

Company Registration No. 02319386

Crown Lift Trucks Limited

Report and Financial Statements

31 March 2014

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Crown Lift Trucks Limited

Annual report and financial statements for the year ended 31 March 2014

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Crown Lift Trucks Limited

Annual report and financial statements for the year ended 31 March 2014

Officers and professional advisers

Directors

J F Dicke III Chairman
S Emery
K Dufford
J Tate
N Dessaint
R Baxter
D Kerr

Company Secretary

N Dessaint

Registered Office

Rutherford Road
Basingstoke
Hampshire
RG24 8PD

Bankers

Wells Fargo Bank, N.A.
London Branch
One Planatation Place
30 Fenchurch Street
London
EC3M 3BD

Solicitors

Greenwoods Solicitors LLP
Monkstone House
City Road
Peterborough
PE1 1JE

Dixon Ward & Co
15 and 16 The Green
Richmond
Surrey
TW9 1QD

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading
United Kingdom

Crown Lift Trucks Limited

Strategic report

The Directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activities

Crown Lift Trucks Limited is a retail subsidiary of Crown Equipment Corporation. The principal activities of the group during the year were the sale, hire, and servicing of materials handling equipment.

Equipment sales generate the largest contribution to sales albeit with the lowest of margin levels. Increases in equipment sales feed our service, parts and rental activities which is seen in the increases top line figures in these areas.

The UK market performed broadly as expected in 2013 and recorded total new lift truck sales of 26,976,000 units which represents a 0.6% increase in overall sales over the 2012 period. Counterbalance (internal combustion) orders, where the Company does not effectively compete due to our model range, rose 2% to 13,577,000 units while the Company's major market in the "warehouse" segment (battery electric powered equipment) contracted 1% on the 2012 number to 13,060 units as recorded by The British Industrial Truck Association (BITA). In a market segment down 1%, the Company performed well and maintained our market share of 5.8% year on year. These total sale volumes are still well below the pre recession peaks of 30,000 units (approx.) 2005 and 2007, but there has been a strong first half year result in 2014 and the expectations are that the "warehouse" market could improve up to 5.7% this year. The Company's market share has grown in this six month period to almost 7% and our forecasts are for this strong year on year performance to continue through until at least calendar year end.

Principal risks and uncertainties

The Company relies on continuing increases in equipment sales year on year to feed the growth planned. The major risk to the Company is that it will not make the equipment sales target which will impact growth in service and rental. This is dependent on mainly upon our relationship with the customer and service levels.

Approved by the Board of Directors
and signed on behalf of the Board



Nicola Dessaint
Director

Aug 26, 2014

Crown Lift Trucks Limited

Directors' report

The Directors present their annual report and the audited financial statements of the group for the year ended 31 March 2014.

Activity

The principal activities of the group during the year were the sale, hire, and servicing of materials handling equipment.

Review of developments and future prospects

Trading levels remained stable for Crown Lift Trucks Limited ("Crown") during 2013/14. Gross profit at March 2014 showed an increase of £292,000 over March 2013 which translate into a decrease of 1.6% from 28.5% for 31 March 2013 to 26.9% at March 2014. The profit before tax at 31 March 2014 is £429,000 against a profit of £320,000 for the year ended 31 March 2013. The Directors consider the results as encouraging given the continuing difficult economic climate and remain optimistic about the group's future.

Crown's sales rose by 9% and £3,014,000 to £35,778,000 for the year ended 31 March 2014 from £32,764,000 for the year ended 31 March 2013. Crown was successful once again in winning several new major and key account deals.

Distribution and administration expenses increased to £9,505,000 in 2013/14 from £9,324,000 in 2012/13. The increase in the number of direct employees (by 6%) required to sustain the significant growth experienced during the year in the main explain the increase in distribution expense.

The Directors expect the general level of trading in the next financial year to continue at the March 2014 levels. Distribution and administration costs are expected to increase as plans to grow the business continues.

