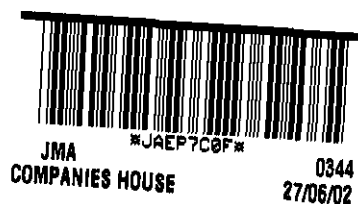


Registered Number 757192

Jungheinrich UK Limited  
(formerly Jungheinrich (G.B.) Limited)  
Report and Financial Statements  
for the year ended 31 December 2001



# **Jungheinrich UK Limited**

## **Report and Financial Statements for the year ended 31 December 2001**

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**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**Directors and advisers for the year ended 31 December 2001**

**Directors**

S Jeffs

J Porter (appointed 12 April 2001)

T Foreman (appointed 16 July 2001; resigned 4 March 2002)

**Secretary**

S Shaw

**Registered Office**

Southmoor Road

Wythenshawe

Manchester

M23 9DU

**Auditors**

PricewaterhouseCoopers

101 Barbirolli Square

Lower Mosley Street

Manchester

M2 3PW

**Solicitors**

Halliwell Landau

St James' Court

Brown Street

Manchester

M2 2JE

Chaffe Street

Brook House

77 Fountain Street

Manchester

M2 2EE

**Bankers**

Barclays Bank PLC

Corporate Banking Centre

P O Box 543

51 Mosley Street

Manchester

M60 2BU

Berenberg Bank

Neuer Jungfernstieg 20

20354 Hamburg/ Germany

Commerzbank

Ness 7 – 9

20457 Hamburg/ Germany

Société Generale

Exchange House

Primrose Street

London

EC2A 2HT

**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**Directors' report for the year ended 31 December 2001**

The directors present their report and the audited financial statements for the year ended 31 December 2001.

**Principal activities**

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

Both the level of business and the year end financial position were satisfactory and the directors expect this level of performance to continue in the foreseeable future.

**Review of business**

A summary of the results for the year is shown below:

	2001 £	2000 £
Accumulated deficit at beginning of year	(9,885,316)	(11,044,399)
(Loss)/profit for financial year	(6,272,070)	1,159,083
<b>Accumulated deficit</b>	<b>(16,157,386)</b>	<b>(9,885,316)</b>

During the year the company acquired the trade and certain assets of Boss Handling (Northern) Limited, Boss Handling (Mercia) Limited, Boss Handling (South East) Limited and Boss Holdings Limited, companies incorporated in Great Britain. These companies are fellow subsidiary undertakings.

**Dividends**

The directors do not recommend the payment of a dividend (2000: £Nil).

**Charitable donations**

The company has made charitable donations totalling £3,420 (2000: £6,106).

**Directors**

The directors of the company are listed on page 1.

J Porter and T Foreman were appointed directors of the company on 12 April 2001 and 16 July 2001 respectively.

T Foreman resigned on the 4 March 2002.

**Directors' interests in shares of the company**

According to the register required to be kept by Section 325 of the Companies Act 1985, no directors at the year end have any beneficial interests in the shares of the company. As permitted by Statutory Instrument, interests in shares of overseas group companies are not disclosed.

**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

## **Jungheinrich UK Limited** **(formerly Jungheinrich (G.B.) Limited)**

a whole. Communication with all employees continues through the newsletters and distribution of the annual report.

### **The Euro**

The commercial implications of the UK introducing the Euro and necessary related actions are being monitored by the directors on an ongoing basis.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial year that 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.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

A resolution to reappoint PricewaterhouseCoopers as auditors will be proposed at the annual general meeting.

