

# **JUNGHEINRICH UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

Company Number. 00757192

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## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

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# **JUNGHEINRICH UK LTD**

## **DIRECTORS AND ADVISERS**

### **Directors**

L Langrish-Smith (from 1 January 2010)  
G Kibble (until 31 December 2009)  
H-H Schultz  
S Gradenwitz  
D Schulz  
R Ohlrogge  
J Kiel

### **Secretary and Registered Office**

L Langrish-Smith  
Sherbourne House  
Sherbourne Drive  
Tilbrook  
Milton Keynes  
MK7 8HX

### **Bankers**

**Barclays Bank PLC**  
Corporate Banking Centre  
P O Box 543  
51 Mosley Street  
Manchester  
M60 2BU

**HSH NordBank**  
Marstensdamm 6  
24103 Kiel  
Germany

**Commerzbank**  
Ness 7 – 9  
20457 Hamburg  
Germany

### **Statutory Auditors**

**Deloitte LLP**  
Chartered Accountants & Statutory Auditors  
St Albans

### **Solicitors**

**Brabners Chaffe Street**  
Brook House  
77 Fountain Street  
Manchester  
M2 2EE

## **JUNGHEINRICH UK LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report and the audited financial statements for the year ended 31 December 2009

#### **Principal activities**

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

#### **Review of business**

During the year, the business saw the impact of the downturn, both in the general economy and in its own market sector. In spite of this, the business strengthened its market share again this year. The business continued to work on improving its sales and service support functions and continuing to strengthen its relationships with major UK retailers and their suppliers.

These measures enabled the company to report an operating profit for the second successive year, with the £2,643k reported in 2009 being four times higher than the operating profit in 2008. The recorded operating profit represents a return on sales of 2.2% (2008: 0.5%).

By also reducing its loans and overdrafts and therefore the interest paid during the year, the company was able to report a profit before tax of £1,938k (2008: loss before tax £3,031k).

Changes in the actuarial valuation of the Jungheinrich UK Limited Retirement Benefit Scheme had the effect of turning the £4.2m surplus reported in 2008 into a £6.3m deficit in 2009. Despite this the company continues to have a strong net asset position. Control of stock and debtors remain priorities for the business in order to maintain this.

Following accreditation in February 2009 as an Investor in People (IiP), the company has continued to make positive changes to the ways in which it manages, supports, develops and rewards its people. With PAS99 (combined British Standards Health and Safety, Quality and Environmental Standard), the company leads its industry sector in terms of customer care and service.

Looking forward, the company is realistic about the continuing difficult economic environment and the recovery of volumes in its market sector. However, with the strength of its customer base, the quality of its products and services and the confidence of its employees, the company remains confident that it will be able to continue to improve its market position in the coming months.

## **JUNGHEINRICH UK LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

#### **Going concern**

As highlighted above, the current economic conditions create uncertainty over both the level of demand for the company's products and the exchange rate between sterling and euro

Taking into account changes in trading performance, the company's forecast and projections show that the company should be able to operate within its bank facilities currently in place Jungheinrich Aktiengesellschaft, the ultimate parent company, has allocated group banking facilities of £12 million for Jungheinrich UK, which the directors believe would provide sufficient support in the absence of any other bank facilities

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts

#### **Dividends**

The directors do not recommend the payment of a dividend (2008. £nil).

#### **Directors**

The directors of the company, including any changes during the year and since the year-end, are listed on page 1.

#### **Appointment of auditors**

The auditors, Deloitte LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

#### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities 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 the appropriate training is arranged It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole Communication with all employees continues through the newsletters and distribution of the annual report

## **JUNGHEINRICH UK LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

#### **Financial risk management**

##### *Price Risk*

The company is exposed to price risk as a result of its operations. The company sources most supplies from other group companies at agreed prices. The company has no exposure to equity securities price risk as it holds no listed or other equity investments

##### *Credit Risk*

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual company is subject to a limit which is assessed by the credit control function with reference to external credit management agencies.

##### *Liquidity risk*

The company is funded by external loans secured by Jungheinrich AG, which ensures the company has sufficient available funds for operations and planned expansions. The liquidity of the company is considered further in the going concern note 1 to the financial statements.

##### *Interest rate cash flow risk*

Interest is payable on bank loans and overdrafts at commercial rates.

##### *Creditor payment policy*

Our policy is to pay suppliers within their agreed terms. All suppliers are informed of our policy on the establishment of a new supplier account.

## **JUNGHEINRICH UK LTD**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)**

#### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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. 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.