Financial risk management objectives and policies

The group's activities expose it to a number of financial risks including interest rate risk, credit risk and liquidity risk. The use of financial derivatives is governed by the group's policies approved by the board of Directors, which provide written principles on the use of financial derivatives to manage these risks. The group does not use derivative financial instruments for speculative purposes.

Interest rate risk

The group's exposure to interest rate fluctuations on its borrowings is managed by borrowing in sterling at both floating and fixed interest rates.

Credit risk

The group's principal financial assets are bank balances and cash, trade and other receivables and investments.

The group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Crown Lift Trucks Limited

Directors' report (continued)

Financial risk management objectives and policies (continued)

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Dividends

The Directors do not recommend the payment of a dividend for the year (2013: £nil).

Going concern

The group's business activities, together with the factors likely to affect its future development and performance and position are set out above.

The group has continued to adapt well to the fairly flat flat fork lift truck market in the UK and is well placed to take advantage of any further upturn in the economy. The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its available working capital.

At 31 March 2014 the group was in a positive net current assets position. Management have access to a banking facility to provide additional cash flows to the business if required and have forecast cash requirements for the twelve months from the date of these financial statements.

The Directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, we continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors

The Directors, who served throughout the year and to the date of signing this report, are shown on page 1. In accordance with the Articles of Association, all Directors serving at the year-end retire and, being eligible, offer themselves for re-election.

Auditor

Each of the persons who are a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the group's auditors is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming annual general meeting.

Approved by the Board of Directors and signed on behalf of the Board



Nicola Dessaint
Director

Aug 26, 2014

Crown Lift Trucks Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Annual 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 period. In preparing these financial statements, the directors are required to select suitable accounting policies and then apply them consistently;

- select suitable accounting policies and then apply them consistently;
- make judgments 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; 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 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 auditor's report to the members of Crown Lift Trucks Limited

We have audited the financial statements of Crown Lift Trucks Limited for the year ended 31 March 2014 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes 1 to 23. 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 group'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 group'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 group and the group'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 Directors' Responsibilities Statement, 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 (APB'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 group's and the parent 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 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 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.

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.

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.



Andrew Hornby (ACA)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Reading, UK
2 September 2014

Crown Lift Trucks Limited

Consolidated profit and loss account For the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Turnover	2	35,778	32,764
Cost of sales		(26,162)	(23,440)
Gross profit		<u>9,616</u>	<u>9,324</u>
Distribution costs		(5,369)	(4,917)
Other administrative expenses		(4,136)	(4,407)
Operating profit		<u>111</u>	<u>-</u>
Interest payable and similar charges	4	(219)	(236)
Interest receivable and similar income	5	537	555
Profit on ordinary activities before taxation	3	<u>429</u>	<u>319</u>
Tax on profit on ordinary activities	7	-	-
Profit on ordinary activities after taxation	16	<u><u>429</u></u>	<u><u>319</u></u>

All amounts derive from continuing operations.

Crown Lift Trucks Limited

Consolidated statement of total recognised gains and losses For the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Profit for the financial year		429	320
Actuarial gain /(loss) relating to pensions	21	1,089	(2,503)
Total recognised gains and (losses) in the year		<u>1,518</u>	<u>(2,183)</u>

Crown Lift Trucks Limited

Consolidated balance sheet As at 31 March 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	5,179	6,400
Current assets			
Stocks	10	7,458	6,224
Debtors	11	6,597	5,086
Cash at bank and in hand		-	2,427
		14,055	13,737
Creditors: amounts falling due within one year	12	(10,166)	(10,941)
Net current assets		3,889	2,796
Total assets less current liabilities		9,068	9,196
Creditors: amounts falling due after more than one year	13	(2,406)	(1,884)
Net assets excluding pension liability		6,662	7,312
Pension liability	21	(2,604)	(4,772)
Net assets including pension liability		4,058	2,540
Capital and reserves			
Called up share capital	15	2,000	2,000
Profit and loss account	16	2,058	540
Total shareholder's funds	16	4,058	2,540

The financial statements of Crown Lift Trucks Limited (registered number 02319386) were approved by, and authorised for issue by the Board of Directors on August 26, 2014.

