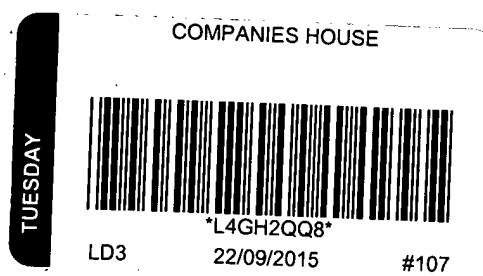


JUNGHEINRICH UK LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

Company Number: 00757192



JUNGHEINRICH UK LIMITED

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JUNGHEINRICH UK LIMITED DIRECTORS AND ADVISERS

Directors

L Langrish-Smith (resigned 31 July 2015)
D Schulz
J Kiel
K Gloystein
J-M Lorenz
S Brehm (appointed 1 April 2015)
R Parker (appointed 1 August 2015)

Secretary and Registered Office

R Parker
Sherbourne House
Sherbourne Drive
Tilbrook
Milton Keynes
MK7 8HX

Statutory Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Cambridge, UK

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

Solicitors

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

JUNGHEINRICH UK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED

31 DECEMBER 2014

The directors present their strategic report and the audited financial statements for the year ended 31 December 2014.

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 increased substantially by around 12% from 2013. The company has increased market share to 15.9%, up from 15.3% in 2013. Despite this growth Jungheinrich's position in the market was maintained. Sales increased from 2013 by 10%. 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 £6,410k (2013: £6,731k). The recorded operating profit represents a return on sales of 4.1% (2013: 4.7%).

The company has reported a profit before tax of £4,559k (2013: £4,699k).

The company's defined benefit pension scheme (Jungheinrich UK Limited Retirement Benefit Scheme) reported a surplus of £13,514k at 31 December 2014 (2013: £4,404k), offset by related deferred tax liabilities of £2,703k (2013: £881k). 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 2015 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. With market returning to near pre 2007 level, 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 2014
(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

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.

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:



R Parker
Director
8th September 2015

JUNGHEINRICH UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

Directors' responsibilities statement

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 2014
(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.

Going concern

As highlighted in the Strategic Report on pages 2 and 3, the economic conditions have improved and the market has returned to healthy levels which should enable the company to achieve its growth ambitions.

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.

JUNGHEINRICH UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014 (CONTINUED)

Going concern (continued)

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.

Dividends

The directors do not recommend the payment of a dividend in respect of the year ended 31 December 2014 (2013: £nil).

By order of the board



**R Parker
Director**

8th September 2015

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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 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)

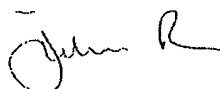
Opinion on other matter prescribed by the Companies Act 2006

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
Cambridge, UK

08 September 2015

JUNGHEINRICH UK LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|--|--------|---------------|---------------|
| Continuing operations | | | |
| Turnover | 2. | 156,486 | 141,892 |
| Changes in stocks of spare parts and goods for resale | | (96,936) | (86,352) |
| | | <u>59,550</u> | <u>55,540</u> |
| Staff costs | 4 | (35,485) | (31,418) |
| Depreciation and amounts written off tangible fixed assets | 9 | (4,271) | (3,511) |
| Other operating expenses | | (13,384) | (13,880) |
| | | <u>6,410</u> | <u>6,731</u> |
| Operating profit | | 6,410 | 6,731 |
| Interest receivable and similar income | 5 | 10 | 11 |
| Interest payable and similar charges | 6 | (1,861) | (2,043) |
| | | <u>4,559</u> | <u>4,699</u> |
| Profit on ordinary activities before taxation | 7 | 4,559 | 4,699 |
| Tax on profit on ordinary activities | 8 | (1,478) | 3,128 |
| | | <u>3,081</u> | <u>7,827</u> |
| Profit for the financial year | 19, 20 | 3,081 | 7,827 |

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR
THE YEAR ENDED 31 DECEMBER 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|---------------|---------------|
| Profit for the financial year | | 3,081 | 7,827 |
| Actuarial gains/(losses) on defined benefit pension scheme | 17 | 7,280 | (1,126) |
| Deferred tax attributable to actuarial gains/(losses) | | (1,456) | 225 |
| | | <u>8,905</u> | <u>6,926</u> |
| Total recognised gains relating to the year | | 8,905 | 6,926 |