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



**S Shaw**  
Company secretary  
25 June 2002

**Jungheinrich UK Limited**  
**(formerly Jungheinrich (G.B.) Limited)**

**Auditors' report to the members of Jungheinrich UK Limited**

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

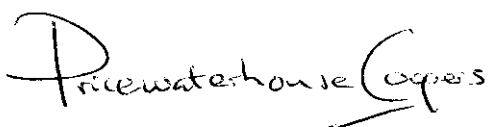
**Basis of audit opinion**

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

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

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Manchester  
25 June 2002

**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**Profit and loss account for the year ended 31 December 2001**

	Notes	2001 £	2000 £
<b>Continuing operations</b>			
Turnover	1	86,885,941	87,956,448
Change in stocks of spare parts and goods for resale		(5,449,003)	(1,953,667)
Other operating income		19,440	26,266
		81,456,378	86,029,047
Purchases of spare parts and goods for resale		(49,785,139)	(53,422,750)
Other external charges		(326,527)	(240,049)
Staff costs	3	(20,371,249)	(16,638,560)
Depreciation and amounts written off tangible fixed assets		(3,657,094)	(3,571,787)
Other operating expenses		(12,437,763)	(9,287,554)
<b>Operating (loss)/profit</b>		<b>(5,121,394)</b>	<b>2,868,347</b>
Interest receivable and similar income	4	125,154	181,439
Interest payable and similar charges	5	(1,275,830)	(1,890,703)
<b>(Loss)/profit on ordinary activities before taxation</b>	6	<b>(6,272,070)</b>	<b>1,159,083</b>
Tax on profit on ordinary activities	7	-	-
<b>(Loss)/Profit for the financial year</b>		<b>(6,272,070)</b>	<b>1,159,083</b>
Accumulated deficit at beginning of year		(9,885,316)	(11,044,399)
<b>Accumulated deficit at end of year</b>	20	<b>(16,157,386)</b>	<b>(9,885,316)</b>

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.


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.

**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**Balance sheet as at 31 December 2001**

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible fixed assets	8	17,119,240	12,501,310
Fixed asset investment	9	2	2
		<b>17,119,242</b>	<b>12,501,312</b>
<b>Current assets</b>			
Stocks	10	35,045,239	16,356,105
Debtors	11	44,410,433	26,551,014
Cash at bank and in hand		9,091,212	4,239,484
		<b>88,546,884</b>	<b>47,146,603</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(82,815,956)</b>	<b>(41,241,539)</b>
<b>Net current assets</b>		<b>5,730,928</b>	<b>5,905,064</b>
<b>Total assets less current liabilities</b>		<b>22,850,170</b>	<b>18,406,376</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(25,152,995)</b>	<b>(15,225,880)</b>
<b>Provisions for liabilities and charges</b>	15	<b>(1,464,561)</b>	<b>(675,812)</b>
		<b>(3,767,386)</b>	<b>2,504,684</b>
<b>Capital and reserves</b>			
Called up share capital	18	10,290,000	10,290,000
Capital contribution	23	2,100,000	2,100,000
Profit and loss account	20	(16,157,386)	(9,885,316)
<b>Closing shareholders' funds</b>	21	<b>(3,767,386)</b>	<b>2,504,684</b>
<b>Analysed as:</b>			
Equity shareholders funds		(12,367,386)	(6,095,316)
Non-equity shareholders funds		8,600,000	8,600,000
		<b>(3,767,386)</b>	<b>2,504,684</b>

The financial statements on pages 5 to 19 were approved by the board of directors on 25 June 2002 and were signed on its behalf by:

  
S Jeffs  
Managing Director



# **Jungheinrich UK Limited**

## **(formerly Jungheinrich (G.B.) Limited)**

### **Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

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

#### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal lives used for this purpose are:

Freehold Buildings	25 years
Leasehold buildings	Over the remaining life of the lease
Motor vehicles	4 years
Fixtures, fittings, tools and equipment	3 -10 years
Plant and machinery	5 - 8 years
Trucks on hire to customers	5 years

#### **Leased assets**

##### **Finance leases**

Certain trucks for hire, motor vehicles and office equipment 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**

### **(formerly Jungheinrich (G.B.) Limited)**

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

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

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

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

Long term contract balances included in stocks comprise costs incurred on long term contracts, net of amounts transferred to cost of sales, after deducting foreseeable losses and related payments on account. Costs include all direct material incurred in bringing a contract to its stage of completion at the year end. Provision for estimated losses on contracts are made in the period in which such losses are foreseen.

