

JUNGHEINRICH FINANCIAL SERVICES LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Company registration number 05836857

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JUNGHEINRICH FINANCIAL SERVICES LIMITED

CONTENTS

	Pages
Director and advisers	1
Director's report	2
Report of the independent auditor's	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

JUNGHEINRICH FINANCIAL SERVICES LIMITED

DIRECTOR AND ADVISERS

Director

L Langrish-Smith

Bankers

Barclays Bank PLC
Business Team
1 Marsden Street
Manchester
M2 1HW

Statutory Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans, UK

Solicitors

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

Secretary and Registered Office

C Hanke
Sherbourne House
Sherbourne Drive
Tilbrook
Milton Keynes
MK7 8HX

JUNGHEINRICH FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED

31 DECEMBER 2011

The director presents her report and the audited financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company is the provision of finance to industry by way of leasing. The company has traded successfully in its chosen market.

Credit Risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivables balances are monitored on an ongoing basis and provision is made for doubtful debts if necessary.

Review of business

As the sole provider of financial services to Jungheinrich UK Limited, the business directs its efforts to supporting the sales of materials handling equipment. The company made a profit of £1,091k in 2011 (2010 profit £875k). The improvement is due to an increase in the volume of equipment under lease by 28% year on year.

Looking forward, the company is realistic about the continuing difficult economic conditions in its market sector. With the strength of Jungheinrich UK Limited's customer base and the quality of its products and services (which are continuing to be enhanced), the company remains confident that it will continue to trade successfully in the coming months.

Going concern

The company's outlook is intrinsically linked to its sister company Jungheinrich UK Limited. The continuing difficult economic conditions create an uncertainty over the level of demand for the company's products; however, Jungheinrich UK Limited is taking measures (as discussed in the Directors' Report of that company) to mitigate against such uncertainties. As a further measure of risk management, the company proactively screens both new and existing companies and takes positive steps to mitigate exposure through a variety of measures.

Taking into account changes in trading performance, the company's forecast and projections show that the company is expected to be able to operate within its bank facilities currently in place. The company meets its day-to-day working capital requirement through refinancing of the financial services business by third party banks and loan facilities from its parent company when required.

**JUNGHEINRICH FINANCIAL SERVICES LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER
2011 (CONTINUED)**

Going concern (continued)

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

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

Auditor

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

Dividends

There were no dividends paid during the year or payable at the year end (2010: Nil)

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 FINANCIAL SERVICES LIMITED
DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER
2011 (CONTINUED)**

Disclosure of Information to Auditor

The director, at the date of approval of this report, confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that she ought to have taken as a director in order to make 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

By order of the sole director



L Langrish-Smith

Director

15 June 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JUNGHEINRICH FINANCIAL SERVICES LIMITED

We have audited the financial statements of Jungheinrich Financial Services Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 the sole director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is responsible for the preparation of the financial statements and for being satisfied that she gives 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 director, 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 2011 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 FINANCIAL SERVICES LIMITED (CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Heather Bygrave

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

19 June 2012

JUNGHEINRICH FINANCIAL SERVICES LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Continuing operations			
Turnover	2	55,164	45,537
Costs of materials		(55,106)	(45,530)
		<u>58</u>	<u>7</u>
Staff costs	3	(262)	(242)
Other operating expenses		(775)	(538)
Operating loss		<u>(979)</u>	<u>(773)</u>
Interest receivable and similar income	4	6,439	5,462
Interest payable and similar charges	5	(4,369)	(3,814)
Profit on ordinary activities before taxation	6	<u>1,091</u>	<u>875</u>
Tax on profit on ordinary activities	7	-	-
Profit for the financial year	12	<u>1,091</u>	<u>875</u>

All of the company's activities in the current and previous year derive from continuing operations.

All recognised gains or losses are dealt with through the profit and loss account
Accordingly, no separate statement of total recognised gains and losses is presented

JUNGHEINRICH FINANCIAL SERVICES LIMITED
BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors amounts falling due within one year	8	33,890	21,288
Debtors amount falling due after more than one year	8	57,804	51,496
Cash at bank and in hand		539	5,436
		<u>92,233</u>	<u>78,220</u>
Creditors: amounts falling due within one year	9	(31,531)	(25,044)
Net current assets		<u>60,702</u>	<u>53,176</u>
Creditors: amounts falling due after more than one year	10	(57,776)	(51,341)
Net assets		<u><u>2,926</u></u>	<u><u>1,835</u></u>
Capital and reserves			
Called up share capital	13	700	700
Profit and loss account	12	2,226	1,135
Shareholders' funds		<u><u>2,926</u></u>	<u><u>1,835</u></u>

Company registration number. 05836857

The financial statements on pages 7 to 15 were approved by the director on 15 June 2012 and were signed by.



L Langrish-Smith
Sole Director

JUNGHEINRICH FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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 both the current and prior years, is set out below.

