

Kardex Systems (UK) Limited

Annual report and financial statements

Registered number 960163

For the year ended 31 December 2014

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Strategic report

Kardex Systems (UK) Limited remains the market leader in the UK for the supply and servicing of automated storage and retrieval systems.

The solid financial results of 2013 continued into 2014. 2014 ended with turnover of £11,730,000, a 4% reduction from 2013. Although our new Business Sales were strong in England, sales in Scotland were impacted by economic uncertainty in the run-up to the independence vote and later by price pressure in the oil and related industries. We did however consolidate our position as market leader in the automated storage and retrieval system market segment with 40-50% market share. Our Service department revenue fell slightly and the gross profit was impacted by the increase in personnel costs as we continue to invest in our service engineers to maintain our market leading position.

Key Performance Indicators

The key financial measures the directors consider as important are turnover and gross profit margin and are described in the directors' report.

Principal risks and uncertainties

The principal risks and uncertainties are: the competitive market in which the company operates, the exchange rate and the general economic climate. The UK directors regularly discuss ways to mitigate these losses, such as considering hedging on large, long-term non GBP currency risks. In 2014 decision making was slowed in Scotland in the run-up to the independent vote and later by the uncertainty in the oil and related sectors. The UK directors regularly discuss how to make up any shortfall in other regions of the country.


Jens Fankhänel
Director


Rolf Mössner
Director

North Suite
First Floor
Stag House
Old London Road
Hertford
Hertfordshire
SG13 7LA

5 June 2015

Directors' report

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

Principal activity

The principal activity of the company continued to be the marketing, distribution and servicing of industrial storage systems and ancillary equipment.

Business review

During the year the company continued to benefit from favourable trading conditions although the full year turnover dropped slightly from £12,270,000 to £11,730,000. The overall gross profit margin remained flat at 38.3%. The profit on ordinary activities before taxation for the year was £1,406,000 (2013: £1,683,000 profit) reflecting the fall in Sales and also an increase in some administration costs.

We continue to invest in additional sales and service employees to sustain this growth into the future, with a number of open positions at year end expected to be filled during 2015. As our main suppliers are the parent factories in Germany, our cost of goods sold are impacted by the euro exchange rate which steadily weakened during the year. This reduced our input costs and enabled us to retain our gross margin, even though Sales had fallen slightly. Administration costs increased as we implemented a general salary increase and a profit share bonus for all staff.

Going concern

The directors, having made appropriate enquiries, consider that the company has adequate resources to continue in the operational business for the foreseeable future and have therefore continued to adopt the going-concern basis in preparing the financial statements.

Proposed dividends

No dividends have been declared or paid in respect of the current financial year (2013: £nil).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were;

Rolf Mössner

Jens Fankhänel

Disclosure of information to auditors'


The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors' are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, PricewaterhouseCoopers LLP have been appointed as the auditor in 2014.

By order of the board


Jens Fankhänel
Director


Rolf Mössner
Director

North Suite
First Floor
Stag House
Old London Road
Hertford
Hertfordshire
SG13 7LA

5 June 2015

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Independent auditors' report to the members of Kardex Systems (UK) Limited

Report on the financial statements

Our opinion

In our opinion, Kardex Systems (UK) Limited's financial statements (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.

What we have audited

Kardex Systems (UK) Limited's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended;
- the statement of total recognised gains and losses;
- the reconciliation of movements in shareholders fund for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Independent auditors' report to the members of Kardex Systems (UK) Limited (continued)

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements 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.



Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge

5 June 2015

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Turnover	2	11,730	12,270
Cost of sales		(7,238)	(7,565)
Gross profit		4,492	4,705
Selling and distribution costs		(866)	(913)
Administrative expenses		(2,094)	(1,959)
Operating profit		1,531	1,833
Interest receivable and similar income	6	14	16
Interest payable and similar charges	7	(10)	-
Other finance costs	8	(129)	(166)
Profit on ordinary activities before taxation	3	1,406	1,683
Tax on profit on ordinary activities	9	(261)	(225)
Profit on ordinary activities after taxation and for the financial year		1,145	1,458

Statement of total recognised gains and losses
for the year ended 31 December 2014

	2014 £000	2013 £000
Profit for the financial year	1,145	1,458
Actuarial loss recognised in the pension scheme	(435)	(286)
Deferred tax arising on actuarial losses in the pension scheme	85	57
Total recognised gains and losses relating to the financial year	795	1,229


The results of Kardex Systems (UK) Limited arise solely from continuing activities in the current and prior year.
There is no difference between the results as presented above and the results on an unmodified historical cost basis.
The notes of page 11 to 23 form part of the financial statements.