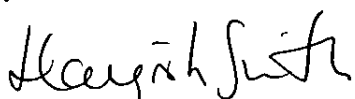
#### **Disclosure of information to auditors**

Each of the persons, who is a director at the date of approval of this report confirms that

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **By order of the board**



**L Langrish-Smith**  
**Director**

27<sup>th</sup> May, 2010

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUNGHEINRICH UK LIMITED**

We have audited the financial statements of Jungheinrich UK Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 auditors' 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

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JUNGHEINRICH UK LIMITED (Continued)**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

*Heather Bygrave*

Heather Bygrave (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
St Albans, UK

*8 JUL 2010*

**JUNGHEINRICH UK LTD**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED**  
**31 DECEMBER 2009**

|   | Notes | 2009<br>£'000  | 2008<br>£'000 |
|---|-------|----------------|---------------|
| <b>Continuing operations</b>                                |       |                |               |
| <b>Turnover</b>   | 2     | <b>118,928</b> | 136,057       |
| Changes in stocks of spare parts and goods for resale       |       | (66,798)       | (83,723)      |
|   |       | <b>52,130</b>  | 52,334        |
| Staff costs   | 4     | (29,956)       | (31,403)      |
| Depreciation and amounts written off tangible fixed assets  | 9     | (3,759)        | (4,472)       |
| Other operating expenses                                    |       | (15,772)       | (15,812)      |
| <b>Operating profit</b>                                     |       | <b>2,643</b>   | 647           |
| Interest receivable and similar income                      | 5     | 13             | 22            |
| Interest payable and similar charges                        | 6     | (718)          | (3,700)       |
| <b>Profit/(loss) on ordinary activities before taxation</b> | 7     | <b>1,938</b>   | (3,031)       |
| Tax on profit/(loss) on ordinary activities                 | 8     | 2,096          | -             |
| <b>Profit/(loss) for the financial year</b>                 | 20    | <b>4,034</b>   | (3,031)       |

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents


**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR**  
**THE YEAR ENDED 31 DECEMBER 2009**

|   | Notes | 2009<br>£'000  | 2008<br>£'000 |
|---|-------|----------------|---------------|
| Profit/(loss) for the financial year                            |       | 4,034          | (3,031)       |
| Actuarial (loss)/gain on defined benefit pension scheme         | 17    | (10,688)       | 13,309        |
| <b>Total recognised gains and losses relating to the period</b> |       | <b>(6,654)</b> | 10,278        |

**JUNGHEINRICH UK LTD**  
**BALANCE SHEET AT 31 DECEMBER 2009**

|  | Notes | 2009<br>£'000   | 2008<br>£'000   |
|--|-------|-----------------|-----------------|
| <b>Fixed assets</b>  |       |                 |                 |
| Tangible fixed assets  | 9     | 13,451          | 18,655          |
| <b>Current assets</b>  |       |                 |                 |
| Stocks   | 10    | 22,521          | 21,496          |
| Debtors amounts falling due within one year                    | 11    | 33,038          | 32,788          |
| Debtors amount falling due after more than one year            | 11    | 1,458           | 58              |
| Cash at bank and in hand                                       |       | 5,619           | 404             |
|  |       | <b>62,636</b>   | <b>54,746</b>   |
| <b>Creditors: amounts falling due within one year</b>          | 12    | <b>(42,431)</b> | <b>(42,283)</b> |
| <b>Net current assets</b>                                      |       | <b>20,205</b>   | <b>12,463</b>   |
| <b>Total assets less current liabilities</b>                   |       | <b>33,656</b>   | <b>31,118</b>   |
| <b>Creditors: amounts falling due after more than one year</b> | 13    | <b>(15,569)</b> | <b>(16,731)</b> |
| Provisions for liabilities and charges                         | 15    | <b>(1,092)</b>  | <b>(1,260)</b>  |
| <b>Net assets excluding pension (liability)/asset</b>          |       | <b>16,995</b>   | <b>13,127</b>   |
| Net pension (liability)/asset                                  | 17    | <b>(6,277)</b>  | <b>4,245</b>    |
| <b>Net assets including pension (liability)/asset</b>          |       | <b>10,718</b>   | <b>17,372</b>   |
| <b>Capital and reserves</b>                                    |       |                 |                 |
| Called up share capital  | 18    | 63,972          | 63,972          |
| Capital contribution   |       | 5,240           | 5,240           |
| Profit and loss account  | 19    | <b>(58,494)</b> | <b>(51,840)</b> |
| <b>Shareholders' funds</b>                                     | 20    | <b>10,718</b>   | <b>17,372</b>   |

The financial statements of the company (registration number 00757192) on pages 8 to 26 were approved by the board of directors and were signed on its behalf by



