Financial Statements
GHL Liftrucks Limited

For the Year Ended 31 December 2013

Company No. 01379041

Company information

Company registration number	01379041
Registered office	Unit 10 Hewitts Industrial Estate Elmbridge Road Cranleigh Surrey GU6 8LW
Directors	D Alger S Law M Sheldon
Secretary	M Sheldon
Bankers	Royal Bank of Scotland Plc London
Solicitors	Buss Murton Solicitors Tunbridge Wells
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditor Central Milton Keynes

Index

Report of the directors	3 – 4
Strategic Report	5 - 6
Report of the independent auditor	7 - 8
Principal accounting policies	9 - 11
Profit and loss account	12
Balance sheet	13
Notes to the financial statements	14 - 22

Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

Directors

The directors who served the company during the year were as follows:

D Alger
S Law
M Sheldon

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 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 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Report of the directors (continued)

Auditor

Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD

D Alger
Director

Strategic report

The directors present their Strategic Report for the year ended 31 December 2013.

Principal activities and business review

The company is principally engaged in the sale, hire and maintenance of forklift trucks, plant and associated equipment.

There was a profit for the year after taxation amounting to £109,065 (2012: £228,967). No dividend was paid during the year (2012: £nil).

Summary of key performance indicators

The company uses a variety of financial and non-financial indicators to monitor performance versus budget and prior year. The principal indicators are:

	2013	2012
Sales growth	(0.33%)	(0.33%)
Operating profit margin	1.96%	3.02%

Sales and margins remain under pressure due to the continuing economic uncertainty and the company is investing in its sales force in order to strengthen its position in the market place, while constantly monitoring its cost base.

The other key performance indicators include labour efficiencies, unit sales, order intake, salesman performance and margin analysis by region and business sector.

Future developments for the business

The company continues to look at diversification in non-core activities to secure future growth. It has also continued to invest in core activities to ensure the company is positioned to take advantage of any economic upturn.

The company renewed its banking facilities in October 2013 and, based on a review of the company's forecasts, the directors are satisfied that the company will be able to operate within those facilities and settle its debts as they fall due for at least 12 months from the date of signing these financial statements.

Principal risks and uncertainties

The management of the business and the nature of the company's strategy are subject to a number of risks.

The directors set out below the principal risks facing the business.

Competition

Competition remains very strong in the markets occupied by the company. We continue to develop the product and widen the services we offer, in order to strengthen our market position.

Strategic report (continued)

Economic Recovery

Although the economy appears to be recovering the market for capital equipment remained difficult in 2013 and has continued into early 2014. This is being addressed through an active marketing campaign, an effective sales presence in the marketplace and competitive pricing.

Cost Inflation

The company continues to review and benchmark its cost base in order to ensure its competitiveness in the market place, through constant review of existing suppliers and by keeping an open dialogue with alternative sources of supply.

Financial risk management

The company uses various financial instruments including cash, finance leases, loans and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks. The main risks arising from these financial instruments are currency risk, credit risk, interest rate risk and liquidity risk.

Currency risk

The company is exposed to foreign currency risk as it purchases trucks from its principal supplier in US $s. It limits this exposure through the use of forward purchase contracts.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is minimal and so the principal credit risk arises on trade debtors. The company manages this risk by carrying out credit checks on new customers, setting credit limits for each customer and regular review of each debtor account. The overall credit risk is limited as no customer accounts for more than 10% of the company's sales.

Interest rate risk

The interest rates on the bank facilities are variable in line with the bank rate but the company's exposure to interest rate fluctuations is limited by the use of fixed rate finance leases.

Liquidity risk

The company seeks to manage liquidity risk by ensuring that sufficient liquidity is available to meet forecast needs. Short term flexibility is achieved through the use of an overdraft facility, letters of credit and import loans.

ON BEHALF OF THE BOARD

D Alger
Director

Grant Thornton

Report of the independent auditor to the members of GHL Liftrucks Limited

We have audited the financial statements of GHL Liftrucks Limited for the year ended 31 December 2013 which comprise the principal accounting policies, the profit and loss account, the balance sheet and the related notes. 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 directors and auditor

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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 the company's 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the independent auditor to the members of GHL Liftrucks Limited (continued)

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Simon Jones
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants

Central Milton Keynes

3 September 2014

Principal accounting policies

Basis of accounting

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

The accounting policies remain unchanged from the previous year.

