

COMPANY REGISTRATION NUMBER 01804016

DEL EQUIPMENT (UK) LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013

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DEL EQUIPMENT (UK) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGE
Officers and professional advisers	1
Directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following pages do not form part of the financial statements	
Detailed profit and loss account	16
Notes to the detailed profit and loss account	17

DEL EQUIPMENT (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

I Street
S Eskriett
M Saint

Registered office

Building 1 Windrush Park
Windrush Industrial Estate
Witney
Oxfordshire
OX29 7HA

Auditor

Shaw Gibbs Limited
Chartered Certified Accountants
& Statutory Auditor
264 Banbury Road
Oxford
OX2 7DY

Bankers

SEB Group
2 Cannon Street
London
EC4M 6XX

DEL EQUIPMENT (UK) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

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

PRINCIPAL ACTIVITIES AND STRATEGIC REVIEW

The principal activity of the company continued to be that of the design, manufacture and distribution of tail lifts for commercial vehicles and wheelie-bin lifts.

During 2013, DEL Equipment (UK) Ltd. continued to enjoy the benefits of being part of the multi-national group, Cargotec Corporation, a company listed on the Finnish stock exchange. The company is part of HIAB "tail lift division", which is the largest tail lift manufacturer in the world, with principal manufacturing sites in Sweden, the USA and the UK and with sales offices and distributors in many other countries. The tail lift brands, which include Zepro, Waltco and DEL are distributed throughout the world.

As forecast the financial performance of the company improved significantly in 2013.

In addition to a general improvement in the transport industry, DEL's market share increased during the year. Turnover increased by 10.5% from £11,098,877 in 2012 to £12,268,519 in 2013. The directors are very satisfied with this result particularly as it followed upon a 23% increase from 2011 to 2012. It is the first time sales were above £12m, and sales volumes over 6,600 units were a 5% increase on 2012.

In 2013, the company had a Profit on Ordinary Activities before Taxation of £772,113 up by 330% on the £179,412 achieved in 2012.

The directors are forecasting more modest growth for 2014 due to legislation in the transport industry and the introduction of Euro 6 vehicles. Profits are expected to rise further through product design improvements, efficiency improvement initiatives and new product launches which will all come to fruition during 2014.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £579,532. The directors have not recommended a dividend.

DIRECTORS

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

I Forman
M Militello
I Street
S Eskriett
M Saint

M Saint was appointed as a director on 24 April 2013.

I Forman resigned as a director on 25 April 2013.
M Militello resigned as a director on 12 March 2013.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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 year.

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;

DEL EQUIPMENT (UK) LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

- 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.

DONATIONS

During the year the company made the following contributions:

	2013 £	2012 £
Charitable	<u>1,707</u>	<u>1,764</u>

AUDITOR

Shaw Gibbs Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
Building 1 Windrush Park
Windrush Industrial Estate
Witney
Oxfordshire
OX29 7HA

Signed on behalf of the directors



M Saint

Director

Approved by the directors on 23/5/2014

DEL EQUIPMENT (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEL EQUIPMENT (UK) LIMITED

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Del Equipment (UK) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, 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 shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on pages 2 to 3, 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). 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 directors; 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

DEL EQUIPMENT (UK) LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DEL EQUIPMENT (UK) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2013

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.



LORNA WATSON (Senior Statutory Auditor)

For and on behalf of
SHAW GIBBS LIMITED
Chartered Certified Accountants
& Statutory Auditor

264 Banbury Road
Oxford
OX2 7DY

28 May 2014

DEL EQUIPMENT (UK) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
TURNOVER	2	12,268,612	11,098,877
Cost of sales		9,006,229	8,559,859
GROSS PROFIT		3,262,383	2,539,018
Administrative expenses		2,508,447	2,418,850
Other operating income	3	—	(20,018)
OPERATING PROFIT	4	753,936	140,186
Interest receivable		18,177	39,226
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		772,113	179,412
Tax on profit on ordinary activities	7	192,581	40,148
PROFIT FOR THE FINANCIAL YEAR		<u>579,532</u>	<u>139,264</u>

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.

The notes on pages 8 to 14 form part of these financial statements.

DEL EQUIPMENT (UK) LIMITED

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
FIXED ASSETS			
Tangible assets	8	<u>139,851</u>	<u>139,589</u>
CURRENT ASSETS			
Stocks	9	1,598,384	1,624,026
Debtors due within one year	10	2,997,911	2,187,271
Cash at bank and in hand		<u>6,452,231</u>	<u>5,050,744</u>
		<u>11,048,526</u>	<u>8,862,041</u>
CREDITORS: Amounts falling due within one year	11	<u>2,636,781</u>	<u>1,034,711</u>
NET CURRENT ASSETS		<u>8,411,745</u>	<u>7,827,330</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,551,596</u>	<u>7,966,919</u>
PROVISIONS FOR LIABILITIES			
Deferred taxation	12	<u>19,487</u>	<u>14,342</u>
		<u>8,532,109</u>	<u>7,952,577</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	1,200	1,200
Profit and loss account	17	<u>8,530,909</u>	<u>7,951,377</u>
SHAREHOLDERS' FUNDS	18	<u>8,532,109</u>	<u>7,952,577</u>

These accounts were approved by the shareholders and authorised for issue on 23/5/2014 and are signed on their behalf by:



M SAINT
Director

Company Registration Number: 01804016

The notes on pages 8 to 14 form part of these financial statements.