#### **Turnover**

Turnover represents the value of goods made available to customers under finance leases and invoiced sales of goods (including service and rental income) after deducting returns, allowances and sales taxes. Long term contracts are included in turnover on the basis of sales value of work performed during the year by reference to the total sales value and stage of completion of these contracts.

#### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability for taxation will crystallise.

#### **Pension costs**

Pension costs are accounted for on the basis of charging the expected cost of providing pensions over the period during which the company benefits from the employees' services. The effects of variations from regular cost are spread over the expected average remaining service lives of members of the scheme.

The company provides no other post retirement benefits to its employees.

Under the terms of Financial Reporting Standard 17, "Retirement Benefits" ("FRS 17"), the company is required to adopt alternative accounting for its defined benefit scheme by the year ended 31 December 2003. In accordance with the transitional arrangements under FRS 17 (paragraph 94), additional balance sheet disclosures are required for the year ended 31 December 2001.

#### **Cash flow**

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

## **Jungheinrich UK Limited** **(formerly Jungheinrich (G.B.) Limited)**

### **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**  
**(formerly Jungheinrich (G.B.) Limited)**

**Notes to the financial statements for the year ended 31 December 2001**

**1 Turnover**

Contributions to turnover by geographical area were as follows:	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
United Kingdom	86,047,462	86,546,217
Other European countries	838,479	1,410,231
	<b>86,885,941</b>	<b>87,956,448</b>

Included in the turnover which arises from Europe is £778,010 (2000: £973,255) of sales made to other group undertakings.

**2 Directors' emoluments**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Emoluments (including pension contributions and benefits in kind)	138,064	187,689

Retirement benefits are accruing to one (2000: one) director under a defined benefit scheme.

**3 Employee information**

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

	<b>2001</b>	<b>2000</b>
	<b>Number</b>	<b>Number</b>
<b>By activity</b>		
Service	494	417
Administration and sales	195	183
	<b>689</b>	<b>600</b>

	<b>£</b>	<b>£</b>
<b>Staff costs (for the above persons)</b>		
Wages and salaries	17,604,664	14,311,985
Social security costs	1,361,774	1,166,575
Other pension costs	1,404,811	1,160,000
	<b>20,371,249</b>	<b>16,638,560</b>

**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**4 Interest receivable and similar income**

	2001 £	2000 £
Finance leases and hire purchase contracts	34,767	96,002
Bank interest receivable	90,387	85,437
	<b>125,154</b>	<b>181,439</b>

**5 Interest payable and similar charges**

	2001 £	2000 £
On bank loans, overdrafts and other loans	1,275,830	1,890,703

Included in the above is the interest element of charges payable under finance leases amounting to £30,727 (2000: £126,789).

**6 (Loss)/profit on ordinary activities before taxation**

	2001 £	2000 £
Profit/loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
- Owned	520,949	512,042
- Held under finance leases	3,136,145	3,059,745
Loss/(profit) on sale of fixed assets	-	4,180
Auditors' remuneration for:		
- Audit services	26,000	27,500
- Non-audit services	9,675	31,755
Hire of plant and machinery – operating leases	1,825,490	1,452,576
Hire of other assets – operating leases	614,197	907,244

**7 Tax on profit on ordinary activities**

The company has no charge to tax in the year (2000: £Nil), due to the availability of brought forward losses for offset and current year trading losses.