**L Langrish-Smith**  
**Director**

**27<sup>th</sup> May, 2010**

## **JUNGHEINRICH UK LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009**

#### **1 PRINCIPAL ACCOUNTING POLICIES**

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below

##### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention

##### **Going Concern**

As highlighted in the Directors' report on page 2 of the financial statements, the current economic conditions create uncertainty over both the level of demand for the company's products and the exchange rate between sterling and euro

As a further measure of risk management, the company proactively screens both new and existing companies and takes positive steps to mitigate exposure, especially to contract hire, through a variety of different measures

Taking into account changes in trading performance, the company's forecast and projections show that the company should be able to operate within its bank facilities currently in place Jungheinrich Aktiengesellschaft, the ultimate parent company, has allocated group banking facilities of £12 million for Jungheinrich UK, which the directors believe would provide sufficient support in the absence of any other bank facilities

Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts

##### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. The land is not depreciated

Depreciation is calculated so as to write off the cost of tangible fixed assets (non trucks) on a straight line basis over the expected useful economic lives of the assets concerned. Trucks on hire are subject to the reducing balance method The principal lives used for this purpose are

## **JUNGHEINRICH UK LTD**

### **Tangible fixed assets (continued)**

|  |                                      |
|--|--------------------------------------|
| Freehold Buildings                                 | 25 years                             |
| Leasehold buildings                                | Over the remaining life of the lease |
| Motor vehicles                                     | 4 years                              |
| Fixtures, fittings, tools and equipment            | 3 - 10 years                         |
| Plant and machinery                                | 5 - 8 years                          |
| Trucks on hire to customers PG 1                   | 9 years                              |
| Trucks on hire to customer PG2                     | 6 years                              |
| Trucks on hire to customer purchased prior to 2007 | 6.5 years                            |

From 1 January 2007, the depreciation policy for trucks on hire to customers was changed to reflect the useful life of each type of product. This change applied to new trucks purchased only. Previously owned trucks remain at the same depreciation rate (6.5 years).

### **Leased assets**

#### *Finance leases*

Certain trucks for hire are held under finance leases and hire purchase agreements. 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.

#### *Back to back finance leases*

The company also operates 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.

#### *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. The company also enters into operating lease transactions whereby it acts as lessors in respect of trucks. Rentals are charged on a straight line basis over the lease term.

## **JUNGHEINRICH UK LTD**

### **Leased assets (continued)**

#### *Residual interests on leased trucks*

A significant portion of the company's UK sales are through leasing companies whereby the company sells a truck outright to the leasing company which in turn enters into a lease agreement with the customer. Some leases contain a commitment from the company to repurchase the truck from the customer at the end of the lease at a price specified in the lease agreement.

Consequently, the company has a liability to repurchase a truck at the end of the lease term which is matched by an equivalent asset, being the repurchased truck, subject to the extent that the repurchase price of the truck does not exceed its realisable value at the time of repurchase.

Accordingly, the repurchase commitment is recorded as an asset on the balance sheet along with an equivalent liability recorded within creditors payable either within or after one year, according to the timing of the commitments. The asset is classified based on the intentions of management. If the intention is to use the repurchased trucks within the business for the purposes of short term leasing, then such assets are recorded within fixed assets. If the intention is to sell the assets upon repurchase, then such assets are recorded within stocks. The assets are not depreciated until repurchase.

#### **Stocks and long term contracts**

Trucks for resale are stated at the lower of first in first out cost (including duty and inward carriage charges) or net realisable value.

Long term contract balances included in stocks comprise costs incurred on long term contracts, net of amounts transferred to cost of sales, after deducting foreseeable losses and related payments on account.

Costs include all direct material incurred in bringing a contract to its stage of completion at the year end. Provision for estimated losses on contracts are made in the period in which such losses are foreseen.

#### **Turnover**

Turnover represents the value of goods made available to customers under finance leases and invoiced sales of goods (including service and rental income) after deducting returns, allowances and sales taxes.

Revenue on sale of goods is recognised upon dispatch.

The company operates certain installation contracts that may operate for an extended period of time, the completion of which could span the balance sheet date. Accounting for such projects is recognised using the long term contracting method of accounting on a project by project basis.

## **JUNGHEINRICH UK LTD**

### **Turnover (Continued)**

Turnover and profit is recognised using a degree of completion method appropriate to the stage of completion on the contracts based on sales value of work performed in the year by reference to the total sales value. Foreseeable losses are recognised immediately and in full in the profit and loss account

Revenue on fixed term service contracts is recognised on a straight line basis over the term of the contract. Revenue on short term services rendered is recognised upon job completion. Revenue relating to goods made available to customers under finance leases are recognised upon commencement of contract

### **Taxation**

Deferred tax 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 at the balance sheet date.