Signed on behalf of the Board of Directors



Nicola Dessaint
Director

Crown Lift Trucks Limited

Company balance sheet As at 31 March 2014

	Notes	2014 £'000	2013 £'000
Fixed assets			
Tangible assets	8	5,179	6,400
Investments	9	3,776	3,776
		<u>8,955</u>	<u>10,176</u>
Current assets			
Stocks	10	7,458	6,224
Debtors	11	6,597	5,086
Cash at bank and in hand		-	2,427
		<u>14,055</u>	<u>13,737</u>
Creditors: amounts falling due within one year	12	<u>(13,942)</u>	<u>(14,717)</u>
Net current assets/(liabilities)		<u>113</u>	<u>(980)</u>
Total assets less current liabilities		<u>9,068</u>	<u>9,196</u>
Creditors: amounts falling due after more than one year	13	<u>(2,406)</u>	<u>(1,884)</u>
Net assets excluding pension liability		<u>6,662</u>	<u>7,312</u>
Pension liability	21	<u>(2,604)</u>	<u>(4,772)</u>
Net assets including pension liability		<u>4,058</u>	<u>2,540</u>
Capital and reserves			
Called up share capital	15	2,000	2,000
Profit and loss account	16	2,058	540
TOTAL SHAREHOLDER'S FUNDS	16	<u>4,058</u>	<u>2,540</u>

The financial statements of Crown Lift Trucks Limited (registered number 02319386) were approved by, and authorised for issue by the Board of Directors on August 26, 2014.

Signed on behalf of the Board of Directors



Nicola Dessaint
Director

Crown Lift Trucks Limited

Consolidated cash flow statement For the year ended 31 March 2014

	Notes	2014 £'000	2013 £'000
Net cash outflow from operating activities	17	(3,644)	(2,272)
Returns on investments and servicing of finance			
Interest paid		(57)	(119)
Interest element of finance lease rentals payments		(162)	(117)
Net cash outflow from returns on investments and servicing of finance		(219)	(236)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,452)	(357)
Receipts from sales of tangible fixed assets		2,766	-
Net cash inflow/ (outflow) from capital expenditure		1,314	(357)
Net cash outflow before financing		(2,549)	(2,865)
Financing			
Issue of ordinary share capital		-	5,000
Increase/Repayment of bank loans		861	(964)
Capital element of finance lease rentals		(861)	(728)
Net cash inflow from financing		-	3,308
(Decrease)/ increase in cash in the year	19	(2,549)	443

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently year on year.

Basis of preparation and going concern

The financial statements are prepared under the historical cost convention.

The group's business activities, together with the factors likely to affect its future development and performance and position are set out above.

The group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the group should be able to operate within the level of its available working capital.

At March 31, 2014 the group was in a positive net current assets position. Management have access to a banking facility to provide additional cash flows to the business if required and have forecast cash requirements for the twelve months from the date of these financial statements.

The Directors believe that the group has adequate resources to continue in operational existence for the foreseeable future. Thus, we continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

Turnover represents the invoiced value of goods and services sold, excluding value added tax.

Turnover can be derived through the leasing of assets. The life of the lease determines the accounting treatment. Where the asset is leased for the majority of its useful life, the risks and rewards of ownership are deemed to have passed to the customer. On this basis a full sale is recorded and the full amount of turnover is recognised. Service revenue is recognised as the work is performed.

Where the asset is not leased for the majority of its useful life, not all the risks and rewards of ownership are deemed to have passed to the customer. On this basis a partial sale is recorded and the relevant proportion of turnover is recognised. The remaining turnover is deferred until the asset is returned and used again.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided in equal annual instalments over the estimated useful lives of tangible fixed assets and is calculated on the cost of the assets less any residual value.