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES

Basis of accounting

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

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

Cash flow statement

Cash flow statements have not been prepared as the directors have taken advantage of the exemptions given in the Companies Act 2006, on the grounds that the company is included in the consolidated accounts of a large EU group.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

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

Plant & machinery	- 20% reducing balance
Fixtures & fittings & equipment	- 25% reducing balance
Motor vehicles	- 20% reducing balance

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 valued at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable production overheads. Net realisable value is based on the estimated selling price after allowing for all further costs of completion and disposal.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The pension cost charged in the financial statements represents the contributions payable by the company during the year.

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. ACCOUNTING POLICIES (*continued*)

Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen, but not reversed by the balance sheet date, unless such provision is not permitted by FRS 19.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. 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	12,118,453	11,076,833
Overseas	150,159	22,044
	<u>12,268,612</u>	<u>11,098,877</u>

3. OTHER OPERATING INCOME

	2013 £	2012 £
Other operating income	<u>—</u>	<u>20,018</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	32,636	29,704
Loss on disposal of fixed assets	—	1,787
Auditor's remuneration		
- as auditor	10,000	10,000
Operating lease costs:		
- Other	249,454	197,863
Net loss/(profit) on foreign currency translation	<u>5,791</u>	<u>(3,249)</u>

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

5. PARTICULARS OF EMPLOYEES

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

	2013	2012
	No	No
Manufacturing	60	52
Office and management	23	22
	<u>83</u>	<u>74</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	2,280,199	2,333,449
Social security costs	219,780	218,201
Other pension costs	51,054	48,230
	<u>2,551,033</u>	<u>2,599,880</u>

6. DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services were:

	2013	2012
	£	£
Remuneration receivable	335,460	469,915
Value of company pension contributions to money purchase schemes	22,994	26,592
	<u>358,454</u>	<u>496,507</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	97,764	271,336
Value of company pension contributions to money purchase schemes	7,867	12,445
	<u>105,631</u>	<u>283,781</u>

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

	2013	2012
	No	No
Money purchase schemes	<u>4</u>	<u>3</u>

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2013 £	2012 £
<u>Current tax:</u>		
In respect of the year:		
UK Corporation tax based on the results for the year at 23.25% (2012 - 24.50%)	178,672	34,570
Over/under provision in prior year	8,764	-
Total current tax	<u>187,436</u>	<u>34,570</u>
<u>Deferred tax:</u>		
Origination and reversal of timing differences (note 12)		
Capital allowances	5,145	5,578
Tax on profit on ordinary activities	<u>192,581</u>	<u>40,148</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>772,113</u>	<u>179,412</u>
Profit on ordinary activities by rate of tax	179,516	43,956
Non deductible expenses	2,083	704
Depreciation add back	7,587	7,278
Capital allowances	(10,490)	(14,494)
Other timing differences	-	(135)
Rounding on tax charge	(24)	8
Over/under provision in prior year	8,764	-
Sundry tax adjusting items	-	(2,747)
Total current tax (note 7(a))	<u>187,436</u>	<u>34,570</u>

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

8. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
COST				
At 1 January 2013	517,892	290,575	34,763	843,230
Additions	12,260	20,638	—	32,898
At 31 December 2013	530,152	311,213	34,763	876,128
DEPRECIATION				
At 1 January 2013	430,186	245,820	27,635	703,641
Charge for the year	18,423	12,788	1,425	32,636
At 31 December 2013	448,609	258,608	29,060	736,277
NET BOOK VALUE				
At 31 December 2013	81,543	52,605	5,703	139,851
At 31 December 2012	87,706	44,755	7,128	139,589

9. STOCKS

	2013 £	2012 £
Raw materials	874,909	1,108,019
Work in progress	531,016	353,712
Finished goods	192,459	162,295
	1,598,384	1,624,026

10. DEBTORS

	2013 £	2012 £
Trade debtors	2,610,327	1,752,211
Amounts owed by group undertakings	274,936	264,701
Prepayments and accrued income	112,648	170,359
	2,997,911	2,187,271

11. CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	1,291,616	259,764
Amounts owed to group undertakings	235,192	273,585
Corporation tax	102,935	34,691
PAYE and social security	136,529	53,928
VAT	312,590	153,403
Other creditors	—	17,545
Accruals and deferred income	557,919	241,795
	2,636,781	1,034,711

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

12. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2013	2012
	£	£
Provision brought forward	14,342	8,764
Profit and loss account movement arising during the year	5,145	5,578
Provision carried forward	<u>19,487</u>	<u>14,342</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2013	2012
	£	£
Excess of taxation allowances over depreciation on fixed assets	19,487	14,342
	<u>19,487</u>	<u>14,342</u>

13. COMMITMENTS UNDER OPERATING LEASES

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

	Land and buildings	
	2013	2012
	£	£
Operating leases which expire:		
After more than 5 years	<u>232,969</u>	<u>255,564</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions provided by FRS 8 - Related party disclosures not to disclose transactions with related undertakings. The consolidated accounts of the parent company are publicly available from the company's registered office and from the company's website.

15. PENSION COSTS

	2013	2012
	£	£
Contributions payable by the company for the year	<u>51,054</u>	<u>48,230</u>

16. SHARE CAPITAL

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
Ordinary shares of £1 each	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>	<u>1,200</u>

17. PROFIT AND LOSS ACCOUNT

	2013	2012
	£	£
Balance brought forward	7,951,377	7,812,113
Profit for the financial year	579,532	139,264
Balance carried forward	<u>8,530,909</u>	<u>7,951,377</u>

DEL EQUIPMENT (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Profit for the financial year	579,532	139,264
Opening shareholders' funds	7,952,577	7,813,313
Closing shareholders' funds	<u>8,532,109</u>	<u>7,952,577</u>

19. ULTIMATE PARENT COMPANY

The company's immediate parent company is Bringeven Limited, a company incorporated in England.

The ultimate parent company is Cargotec Corporation, a company incorporated in Finland.