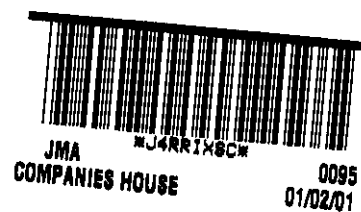


**JUNGHEINRICH (G.B.) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

**Registered no: 757192**



# **JUNGHEINRICH (G.B.) LIMITED**

## **ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 1999**

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## **DIRECTORS AND ADVISERS**

### **Directors**

**S Jeffs**

**K Petersen**

### **Secretary and Registered Office**

**S Shaw**

Southmoor Road  
Wythenshawe  
Manchester  
M23 9DU

### **Registered Auditors**

**PricewaterhouseCoopers**

101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Bankers**

**Barclays Bank PLC**

Corporate Banking Centre  
P O Box 543  
51 Mosley Street  
Manchester  
M60 2BU

### **Solicitors**

**Halliwell Landau**

St James' Court  
Brown Street  
Manchester  
M2 2JE

**Berenberg Bank**

Neuer Jungfernstieg 20  
20354  
Hamburg  
Germany

**Commerzbank**

Ness 7 - 9  
20457  
Hamburg  
Germany

**Société Generale**

Exchange House  
Primrose Street  
London  
EC2A 2HT

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999**

The directors present their report and the audited financial statements for the year ended 31 December 1999.

**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:

	1999 £	1998 £
Accumulated deficit at beginning of year	(11,651,861)	(10,751,113)
Profit/(loss) for financial year	<u>607,462</u>	<u>(900,748)</u>
<b>Accumulated deficit</b>	<u>(11,044,399)</u>	<u>(11,651,861)</u>

**Dividends**

The directors do not recommend the payment of a dividend (1998: £Nil).

**Charitable donations**

The company has made charitable donations totalling £3,430 (1998: £8,150).

**Changes in share capital**

Details of changes in the share capital are set out in note 17.

**Directors**

The directors of the company at 31 December 1999, all of whom have been directors for the whole of the year ended on that date, are listed on page 1.

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1999  
(CONTINUED)****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 a whole. Communication with all employees continues through the newsletters and distribution of the annual report.

**Year 2000**

The company has not suffered any significant financial impact arising from systems failures associated with the Year 2000 issue. The costs associated with the company's preparations for the Year 2000 were not significant compared to the activities of the company.

**The Euro**

The directors consider that the introduction of the Euro will not significantly affect its financial processes.

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. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER  
1999 (CONTINUED)**

- make judgements and 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;
- 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 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.

**Creditor payment policy**

The company's current policy is to pay in accordance with the supplier terms. Trade creditors at the year end represented 55 days (1998: 66 days) of purchases.

**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**  
9 June 2000

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
JUNGHEINRICH (GB) LIMITED**

We have audited the financial statements on pages 6 to 18, which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on pages 3 and 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

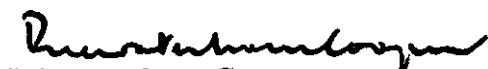
**Basis of audit opinion**

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 1999 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Manchester  
9 June 2000

**JUNGHEINRICH (G.B.) LIMITED**

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED  
31 DECEMBER 1999**

		1999 £	1998 £
<b>Continuing operations</b>	Notes		
<b>Turnover</b>	2	73,753,319	77,728,624
Change in stocks of spare parts and goods for resale		3,755,264	109,232
Other operating income		<u>647,352</u>	<u>52,535</u>
		78,155,935	77,890,391
Purchases of spare parts and goods for resale		(48,042,710)	(49,245,262)
Other external charges		(283,816)	(195,504)
Staff costs	4	(15,145,257)	(13,488,189)
Depreciation and amounts written off tangible fixed assets		(3,546,859)	(3,263,342)
Other operating expenses		<u>(8,857,599)</u>	<u>(10,264,436)</u>
<b>Operating profit/(loss)</b>		2,279,694	1,433,658
Interest receivable and similar income	6	245,312	444,335
Interest payable and similar charges	5	<u>(1,917,544)</u>	<u>(2,778,741)</u>
<b>Profit/(loss) on ordinary activities before taxation</b>	7	607,462	(900,748)
Tax on profit/(loss) on ordinary activities	8	<u>-</u>	<u>-</u>
<b>Profit/(loss) for the financial year</b>	18	607,462	(900,748)
Accumulated deficit at beginning of year		<u>(11,651,861)</u>	<u>(10,751,113)</u>
<b>Accumulated deficit at end of year</b>		<u>(11,044,399)</u>	<u>(11,651,861)</u>