Balance sheet
at 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Fixed assets			
Tangible assets	11	63	77
Current assets			
Stocks	12	289	215
Debtors	13	2,611	3,356
Cash at bank and in hand		4,202	2,765
		<hr/>	<hr/>
		7,102	6,336
Creditors: amounts falling due within one year	14	<hr/> (4,178) <hr/>	<hr/> (4,222) <hr/>
Net current assets		<hr/> 2,924 <hr/>	<hr/> 2,114 <hr/>
Total assets less current liabilities		<hr/> 2,987 <hr/>	<hr/> 2,191 <hr/>
Net pension liability	19	<hr/> (336) <hr/>	<hr/> (335) <hr/>
Net assets including pension liability		<hr/> 2,651 <hr/>	<hr/> 1,856 <hr/>
Capital and reserves			
Called up share capital	16	828	828
Share premium account	17	3	3
Capital redemption reserve	17	10	10
Profit and loss account	17	1,810	1,015
		<hr/>	<hr/>
Total Shareholders' funds		<hr/> 2,651 <hr/>	<hr/> 1,856 <hr/>

These financial statements were approved by the board of directors on 5 June and were signed on its behalf by:


Jens Fankhänel
Director


Rolf Mössner
Director

The notes of page 11 to 23 form part of the financial statements

Company registration number: 960163

**Reconciliation of movements in shareholders' funds
for the year ended 31 December 2014**

	2014 £000	2013 £000
Retained profit for the financial year	1,145	1,458
Other recognised losses relating to the year (net)	(350)	(229)
Net addition to shareholders' funds	795	1,229
Opening shareholders' funds	1,856	627
Closing shareholders' funds	2,651	1,856

Notes to the financial statements
(forming part of the financial statements)

1 Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Companies Act 2006 and applicable accounting Standards in the UK.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

As the company is a wholly owned subsidiary of Kardex AG, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Kardex AG, within which the company is included, can be obtained from the address given in note 19.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash flow statement

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that its parent undertaking includes the company in its own published consolidated financial statements.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful lives over the following periods:

Leasehold improvements	- ten years or the unexpired period of the lease if less than ten years
Fixtures, fittings and equipment	- three to five years

Each asset is depreciated on a straight line basis.

Stocks

Stocks are valued at the lower of cost and net realisable value. Costs include a relevant proportion of overhead expenses.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using a fixed rate of exchange for the period. Assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

Turnover

Turnover is the total amount receivable by the Company in the ordinary course of business with outside customers for goods supplied and services provided excluding VAT. Revenue is recognised on delivery of goods and services to the customer.

Long term contract revenues are recognised when the outcome of the transaction can be assessed reliably. Revenue is recognised by reference to the stage of completion which is dependent on the nature of the contract, but will generally be based on costs incurred up to the reporting date or achievement of contractual milestones where appropriate.

Leases

Assets acquired under finance leases or hire purchase contracts are capitalised and the corresponding liability is included in creditors.

Operating lease rentals are charged to the profit and loss account on a straight line basis over the life of the lease.

Pensions

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. This scheme is closed to future entrants and also to existing members to make further contributions.

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

The company also participates in a group pension plan based on stakeholder rules. The assets of the scheme are held separately from those of the company. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2 Turnover

All turnover of the company is derived from the company's principal business as described in the Directors' report. An analysis of turnover by geographical market is given below:

	2014 £000	2013 £000
United Kingdom	11,242	11,733
Rest of Europe	488	537
	<hr/>	<hr/>
	11,730	12,270
	<hr/>	<hr/>

Notes to the financial statements (continued)

3 Profit on ordinary activities before taxation

	2014 £000	2013 £000
<i>Profit on ordinary activities before taxation is stated after charging/crediting:</i>		
Depreciation	31	37
Operating lease charges – plant and machinery	89	146
Operating lease charges - hire of other assets	143	145
(Gain)/loss on foreign exchange	(19)	64
Pension scheme net charge (see note 18)	129	166
<i>Auditors' remuneration</i>		
Audit of these financial statements	13	5
Other services in relation to taxation	6	10
	<u> </u>	<u> </u>

4 Staff numbers and costs

The average monthly number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2014	2013
Sales and services	53	54
Administrative and management	7	7
	<u> </u>	<u> </u>
	60	61
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	2,419	2,347
Social security costs	304	286
Other pension costs	59	33
	<u> </u>	<u> </u>
	2,782	2,666
	<u> </u>	<u> </u>

Notes to the financial statements (continued)

5 Remuneration of directors

	2014	2013
	£000	£000
Directors' emoluments	-	-
Company contributions to money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The remuneration of the directors for their services is borne by other group companies for which no recharge is made.

