 1 year	-	361,056
- within 2-5 years	102,000	799,349
- after 5 years	808,684	-
	<u>910,684</u>	<u>1,160,405</u>
20 Movement on profit and loss account reserve		
	1995 £	1994 £
Beginning of year, as previously reported	(740,943)	(1,297,929)
Prior year adjustment (see note 9)	<u>(838,000)</u>	<u>(811,000)</u>
Beginning of year, as restated	(1,578,943)	(2,108,929)
(Loss) profit for the financial year	<u>(296,928)</u>	<u>529,986</u>
End of year	<u>(1,875,871)</u>	<u>(1,578,943)</u>

Notes to accounts (continued)

21 Reconciliation of shareholders' funds

	1995 £	1994 £
(Loss) profit for the year	(296,928)	529,986
Capital contribution	2,100,000	-
Shareholders' funds at the beginning of the year, as restated (see note 9)	111,057	(418,929)
Shareholders' funds at the end of the year	<u>1,914,129</u>	<u>111,057</u>

22 Contingent liabilities

The company holds a vacant property on long leasehold, expiring 2005, at an annual rental of £92,000 included within operating lease commitments. A sub-tenancy at an annual rental of £74,200 exists until 31 December 2000. The crystallised loss over the period of the sub-tenancy, amounting to a total of £89,000, is included in provisions. The directors consider it unlikely that the full potential liability of £460,000 will crystallise.

23 Ultimate parent company

The largest and smallest group of which Jungheinrich (G.B.) limited is a member, and for which group accounts are drawn up is that headed by Jungheinrich AG, a company incorporated in Germany.

The consolidated accounts of this group are available to the public and may be obtained from Frederick-Ebert-Damm 129, 22407 Hamburg, Germany.