

JUNGHEINRICH UK LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Company Number: 00757192

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JUNGHEINRICH UK LIMITED

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JUNGHEINRICH UK LIMITED

DIRECTORS AND ADVISERS

Directors

L Langrish-Smith
H-H Schultz
S Gradenwitz (resigned 18 July 2013)
D Schulz
J Kiel
K Gloystein
J-M Lorenz

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 Auditor

Deloitte LLP
Chartered Accountants and Statutory
Auditor
St Albans, UK

Solicitors

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

JUNGHEINRICH UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED

31 DECEMBER 2013

The directors present their strategic report and the audited financial statements for the year ended 31 December 2013.

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 market in which the company operates stabilised at a similar level to 2012. This stabilising position was anticipated after the significant growth of over 25% in 2011. Sales increased from 2012 by 4%. The business continued to work on improving its sales and service support functions and continuing to strengthen its relationships with major UK customers and their suppliers.

These measures enabled the company to report an operating profit of £6,731k (2012: £4,866k). The recorded operating profit represents a return on sales of 4.7% (2012: 3.5%).

The increased operating profit has meant that, despite the increase in interest payable, the company has reported a profit before tax of £4,699k (2012: £3,120k). The increase in interest payable is as a result of the larger fleet of trucks on hire that the company held for most of the year, which is refinanced under interest bearing arrangements.

The company's defined benefit pension scheme (Jungheinrich UK Limited Retirement Benefit Scheme) reported a surplus of £4.4m at 31 December 2013 (2012: £4.3m), offset by related deferred tax liabilities of £881k (2012: £1,001k). The company continues to pay additional contributions to reduce the underlying funding deficit. The company retains a strong net asset position underpinned by a focus on controls around stock and debtors.

Following re-accreditation in February 2012 as an Investor in People (IiP), the company continues to review 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 still in a strong position to achieve growth over the future years. Despite the market being still behind its levels in 2007, the company remains confident it can further improve its presence in the market. It offers high quality products and innovation to its customers, this gives it a strong competitive advantage.

JUNGHEINRICH UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

(CONTINUED)

Going concern

As highlighted above, the economic conditions have improved however the market is still challenging both from 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 enable the directors to be confident that the company can operate within its bank facilities currently in place. Jungheinrich AG, the ultimate parent company, has allocated group banking facilities 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.

The directors have also received, in both the current and prior year, written guarantees from the ultimate parent company guaranteeing the company's obligations to banks and balances owing to other entities within the Jungheinrich AG group.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

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

When required, the company has access to 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 discussed further in the going concern consideration in 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 LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

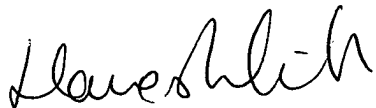
Dividends

The directors do not recommend the payment of a dividend (2012: £nil).

Ethical code of conduct and Anti-Bribery Act

The directors operate an ethical code of conduct and an Anti-Bribery policy that they take very seriously and expect all their employees, suppliers and customers to abide and respect in all matters of business.

The Strategic Report was approved by the board of directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L Langrish-Smith', is written over a faint horizontal line.

L Langrish-Smith
Director

JUNGHEINRICH UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Directors

The directors of the company, including any changes during the year and up to the date of signing these accounts are listed on page 1.

Appointment of auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 judgements and accounting 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 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.

JUNGHEINRICH UK LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

Disclosure of information to auditor

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 auditor is unaware; and
- the director has 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 auditor is aware of that information.

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

The company is still highly dedicated to its Apprentice scheme and the intake, in particular in the after sales area, grows year on year.

By order of the board



L Langrish-Smith
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNGHEINRICH UK LIMITED

We have audited the financial statements of Jungheinrich UK Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 24. 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 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.

Respective responsibilities of directors and auditor

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNGHEINRICH UK LIMITED (Continued)

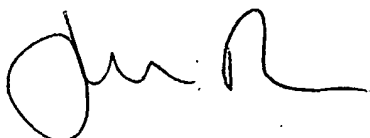
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Julian Rae (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, UK

29 September 2014

JUNGHEINRICH UK LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Continuing operations			
Turnover	2	141,892	136,953
Changes in stocks of spare parts and goods for resale		(86,352)	(82,513)
		55,540	54,440
Staff costs	4	(31,418)	(30,374)
Depreciation and amounts written off tangible fixed assets	9	(3,511)	(5,875)
Other operating expenses		(13,880)	(13,325)
Operating profit		6,731	4,866
Interest receivable and similar income	5	11	15
Interest payable and similar charges	6	(2,043)	(1,761)
Profit on ordinary activities before taxation	7	4,699	3,120
Tax on profit on ordinary activities	8	3,128	(1,894)
Profit for the financial year	19, 20	7,827	1,226