Timing differences are temporary differences between profits as computed for taxation purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

### **Cash flow**

The company is a wholly owned subsidiary of Jungheinrich Beteiligungs GmbH, a company incorporated in Germany, and its cash flows are included within the consolidated cash flow statement for the group which is headed by Jungheinrich AG, a company incorporated in Germany. Consequently, the company is exempt under FRS1 (Revised) from the requirement to publish a cash flow statement

### **Foreign currency transactions**

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Foreign currency transactions completed during the year are translated at the rate of exchange when the transactions occurred. All realised profits and losses on exchange are dealt with through the profit and loss account.

## JUNGHEINRICH UK LTD

### Pensions

The Company operates a funded defined benefit pension scheme, the Jungheinrich UK Limited Retirement Scheme (the "scheme"). The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of interest payable and similar charges. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The scheme is funded, with the assets held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet. The pension costs have been calculated under FRS 17, Retirement Benefits, and assumptions used in the calculations are disclosed in note 17.

## 2 TURNOVER

Contributions to turnover by geographical area (by destination) were as follows

|                          | 2009<br>£'000  | 2008<br>£'000  |
|--------------------------|----------------|----------------|
| United Kingdom           | 115,830        | 131,679        |
| Other European countries | 1,883          | 3,329          |
| Rest of the World        | 1,215          | 1,049          |
|                          | <u>118,928</u> | <u>136,057</u> |

Included in the turnover which arises from Europe is £1,622,000 (2008: £2,966,000) of sales made to other group undertakings.

Included in the turnover which arises from Rest of the World is £95,000 (2008: £140,000) of sales made to other group undertakings.



## **JUNGHEINRICH UK LTD**

### **3 DIRECTORS' EMOLUMENTS**

|   | <b>2009</b>  | <b>2008</b>  |
|---|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> |
| Emoluments (including pension contributions and benefits in kind) | <b>398</b>   | <b>365</b>   |

Retirement benefits are accruing to one (2008 one) director under a defined benefit scheme

The emoluments of the highest paid director totalled £209,998 (2008 £189,280).

### **4 EMPLOYEE INFORMATION**

The average monthly number of persons (including executive directors) employed by the company during the year was:

|                          | <b>2009</b>   | <b>2008</b>   |
|--------------------------|---------------|---------------|
|                          | <b>Number</b> | <b>Number</b> |
| <b>By activity</b>       |               |               |
| Service                  | <b>541</b>    | <b>564</b>    |
| Administration and sales | <b>231</b>    | <b>233</b>    |
|                          | <b>772</b>    | <b>797</b>    |

|  | <b>£'000</b>  | <b>£'000</b>  |
|--|---------------|---------------|
| <b>Staff costs (for the above persons)</b> |               |               |
| Wages and salaries                         | <b>25,404</b> | <b>26,390</b> |
| Social security costs                      | <b>2,354</b>  | <b>2,507</b>  |
| Other pension costs                        | <b>2,198</b>  | <b>2,506</b>  |
|  | <b>29,956</b> | <b>31,403</b> |

### **5 INTEREST RECEIVABLE AND SIMILAR INCOME**

|  | <b>2009</b>  | <b>2008</b>  |
|--|--------------|--------------|
|  | <b>£'000</b> | <b>£'000</b> |
| Finance leases and hire purchase contracts | <b>13</b>    | <b>22</b>    |

## JUNGHEINRICH UK LTD

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

|   | 2009<br>£'000 | 2008<br>£'000 |
|---|---------------|---------------|
| On bank loans, overdrafts and other loans | 454           | 2,612         |
| Net return on pension scheme (note 17)    | 264           | 1,088         |
|   | <u>718</u>    | <u>3,700</u>  |

### 7 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting)

|  | 2009<br>£'000 | 2008<br>Restated<br>£'000 |
|--|---------------|---------------------------|
| Depreciation and amounts written off tangible fixed assets |               |                           |
| Owned  | 610           | 645                       |
| Held under finance leases                                  | 3,149         | 3,827                     |
| Auditors' remuneration for                                 |               |                           |
| Audit of the company's annual accounts                     | 46            | 46                        |
| Hire of plant and machinery – operating leases             | 2,442         | 2,558                     |
| Hire of other assets – operating leases                    | 391           | 368                       |
| Rentals receivable in respect of finance leases            | (94)          | (166)                     |
| Rentals receivable in respect of operating leases          | (7,736)       | (9,358)                   |
|  | <u></u>       | <u></u>                   |