	Number
Number of directors who are:	
Members of money purchase pension schemes	-
	<u>-</u>

6 Other interest receivable and similar income

	2014	2013
	£000	£000
Interest income on intercompany loan	14	14
Interest income other	-	2
	<u>14</u>	<u>16</u>

7 Interest payable and similar charges

	2014	2013
	£000	£000
Other interest	10	-
	<u>10</u>	<u>-</u>

8 Other finance cost

	2014	2013
	£000	£000
Expected return on pension scheme assets	229	172
Interest on pension scheme liabilities	(358)	(338)
	<u>(129)</u>	<u>(166)</u>

Notes to the financial statements (continued)

9 Tax on profit on ordinary activities

Analysis of credit in year	2014 £000	2013 £000
<i>UK Corporation Tax</i>		
Current tax on income for the period	128	218
Current tax at 21.5% (2013: 23.25%)	128	218
Deferred taxation		
Origination and reversal of timing differences	136	(77)
Adjustment in respect of previous years	(3)	-
Pension scheme timing difference	-	84
Total deferred tax	133	7
Tax on profit on ordinary activities	261	225

The tax for the year is lower (2013: lower) than the standard corporation rate in the UK of 21.5% (2013: 23.25%).

Factors affecting the tax charge for the current year

	2014 £000	2013 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,406	1,683
Current tax at 21.5% (2013: 23.25%)	302	391
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4	23
Impact of rate difference between deferred & current tax	(8)	(25)
Difference between depreciation & capital allowances	(9)	(7)
Pension timing differences	(59)	(15)
Other timing difference	(43)	8
Losses utilised	-	(157)
Group tax relief	(59)	-
Total current tax charge	128	218

Notes to the financial statements (continued)

10 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings and equipment	Total
	£000	£000	£000
<i>Cost</i>			
At beginning of year	290	366	656
Additions	-	17	17
Disposals	(236)	(199)	(435)
	<hr/>	<hr/>	<hr/>
At end of year	54	184	238
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At beginning of year	245	334	579
Charge for the year	15	16	31
Disposals	(236)	(199)	(435)
	<hr/>	<hr/>	<hr/>
At end of year	24	151	175
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2014	30	33	63
	<hr/>	<hr/>	<hr/>
At 31 December 2013	45	32	77
	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

11 Stocks

	2014	2013
	£000	£000
Finished goods and goods for resale	289	215

The replacement value of stock does not materially differ from the Balance Sheet values.

12 Debtors

	2014	2013
	£000	£000
Trade debtors	2,176	2,797
Amounts owed by group undertakings	188	29
Other debtors	32	333
Deferred tax asset (see note 14)	28	77
Corporation tax	58	-
Prepayments and accrued income	129	120
	2,611	3,356

13 Creditors: Amounts falling due within one year

	2014	2013
	£000	£000
Trade creditors	594	338
Amounts owed to fellow subsidiary undertakings	492	650
Other taxation and social security	634	729
Accruals and deferred income	2,458	2,505
	4,178	4,222

Notes to the financial statements (continued)

14 Deferred taxation

The elements of deferred taxation are as follows:

	2014 £000	2013 £000
At start of year – asset	77	168
(Credit)/charge to profit and loss account for the year	(49)	(80)
Movement due to the change in tax rate	-	(11)
	<hr/>	<hr/>
At end of year – asset	28	77
	<hr/>	<hr/>

	Provided 2014 £000	Unprovided 2014 £000	Provided 2013 £000	Unprovided 2013 £000
Difference between accumulated depreciation and capital allowances	17	-	23	-
Short term timing differences	11	-	54	-
Tax losses	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax asset (see note 12)	28	-	77	-
Pension scheme timing differences (see note 18)	87	-	84	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred tax asset	115	-	161	-
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

15 Share capital

Called up share capital	2014	2013
	£000	£000
Allotted, called up and fully paid:		
828,000 (2013: 828,000) ordinary shares of £1 each	828	828
	<hr/>	<hr/>

16 Share premium and reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£000	£000	£000
At 1 January 2014	3	10	1,015
Profit for the financial year	-	-	1,145
Actuarial loss on defined benefit scheme	-	-	(435)
Deferred tax arising on actuarial loss	-	-	85
	<hr/>	<hr/>	<hr/>
At 31 December 2014	3	10	1,810
	<hr/>	<hr/>	<hr/>

17 Commitments

The company had no capital commitments at either the current or preceding year end.