**Jungheinrich UK Limited**  
(formerly Jungheinrich (G.B.) Limited)

**8 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 £
<b>Cost</b>							
At 1 January 2001	2,150,000	258,014	547,598	2,562,342	15,432,580	410,407	21,360,941
Additions	-	-	208,560	308,239	2,476,009	1,614	2,994,422
Transfer in from fellow subsidiary undertakings	-	-	18,981	230,226	9,631,499	116,520	9,997,226
Disposals	-	-	-	(842)	(4,197,092)	-	(4,197,934)
<b>At 31 December 2001</b>	<b>2,150,000</b>	<b>258,014</b>	<b>775,139</b>	<b>3,099,965</b>	<b>23,342,996</b>	<b>528,541</b>	<b>30,154,655</b>
<b>Depreciation</b>							
At 1 January 2001	4,830	71,823	397,577	1,661,497	6,519,961	203,943	8,859,631
Charge	57,962	22,868	102,328	341,367	3,086,655	45,914	3,657,094
Transfer in from fellow subsidiary undertakings	-	-	13,112	151,444	3,149,661	39,333	3,353,550
Disposals	-	-	-	(301)	(2,834,559)	-	(2,834,860)
<b>At 31 December 2001</b>	<b>62,792</b>	<b>94,691</b>	<b>513,017</b>	<b>2,154,007</b>	<b>9,921,718</b>	<b>289,190</b>	<b>13,035,415</b>
<b>Net book value At 31 December 2001</b>	<b>2,087,208</b>	<b>163,323</b>	<b>262,122</b>	<b>945,958</b>	<b>13,421,278</b>	<b>239,351</b>	<b>17,119,240</b>
At 31 December 2000	2,145,170	186,191	150,021	900,845	8,912,619	206,464	12,501,310

Included in the above categories are assets held under finance leases and hire purchase agreements with the following net book values:

	Leasehold land and buildings £	Motor vehicles £	Fixtures, fittings, tools and equipment £	Trucks on hire £	Plant and Machinery £	Total £
As at 31 December 2001	-	-	32,148	13,421,278	-	13,453,426
As at 31 December 2000	-	19,485	53,592	8,895,959	-	8,969,036

**Jungheinrich UK Limited**  
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**9 Fixed asset investment**

	2001 £	2000 £
Cost at 31 December	2	2

The fixed asset investment relates to the 100% holding of the ordinary share capital of Cubestone Properties Limited.

Group financial statements have not been prepared as the company is a wholly owned subsidiary of Jungheinrich Beteiligungs GmbH and is included in the consolidated financial statements of Jungheinrich AG, which are publicly available.

**10 Stocks**

	2001 £	2000 £
Finished goods (including parts stock)	18,279,663	7,166,926
Residual interest in trucks	16,676,548	9,125,232
Long term work in progress	89,028	63,947
	<b>35,045,239</b>	<b>16,356,105</b>

**11 Debtors**

	2001 £	2000 £
<b>Amounts falling due within one year</b>		
Trade debtors	22,915,725	15,805,122
Amounts owed by other group undertakings	16,729,834	5,364,968
Receivable under leasing agreements	2,299,280	2,985,962
Corporation tax recoverable	-	-
Other debtors	106,091	526,500
Prepayments and accrued income	2,301,620	1,564,276
	<b>44,352,550</b>	<b>26,246,828</b>
<b>Amounts falling due after more than one year</b>		
Receivable within five years under leasing agreements	57,883	304,186
	<b>44,410,433</b>	<b>26,551,014</b>

**Jungheinrich UK Limited**  
**(formerly Jungheinrich (G.B.) Limited)**

**12 Creditors: amounts falling due within one year**

	2001 £	2000 £
Obligations under finance leases (note 14)	4,596,755	3,773,306
Liabilities in respect of sale and repurchase transactions (note 14)	4,100,794	1,688,253
Bank loans and overdrafts (note 14)	11,969,904	15,751,940
Trade creditors	11,165,916	7,033,636
Amounts owed to other group undertakings	40,558,482	6,378,554
Other creditors:		
Value added tax	1,391,751	1,897,791
Other creditors	1,048,128	572,610
Other taxation and social security and PAYE	393,748	406,421
Accruals and deferred income	7,590,478	3,739,028
	<b>82,815,956</b>	<b>41,241,539</b>

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

**13 Creditors: amounts falling due after more than one year**

	2001 £	2000 £
Obligations payable within five years under finance leases (note 14)	8,504,484	6,168,901
Bank loan payable (note 14)	1,440,000	1,620,000
Liabilities in respect of sale and repurchase transactions (note 14)	15,208,511	7,436,979
	<b>25,152,995</b>	<b>15,225,880</b>

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**

	2001 £	2000 £
Bank loans and overdrafts (unsecured)	11,789,904	15,571,940
Obligations under finance leases	13,101,239	9,942,207
Bank loan	1,620,000	1,800,000
Liabilities in respect of sale and repurchase transactions	19,309,305	9,125,232
	<b>45,820,448</b>	<b>36,439,379</b>



## **Jungheinrich UK Limited** **(formerly Jungheinrich (G.B.) Limited)**

The unsecured bank loans and overdrafts carry interest rates varying between 5.00% and 7.00% per annum. The bank loan is secured by a legal charge over the freehold land and buildings and carries interest at 6.985% per annum.