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 (G.B.) LIMITED**

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**BALANCE SHEET AT 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	9	11,239,726	11,186,458
<b>Current assets</b>			
Stocks	10	17,408,731	14,789,815
Debtors	11	26,250,207	23,835,065
Cash at bank and in hand		<u>98,935</u>	<u>1,096,877</u>
		43,757,873	39,721,757
<b>Creditors: amounts falling due within one year</b>	12	<u>(39,168,794)</u>	<u>(44,666,753)</u>
<b>Net current assets/(liabilities)</b>		<u>4,589,079</u>	<u>(4,944,996)</u>
<b>Total assets less current liabilities</b>		15,828,805	6,241,462
<b>Creditors: amounts falling due after more than one year</b>	13	<u>(14,483,204)</u>	<u>(14,103,323)</u>
		<u>1,345,601</u>	<u>(7,861,861)</u>
<b>Capital and reserves</b>			
Called up share capital	17	10,290,000	1,690,000
Capital contribution		2,100,000	2,100,000
Profit and loss account	18	<u>(11,044,399)</u>	<u>(11,651,861)</u>
<b>Equity shareholders' funds</b>		<u>1,345,601</u>	<u>(7,861,861)</u>

The financial statements on pages 6 to 18 were approved by the board of directors on 9 June 2000 and were signed on its behalf by:



**S Jeffs**  
Managing Director

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 1999****1 PRINCIPAL 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:

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. (see note 20).

#### *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 who in turn enters into a lease agreement with the customer. Some leases contain a commitment from the company to repurchase the truck from the customer at the end of the lease at a price specified in the lease agreement.

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

**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 its consolidated cash flow statement. Consequently, the company is exempt under FRS1 (Revised) from the requirement to publish a cash flow statement.

**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.

**2 TURNOVER**

Contributions to turnover by geographical area were as follows:

	1999 £	1998 £
United Kingdom	70,706,897	74,331,618
Other European countries	<u>3,046,422</u>	<u>3,397,006</u>
	<u>73,753,319</u>	<u>77,728,624</u>

Included in the turnover which arises from Europe is £651,654 (1998: £417,764) of sales made to other group undertakings.

**3 DIRECTORS' EMOLUMENTS**

1999                      1998

# JUNGHEINRICH (G.B.) LIMITED

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	£	£
Emoluments (including pension contributions and benefits in kind)	<u>261,738</u>	<u>224,404</u>
Emoluments (including pension contributions and benefits in kind) of the highest paid director	<u>137,635</u>	<u>116,832</u>

Retirement benefits are accruing to two (1998: two) directors under a defined benefit scheme.

At 31 December 1999, the highest paid director's accrued pension is £35,602 (1998: £31,818).

## 4 EMPLOYEE INFORMATION

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

	1999 Number	1998 Number
<b>By activity</b>		
Service	401	382
Administration and sales	<u>166</u>	<u>142</u>
	567	524
	<u>567</u>	<u>524</u>
	£	£
<b>Staff costs (for the above persons)</b>		
Wages and salaries	13,118,657	11,792,937
Social security costs	1,049,600	938,252
Other pension costs	<u>977,000</u>	<u>757,000</u>
	15,145,257	13,488,189
	<u>15,145,257</u>	<u>13,488,189</u>

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	1999 £	1998 £
On bank loans, overdrafts and other loans	<u>1,917,544</u>	<u>2,778,741</u>

Included in the above is the interest element of charges payable under finance leases amounting to £272,364 (1998: £522,866).

## 6 INTEREST RECEIVABLE AND SIMILAR INCOME

1999	1998
------	------

**JUNGHEINRICH (G.B.) LIMITED**

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	£	£
Finance leases and hire purchase contracts	209,303	375,526
On bank loans, overdrafts and other loans	<u>36,009</u>	<u>68,809</u>
	<u>245,312</u>	<u>444,335</u>

**7 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1999 £	1998 £
Profit/loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation and amounts written off tangible fixed assets:		
Owned	573,739	642,040
Held under finance leases	2,973,120	2,621,302
Auditors' remuneration for:		
Audit services	29,000	25,000
Non-audit services	31,500	22,982
Hire of plant and machinery - operating leases	1,445,902	1,363,340
Hire of other assets - operating leases	<u>831,228</u>	<u>872,946</u>

