

JUNGHEINRICH FINANCIAL SERVICES LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

Company registration number: 05836857

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JUNGHEINRICH FINANCIAL SERVICES LIMITED

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**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

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The director presents her strategic report and the audited financial statements for the year ended 31 December 2013.

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 £1,822k in 2013 (2012: profit £921k). There was an increase in the volume of equipment under lease by 7% year on year.

Looking forward, the company recognizes that the material handling equipment market is growing back after the set back of the recession. With the strength and expertise of Jungheinrich UK Limited added to a strong customer base with the high quality of 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. Although the economic outlook has improved in the year, there can still be an uncertainty over the level of demand for the company's products; however, Jungheinrich UK Limited is taking measures (as discussed in the Strategic 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
STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013
(CONTINUED)

Going concern (continued)

The director has 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 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.

Ethical code of conduct and Anti-Bribery Act

The director operates an ethical code of conduct and an Anti-Bribery policy that she takes very seriously and expects all employees, suppliers and customers to abide and respect in all matters of business.

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

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

L Langrish-Smith
Director

JUNGHEINRICH FINANCIAL SERVICES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

Director

The director of the company is shown on page 1. There have been no changes in directors during the year and up to the date of signing these accounts.

Dividends

There were no dividends paid during the year or payable at the year end (2012: £nil).

Auditor

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

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;
- 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 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 2013 (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

29 September 2014

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 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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 Statement of Director's Responsibilities, the director is 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 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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
JUNGHEINRICH FINANCIAL SERVICES LIMITED (CONTINUED)**

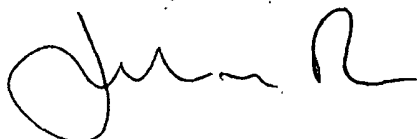
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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.



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

29 September 2014

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

	Notes	2013 £'000	2012 £'000
Continuing operations			
Turnover	2	50,075	44,507
Costs of sales		(50,254)	(44,601)
		<u>(179)</u>	<u>(94)</u>
Staff costs	3	(298)	(319)
Other operating income/(expenses)	4	4	(938)
		<u>(473)</u>	<u>(1,351)</u>
Operating loss			
Interest receivable and similar income	4	6,204	6,574
Interest payable and similar charges	5	(3,909)	(4,302)
		<u>1,822</u>	<u>921</u>
Profit on ordinary activities before taxation	6		
Tax on profit on ordinary activities	7	-	-
		<u>1,822</u>	<u>921</u>
Profit for the financial year	12	1,822	921

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 2013

	Notes	2013 £'000	2012 £'000
Current assets			
Debtors: amounts falling due within one year	8	37,294	32,880
Debtors: amount falling due after more than one year	8	49,327	48,188
Cash at bank and in hand		2,836	3,705
		<u>89,457</u>	<u>84,773</u>
Creditors: amounts falling due within one year	9	(34,419)	(32,716)
Net current assets		<u>55,038</u>	<u>52,057</u>
Creditors: amounts falling due after more than one year	10	(49,369)	(48,210)
Net assets		<u><u>5,669</u></u>	<u><u>3,847</u></u>
Capital and reserves			
Called up share capital	14	700	700
Profit and loss account	12	4,969	3,147
Shareholders' funds		<u><u>5,669</u></u>	<u><u>3,847</u></u>

Company registration number: 05836857

The financial statements on pages 8 to 16 were approved by the director on 29 September 2014 and were signed by:



L Langrish-Smith
Sole Director

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

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently in 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. Although the economic outlook has improved in the year, there can still be an uncertainty over the level of demand for the company's products; however, Jungheinrich UK Limited is taking measures (as discussed in the Strategic 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 guaranteeing 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 has taken advantage of the exemption not to prepare a cash flow statement under FRS1 as a consolidated cash flow statement is produced in the ultimate parent company's accounts which are publically available.

JUNGHEINRICH FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2013 (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. Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Leases

Leases have been classified under SSAP 21 as either finance leases or operating leases. Finance leases represent leases where the present value of minimum leases payments are at least 90% of the fair value of the underlying asset.