Depreciation is not provided on freehold land.

The rates of depreciation are as follows:

Leasehold land and buildings	Over the term of the lease
Plant, machinery and office equipment	10 to 33 1/3% per annum
Motor vehicles	25% per annum
Hire fleet trucks	20% to 50% per annum

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price (net of trade discounts) of stock on hand less all costs expected to be incurred in marketing, distribution and selling. Provision is made for obsolete, slow moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets are not discounted.

Foreign exchange

Income and expenditure in foreign currencies is translated into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

Pensions

The group has contracted out of the state pension scheme and maintains defined benefit schemes to provide members with retirement benefits, lump-sum entitlements and insurance cover.

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

1. Accounting policies (continued)

Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the period of the leases.

Assets acquired under finance leases and hire purchase contracts are capitalised at their fair value on inception of the leases and depreciated over their estimated useful lives. Finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Lease income

Income from operating leases is recognised on a straight line basis over the period of the lease.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiary undertakings (see note 9), using the acquisition method of accounting.

Group financial statements

The company profit and loss account is not presented as the company has taken advantage of the exemption conferred by S408 of the Companies Act 2006. The parent company's profit for the year is £429,000 (2013: profit of £320,000).

2. Turnover

The Directors consider that there is only one class of business. Accordingly no analysis of turnover by business type is provided.

	2014 £'000	2013 £'000
Sales to third parties	35,136	32,102
Sales to fellow group undertaking	642	662
	<u>35,778</u>	<u>32,764</u>
Geographical analysis of turnover by destination:		
United Kingdom	30,743	30,441
Rest of Europe	963	2,323
Rest of World	4,072	-
	<u>35,778</u>	<u>32,764</u>

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

3. Profit on ordinary activities before tax

	2014 £'000	2013 £'000
Profit on ordinary activities before tax is after charging/(crediting):		
Auditors' remuneration:		
Audit fees - Group	10	10
- Company	48	48
Taxation fees	50	50
Other legal and professional fees	140	84
Actuarial fees	38	49
Depreciation of tangible fixed assets:		
Owned assets	827	825
Leased assets	752	635
Operating lease expense buildings	482	430
Operating lease expense other	1,448	670
	<u>1,448</u>	<u>670</u>

4. Interest payable and similar charges

	2014 £'000	2013 £'000
Bank loans and overdrafts	57	119
Interest on finance leases	162	117
	<u>219</u>	<u>236</u>

5. Interest receivable and similar income

	2014 £'000	2013 £'000
Income on pension	537	555
	<u>537</u>	<u>555</u>

6. Information regarding Directors and employees

	2014 £'000	2013 £'000
Directors' emoluments		
Emoluments	127	211
Contributions to money purchase pension schemes	30	27
	<u>157</u>	<u>238</u>

Highest paid director

	2014 £'000	2013 £'000
Emoluments	88	154
Contributions to money purchase pension schemes	7	25
	<u>95</u>	<u>179</u>

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

6. Information regarding Directors and employees (continued)

One director was a member of the company's defined benefit pension scheme (2013: one).

Three Directors received remuneration from the company (2013: three). The other Directors receive remuneration from other group companies. The allocation of remuneration for their services to Crown Lift Trucks Limited is £223,500 (2013: £41,000).