**8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES**

	1999 £	1998 £
The tax credit is based on the profit/(loss) for the year, and comprises:		
Corporation tax recoverable	-	-
Deferred taxation arising from:		
Capital allowances	-	-
Other timing differences	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## 9 TANGIBLE FIXED ASSETS

	Leasehold land and buildings	Motor Vehicles	Fixtures, fittings, tools and equipment	Trucks on hire	Plant and Machinery	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 1999	89,031	457,755	1,657,741	15,618,898	235,210	18,058,635
Additions	168,983	73,019	654,558	5,033,759	59,436	5,989,755
Disposals	-	(39,150)	-	(4,897,010)	-	(4,936,160)
Reclassification	-	(479)	5,376	-	(4,897)	-
<b>At 31 December 1999</b>	<b>258,014</b>	<b>491,145</b>	<b>2,317,675</b>	<b>15,755,647</b>	<b>289,749</b>	<b>19,112,230</b>
<b>Depreciation</b>						
At 1 January 1999	27,655	212,854	955,950	5,543,162	132,556	6,872,177
Charge	21,298	100,594	336,534	3,065,040	23,393	3,546,859
Disposals	-	(27,417)	-	(2,519,115)	-	(2,546,532)
Reclassification	-	(122)	5,811	-	(5,689)	-
<b>At 31 December 1999</b>	<b>48,953</b>	<b>285,909</b>	<b>1,298,295</b>	<b>6,089,087</b>	<b>150,260</b>	<b>7,872,504</b>
<b>Net book value At 31 December 1999</b>	<b>209,061</b>	<b>205,236</b>	<b>1,019,380</b>	<b>9,666,560</b>	<b>139,489</b>	<b>11,239,726</b>
<b>Net book value At 31 December 1998</b>	<b>61,376</b>	<b>244,901</b>	<b>701,791</b>	<b>10,075,736</b>	<b>102,654</b>	<b>11,186,458</b>

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
	£	£	£	£	£	£
<b>As at 31 December 1999</b>	<b>-</b>	<b>58,665</b>	<b>75,036</b>	<b>9,610,254</b>	<b>-</b>	<b>9,743,955</b>
<b>As at 31 December 1998</b>	<b>-</b>	<b>117,414</b>	<b>96,480</b>	<b>8,714,803</b>	<b>-</b>	<b>8,928,697</b>

**10 STOCKS**

	1999 £	1998 £
Finished goods (including parts stock)	9,120,593	5,365,330
Residual interest in trucks	8,186,199	8,891,394
Long term work in progress	<u>101,939</u>	<u>533,091</u>
	<u>17,408,731</u>	<u>14,789,815</u>

**11 DEBTORS**

	1999 £	1998 £
<b>Amounts falling due within one year</b>		
Trade debtors	16,036,902	15,246,166
Amounts owed by other group undertakings	5,443,294	335,392
Receivable under leasing agreements	2,374,286	5,301,658
Corporation tax recoverable	250,291	250,096
Other debtors	126,431	215,964
Prepayments and accrued income	<u>935,813</u>	<u>349,030</u>
	<u>25,167,017</u>	<u>21,698,306</u>
<b>Amounts falling due after more than one year</b>		
Receivable within five years under leasing agreements	<u>1,083,190</u>	<u>2,136,759</u>
	<u>26,250,207</u>	<u>23,835,065</u>

The cost of trucks acquired under finance leases during the year, for the purpose of making them available to customers under finance leases, was £Nil (1998: £Nil).

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

	1999 £	1998 £
Obligations under finance leases	4,666,287	5,023,684
Liabilities in respect of sale and repurchase transactions (note 14)	1,229,016	2,127,526
Bank loans and overdrafts (unsecured)	16,113,644	12,951,986
Trade creditors	5,960,909	6,108,337
Amounts owed to other group undertakings	4,303,823	12,701,375
Other creditors:		
Value added tax	1,918,280	1,794,248
Other creditors	385,544	404,037
Other taxation and social security and PAYE	384,324	380,861
Accruals and deferred income	<u>4,206,967</u>	<u>3,174,699</u>
	<u>39,168,794</u>	<u>44,666,753</u>

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



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

	1999 £	1998 £
Obligations payable within five years under leasing agreements	7,526,021	7,339,455
Liabilities in respect of sale and repurchase transactions	<u>6,957,183</u>	<u>6,763,868</u>
	<u>14,483,204</u>	<u>14,103,323</u>

Liabilities in respect of sale and repurchase transactions represent the value of commitments to buy back trucks sold to leasing companies.