Consolidation

The company is a wholly owned subsidiary of a UK company which produces group accounts. The company has therefore taken advantage of the exemption provided by Section 400 of the Companies Act 2006 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover shown in the profit and loss account represents income recognised during the year for goods supplied and services provided. Income from truck sales is recognised on despatch. Rental income from operating leases, excluding charges for services provided, is recognised on a straight line basis over the period of the lease. Service income is recognised over the period of the service.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, excluding freehold land, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold buildings	10% straight line
Short leasehold land and buildings	Period of lease
Plant and machinery	10 - 50% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is stated at the lower of cost and net realisable value.

Principal accounting policies (continued)

Leased assets

Lessee

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

Lessor

Assets held for use in operating leases by the company are capitalised as fixed assets and depreciated over their useful economic life. Rental income from operating leases, excluding charges for services, are recognised on a straight-line basis over the period of the lease.

Provision for liabilities and charges

Where a warranty is granted on the sale of a truck, a provision is created in respect of the warranty costs estimated to arise over the warranty period.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred taxation is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, unless covered by forward exchange contracts. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Principal accounting policies (continued)

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2013 £	2012 £
Turnover	1	**13,167,836**	13,211,931
Operating costs:			
Change in stocks of finished goods and work in progress		**(316,594)**	73,880
Raw materials and consumables		**5,690,750**	5,672,714
Other external charges		**697,392**	578,774
Staff costs	2	**3,898,637**	3,795,937
Depreciation written off fixed assets	3	**848,031**	739,165
Other operating charges	3	**2,091,119**	1,952,619
Operating profit	3	**258,501**	398,842
Interest receivable		**150**	670
Interest payable and similar charges	5	**(109,346)**	(88,512)
Profit on ordinary activities before taxation		**149,305**	311,000
Tax on profit on ordinary activities	6	**40,240**	82,033
Profit for the financial year	19	**109,065**	228,967

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

Balance sheet

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	7	**2,680,029**	2,554,630
Investments	8	**100**	100
		2,680,129	2,554,730
Current assets			
Stocks	9	**1,771,064**	1,454,470
Debtors	10	**1,953,119**	1,817,096
Cash at bank and in hand		**21,712**	513,692
		3,745,895	3,785,258
Creditors: amounts falling due within one year	11	**(3,309,478)**	(3,304,808)
Net current assets		**436,417**	480,450
Total assets less current liabilities		**3,116,546**	3,035,180
Creditors: amounts falling due after more than one year	12	**(1,234,794)**	(1,221,217)
Provisions for liabilities			
Provisions for liabilities and charges	15	**(140,980)**	(182,256)
		1,740,772	1,631,707
Capital and reserves			
Called-up equity share capital	18	**100,000**	100,000
Profit and loss account	19	**1,640,772**	1,531,707
Shareholders' funds	20	**1,740,772**	1,631,707

These financial statements were approved by the board on 29 August 2014 and authorised for issue and are signed on their behalf by:

D Alger
Director

Company number: 01379041

Notes to the financial statements

1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.
An analysis of turnover is given below:

	2013	2012
	£	£
United Kingdom	**13,167,836**	13,211,931

Turnover includes income from operating leases of approximately £1,329,966 (2012: £1,354,302).

2 Staff costs

The average number of staff employed by the company during the financial year amounted to:

	2013	2012
	No	No
Operational	**91**	95
Office administration and clerical	**37**	37
	128	132

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	**3,531,538**	3,405,714
Social security costs	**347,422**	348,570
Other pension costs	**19,677**	41,653
	3,898,637	3,795,937

Notes to the financial statements (continued)

3 Operating profit

Operating profit is stated after charging:

	2013	2012
	£	£
Depreciation of owned fixed assets	**340,325**	321,407
Depreciation of assets held under finance leases and hire purchase agreements	**507,706**	417,758
Profit on sale of tangible fixed assets	**(25,600)**	(10,067)
Auditor's remuneration:		
Audit fees	**16,500**	16,000
Non audit fees - tax services	**2,600**	2,500
Operating lease costs:		
Plant and equipment	–	–
Land and buildings	**148,489**	145,339