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 2013

	Note	2013 £'000	2012 £'000
Profit for the financial year		7,827	1,226
Actuarial loss on defined benefit pension scheme	17	(1,126)	(8,225)
Deferred tax attributable to actuarial loss		225	1,894
Total recognised gains/(losses) relating to the year		6,926	(5,105)

JUNGHEINRICH UK LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Tangible fixed assets	9	18,967	22,626
Current assets			
Stocks	10	22,000	22,896
Debtors: amounts falling due within one year	11	32,285	26,425
Debtors: amount falling due after more than one year	11	5,667	2,434
Cash at bank and in hand		8,367	4,333
		68,319	56,088
Creditors: amounts falling due within one year	12	(43,494)	(39,161)
Net current assets		24,825	16,927
Total assets less current liabilities		43,792	39,553
Creditors: amounts falling due after more than one year	13	(17,035)	(21,236)
Provisions for liabilities and charges	15	(5,061)	(3,375)
Net assets excluding pension asset		21,696	14,942
Net pension asset	17	3,523	3,351
Net assets including pension asset		25,219	18,293
Capital and reserves			
Called up share capital	18	63,972	63,972
Capital contribution		5,240	5,240
Profit and loss account	19	(43,993)	(50,919)
Shareholders' funds	20	25,219	18,293

The financial statements of the company (registration number 00757192) on pages 9 to 28 were approved by the board of directors and were signed on its behalf by:


L Langrish-Smith
Director

29 September 2014

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013

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 in the current and prior year, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified to include the valuation of the pension asset/liability.

Going concern

As highlighted in the Strategic Report on pages 2 to 4 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 customers 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 enable the directors to be confident that the company can to operate within its bank facilities currently in place. Jungheinrich AG, the ultimate parent company, has allocated group banking facilities 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.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

The principal lives used for this purpose are:

Freehold Buildings	25 years
Leasehold buildings	Over the remaining life of the lease
Motor vehicles	4 - 7 years
Fixtures, fittings, tools and equipment	3 - 10 years
Plant and machinery	5 - 8 years
Trucks on hire to customers (Product Group 1)	9 years
Trucks on hire to customer (Product Group 2)	6 years
Trucks on hire to customer purchased prior to 2007	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.

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.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Leased assets (continued)

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 is 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.

Turnover 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 LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Turnover (Continued)

Turnover and profit is recognised using a percentage 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.

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

Prior year deferred tax assets have been restated to exclude deferred tax liabilities related to the pension scheme surplus. These deferred tax liabilities are now included within the net pension scheme asset.

Cash flow

The Company has taken advantage of the exemption not to prepare a cash flow statement under Financial Reporting Standard 1 (Revised) as a consolidated cash flow statement is produced in the ultimate parent company's accounts which are publically available.

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 LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

The prior year net pension asset has been restated in order to show the net balance after the related deferred tax liability in accordance with FRS 17.

Warranty costs

Provision is made for anticipated warranty costs in the year of sale to which they relate.

2 TURNOVER

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

	2013 £'000	2012 £'000
United Kingdom	137,599	132,068
Other European countries	4,141	4,544
Rest of the World	152	341
	141,892	136,953

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

2 TURNOVER (continued)

Included in the turnover which arises from Europe is £3,812k (2012: £3,116k) of sales made to other group undertakings. Included in the turnover which arises from Rest of the World is £141k (2012: £296k) of sales made to other group undertakings. All turnover originates from the United Kingdom.

3 DIRECTORS' EMOLUMENTS

	2013 £'000	2012 £'000
Emoluments	356	376
Company contributions to pension scheme	27	23

No directors have accrued retirement benefits under a defined benefit scheme (2012: £nil).

The emoluments of the highest paid director totalled £202k, which includes £19k pension contributions (2012: £216k, including £17k pension contributions).