### 8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

|   | 2009<br>£'000 | 2008<br>£'000  |
|---|---------------|----------------|
| Current tax - UK corporation tax                        | -             | -              |
| Deferred tax – recognition of deferred tax asset        | 2,096         | -              |
|   | <u>2,096</u>  | <u>-</u>       |
| Total tax on profit/(loss) on ordinary activities       |               |                |
|   | <u>2,096</u>  | <u>-</u>       |
| <b>Current tax reconciliation :</b>                     |               |                |
| Profit/(loss) on ordinary activities before tax         | 1,938         | (3,031)        |
|   | <u>1,938</u>  | <u>(3,031)</u> |
| Current tax at 28% (2008 28.5%)                         | 543           | (864)          |
| <i>Effects of</i>                                       |               |                |
| Expenses not deductible for tax purposes                | 43            | 39             |
| Depreciation for period in excess of capital allowances | 1,042         | 1,259          |
| Other timing differences                                | (1,463)       | (878)          |
| (Increase)/decrease in losses carried forward           | (164)         | 444            |
| Group relief received                                   | (1)           | -              |
|   | <u>(1)</u>    | <u>-</u>       |
| Current tax charge                                      | <u>-</u>      | <u>-</u>       |

## JUNGHEINRICH UK LTD

### 9 TANGIBLE FIXED ASSETS

|                            | Freehold<br>land and<br>buildings | Leasehold<br>land and<br>buildings | Motor<br>vehicles | Fixtures,<br>fittings,<br>tools and<br>equipmen<br>t | Trucks<br>on hire | Plant and<br>Machiner<br>y | Total         |
|----------------------------|-----------------------------------|------------------------------------|-------------------|--|-------------------|----------------------------|---------------|
|                            | £'000                             | £'000                              | £'000             | £'000  | £'000             | £'000                      | £'000         |
| <b>Cost</b>                |                                   |                                    |                   |  |                   |                            |               |
| At 1 January 2009          | 5,822                             | 262                                | 1,222             | 1,838  | 24,885            | 797                        | 34,826        |
| Additions                  | -                                 | 15                                 | 70                | 77   | 1,508             | 82                         | 1,752         |
| Disposals                  | -                                 | -                                  | -                 | (86)   | (10,676)          | -                          | (10,762)      |
| <b>At 31 December 2009</b> | <b>5,822</b>                      | <b>277</b>                         | <b>1,292</b>      | <b>1,829</b>   | <b>15,717</b>     | <b>879</b>                 | <b>25,816</b> |
| <b>Depreciation</b>        |                                   |                                    |                   |  |                   |                            |               |
| At 1 January 2009          | 930                               | 191                                | 948               | 1,612  | 12,139            | 351                        | 16,171        |
| Charge                     | 206                               | 17                                 | 111               | 102  | 3,149             | 174                        | 3,759         |
| Disposals                  | -                                 | -                                  | -                 | (86)   | (7,479)           | -                          | (7,565)       |
| <b>At 31 December 2009</b> | <b>1,136</b>                      | <b>208</b>                         | <b>1,059</b>      | <b>1,628</b>   | <b>7,809</b>      | <b>525</b>                 | <b>12,365</b> |
| <b>Net book value</b>      |                                   |                                    |                   |  |                   |                            |               |
| <b>At 31 December 2009</b> | <b>4,686</b>                      | <b>69</b>                          | <b>233</b>        | <b>201</b>   | <b>7,908</b>      | <b>354</b>                 | <b>13,451</b> |
| <b>Net book value</b>      |                                   |                                    |                   |  |                   |                            |               |
| <b>At 31 December 2008</b> | <b>4,892</b>                      | <b>71</b>                          | <b>274</b>        | <b>226</b>   | <b>12,746</b>     | <b>446</b>                 | <b>18,655</b> |

Trucks on hire above are assets the company holds under finance leases and hire purchase agreements, and leases to others under operating leases.