4 Directors

Remuneration in respect of directors was as follows:

	2013	2012
	£	£
Emoluments	**295,262**	288,921
Value of company pension contributions to money purchase schemes	**29,361**	22,528
	324,623	311,449

Emoluments of highest paid director:

	2013	2012
	£	£
Total emoluments (excluding pension contributions)	**120,810**	114,744

The number of directors who accrued benefits under company pension schemes was as follows:

	2013	2012
	No	No
Money purchase schemes	**2**	2

Included within other operating charges is a management charge payable to GHL Holdings Limited for the salaries of the directors of GHL Liftrucks Limited. The emoluments relating to these directors are shown above.

Notes to the financial statements (continued)

5 Interest payable and similar charges

	2013	2012
	£	£
Interest payable on bank borrowing	**32,603**	33,103
Finance charges	**76,743**	55,409
	109,346	88,512

6 Taxation on ordinary activities

(a) Analysis of charge in the year

	2013	2012
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20.00% (2012: 24.50%)	**24,681**	94,502
Under/(over) provision in prior year	**813**	(1)
Total current tax	**25,494**	94,501
Deferred tax:		
Adjustments in respect of prior periods	**(618)**	-
Origination and reversal of timing differences	**6,232**	(17,023)
Effect of tax rate change on opening balance	**9,132**	4,555
Total deferred tax charge	**14,746**	(12,468)
Tax on profit on ordinary activities	**40,240**	82,033

(b) Factors affecting current tax charge

	2013	2012
	£	£
Profit on ordinary activities before taxation	**149,305**	311,000
Profit on ordinary activities multiplied by rate of tax	**29,861**	76,195
Capital allowances (greater than)/less than depreciation	**(7,196)**	17,953
Expenses not deductible for tax purposes	**561**	4,091
Other timing differences	**1,455**	178
Tax rate adjustment	**-**	(3,915)
Adjustments to tax charge in respect of previous periods	**813**	(1)
Total current tax (note 6(a))	**25,494**	94,501

Notes to the financial statements (continued)

7 Tangible fixed assets

	Freehold land and buildings £	Short leasehold land and buildings £	Plant and machinery £	Total £
Cost				
At 1 January 2013	308,298	73,949	5,488,960	5,871,207
Additions	-	-	1,003,612	1,003,612
Disposals	-	-	(663,343)	(663,343)
At 31 December 2013	308,298	73,949	5,829,229	6,211,476
Depreciation				
At 1 January 2013	113,017	73,949	3,129,611	3,316,577
Charge for the year	8,606	-	839,425	848,031
On disposals	-	-	(633,161)	(633,161)
At 31 December 2013	121,623	73,949	3,335,875	3,531,447
Net book value				
At 31 December 2013	**186,675**	**-**	**2,493,354**	**2,680,029**
At 31 December 2012	195,281	–	2,359,349	2,554,630

The figures stated above include assets for use in operating leases as follows:

	2013 £	2012 £
Cost	**3,440,034**	3,262,539
Accumulated depreciation	**(1,835,038)**	(1,653,304)
Net book amount	**1,604,996**	1,609,235

Included within the net book value of £2,680,029 is £1,799,814 (2012: £1,907,138) relating to assets held under finance leases and hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £507,706 (2012: £417,758).

Notes to the financial statements (continued)

8 Investments

	Investment in subsidiaries £
Cost and net book amount	
At 1 January 2013 and 31 December 2013	100

At 31 December 2013 the company held 100% of the ordinary share capital of Puma Forklifts Limited, Grant Handling Limited, Heli Liftrucks Limited, GHL Industrial Doors & Dock Levelling Systems Limited and Panther Liftrucks Limited. The capital and reserves of these companies at 31 December 2013 were £100, £100, £100, £1 and £62,911 respectively. All the companies were dormant throughout the year.

Consolidated financial statements of the company and the above wholly owned non-trading subsidiary undertakings, which are all registered in England and Wales, have not been prepared as the company is itself a wholly owned subsidiary undertaking of GHL Holdings Limited.