4 EMPLOYEE INFORMATION

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

	2013 Number	2012 Number
By activity		
Service	512	512
Administration and sales	222	222
	<u>734</u>	<u>734</u>
	£'000	£'000
Staff costs (for the above persons)		
Wages and salaries	26,858	25,891
Social security costs	2,473	2,457
Other pension costs	2,087	2,026
	<u>31,418</u>	<u>30,374</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £'000	2012 £'000
Finance leases and hire purchase contracts	<u>11</u>	<u>15</u>

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
On bank loans, overdrafts and other loans	1,108	402
On finance leases	264	504
Net return on pension scheme (note 17)	671	855
	<u>2,043</u>	<u>1,761</u>

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2013 £'000	2012 £'000
Depreciation and amounts written off tangible fixed assets:		
Owned	576	584
Held under finance leases	2,935	5,291
Auditor's remuneration for:		
Audit of the company's annual accounts	60	60
Foreign currency gains/losses	(559)	3,458
Hire of plant and machinery – operating leases	2,302	2,293
Hire of other assets – operating leases	547	541
Rentals receivable in respect of operating leases	(16,330)	(14,512)

8 TAXATION

	2013 £'000	2012 £'000
Current tax - UK corporation tax	-	-
Deferred tax (credit)/charge - origination and reversal of timing differences	(3,128)	1,894
Total tax (credit)/charge on profit for the year	<u>(3,128)</u>	<u>1,894</u>
Current tax reconciliation :		
Profit on ordinary activities before tax	4,699	3,120
Current tax at 23.25% (2012: 24.5%)	1,093	764
<i>Effects of :</i>		
Expenses not deductible for tax purposes	190	94
Difference between depreciation and capital allowances for the year	(1,623)	(1,121)
Other timing differences	(580)	(573)
Pension timing difference	(274)	(271)
Group relief	1,194	1,214
Impact of rate difference between deferred and current tax	-	(107)
Current tax charge	<u>-</u>	<u>-</u>

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

9 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Leasehold land and buildings	Motor vehicles	Fixtures, fittings, tools and equipment	Trucks on hire	Plant and Machinery	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 January 2013	5,824	295	1,142	2,183	21,898	1,014	32,356
Additions	-	-	112	301	11,561	22	11,996
Disposals	-	-	(358)	(133)	(15,593)	-	(16,084)
At 31 December 2013	5,824	295	896	2,351	17,866	1,036	28,268
Depreciation							
At 1 January 2013	1,751	265	924	1,926	3,980	884	9,730
Charge	205	8	123	180	2,935	60	3,511
Disposals	-	-	(353)	(133)	(3,454)	-	(3,940)
At 31 December 2013	1,956	273	694	1,973	3,461	944	9,301
Net book value							
At 31 December 2013	3,868	22	202	378	14,405	92	18,967
Net book value							
At 31 December 2012	4,073	30	218	257	17,918	130	22,626

Trucks on hire above are assets the company holds under finance leases and hire purchase agreements, and leases to others under operating leases. The net book value of the assets held under finance lease amounts to £8,760k (2012: £11,379k).

10 STOCKS

	2013 £'000	2012 £'000
Finished goods (including parts stock)	9,093	8,098
Residual interest in trucks	12,907	14,798
	22,000	22,896

There is no material difference between book value of stocks and replacement cost.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

11 DEBTORS

	2013	2012
	£'000	£'000
Amounts falling due within one year		
Trade debtors	18,503	17,714
Amounts owed by other group undertakings	11,652	6,604
Other debtors	51	56
Prepayments and accrued income	1,362	1,334
Deferred tax asset	717	717
	32,285	26,425
Amounts falling due after more than one year		
Deferred tax asset	5,667	2,434
	37,952	28,859

Prior year deferred tax assets have been restated to exclude deferred tax liabilities of £1,001k relating to the pension scheme asset, which is now shown net of related deferred tax liabilities on the balance sheet.

12 CREDITORS: amounts falling due within one year

	2013	2012
	£'000	£'000
Obligations under finance leases (note 14)	2,224	3,649
Liabilities in respect of sale and repurchase transactions (note 14)	3,168	2,324
Trade creditors	6,051	6,490
Other creditors:		
Value added tax	1,607	1,607
Other creditors	303	358
Amounts owed to other group undertakings	15,320	8,879
Other taxation including social security	715	667
Accruals and deferred income	14,106	15,187
	43,494	39,161

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

13 CREDITORS: amounts falling due after more than one year

	2013 £'000	2012 £'000
Obligations payable within five years under finance leases (note 14)	6,333	7,900
Liabilities in respect of sale and repurchase transactions (note 14)	10,702	13,336
	<u>17,035</u>	<u>21,236</u>

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

	2013 £'000	2012 £'000
Obligations under finance leases	8,557	11,549
Liabilities in respect of sale and repurchase transactions	13,870	15,660
	<u>22,427</u>	<u>27,209</u>

Finance leases	2013 £'000	2012 £'000
Future minimum payments under finance leases are as follows:		
Within one year	2,224	3,649
Between two and five years	5,009	6,426
After five years	1,324	1,474
	<u>8,557</u>	<u>11,549</u>

Liabilities in respect of sale and repurchase transaction	£'000	£'000
Within one year	3,168	2,324
Between two and five years	10,227	12,921
After five years	475	415
	<u>13,870</u>	<u>15,660</u>

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

14 LOANS AND OTHER BORROWING (continued)

Liabilities in respect of sale and repurchase transactions are secured against the underlying assets subject to the arrangements.