### 10 STOCKS

|  | 2009<br>£'000 | 2008<br>£'000 |
|--|---------------|---------------|
| Finished goods (including parts stock) | 9,738         | 10,131        |
| Residual interest in trucks            | 12,783        | 11,365        |
|  | <b>22,521</b> | <b>21,496</b> |

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### 11 DEBTORS

|  | 2009<br>£'000 | 2008<br>£'000 |
|--|---------------|---------------|
| <b>Amounts falling due within one year</b>             |               |               |
| Trade debtors  | 15,331        | 18,267        |
| Amounts owed by other group undertakings               | 15,160        | 12,424        |
| Amounts receivable under finance leases                | 70            | 133           |
| Other debtors  | 64            | 70            |
| Prepayments and accrued income                         | 1,744         | 1,894         |
| Deferred tax asset                                     | 669           | -             |
|  | <b>33,038</b> | <b>32,788</b> |
| <b>Amounts falling due after more than one year</b>    |               |               |
| Receivables within five years under leasing agreements | 31            | 58            |
| Deferred tax asset                                     | 1,427         | -             |
|  | <b>34,496</b> | <b>32,846</b> |

### 12 CREDITORS: amounts falling due within one year

|  | 2009<br>£'000 | 2008<br>£'000 |
|--|---------------|---------------|
| Bank loans and overdrafts (note 14)                                  | 8,325         | 9,645         |
| Obligations under finance leases (note 14)                           | 1,869         | 3,406         |
| Liabilities in respect of sale and repurchase transactions (note 14) | 1,556         | 1,368         |
| Trade creditors  | 8,978         | 6,228         |
| Other creditors  |               |               |
| Value added tax  | 971           | 863           |
| Other creditors  | 413           | 464           |
| Amounts owed to other group undertakings                             | 9,716         | 11,687        |
| Other taxation including social security                             | 684           | 751           |
| Accruals and deferred income   | 9,919         | 7,871         |
|  | <b>42,431</b> | <b>42,283</b> |

## **JUNGHEINRICH UK LTD**

### **13 CREDITORS: amounts falling due after more than one year**

|  | <b>2009</b>   | <b>2008</b>  |
|--|---------------|--------------|
|  | <b>£'000</b>  | <b>£'000</b> |
| Obligations payable within five years under finance leases (note 14) | <b>4,035</b>  | 6,507        |
| Liabilities in respect of sale and repurchase transactions (note 14) | <b>11,534</b> | 10,224       |
|  | <b>15,569</b> | 16,731       |

Liabilities in respect of sale and repurchase transactions represent the value of commitments to buy back trucks sold to leasing companies

### **14 LOANS AND OTHER BORROWING**

|  | <b>2009</b>   | <b>2008</b>  |
|--|---------------|--------------|
|  | <b>£'000</b>  | <b>£'000</b> |
| Bank loans and overdrafts (Unsecured)                      | <b>8,325</b>  | 9,645        |
| Obligations under finance leases                           | <b>5,904</b>  | 9,913        |
| Liabilities in respect of sale and repurchase transactions | <b>13,090</b> | 11,592       |
|  | <b>27,319</b> | 31,150       |

The unsecured bank loans and overdrafts carry interest rates varying between 3.25% and 3.88% per annum

**JUNGHEINRICH UK LTD**  
**14 LOANS AND OTHER BORROWINGS (continued)**

| <b>Finance leases</b>                                       | <b>2009</b>  | <b>2008</b>  |
|---|--------------|--------------|
| Future minimum payments under finance leases are as follows | <b>£'000</b> | <b>£'000</b> |
| Within one year   | <b>1,869</b> | 3,406        |
| Between two and five years                                  | <b>3,428</b> | 5,464        |
| After five years  | <b>607</b>   | 1,043        |
|   | <b>5,904</b> | <b>9,913</b> |

| <b>Liabilities in respect of sale and repurchase transaction</b> | <b>£'000</b>  | <b>£'000</b>  |
|--|---------------|---------------|
| Within one year  | <b>1,556</b>  | 1,368         |
| Between two and five years                                       | <b>11,067</b> | 10,202        |
| After five years   | <b>467</b>    | 22            |
|  | <b>13,090</b> | <b>11,592</b> |

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

|  | <b>2009</b>  | <b>2008</b>    |
|--|--------------|----------------|
|  | <b>£'000</b> | <b>£'000</b>   |
| Provision for warranties                                       | <b>1,092</b> | 1,260          |
| The movement in the provision for warranty costs is as follows |              | <b>£'000</b>   |
| At 1 January 2009  |              | <b>1,260</b>   |
| Utilisation of provision                                       |              | <b>(1,260)</b> |
| Charge for the year  |              | <b>1,092</b>   |
| <b>At 31 December 2009</b>                                     |              | <b>1,092</b>   |

The warranty provision has been calculated to cover the anticipated future labour and parts costs expected to be incurred in 2010 for warranty claims on trucks sold in 2009

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### **16 DEFERRED TAXATION**

A deferred tax asset of £2,096k has been recognised as disclosed in Note 11, which relates to the future utilisation of trading losses brought forward. There are additional amounts arising from timing differences relating to fixed assets and trading losses brought forward available for offset against future profits, but these have not been recognised due to the uncertainties over the future utilisation of these items. The net deferred tax asset that has not been recognised (excluding the amount related to the pension scheme as disclosed in Note 17) amounts to £13,749k (2008: £16,600k).