**14 LOANS AND OTHER BORROWING**

	1999 £	1998 £
Unsecured loan stock	16,113,644	12,951,986
Obligations under finance leases	12,192,308	12,363,139
Liabilities in respect of sale and repurchase transactions	<u>8,186,199</u>	<u>8,891,394</u>
	<u>36,492,151</u>	<u>34,206,519</u>

**Finance leases**

Future minimum payments under finance leases are as follows:

	£	£
Within one year	4,666,287	5,023,684
Between two and five years	7,526,021	7,339,455
After five years	-	-
	<u>12,192,308</u>	<u>12,363,139</u>

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

	£	£
Within one year	1,229,016	2,127,526
Between two and five years	6,862,197	6,599,555
After five years	<u>94,986</u>	<u>164,313</u>
	<u>8,186,199</u>	<u>8,891,394</u>

**15 DEFERRED TAXATION**

Deferred taxation has been provided in full, with the exception of the asset in respect of tax losses carried forward because of the uncertainty of their utilisation. Deferred taxation on losses has been recognised to the extent to which the deferred tax liability is eliminated.

	1999 £	1998 £
Excess of tax allowances over book depreciation of owned fixed assets	-	108,000
Excess of book depreciation and finance charges for leased assets over tax allowances	-	(4,000)
Tax losses in year	-	(120,000)
Other timing differences	<u>-</u>	<u>16,000</u>
	-	-

**16 PENSION AND SIMILAR OBLIGATIONS**

Contributions to the company's defined benefit pension scheme are determined by a qualified actuary on the basis of triennial valuations using the projected accrued benefit method. The most recent valuation 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 £977,000 (1998: £757,000) and £691,974 (1998 : £448,567) is accrued in the balance sheet at the year end.

**17 SHARE CAPITAL**

	1999 £	1998 £
<b>Authorised, allotted and unpaid</b>		
5,000,000 (1998: Nil) unpaid redeemable shares of £1 each	5,000,000	-
<b>Authorised, allotted, called up and fully paid</b>		
5,290,000 (1998 : 1,690,000) called up and fully paid ordinary shares of £1 each	5,290,000	1,690,000
	<u>10,290,000</u>	<u>1,690,000</u>

The authorised and issued ordinary share capital of the company was increased by 3,600,000 shares of £1 each by way of a resolution passed on 16 March 1999. The shares were issued for cash and duly paid for on the same day by Jungheinrich Beleilungungs GmbH.

The authorised share capital of the company was increased by a further 5,000,000 redeemable share of £1 each by way of a resolution passed on 22 December 1999. The shares have been issued to, but are unpaid at the year end, by Jungheinrich Beteiligungs GmbH.

## 18 RESERVES

	Profit and loss account	
	1999	1998
	£	£
At 1 January	(11,651,861)	(10,751,113)
Profit/(loss) for the year	<u>607,462</u>	<u>(900,748)</u>
At 31 December	<u>(11,044,399)</u>	<u>(11,651,861)</u>

## 19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Opening shareholders' funds	(7,861,861)	(6,961,113)
Increase in share capital	8,600,000	-
Profit/loss for the financial year	<u>607,462</u>	<u>(900,748)</u>
Closing shareholders' funds	<u>1,345,601</u>	<u>(7,861,861)</u>

## 20 FINANCIAL COMMITMENTS

At the end of the year capital commitments were £64,685 (1998: £96,681).

The company leases certain land and buildings on short and long-term operating leases. The annual rental on these leases was £831,228 (1998: £872,946).

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

	1999		1998	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring within one year	-	1,128,313	42,665	152,421
Expiring between two and five years inclusive	390,550	840,812	193,100	770,222
Expiring in over five years	<u>430,178</u>	<u>-</u>	<u>676,246</u>	<u>-</u>
	820,728	1,969,125	912,011	922,643
	<u>820,728</u>	<u>1,969,125</u>	<u>912,011</u>	<u>922,643</u>

## 21 CAPITAL CONTRIBUTION

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

## 22 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.

## 23 BANK GUARANTEES

The company has provided bank guarantees to Société Generale in respect of special projects in the normal course of business totalling £294,998 and expiring 12 April 2001.

## 24 ULTIMATE PARENT COMPANY

The largest and smallest group of which Jungheinrich (G.B.) 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.

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.