JUNGHEINRICH UK LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2014

| | Notes | 2014 £'000 | 2013 £'000 |
|--|-------|---------------|---------------|
| Fixed assets | | | |
| Tangible fixed assets | 9 | 21,189 | 18,967 |
| Current assets | | | |
| Stocks | 10 | 24,534 | 22,000 |
| Debtors: amounts falling due within one year | 11 | 38,352 | 32,285 |
| Debtors: amount falling due after more than one year | 11 | 4,555 | 5,667 |
| Cash at bank and in hand | | 3,504 | 8,367 |
| | | 70,945 | 68,319 |
| Creditors: amounts falling due within one year | 12 | (47,256) | (43,494) |
| Net current assets | | 23,689 | 24,825 |
| Total assets less current liabilities | | 44,878 | 43,792 |
| Creditors: amounts falling due after more than one year | 13 | (18,426) | (17,035) |
| Provisions for liabilities and charges | 15 | (3,139) | (5,061) |
| Net assets excluding pension asset | | 23,313 | 21,696 |
| Net pension asset | 17 | 10,811 | 3,523 |
| Net assets including pension asset | | 34,124 | 25,219 |
| Capital and reserves | | | |
| Called up share capital | 18 | 63,972 | 63,972 |
| Capital contribution | | 5,240 | 5,240 |
| Profit and loss account | 19 | (35,088) | (43,993) |
| Shareholders' funds | 20 | 34,124 | 25,219 |

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:



R Parker
Director

8th September 2015

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014

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.

Going concern

As highlighted in the Strategic Report on pages 2 and 3, the economic conditions have improved and the market has returned to healthy levels which should enable the company to achieve its growth ambitions.

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.

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.

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 2014 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Tangible fixed assets (continued)

The principle 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 |

Leased assets

Finance leases

Finance leases are leases which confer rights and obligations similar to those attached to owned assets. 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.

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.

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.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

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.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

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 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 publicly 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.

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.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Pensions (continued)

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.

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:

| | 2014 £'000 | 2013 £'000 |
|--------------------------|----------------|----------------|
| United Kingdom | 152,334 | 137,599 |
| Other European countries | 3,957 | 4,141 |
| Rest of the World | 195 | 152 |
| | <u>156,486</u> | <u>141,892</u> |

Included in the turnover which arises from Europe is £3,574k (2013: £3,812k) of sales made to other group undertakings. Included in the turnover which arises from Rest of the World is £97k (2013: £141k) of sales made to other group undertakings. All turnover originates from the United Kingdom.

3 DIRECTORS' EMOLUMENTS

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Emoluments | 396 | 356 |
| Company contributions to pension scheme | 42 | 27 |

No directors have accrued retirement benefits under a defined benefit scheme (2013: £nil).

The emoluments of the highest paid director totalled £252k, which includes £26k pension contributions (2013: £202k, including £19k pension contributions).

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

4 EMPLOYEE INFORMATION

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

| | 2014 Number | 2013 Number |
|--|----------------|----------------|
| By activity | | |
| Service | 503 | 512 |
| Administration and sales | 236 | 222 |
| | <u>739</u> | <u>734</u> |
| | £'000 | £'000 |
| Staff costs (for the above persons) | | |
| Wages and salaries | 29,729 | 26,858 |
| Social security costs | 3,311 | 2,473 |
| Other pension costs | 2,445 | 2,087 |
| | <u>35,485</u> | <u>31,418</u> |

5 INTEREST RECEIVABLE AND SIMILAR INCOME

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Interest on deposits with other group companies | 6 | 7 |
| Bank interest | 4 | 4 |
| | <u>10</u> | <u>11</u> |

6 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Bank interest payable | 1 | - |
| Interest payable to other group companies | 1,601 | 1,372 |
| Net return on pension scheme (note 17) | 259 | 671 |
| | <u>1,861</u> | <u>2,043</u> |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Depreciation and amounts written off tangible fixed assets: | | |
| Owned | 2,205 | 1,374 |
| Held under finance leases | 2,066 | 2,137 |
| Auditor's remuneration for: | | |
| Audit of the company's annual accounts | 60 | 60 |
| Foreign currency losses/(gains) | 779 | (559) |
| Hire of plant and machinery – operating leases | 2,079 | 2,302 |
| Hire of other assets – operating leases | 339 | 547 |
| Rentals receivable in respect of operating leases | (20,881) | (16,330) |