Under forfeiting, the funding received from the third party financing partner is secured against the right to the receivables due under the respective contract hire agreement.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Product Warranty £'000	Other £'000	Total £'000
At 1 January 2013	1,348	2,027	3,375
Utilisation of provision	(1,348)	(1,358)	(2,706)
Release of provision	-	(550)	(550)
Charge for the year	1,144	3,798	4,942
At 31 December 2013	1,144	3,917	5,061

The warranty provision has been calculated to cover the anticipated future labour and parts costs expected to be incurred in 2014 for warranty claims on trucks sold in 2013.

16 DEFERRED TAXATION

The deferred tax balance comprises the following:

	2013 Cumulative provided £'000	2013 Cumulative unprovided £'000	2012 Cumulative provided £'000	2012 Cumulative unprovided £'000
Fixed asset timing differences	5,881	-	2,648	6,003
Tax losses	503	-	503	76
Capital losses	-	78	-	90
Short term timing differences	-	-	-	573
Deferred tax balance excluding pension liability	6,384	78	3,151	6,742
Deferred tax liability on pension asset	(881)	-	(1,001)	-
Total net deferred tax asset	5,503	78	2,150	6,742

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

16 DEFERRED TAXATION (continued)

	2013 £'000	2012 £'000
Net deferred tax asset at 1 January	2,150	2,150
Credit/(charge) to profit and loss account for the year	3,128	(1,894)
Credit to statement of total recognised gains and losses	225	1,894
Net deferred tax asset at 31 December	5,503	2,150

As at 31 December 2013, deferred tax amounts totalling £78k (2012: £6,742k) were not recognised on the balance sheet due to uncertainties over the future recoverability of those assets.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 December 2013 has been calculated based on the rates of 20% (2012: 23%) substantively enacted at the balance sheet date.

17 PENSION AND SIMILAR OBLIGATIONS

The Jungheinrich UK Limited Retirement Benefits Scheme (the scheme) is a funded defined benefit pension scheme. Contributions to the Scheme are determined by the Trustees of the scheme, acting on the advice of the qualified Scheme Actuary.

The most recent triennial valuation of the Scheme was as at 6 April 2013. The market value of the scheme's assets at 6 April 2013 was £147.0m, representing 86% 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.

The principal financial assumptions adopted for this valuation were as follows:

	6 April 2013
Discount rate (pre and post retirement)	3.95%
Salary growth	3.55%
Inflation	3.55%
Pension increases:	
RPI max 2.5%	2.20%
RPI max 5%	3.35%
RPI min 3% max 5%	3.80%
RPI min 3.5% max 5%	4.05%

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

The discount rate assumption reflects the long-term investment strategy adopted by the Trustees in early 2011 to invest 70% of the scheme's assets in gilts, 20% in equities and 10% in corporate bonds.

Jungheinrich UK Limited have agreed to pay additional contributions of £150,000 per month to the scheme from 6 January 2014, with the expectation that the scheme's funding shortfall will be eliminated by 6 April 2022.

The most recent actuarial valuation of the scheme at 6 April 2013 was updated to 31 December 2013 by a qualified actuary. The present value of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

The principal assumptions used by the actuary were:

	2013	2012
Expected rate of salary increases	3.45%	3.00%
Future pension increases	3.25%	2.90%
Discount rate	4.60%	4.60%
Inflation	3.45%	3.00%
Expected return on Scheme assets	4.20%	3.85%

The assumed life expectancy on retirement at age 65 are:

	2013 years	2012 years
Retiring today:		
Males	22.3	23.0
Females	24.5	25.6
Retiring in 20 years:		
Males	24.0	25.0
Females	26.4	27.6

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 following table.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

	2013		2012	
	Expected long-term rate of return at 31 December %	Market value at 31 December £'000	Expected long-term rate of return at 31 December %	Market value at 31 December £'000
Equities	7.7	27,383	7.3	25,614
Government bonds	3.7	91,402	3.3	86,773
Corporate bonds	4.6	13,733	4.6	13,571
Cash and net current assets		224		192
		<hr/>		<hr/>
Total market value of scheme assets		132,742		126,150
Present value of scheme liabilities		(128,338)		(121,798)
		<hr/>		<hr/>
Surplus in scheme		4,404		4,352
Related deferred tax liability		(881)		(1,001)
		<hr/>		<hr/>
Net Pension asset		3,523		3,351
		<hr/>		<hr/>

The prior year net pension asset has been restated in order to show the net balance after the related deferred tax liability in accordance with FRS 17.