	2014 No.	2013 No.
Average number of persons employed (including Directors)		
Direct	132	125
Indirect	46	43
	<u>178</u>	<u>168</u>

	2014 £'000	2013 £'000
Staff and Directors costs during the year		
Wages and salaries	5,982	5,369
Social security costs	670	565
Other pension costs	430	420
	<u>7,082</u>	<u>6,354</u>

7. Tax on profit on ordinary activities

Tax charge comprises:

	2014 £'000	2013 £'000
Total current tax	<u>-</u>	<u>-</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax 23% (2013: 24%) to the gain before tax is as follows:

	2014 £'000	2013 £'000
Group profit on ordinary activities before tax	<u>429</u>	<u>320</u>
Tax on group profit on ordinary activities at standard UK corporation tax rate of 23% (2013: 24%)	99	77
Effects of:		
Expenses not deductible for tax purposes/ (Income not taxable)	(27)	68
Capital allowances in excess of depreciation/ Depreciation in excess of Capital allowances	(248)	197
(Utilised) / Unutilised tax losses	(118)	(45)
Movement in short-term timing differences	294	(297)
Group tax for the year	<u>-</u>	<u>-</u>

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

7. Tax on profit on ordinary activities (continued)

As the Directors do not believe that there is sufficient certainty that the company will make taxable profits in the foreseeable future, net deferred tax assets of £11,809,000 (2013: £13,847,000) have not been recognised. The asset would be recognised should sufficient profit be generated in future periods against which it may be recovered. The asset relates to brought forward losses, accelerated capital allowances, short-term timing differences and the pension deficit.

The Budget 2012 introduced a reduction in the main rate of corporation tax from 25% to 23% with effect from 1 April 2013. This legislation was substantively enacted on 3 July 2012 and as such, in accordance with UK GAAP, the rate of 23% is used for the calculation of the deferred tax position at 31 March 2014 on the basis that it will materially reverse after 1 April 2013.

The Budget 2013, issued on 20 March 2013, announced that the main rate of corporation tax would be reduced to 20% from 1 April 2014 and to 20% with effect from 1 April 2015. These future rate reductions had not been substantively enacted at the balance sheet date, therefore have not been reflected in these financial statements. The effect of these rate reductions will be accounted for in the period they are substantively enacted.

	2014 £'000	2013 £'000
Brought forward losses	7,444	8,727
Short Term Timing Differences	524	1,098
Accelerated capital allowances	3,841	4,022
Total unrecognised deferred tax assets	<u>11,809</u>	<u>13,847</u>

8. Tangible fixed assets

Group and company

	Leasehold land and buildings £'000	Plant, machinery and office equipment £'000	Motor vehicles £'000	Hire fleet trucks £'000	Total £'000
Cost					
At 31 March 2013	3,110	476	7	7,398	10,991
Additions	27	93	-	2,841	2,961
Disposals	(3,047)	-	-	(430)	(3,477)
At 31 March 2014	<u>90</u>	<u>569</u>	<u>7</u>	<u>9,809</u>	<u>10,475</u>
Depreciation					
At 31 March 2013	131	321	7	4,132	4,591
Charge for year	47	77	-	1,455	1,579
Disposals	(163)	(4)	-	(707)	(874)
At 31 March 2014	<u>15</u>	<u>394</u>	<u>7</u>	<u>4,880</u>	<u>5,296</u>
Net book value					
At 31 March 2014	<u>75</u>	<u>175</u>	<u>-</u>	<u>4,929</u>	<u>5,179</u>
At 31 March 2013	<u>2,979</u>	<u>155</u>	<u>-</u>	<u>3,266</u>	<u>6,400</u>

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

8. Tangible fixed assets (continued)

The gross amount of assets held for use in operating leases is £9,809,000 (2013: £7,398,000) and the related accumulated depreciation is £4,880,000 (2013: £4,131,000).

The net book value of assets held under finance lease is as follows:

	Group		Company	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Hire fleet trucks	3,014	2,376	3,017	2,376

9. Investments

Company	Subsidiary under-takings £'000
Cost	
At 31 March 2013 and 31 March 2014	20,500
Historic provisions for impairment	
At 31 March 2013 and 31 March 2014	(16,724)
Net book value	
At 31 March 2013 and 31 March 2014	3,776

At 31 March 2014, the group had the following investments:

Company	Share capital	Proportion of share capital and voting rights	Nature of Business
Hamech Group Limited	Ordinary shares of £1 each	100%	Holding Company
Hamech Holding Company Limited	Ordinary shares of £1 each	100%	Holding Company
Hamech Limited	Ordinary shares of £1 each	100%	Dormant

The shares in Hamech Holding Company Limited are held by Hamech Group Limited.