### **17 PENSION AND SIMILAR OBLIGATIONS**

Contributions to the defined benefit funded pension scheme are determined by a qualified Actuary on the basis of triennial valuations.

The most recent valuation of the Jungheinrich UK Limited Retirement Benefits Scheme was at 6 April 2008. The assumptions which have the most significant effects on the results of the valuation are those relating to the rate of return on investments, expectations of future inflation and the general improvements in life expectancy.

It was assumed that investment returns would be 1.4% per annum in excess of long-dated gilt yields (5.85% at 6<sup>th</sup> April, 2008) and inflation is assumed to be 3.6% per annum.

The market value of the scheme from the triennial valuation at 6 April 2008 was £73.438M and showed that the assets represented approximately 76% of the benefits accrued by members (also known as the Scheme's Technical Provisions) as at the valuation date, calculated on the basis of the projected accrued benefit method.

As a result of the valuation and the funding level of the scheme, Jungheinrich UK made a one time cash contribution to the scheme of £20M on the 24 July, 2008. On this basis, it was estimated that the deficiency will be eliminated by 2021 based on an employer contribution rate of 15.6% of active members' salaries.

#### **FRS 17 disclosures**

The most recent actuarial valuation of the Scheme at 6 April 2008 was updated to 31 December 2009 by a qualified actuary, using a set of assumptions consistent with those required under FRS 17.

The major assumptions used by the actuary were

|  | 2009  | 2008  | 2007  |
|--|-------|-------|-------|
| Rate of increase in pensionable salaries | 4.45% | 4.00% | 4.90% |
| Rate of increase in pensions in payment  | 3.45% | 3.00% | 3.40% |
| Discount rate                            | 5.70% | 5.60% | 5.50% |
| Inflation assumption                     | 3.45% | 3.00% | 3.40% |

## JUNGHEINRICH UK LTD

The expected long term rate of return and fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus are inherently uncertain, are set out in the table below

|                                     | 2009   |                             | 2008   |                             | 2007   |                             |
|-------------------------------------|--|-----------------------------|--|-----------------------------|--|-----------------------------|
|                                     | Expected long term rate of return at 31 December | Market value at 31 December | Expected long term rate of return at 31 December | Market value at 31 December | Expected long term rate of return at 31 December | Market value at 31 December |
|                                     | %  | £'000                       | %  | £'000                       | %  | £'000                       |
| Bonds and gilts                     |  |                             |  | -                           | 4.6  | 12,986                      |
| Others                              | 4.1  | 86,725                      | 4.9  | 85,658                      | 7.0  | 2,796                       |
| Cash                                |  |                             |  | -                           | 5.2  | 46,158                      |
| Present value of scheme assets      |  | 86,725                      |  | 85,658                      |  | 61,940                      |
| Present value of scheme liabilities |  | (93,002)                    |  | (81,413)                    |  | (90,234)                    |
| Surplus / (deficit) in scheme       |  | (6,277)                     |  | 4,245                       |  | (28,294)                    |

The related deferred tax asset of £1.8m (2008 liability £1.2m) on the pension scheme surplus has not been recognised on the scheme because there are uncertainties over the future utilisation of the pension contributions

### Analysis of the amount charged to operating profit

|                          | 2009<br>£'000 | 2008<br>£'000 |
|--------------------------|---------------|---------------|
| Net company service cost | 1,570         | 1,840         |
| Total operating charge   | 1,570         | 1,840         |

### Analysis of the amount credited to other finance income

|                                  | 2009<br>£'000 | 2008<br>£'000 |
|----------------------------------|---------------|---------------|
| Expected return on scheme assets | 4,240         | 3,825         |
| Interest on scheme liabilities   | (4,504)       | (4,913)       |
| Net return                       | (264)         | (1,088)       |



## JUNGHEINRICH UK LTD

### Amounts included within the statement of total recognised gains and losses

|   | 2009<br>£'000   | 2008<br>£'000 |
|---|-----------------|---------------|
| Actual less expected return on assets     | (3,943)         | (1,027)       |
| Experience losses                         | (19)            | (157)         |
| Change in assumptions                     | (6,726)         | 14,493        |
| Actuarial (loss)/gain recognised in STRGL | <u>(10,688)</u> | <u>13,309</u> |