9 Stocks

	2013 **£**	2012 £
Fuel and spares	**450,030**	418,517
Work in progress	**111,377**	113,405
Finished goods	**1,209,657**	922,548
	1,771,064	1,454,470

10 Debtors

	2013 **£**	2012 £
Trade debtors	**1,696,190**	1,538,507
Other debtors	**5,242**	5,446
Deferred tax	**54,643**	69,388
Prepayments and accrued income	**197,044**	203,755
	1,953,119	1,817,096

The deferred tax asset consists of the tax effect of timing differences in respect of:

	2013 **£**	2012 £
Capital allowances less than depreciation	**54,643**	69,388

Notes to the financial statements (continued)

11 Creditors: amounts falling due within one year

	2013	2012
	£	£
Bank overdrafts	**119,824**	64,568
Trade creditors	**1,716,736**	1,759,150
Corporation tax	**24,681**	94,711
Other taxation and social security	**333,909**	271,305
Amounts due under finance leases and hire purchase agreements	**718,613**	690,753
Other creditors	**110**	–
Pension contributions	**15,995**	8,723
Accruals and deferred income	**379,610**	415,598
	3,309,478	3,304,808

The bank overdraft is secured by a fixed and floating charge over the company's assets and is guaranteed by the ultimate parent undertaking. Finance leases are secured on the assets to which they relate.

12 Creditors: amounts falling due after more than one year

	2013	2012
	£	£
Amounts owed to group undertakings	**613,944**	622,664
Amounts due under finance leases and hire purchase agreements	**620,850**	598,553
	1,234,794	1,221,217

The amount owed to the parent undertaking is not repayable before January 2015.

13 Commitments under finance leases and hire purchase agreements

Future commitments under finance leases and hire purchase agreements are as follows:

	2013	2012
	£	£
Amounts payable within 1 year	**718,613**	690,753
Amounts payable between 1 and 2 years	**480,663**	421,329
Amounts payable between 2 and 5 years	**140,187**	177,224
	1,339,463	1,289,306

Notes to the financial statements (continued)

14 Pensions

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from the company's assets.

15 Provisions for liabilities and charges

	Warranty £
Balance brought forward	182,256
Profit and loss account movement arising during the year	(41,275)
Balance carried forward	**140,981**

	Warranty £
Balance brought forward	182,256
Provided during the year	78,800
Utilised	(93,771)
Released during the year	(26,305)
Balance carried forward	**140,981**

The warranty provision is in respect of trucks. The directors consider the provision to be adequate in the light of experience.

16 Leasing commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	2013		2012	
	Land & buildings £	**Other items £**	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	-	–	9,450	–
Within 2 to 5 years	**75,600**	–	63,000	–
After more than 5 years	**72,889**	–	72,889	–
	148,489	–	145,339	–

Notes to the financial statements (continued)

17 Related party transactions

As a wholly owned subsidiary of GHL Holdings Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by GHL Holdings Limited.

18 Share capital

Authorised share capital:

	2013	2012
	£	£
100,000 Ordinary shares of £1 each	**100,000**	100,000

Allotted and called up:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	**100,000**	**100,000**	100,000	100,000

19 Profit and loss account

	2013	2012
	£	£
Balance brought forward	**1,531,707**	1,302,740
Profit for the financial year	**109,065**	228,967
Balance carried forward	**1,640,772**	1,531,707

20 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
Profit for the financial year	**109,065**	228,967
Net increase in shareholders' funds	**109,065**	228,967
Opening shareholders' funds	**1,631,707**	1,402,740
Closing shareholders' funds	**1,740,772**	1,631,707

21 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £614,722 (2012: £622,892

Notes to the financial statements (continued)

22 Contingent liabilities

There were no contingent liabilities at 31 December 2013 or 31 December 2012 other than a cross guarantee provided to GHL Holdings Limited in respect of its overdraft facility which at 31 December 2013 amounted to £nil (2012: £nil).

23 Ultimate parent company

GHL Holdings Limited is the company's controlling related party by virtue of being its ultimate parent undertaking. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by GHL Holdings Limited.