The shares in Hamech Limited are held by Hamech Holding Company Limited.

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

10. Stocks

	Group and Company	
	2014 £'000	2013 £'000
Goods held for resale	7,458	6,224

There is no material difference between the balance sheet value of stocks and their replacement cost.

11. Debtors

	Group and Company	
	2014 £'000	2013 £'000
Trade debtors	6,094	4,431
Amounts due from fellow subsidiary undertakings	292	147
Prepayments and accrued income	211	508
	6,597	5,086

12. Creditors: amounts falling due within one year

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Bank loans and overdraft	983	-	983	-
Obligations under finance leases	832	706	832	706
Trade creditors	2,657	1,787	2,657	1,787
Amounts owing to parent company	867	3,520	867	3,520
Amounts owing to fellow subsidiary undertakings of Crown Equipment Corporation	895	1,327		1,327
Amounts owing to subsidiaries of Crown Lift Trucks Limited	-	-	895	3,776
Other creditors including taxation and social security	670	450	670	450
Accruals and deferred income	3,262	3,151	3,262	3,151
	10,166	10,941	13,942	14,717

The bank loans are secured by a guarantee from Crown Equipment Corp. Interest is chargeable at rates based on the bank base rate.

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

13. Creditors: amounts falling due after more than one year

	Group and Company	
	2014 £'000	2013 £'000
Obligations under finance leases	2,406	1,884
	<u>2,406</u>	<u>1,884</u>

During the year end 31 March 2014 the interest rate on the finance lease obligations varied between 6.5% and 7% (2013: between 6.5% and 7.5%).

	Group		Company	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Obligations under finance leases in excess of one year:				
Between one and two years	-	593	-	593
Between two and five years	2,406	1,291	2,406	1,291
After 5 years	-	-	-	-
	<u>2,406</u>	<u>1,884</u>	<u>2,406</u>	<u>1,884</u>

Obligations under finance leases are secured on the underlying hire fleet assets (see note 8).

14. Derivative financial instruments not included at fair value

The group previously hedged against movements in interest rates on the bank loans using interest rate swap arrangements. The group has not adopted FRS 26 and therefore these are held off the Balance Sheet. The fair value of these in 2013 are as follows (brackets indicate a liability):

	2014 £'000	2013 £'000
Interest rate swap	-	(11)

15. Called up share capital

	Group and Company	
	2014 £'000	2013 £'000
Authorised, called up, allotted and fully paid:		
2,000 ordinary shares of £1 each (2013: 2,000)	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

On 5 September 2012, 3,000,000 ordinary shares of £1 each were issued at par taking the total ordinary share capital balance to £8,500,000.

On 14 January 2013, 2,000,000 ordinary shares of £1 each were issued at par taking the total ordinary share capital balance to £10,500,000.

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

15. Called up share capital (continued)

On January 28, 2013, the Directors and shareholder of Crown Lift Trucks Limited passed a special resolution supported by a solvency statement that the issued share capital of the Company be reduced from £10,500,000 (comprising 10,500,000 ordinary shares of £1 each fully paid up and are registered in the name of Crown Equipment Corporation, the Company's sole member) to £2,000,000 (divided into 2,000,000 ordinary shares of £1.00 each).