### Movement in deficit during the year

|  | 2009<br>£'000   | 2008<br>£'000 |
|--|-----------------|---------------|
| Surplus/(deficit) at beginning of the year | 4,245           | (28,294)      |
| <b>Movement in year :</b>                  |                 |               |
| Current service cost                       | (1,570)         | (1,840)       |
| Contributions                              | 2,000           | 22,158        |
| Other finance income                       | (264)           | (1,088)       |
| Actuarial (loss)/gain                      | <u>(10,688)</u> | <u>13,309</u> |
| (Deficit)/surplus at end of the year       | <u>(6,277)</u>  | <u>4,245</u>  |

### Statement of experience gains and losses

|  | 2009<br>£'000   | 2008<br>£'000 | 2007<br>£'000  | 2006<br>£'000  | 2005<br>£'000 |
|--|-----------------|---------------|----------------|----------------|---------------|
| Actual less expected return on assets      | (3,943)         | (1,027)       | (1,171)        | 664            | 5,979         |
| Percentage of assets                       | -5%             | -1%           | -2%            | 1%             | 11%           |
| Experience gains and losses on liabilities | (19)            | (157)         | 35             | (265)          | -             |
| Percentage of liabilities                  | 0%              | 0%            | 0%             | 0%             | 0%            |
| Total amount recognised in STRGL           | <u>(10,688)</u> | <u>13,309</u> | <u>(3,064)</u> | <u>(8,442)</u> | <u>2,430</u>  |
| Percentage of liabilities                  | -11%            | 16%           | -3%            | -10%           | 3%            |

## JUNGHEINRICH UK LTD

### 18 SHARE CAPITAL

|   | 2009<br>£'000 | 2008<br>£'000 |
|---|---------------|---------------|
| Authorised, allotted, called up and fully paid    |               |               |
| 55,372,000 ordinary shares of £1 each             | 55,372        | 55,372        |
| 8,600,000 redeemable preference shares of £1 each | 8,600         | 8,600         |
|   | <u>63,972</u> | <u>63,972</u> |

The redeemable preference shares rank pari passu in all respects with the ordinary shares.

At the option of the company, the company has the power to redeem the shares at any time upon giving the shareholders not less than three months' notice in writing. Such redemption would be at par together with any dividend which may have accrued on it up to and including the redemption date.

### 19 RESERVES

|   | Profit and Loss Account<br>2009<br>£'000 |
|---|--|
| At 1 January 2009                                   | (51,840)                                 |
| Profit for the year                                 | 4,034                                    |
| Actuarial loss on pension scheme                    | (10,688)                                 |
| At 31 December 2009                                 | <u>(58,494)</u>                          |
| Net pension liability                               | <u>6,277</u>                             |
| Profit and Loss account excluding pension liability | <u>(52,217)</u>                          |

## JUNGHEINRICH UK LTD

### 20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

|   | 2009<br>£'000 | 2008<br>£'000 |
|---|---------------|---------------|
| Profit/(loss) for the financial year    | 4,034         | (3,031)       |
| Actuarial (loss)/gain on pension scheme | (10,688)      | 13,309        |
| New Shares issued                       | -             | 53,682        |
| Net movement in shareholders' funds     | (6,654)       | 63,960        |
| Opening shareholders' funds/(deficit)   | 17,372        | (46,588)      |
| Closing shareholders' funds             | 10,718        | 17,372        |

### 21 FINANCIAL COMMITMENTS

The company leases certain land and buildings on short and long-term operating leases, and has the following annual non-cancellable commitment

|  | 2009                  |       | 2008                  |       |
|--|-----------------------|-------|-----------------------|-------|
|  | Land and<br>Buildings | Other | Land and<br>Buildings | Other |
|  | £'000                 | £'000 | £'000                 | £'000 |
| Expiring within one year                         | -                     | 592   | 142                   | 603   |
| Expiring between two and five<br>years inclusive | 438                   | 1,877 | 330                   | 1,867 |
| Expiring in over five years                      | 22                    | -     | 22                    | -     |
|  | 460                   | 2,469 | 494                   | 2,470 |

## **JUNGHEINRICH UK LTD**

### **22 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

The largest and smallest group of which Jungheinrich UK Limited is a member for which group financial statements are drawn up is that headed by Jungheinrich AG, which is controlled by the Jungheinrich family and is a company incorporated in Germany. The consolidated financial statements of this group are available to the public and may be obtained from Am Stadtrand, 22407 Hamburg, Germany

The company's immediate parent company is Jungheinrich UK Holdings Limited, a company registered in England

In preparing these financial statements, the company has taken advantage of the provisions of Financial Reporting Standard Number 8 and has not disclosed transactions with the ultimate parent company, Jungheinrich AG or other group undertakings. However, most purchases of stocks and fixed asset trucks are made from group companies.