Basis of accounting

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

Going concern

The company's outlook is intrinsically linked to its sister company Jungheinrich UK Limited. The continuing difficult economic conditions create an uncertainty over the level of demand for the company's products; however, Jungheinrich UK Limited is taking measures (as discussed in the Directors' Report of that company) to mitigate against such uncertainties. As a further measure of risk management, the company proactively screens both new and existing companies and takes positive steps to mitigate exposure through a variety of measures.

Taking into account changes in trading performance, the company's forecast and projections show that the company is expected to be able to operate within its bank facilities currently in place. The company meets its day-to-day working capital requirement through refinancing of the financial services business by third party banks and loan facilities from its parent company when required. The director has also received, in both the current and prior year, written guarantees from the ultimate parent company securing the company's obligations to banks and balances owing to other entities within the Jungheinrich AG group.

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

Cash flow

The company is a wholly-owned subsidiary of Jungheinrich AG, 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 FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Turnover

Turnover represents the value of customer contracts under finance leases and the sale of goods and services to customers under operating leases after deducting returns, allowances and sales taxes. Other turnover represents the service element of all contracts

Finance costs

Finance costs represent the hire costs from Jungheinrich Lift Truck Finance Limited

Finance Leases, Operating Leases

Leases have been classified under SSAP 21. Finance leases represent leases where the present value of minimum lease payments are at least 90% of the fair value of the lease property. Assets held under finance leases are recorded as debtors in the balance sheet. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases.

Rentals under operating leases are charged on a straight-line basis over the lease term.

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.

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Related parties

Jungheinrich Financial Services Limited enters into financial service contracts with Jungheinrich UK Limited's customers. The object of the contract is subsequently acquired by Jungheinrich Lift Truck Finance Limited who remains the owner of the object of the contract with the right to transfer ownership to third parties.

2 TURNOVER

	2011	2010
	£'000	£'000
Turnover - finance leases	37,154	31,225
Turnover - operating leases	7,225	5,716
Turnover - other	10,785	8,596
	<u>55,164</u>	<u>45,537</u>

Turnover arises solely from the United Kingdom

3 EMPLOYEE INFORMATION

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

	2011	2010
	No.	No.
By activity		
Administration and sales	7	7
	£'000	£'000
Wages and salaries	230	218
Social security costs	19	12
Pension costs	13	12
	<u>262</u>	<u>242</u>

There were no payments made to the director in either the current or prior years. All director's emoluments are borne by another group company.

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011	2010
	£'000	£'000
Interest from finance leases	6,373	5,413
Interest from group companies	66	49
	<u>6,439</u>	<u>5,462</u>

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest due on sub hire leasing	4,369	3,814
	<u>4,369</u>	<u>3,814</u>

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration – Audit fees payable to the company's auditor for the audit of the annual accounts	5	5
	<u>5</u>	<u>5</u>

7 TAXATION

	2011 £'000	2010 £'000
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
Current tax reconciliation :		
Profit on ordinary activities before tax	1,091	875
Current tax at 26.5% (2010 28%)	<u>289</u>	<u>245</u>
<i>Effects of</i>		
Other timing differences	155	-
Group relief received	(453)	(245)
Impact of rate difference between deferred tax and current tax	9	-
	<u>-</u>	<u>-</u>

A deferred tax asset amounting to £155k for 2011 (2010 £nil) in respect of short term timing differences has not been recognised

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

8 DEBTORS

	2011 £'000	2010 £'000
Amounts falling due within one year		
Amounts receivable under finance leases	22,240	17,972
Trade debtors	2,539	1,834
Prepayments and other debtors	1,611	1,472
Amounts owed by other group undertakings	7,500	10
	<u>33,890</u>	<u>21,288</u>
Amounts falling due after more than one year		
Receivables between two and five years under leasing agreements	54,696	49,476
Receivables over five years under leasing agreements	3,108	2,020
	<u>57,804</u>	<u>51,496</u>

9 CREDITORS: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts payable under finance leases to other group companies (note 11)	22,525	18,341
Amounts owed to other group undertakings	6,162	4,659
Other creditors		
Value added tax	2,440	1,721
Accruals and deferred income	404	323
	<u>31,531</u>	<u>25,044</u>

10 CREDITORS: amounts falling due after more than one year

	2011 £'000	2010 £'000
Amounts payable under finance leases to other group companies (note 11)	57,776	51,341

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

11 LOANS AND OTHER BORROWING

	2011	2010
	£'000	£'000
Amounts payable under finance leases to other group companies	80,301	69,682
Amounts payable under finance leases		
	£'000	£'000
Within one year	22,525	18,341
Between two and five years	54,584	49,334
After five years	3,192	2,007
	80,301	69,682

12 RESERVES

	2011
	£'000
Profit and loss account brought forward	1,135
Profit for the year	1,091
Profit and loss account carried forward	2,226

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2011 (CONTINUED)

13 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised, allotted, called up and fully paid 700,000 ordinary shares of £1 each	700	700

14 ULTIMATE PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

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

The company's immediate parent companies are Jungheinrich UK Holdings Limited, a company registered in England and Wales (90%) and Jungheinrich Financial Services GmbH, a company registered in Germany, owning the remaining 10%.

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.