8 TAXATION

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Current tax - UK corporation tax | - | - |
| Deferred tax charge/(credit) - origination and reversal of timing differences | 1,478 | (3,128) |
| Total tax charge/(credit) on profit for the year | 1,478 | (3,128) |
| Current tax reconciliation : | | |
| Profit on ordinary activities before tax | 4,559 | 4,699 |
| Current tax at 21.49% (2013: 23.25%) | 980 | 1,093 |
| <i>Effects of:</i> | | |
| Expenses not deductible for tax purposes | 147 | 190 |
| Difference between depreciation and capital allowances for the year | (1,112) | (1,623) |
| Other timing differences | - | (580) |
| Pension timing difference | (366) | (274) |
| Group relief | 461 | 1,194 |
| Impact of rate difference between deferred and current tax | (110) | - |
| Current tax charge | - | - |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (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 2014 | 5,824 | 295 | 896 | 2,351 | 17,866 | 1,036 | 28,268 |
| Additions | 36 | - | 176 | 279 | 12,225 | 49 | 12,765 |
| Disposals | - | - | - | (402) | (8,393) | (20) | (8,815) |
| At 31 December 2014 | 5,860 | 295 | 1,072 | 2,228 | 21,698 | 1,065 | 32,218 |
| Depreciation | | | | | | | |
| At 1 January 2014 | 1,956 | 273 | 694 | 1,973 | 3,461 | 944 | 9,301 |
| Charge | 204 | 6 | 121 | 229 | 3,671 | 40 | 4,271 |
| Disposals | - | - | - | (401) | (2,122) | (20) | (2,543) |
| At 31 December 2014 | 2,160 | 279 | 815 | 1,801 | 5,010 | 964 | 11,029 |
| Net book value | | | | | | | |
| At 31 December 2014 | 3,700 | 16 | 257 | 427 | 16,688 | 101 | 21,189 |
| Net book value | | | | | | | |
| At 31 December 2013 | 3,868 | 22 | 202 | 378 | 14,405 | 92 | 18,967 |

Trucks on hire above are assets the company holds under finance leases and hire purchase agreements, and leases to customers under operating leases. The net book value of the assets held under finance lease amounts to £7,358k (2013: £8,760k).

10 STOCKS

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Finished goods (including parts stock) | 10,990 | 9,093 |
| Residual interest in trucks | 13,544 | 12,907 |
| | 24,534 | 22,000 |

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 2014 (CONTINUED)

11 DEBTORS

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Amounts falling due within one year | | |
| Trade debtors | 22,778 | 18,503 |
| Amounts owed by other group undertakings | 13,158 | 11,652 |
| Other debtors | 53 | 51 |
| Prepayments and accrued income | 1,646 | 1,362 |
| Deferred tax asset | 717 | 717 |
| | <u>38,352</u> | <u>32,285</u> |
| Amounts falling due after more than one year | | |
| Deferred tax asset | 4,555 | 5,667 |
| | <u>42,907</u> | <u>37,952</u> |

12 CREDITORS: amounts falling due within one year

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Obligations under finance leases (note 14) | 2,073 | 2,224 |
| Liabilities in respect of sale and repurchase transactions (note 14) | 3,845 | 3,168 |
| Trade creditors | 7,079 | 6,051 |
| Other creditors: | | |
| Value added tax | 2,309 | 1,607 |
| Amounts owed to other group undertakings | 14,432 | 15,320 |
| Other taxation including social security | 771 | 715 |
| Accruals and deferred income | 16,747 | 14,409 |
| | <u>47,256</u> | <u>43,494</u> |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

13 CREDITORS: amounts falling due after more than one year

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Obligations payable under finance leases (note 14) | 5,108 | 6,333 |
| Liabilities in respect of sale and repurchase transactions (note 14) | 13,318 | 10,702 |
| | <u>18,426</u> | <u>17,035</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

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Obligations under finance leases | 7,181 | 8,557 |
| Liabilities in respect of sale and repurchase transactions | 17,163 | 13,870 |
| | <u>24,344</u> | <u>22,427</u> |

| Finance leases | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Future minimum payments under finance leases are as follows: | | |
| Within one year | 2,073 | 2,224 |
| Between two and five years | 4,245 | 5,010 |
| After five years | 863 | 1,323 |
| | <u>7,181</u> | <u>8,557</u> |

| Liabilities in respect of sale and repurchase transaction | £'000 | £'000 |
|--|---------------|---------------|
| Within one year | 3,845 | 3,168 |
| Between two and five years | 12,275 | 10,227 |
| After five years | 1,043 | 475 |
| | <u>17,163</u> | <u>13,870</u> |

Liabilities in respect of finance lease transactions are secured against the underlying assets subject to those arrangements.