### **Finance leases**

Future minimum payments under finance leases are as follows:

<b>Repayable</b>	<b>£</b>	<b>£</b>
Within one year	4,596,755	3,773,306
Between two and five years	8,504,484	6,168,901
After five years	-	-
	<b>13,101,239</b>	<b>9,942,207</b>

### **Bank Loan**

<b>Repayable</b>	<b>£</b>	<b>£</b>
Within one year	180,000	180,000
Between two and five years	720,000	720,000
After five years	720,000	900,000
	<b>1,620,000</b>	<b>1,800,000</b>

### **Liabilities in respect of sale and repurchase transaction**

<b>Repayable</b>	<b>£</b>	<b>£</b>
Within one year	4,100,794	1,688,253
Between two and five years	14,522,282	7,336,956
After five years	686,229	100,023
	<b>19,309,305</b>	<b>9,125,232</b>

## **15 Provisions for liabilities and charges**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Provision for warranties	<b>1,464,561</b>	<b>675,812</b>

The movement in the provision for warranty costs is as follows:

	<b>£</b>
At 1 January 2001	675,812
Charged to the profit and loss account	788,749
<b>At 31 December 2001</b>	<b>1,464,561</b>

The warranty provision has been calculated to cover the anticipated future labour and parts costs expected to be incurred in 2002 for warranty claims on trucks sold in 2001.

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## **(formerly Jungheinrich (G.B.) Limited)**

### **16 Deferred taxation**

There is no liability to deferred taxation (2000: £ nil) due to the availability of tax losses brought forward. No deferred tax asset has been recognised due to the uncertainties over the utilisation of such losses.

### **17 Pension and similar obligations**

Contributions to the company's defined benefit funded pension schemes are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method.

The most recent valuation of the Boss scheme was as at 1 May 1999. The main actuarial assumptions were that the investment return would be 9% per annum pre retirement and 8% per annum post retirement, that salary increases would average 6% per annum and future pension increase would average 4% per annum. The market value of the scheme's assets was £17,255,000 which was sufficient to cover 99.6% of the benefit accrued to members. The pension charge for the year was borne by the Boss companies.

The most recent valuation of the Jungheinrich scheme was at 6 April 1999. The assumptions, which have the most significant effect on the results of the valuation, are those relating to the rate of return on investments and the rate of increase in salaries. It was assumed that investment returns would be 8.5% per annum and that salary increases would average 6% per annum, plus a scale to reflect merit and promotional increases. At the valuation date, the market value of the scheme's assets was £10,220,000 and the valuation showed that the actuarial value of these assets represented approximately 87% of the benefits that had accrued to members calculated on the basis of the projected accrued benefit method. This deficiency should be eliminated in 2011 at the current employer's contribution rate of 12% pensionable earnings. The pension charge for the year was £1,240,000 (2000: £1,160,000), and £566,000 (2000: £586,000) is accrued in the balance sheet at the year end.

Under the terms of Financial Reporting Standard 17, "Retirement Benefits" ("FRS 17"), the company is required to adopt alternative accounting for its defined benefit scheme by the year ended 31 December 2003. In accordance with the transitional arrangements under FRS 17 (paragraph 94), additional balance sheet disclosures are required for the year ended 31 December 2001.

#### **FRS 17 disclosures**

The most recent actuarial valuation of the schemes were updated to 31 December 2001 by a qualified actuary, using a set of assumptions consistent with those required under FRS 17.