The company provides lease finance to third party customers. The company acquires equipment from fellow group subsidiaries through leasing arrangements.

Assets that are leased 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 lease.

Rentals under operating leases are recognised on a straight-line basis over the lease term. Under operating leases, the assets are capitalised in the balance sheet and depreciated on a straight line basis down to their residual value over the life of the relating contract.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

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

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

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

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

	2013 £'000	2012 £'000
Turnover - finance leases	29,248	24,137
Turnover - operating leases	8,946	8,423
Turnover - other	11,881	11,947
	<u>50,075</u>	<u>44,507</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:

By activity:	2013 No.	2012 No.
Administration and sales	7	7
	£'000	£'000
Wages and salaries	259	279
Social security costs	25	26
Pension costs	14	14
	<u>298</u>	<u>319</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.

JUNGHEINRICH FINANCIAL SERVICES LIMITED

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

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £'000	2012 £'000
Interest from finance leases	6,111	6,484
Interest from group companies	93	90
	<u>6,204</u>	<u>6,574</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Interest due on sub hire leasing	3,909	4,302
	<u>3,909</u>	<u>4,302</u>

6 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2013 £'000	2012 £'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	9	5
	<u>9</u>	<u>5</u>

7 TAXATION

	2013 £'000	2012 £'000
UK corporation tax	-	-
	<u>-</u>	<u>-</u>
Current tax reconciliation :		
Profit on ordinary activities before tax	1,822	921
Current tax at 23.25% (2012: 24.5%)	<u>424</u>	<u>225</u>
<i>Effects of :</i>		
Other timing differences	(18)	(19)
Group relief received	(403)	(206)
Impact of rate difference between deferred tax and current tax	(3)	-
	<u>-</u>	<u>-</u>

A deferred tax asset amounting to £7k for 2013 (2012: £14k) 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 2013 (CONTINUED)

8 DEBTORS

	2013 £'000	2012 £'000
Amounts falling due within one year		
Amounts receivable under finance leases	23,034	21,881
Trade debtors	3,254	2,701
Prepayments and other debtors	1,998	1,698
Amounts owed by other group undertakings	9,008	6,600
	<u>37,294</u>	<u>32,880</u>
Amounts falling due after more than one year		
Receivables between two and five years under leasing agreements	46,685	46,096
Receivables over five years under leasing agreements	2,642	2,092
	<u>49,327</u>	<u>48,188</u>

9 CREDITORS: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts payable under finance leases to other group companies (note 11)	23,390	23,022
Amounts owed to other group undertakings	6,770	6,441
Other creditors:		
Value added tax	2,648	2,564
Accruals and deferred income	1,611	689
	<u>34,419</u>	<u>32,716</u>

10 CREDITORS: amounts falling due after more than one year

	2013 £'000	2012 £'000
Amounts payable under finance leases to other group companies (note 11)	49,369	48,210

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

11 LOANS AND OTHER BORROWING

	2013	2012
	£'000	£'000
Amounts payable under finance leases to other group companies	72,759	71,232
Amounts payable under finance leases		
	£'000	£'000
Within one year	23,390	23,022
Between two and five years	46,758	46,136
After five years	2,611	2,074
	72,759	71,232

Amounts payable under finance leases to other group companies are secured against the right to the receivables due under the respective contract agreement.

12 RESERVES

	2013
	£'000
Profit and loss account brought forward	3,147
Profit for the year	1,822
Profit and loss account carried forward	4,969

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£'000	£'000
Opening shareholders' funds	3,847	2,926
Profit for the financial year	1,822	921
Closing shareholders' funds	5,669	3,847

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

14 CALLED UP SHARE CAPITAL

	2013	2012
	£'000	£'000
Authorised, allotted, called up and fully paid 700,000 ordinary shares of £1 each	700	700
	<hr/> <hr/>	<hr/> <hr/>

15 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 35, 22407 Hamburg, Germany.

The company's immediate parent companies are Jungheinrich UK Holdings Limited, a company registered in England and Wales, which owns 90%, and Jungheinrich Financial Services International 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 8 and has not disclosed transactions with the ultimate parent company, Jungheinrich AG or other group undertakings.