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

15 PROVISIONS FOR LIABILITIES AND CHARGES

| | Product Warranty £'000 | Other £'000 | Total £'000 |
|----------------------------|---------------------------|----------------|----------------|
| At 1 January 2014 | 1,144 | 3,917 | 5,061 |
| Utilisation of provision | (1,144) | (2,478) | (3,622) |
| Release of provision | - | (286) | (286) |
| Charge for the year | 1,454 | 532 | 1,986 |
| At 31 December 2014 | 1,454 | 1,685 | 3,139 |

The warranty provision has been calculated to cover the anticipated future labour and parts costs expected to be incurred in 2015 for warranty claims on trucks sold in 2014.

Other provisions include provisions for dilapidations costs and loss making contracts.

16 DEFERRED TAXATION

The deferred tax balance comprises the following:

| | 2014 Cumulative provided £'000 | 2014 Cumulative unprovided £'000 | 2013 Cumulative provided £'000 | 2013 Cumulative unprovided £'000 |
|---|---|---|---|---|
| Fixed asset timing differences | 4,769 | - | 5,881 | - |
| Tax losses | 503 | - | 503 | - |
| Capital losses | - | 78 | - | 78 |
| Deferred tax balance excluding pension liability | 5,272 | 78 | 6,384 | 78 |
| Deferred tax liability on pension asset | (2,703) | - | (881) | - |
| Total net deferred tax asset | 2,569 | 78 | 5,503 | 78 |

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Net deferred tax asset at 1 January | 5,503 | 2,150 |
| (Charge)/credit to profit and loss account for the year | (1,478) | 3,128 |
| (Charge)/credit to statement of total recognised gains and losses | (1,456) | 225 |
| Net deferred tax asset at 31 December | 2,569 | 5,503 |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

16 DEFERRED TAXATION (continued)

As at 31 December 2014, deferred tax amounts totalling £78k (2013: £78k) were not recognised on the balance sheet due to uncertainties over the future recoverability of those assets.

A reduction in the UK corporation tax rate from 24% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Additional reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. On 8 July 2015, further planned reductions were announced to reduce the UK corporation tax rate to 18% by 2020. If these planned reductions are enacted, this will reduce the company's future current tax charge accordingly.

The net deferred tax asset at 31 December 2014 has been calculated based on the rate of 20% (2013: 20%) 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% |

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
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

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 has been updated to 31 December 2014 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:

| | 2014 | 2013 |
|-----------------------------------|-------|-------|
| Expected rate of salary increases | 3.10% | 3.45% |
| Future pension increases | 3.00% | 3.25% |
| Discount rate | 3.70% | 4.60% |
| Inflation | 3.10% | 3.45% |
| Expected return on Scheme assets | 3.15% | 4.20% |

The assumed life expectancy on retirement at age 65 are:

| | 2014 years | 2013 years |
|-----------------------|---------------|---------------|
| Retiring today: | | |
| Males | 22.3 | 22.3 |
| Females | 24.3 | 24.5 |
| Retiring in 20 years: | | |
| Males | 24.0 | 24.0 |
| Females | 26.2 | 26.4 |

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 2014 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

| | 2014 | | 2013 | |
|-------------------------------------|--|-----------------------------------|--|-----------------------------------|
| | 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 | 6.65 | 27,890 | 7.70 | 27,383 |
| Government bonds | 2.65 | 119,056 | 3.70 | 91,402 |
| Corporate bonds | 3.80 | 15,016 | 4.60 | 13,733 |
| Cash and net current assets | | 2,732 | | 224 |
| | | <hr/> | | <hr/> |
| Total market value of scheme assets | | 164,694 | | 132,742 |
| Present value of scheme liabilities | | (151,180) | | (128,338) |
| | | <hr/> | | <hr/> |
| Surplus in scheme | | 13,514 | | 4,404 |
| Related deferred tax liability | | (2,703) | | (881) |
| | | <hr/> | | <hr/> |
| Net Pension asset | | 10,811 | | 3,523 |
| | | <hr/> | | <hr/> |