Movements in the present value of defined benefit obligations were as follows:

	2013	2012
	£'000	£'000
As at 1 January	121,798	112,860
Current service cost	1,380	1,340
Interest Cost	5,537	5,528
Actuarial losses	1,978	4,848
Contributions paid by scheme participants	712	785
Benefits paid	(3,067)	(3,563)
	<hr/>	<hr/>
As at 31 December	128,338	121,798
	<hr/>	<hr/>

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Movements in the fair value of scheme assets were as follows:

	2013	2012
	£'000	£'000
As at 1 January	126,150	124,260
Expected return on scheme assets	4,866	4,673
Actual return less expected return on scheme assets	852	(3,377)
Employer contributions	3,229	3,372
Employee contributions	712	785
Benefits paid	(3,067)	(3,563)
As at 31 December	132,742	126,150

Analysis of the amounts charged to operating profit:

	2013	2012
	£'000	£'000
Current service cost	1,380	1,340
Total operating charge	1,380	1,340

Analysis of the amount credited to other finance income:

	2013	2012
	£'000	£'000
Expected return on scheme assets	4,866	4,673
Interest on scheme liabilities	(5,537)	(5,528)
Net return (note 6)	(671)	(855)

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

	2013	2012
	£'000	£'000
Actual return less expected return on scheme assets	852	(3,377)
Experience gains arising on scheme liabilities	30	713
Change in assumptions underlying the scheme liabilities	(2,008)	(5,561)
Actuarial losses recognised in STRGL	(1,126)	(8,225)
Cumulative actuarial losses recognised at balance sheet date	(8,072)	(6,946)

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts for current year and previous four years:

	2013	2012	2011	2010	2009
	£'000	£'000	£'000	£'000	£'000
Defined benefit obligation	(128,338)	(121,798)	(112,860)	(100,958)	(93,002)
Scheme assets	132,742	126,150	124,260	104,084	86,725
Surplus / (deficit) in scheme	4,404	4,352	11,400	3,126	(6,277)
Experience gains / (losses) on scheme assets	30	713	-	2,322	(19)
Experience gains / (losses) on scheme liabilities	852	(3,377)	14,642	3,021	(3,943)

18 SHARE CAPITAL

	2013	2012
	£'000	£'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 2013 £'000
At 1 January 2013	(50,919)
Profit for the year	7,827
Actuarial loss on pension scheme	(1,126)
Deferred tax attributable to actuarial loss on pension scheme	225
At 31 December 2013	(43,993)
Net pension asset	(3,523)
Profit and loss account excluding net pension asset	(47,516)

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	7,827	1,226
Actuarial loss on pension scheme	(1,126)	(8,225)
Deferred tax attributable to actuarial loss on pension scheme	225	1,894
Net movement in shareholders' funds	6,926	(5,105)
Shareholders' funds at 1 January	18,293	23,398
Shareholders' funds at 31 December	25,219	18,293

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.

	2013		2012	
	Land and Buildings £'000	Other £'000	Land and Buildings £'000	Other £'000
Expiring within one year	89	214	128	278
Expiring between two and five years inclusive	198	1,747	70	1,237
Expiring in over five years	269	-	349	-
	556	1,961	547	1,515

22 COMMITMENTS AND GUARANTEES

The company continues to provide a guarantee against the liabilities of Jungheinrich Lift Truck Finance Limited, a fellow subsidiary undertaking of Jungheinrich UK Holdings Limited.

23 DERIVATIVES NOT INCLUDED AT FAIR VALUE

The Group has derivatives which are not included at fair value in the accounts. The Group uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values of liabilities in relation to derivatives are £239k (2012: £506k) at the balance sheet date, based on market values of equivalent instruments.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (CONTINUED)

24 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 35, 22407 Hamburg, Germany.

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

In preparing these financial statements, the company has taken advantage of the provisions of Financial Reporting Standard 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.