At 31 December, the company had annual commitments under non-cancellable operating leases as set out below:

	2014		2013	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Leases which expire:				
Within one year	13	5	2	7
Between two and five years	212	2	364	-
	<hr/>	<hr/>	<hr/>	<hr/>
	225	7	366	7
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the financial statements (continued)

18 Pensions

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held in separately administered funds.

Pension contributions are determined with the advice of an independent qualified actuary, First Actuarial Services Limited, on the basis of triennial valuations using the projected unit credit method. A full actuarial valuation was carried out at 1 July 2011 and updated to 31 December 2014 for FRS 17 purposes.

The Company made payments of £560,000 (2013: £240,000) including £160,000 accrued payments from the prior year.

The main assumptions used by the actuary were:

	2014 %	2013 %	2012 %
Rate of increase in pensions in payment	2.2	2.6	2.1
Discount rate	3.5	4.5	4.3
Inflation assumption RPI	3.3	3.6	2.8
Inflation assumption CPI	2.3	2.6	2.0

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets

The 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 inherently uncertain, were:

	2014		2013		2012	
	Long term rate of return expected %	Value £000	Long term rate of return expected %	Value £000	Long term rate of return expected %	Value £000
Equities	7.9	2,919	7.6	2,362	7.0	2,172
Bonds	2.2	5,194	3.6	5,102	3.0	5,028
Cash and net current assets	2.2	390	3.6	345	3.0	591
Total market value of assets		8,503		7,809		7,791
Present value of scheme liabilities		(8,926)		(8,228)		(7,998)
Pension (liability)/surplus before deferred tax		(423)		(419)		(207)
Related deferred tax asset		87		84		48
Net pension liability		<u>(336)</u>		<u>(335)</u>		<u>(159)</u>

Notes to the financial statements (continued)

18 Pensions (continued)

Movements in present value of defined benefit obligation

	2014	2013
	£000	£000
At 1 January 2014	8,228	7,998
Interest cost	358	338
Actuarial losses	870	184
Benefits paid	(530)	(292)
	<hr/>	<hr/>
At 31 December 2014	8,926	8,228
	<hr/>	<hr/>

Movements in fair value of plan assets

	2014	2013
	£000	£000
At 1 January 2014	7,809	7,791
Expected return on plan assets	229	172
Actuarial (losses)/gains	435	(102)
Contributions by employer	560	240
Benefits paid	(530)	(292)
	<hr/>	<hr/>
At 31 December 2014	8,503	7,809
	<hr/>	<hr/>

Notes to the financial statements (continued)

18 Pensions *(continued)*

Analysis of other pension costs charged in arriving at operating profit:

	2014 £000	2013 £000
Current service cost	-	-
Curtailment	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Analysis of amounts included in other finance costs:

	2014 £000	2013 £000
Expected return on pension scheme assets	229	172
Interest on pension scheme liabilities	(358)	(338)
	<u>(129)</u>	<u>(166)</u>
	<u>(129)</u>	<u>(166)</u>

Actuarial profit recognised in statement of total recognised gains and losses:

	2014 £000	2013 £000
Actual return less expected return on scheme assets	435	(102)
Changes in assumptions underlying the present value of scheme liabilities	(870)	(184)
	<u>(435)</u>	<u>(286)</u>
	<u>(435)</u>	<u>(286)</u>
Actual return on scheme assets	664	70
	<u>664</u>	<u>70</u>
Cumulative actuarial loss recognised in the STRGL at the Year End	(1,172)	(737)
	<u>(1,172)</u>	<u>(737)</u>

Notes to the financial statements (continued)

18 Pensions (continued)

History of plans

The history of the plans for the current and prior years is as follows:

<i>Balance sheet</i>	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Fair value of scheme assets	8,503	7,809	7,791	7,168	6,520
Present value of scheme liabilities	8,926	8,228	7,998	7,062	6,827
(Deficit)/surplus	(423)	(419)	(207)	106	(307)
<i>Experience adjustments</i>	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
Experience adjustments on scheme liabilities	-	-	(125)	-	(82)
Experience adjustments on scheme assets	435	(102)	231	423	493

The company expects to contribute approximately £400,000 to its defined benefit plans in the next financial year.

19 Ultimate parent undertaking and controlling party

Within the meaning of the Companies Act 2006, Kardex AG, a company incorporated in Switzerland, is the company's ultimate parent company and controlling party, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Kardex AG owns 100% of the issued share capital of Kardex Systems (UK) Limited. Copies of the Kardex AG financial statements are available from: North Suite, 1st Floor, Stag House, Old London Road, Hertford, Herts, SG13 7LA.