The major assumptions used by the actuary were:

	31 December 2001
Valuation method	Projected unit
Rate of increase in pensionable salaries	4.00%
Rate of increase in pensions in payment	3.00%
Discount rate	5.50%
Inflation assumption	3.00%

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The assets in the scheme and the expected rates of return were:

	Long term rate of return expected at 31 December 2001 %	Value of 31 December 2001 £'000
Equities	7.5	24,759
Bonds	5.0	4,714
Other	4.0	1,005
Total market value of assets		30,478

The net pension asset/(liability) which would be recognised in the company's balance sheet as at 31 December 2001 if FRS 17 had been adopted in full would be as follows:

	31 December 2001 £'000
Total market value of assets	30,478
Present value of liabilities	(48,874)
<b>Deficit in the schemes</b>	<b>(18,396)</b>
Related deferred tax asset	5,519
<b>Net pension liability</b>	<b>(12,877)</b>

The net liabilities and reserves which would be recognised in the company's balance sheet as at 31 December 2001 if FRS 17 had been adopted in full would be as follows:

	2001 £'000
<b>Net liabilities</b>	
Net liabilities excluding pension deficit	(3,767)
Net pension liability	(12,877)
Net liabilities including pension deficit	(16,644)

	2001 £'000
<b>Reserves</b>	
Profit and loss reserve excluding pension deficit	(16,157)
Net pension liability	(12,877)
Profit and loss reserve including pension deficit	(29,034)

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**18 Share capital**

	2001 £	2000 £
<b>Equity : Authorised, allotted, called up and fully paid</b>		
1,690,000 called up and fully paid ordinary shares of £1 each	1,690,000	1,690,000
<b>Non-equity : Authorised, allotted, called up and fully paid</b>		
8,600,000 called up and fully paid redeemable shares of £1 each	8,600,000	8,600,000
	<b>10,290,000</b>	<b>10,290,000</b>

**19 Redeemable shares**

The redeemable shares rank pari passu with the ordinary shares. The shares may be redeemed at anytime, in writing, at the option of the shareholders at nil premium.

**20 Reserves**

	Profit and loss account	
	2001 £	2000 £
At 1 January	(9,885,316)	(11,044,399)
(Loss)/Profit for the year	(6,272,070)	1,159,083
<b>At 31 December</b>	<b>(16,157,386)</b>	<b>(9,885,316)</b>

**21 Reconciliation of movements in shareholders' funds**

	2001 £	2000 £
Opening shareholders' funds	2,504,684	1,345,601
Increase in share capital	-	-
(Loss)/profit for the financial year	(6,272,070)	1,159,083
<b>Closing shareholders' funds</b>	<b>(3,767,386)</b>	<b>2,504,684</b>
<b>Analysed as:</b>		
Equity interests	(12,367,386)	(6,095,316)
Non-equity interests	8,600,000	8,600,000
	<b>(3,767,386)</b>	<b>2,504,684</b>

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## **22 Financial commitments**

At the end of the year capital commitments were £Nil (2000: £Nil).

The company leases certain land and buildings on short and long-term operating leases. The annual rental on these leases was £614,197 (2000: £907,244).

The minimum annual rentals under the company's operating leases are as follows:

	2001		2000	
	Land and Buildings	Other	Land and buildings	Other
	£	£	£	£
Expiring within one year	92,394	234,139	-	178,715
Expiring between two and five years inclusive	634,835	1,117,264	349,800	1,063,903
Expiring in over five years	290,000	-	308,002	-
	<b>1,017,229</b>	<b>1,351,403</b>	<b>657,802</b>	<b>1,242,618</b>

## **23 Capital contribution**

This represents a non-repayable and non-interest bearing contribution received from the parent company.

## **24 Contingent liabilities**

The company has contingent liabilities in the normal course of trade to repurchase trucks, at certain defined periods, within certain lease agreements. Full provision has been made for expected losses under these arrangements.

## **25 Ultimate parent company and ultimate controlling party**

The largest and smallest group of which Jungheinrich UK Limited is a member, and 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 Frederick-Ebert-Damm 129, 22407 Hamburg, Germany.

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

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