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| As at 1 January | 128,338 | 121,798 |
| Current service cost | 1,464 | 1,380 |
| Interest Cost | 5,846 | 5,537 |
| Actuarial losses | 19,313 | 1,978 |
| Contributions paid by scheme participants | 700 | 712 |
| Benefits paid | (4,481) | (3,067) |
| | <hr/> | <hr/> |
| As at 31 December | 151,180 | 128,338 |
| | <hr/> | <hr/> |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

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

| | 2014 £'000 | 2013 £'000 |
|---|----------------|----------------|
| As at 1 January | 132,742 | 126,150 |
| Expected return on scheme assets | 5,587 | 4,866 |
| Actual return less expected return on scheme assets | 26,593 | 852 |
| Employer contributions | 3,553 | 3,229 |
| Employee contributions | 700 | 712 |
| Benefits paid | (4,481) | (3,067) |
| As at 31 December | 164,694 | 132,742 |

Analysis of the amounts charged to operating profit:

| | 2014 £'000 | 2013 £'000 |
|-------------------------------|---------------|---------------|
| Current service cost | 1,464 | 1,380 |
| Total operating charge | 1,464 | 1,380 |

Analysis of the amount credited to other finance income:

| | 2014 £'000 | 2013 £'000 |
|----------------------------------|---------------|---------------|
| Expected return on scheme assets | 5,587 | 4,866 |
| Interest on scheme liabilities | (5,846) | (5,537) |
| Net return (note 6) | (259) | (671) |

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

| | 2014 £'000 | 2013 £'000 |
|---|---------------|----------------|
| Actual return less expected return on scheme assets | 26,593 | 852 |
| Experience gains arising on scheme liabilities | - | 30 |
| Change in assumptions underlying the scheme liabilities | (19,313) | (2,008) |
| Actuarial gains/(losses) recognised in STRGL | 7,280 | (1,126) |
| Cumulative recognised actuarial gains and losses | (792) | (8,072) |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

17 PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts for current year and previous four years:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-----------|-----------|-----------|-----------|-----------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Defined benefit obligation | (151,180) | (128,338) | (121,798) | (112,860) | (100,958) |
| Scheme assets | 164,694 | 132,742 | 126,150 | 124,260 | 104,084 |
| Surplus in scheme | 13,514 | 4,404 | 4,352 | 11,400 | 3,126 |
| Experience gains / (losses) on scheme assets | 26,593 | 852 | (3,377) | 14,642 | 3,021 |
| Experience gains on scheme liabilities | - | 30 | 713 | - | 2,322 |

18 SHARE CAPITAL

| | 2014 | 2013 |
|---|---------------|---------------|
| | £'000 | £'000 |
| 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 2014 £'000 |
|---|---|
| At 1 January 2014 | (43,993) |
| Profit for the year | 3,081 |
| Actuarial gain on pension scheme | 7,280 |
| Deferred tax attributable to actuarial gain on pension scheme | (1,456) |
| At 31 December 2014 | (35,088) |
| Net pension asset | (10,811) |
| Profit and loss account excluding net pension asset | <u>(45,899)</u> |

JUNGHEINRICH UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014 (CONTINUED)

20 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Profit for the financial year | 3,081 | 7,827 |
| Actuarial gains/(losses) on pension scheme | 7,280 | (1,126) |
| Deferred tax attributable to actuarial gain/(losses) on pension scheme | (1,456) | 225 |
| Net movement in shareholders' funds | 8,905 | 6,926 |
| Shareholders' funds at 1 January | 25,219 | 18,293 |
| Shareholders' funds at 31 December | 34,124 | 25,219 |

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.

| | 2014 | | 2013 | |
|--|--------------------------------|----------------|--------------------------------|----------------|
| | Land and Buildings £'000 | Other £'000 | Land and Buildings £'000 | Other £'000 |
| Expiring within one year | - | 809 | 89 | 214 |
| Expiring between two and five years inclusive | 545 | 1,395 | 198 | 1,747 |
| Expiring in over five years | - | - | 269 | - |
| | <u>545</u> | <u>2,204</u> | <u>556</u> | <u>1,961</u> |

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 company has derivatives which are not included at fair value in the accounts. The company uses the derivatives to hedge its exposures to changes in foreign currency exchange rates. The fair values of liabilities in relation to derivatives are £903k (2013: £239k) 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 2014 (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.