16. Combined reconciliation of movements in shareholder's (deficit) / funds and statement of movement on reserves

Group and company	Ordinary share capital £'000	Profit and loss account £'000	Total 2014 £'000	Total 2013 £'000
At 1 April	2,000	540	2,540	(277)
Share capital issued	-	-	-	5,000
Actuarial gain / (loss) on pensions	-	1,089	1,089	(2,503)
Profit for the year	-	429	429	320
At 31 March	2,000	2,058	4,058	2,540

17. Reconciliation of operating loss/(profit) to net cash inflow from operating activities

	2014 £'000	2013 £'000
Operating profit	111	-
Depreciation	1,579	1,461
Increase in stock	(1,234)	(1,357)
Increase in debtors	(1,511)	(1,232)
Decrease in creditors	(1,884)	(465)
Profit on sale of tangible fixed assets	163	-
Adjustment for movement in pension liability	(542)	(679)
Net cash outflow from operating activities	(3,644)	(2,272)

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Notes to the financial statements For the year ended 31 March 2014

18. Analysis of net debt

	31 March 2013 £'000	Cash flow £'000	Non-cash Flow £'000	31 March 2014 £'000
Cash at bank and in hand	2,427	(2,427)	-	-
	<u>2,427</u>	<u>(2,427)</u>	<u>-</u>	<u>-</u>
Debt due within 1 year	-	(983)	-	(983)
Finance leases	(2,590)	861	(1,509)	(3,238)
	<u>(2,590)</u>	<u>(122)</u>	<u>(1,509)</u>	<u>(4,221)</u>
Total	<u>(163)</u>	<u>(2,549)</u>	<u>(1,509)</u>	<u>(4,221)</u>

19. Reconciliation of net cash flow to movement in net debt

	2014 £'000	2013 £'000
(Decrease)/ increase in cash in the year	(2,427)	443
Cash flow from movement in debt and lease financing	<u>(122)</u>	<u>1,692</u>
Movement in net debt in the year resulting from cash flows	(2,549)	2,135
Movement in net debt in the year resulting from non-cash flows	<u>(1,509)</u>	<u>(1,491)</u>
Net debt at 1 April 2013	<u>(163)</u>	<u>(807)</u>
Net debt at 31 March 2014	<u>(4,221)</u>	<u>(163)</u>

20. Operating lease commitments

At 31 March 2014 the group was committed to making the following payments during the next year in respect of operating leases:

	2014		2013	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Leases which expire:				
Within one year	29	178	29	137
Within two to five years	-	1,250	-	277
After five years	490	-	252	-
	<u>519</u>	<u>1,428</u>	<u>281</u>	<u>414</u>

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

21. Pension schemes

Hamech Group Retirement Benefits Scheme ('Pension Trust') is independent of the company and administered by a Trustee. The Trustee of the Pension Trust has extensive powers over the pension plan's arrangements, including the ability to determine levels of the contribution. The total cost of retirement benefits for the group was £957,000 (2013: £1,111,000).

Hamech Group Retirement Benefits Scheme

A full actuarial valuation was carried out as at 31 March 2013.

This valuation has been updated for the merged scheme to 31 March 2014 by a qualified actuary, using revised assumptions that are consistent with the requirements of FRS17. Investments have been valued, for this purpose, at market value where possible.

The major assumptions used by the actuary were:

	2014	2013	2012
Rate of increase in salaries	2.00%	2.40%	2.40%
Rate of increase in pensions in payment	3.10%	3.20%	3.00%
Rate of increase in pensions in deferment	3.10%	3.20%	3.00%
Discount rate	4.50%	4.40%	4.75%
RPI	3.20%	3.30%	3.10%
CPI	2.30%	2.40%	2.40%
Expected return on scheme assets	6.25%	6.25%	6.70%

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	Valuation at 2014 years	2013 years
Retiring today:		
Males	21.7	21.6
Females	24.5	24.4
Retiring in 20 years		
Males	23.6	23.5
Females	26.3	26.2

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase/decrease by 0.5%	Decrease/increase by 10.0%
Rate of inflation	Increase/decrease by 0.5%	Increase/decrease by 4.4%
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by 0.9%
Rate of mortality	Increase by 1 year	Increase by 2.2%

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

21. Pension schemes (continued)

The fair value of the assets in the scheme and the present value of the liabilities in the scheme at the balance sheet date were:

	Long-term rate of return expected at 31 March 2014	Value at 31 March 2014 £'000	Long-term rate of return expected at 31 March 2013	Value at 31 March 2013 £'000	Long-term rate of return expected at 31 March 2012	Value at 31 March 2012 £'000
Target return	6.50%	30,566	6.50%	27,977	7.0%	21,182
Equities	6.50%	3,784	6.50%	6,007	7.0%	11,531
Bonds	4.60%	3,737	4.10%	3,791	4.7%	3,493
Secured annuities	-	-	-	238	2.5%	247
Property	6.00%	2,782	6.50%	1,514	7.0%	1,487
Other	2.00%	255	1.0%	135	2.0%	283
Total market value of assets		41,124		39,662		38,223
Present value of scheme liabilities		(43,728)		(44,434)		(41,727)
Amount not recognised due to asset limit		-		-		-
Pension deficit		(2,604)		(4,772)		(3,504)

Members contribute 3% per annum or 5% per annum of pensionable salaries to the scheme. The Company contributed £957,000 (2013: £1,111,000) to the scheme during the year.

The scheme is closed to new members, and hence under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

Amounts included within the financial statements for the year ended 31 March 2013 under FRS17 are as follows:

Analysis of the amount charged to operating profit

	2014 £'000	2013 £'000
Current service cost	415	349
Past service cost	-	82
Total operating charge	415	431

Crown Lift Trucks Limited

Notes to the financial statements For the year ended 31 March 2014

21. Pension schemes (continued)

Analysis of the amount credited to net finance income

	2014 £'000	2013 £'000
Expected return on pension scheme assets	2,474	2,465
Interest on pension scheme liabilities	(1,937)	(1,910)
Net income	<u>537</u>	<u>555</u>

The actual return on scheme assets was a loss of £506,000 (2013: £886,000 gain).

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since the adoption of FRS 17 is a loss of £10,716,000 (2013 a loss of: £11,805,000).

The estimated amounts of contributions expected to be paid to the scheme during the current financial year is £985,000.

Movements in the present value of defined benefit obligations were as follows:

	2014 £'000	2013 £'000
Defined benefit obligation at the beginning of the year	44,434	41,727
Current service cost	415	349
Past service cost	-	82
Contributions by scheme participants	82	78
Interest cost	1,937	1,910
Benefits paid	(1,545)	(1,796)
Change due to settlements or curtailments	-	(1,305)
Actuarial gain/ (loss)	(1,595)	3,389
Defined benefit obligation at the end of the year	<u>43,728</u>	<u>44,434</u>

Movements in the fair value of scheme assets were as follows:

	2014 £'000	2013 £'000
Fair value of assets at the beginning of the year	39,662	38,223
Expected return on assets	2,474	2,465
Employer contributions	957	1,111
Contributions by scheme participants	82	78
Benefits paid	(1,545)	(1,796)
Actuarial (loss)/ gain	(506)	886
Change due to settlements or curtailments	-	(1,305)
Fair value of assets at the end of the year	<u>41,124</u>	<u>39,662</u>

Actuarial gains and losses have been reported in the statement of total recognised gains and losses.

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Notes to the financial statements For the year ended 31 March 2014

21. Pension schemes (continued)

Amount taken to the statement of recognised gains and losses

	2014 £'000	2013 £'000
Actuarial gain/ (loss) on defined benefit obligation	1,595	(3,389)
Actuarial (loss)/ gain on fair value of scheme assets	(506)	886
Amount taken to the statement of recognised gains and losses	<u>1,089</u>	<u>(2,503)</u>

History of experience gains and losses

	2014	2013	2012	2011	2010
Experience gains and losses on scheme assets:					
Amount (£'000)	(506)	886	(1,638)	855	7,417
Percentage of scheme assets	(1%)	2%	4%	2%	21%
Experience gains and losses on scheme liabilities:					
Amount (£'000)	-	-	120	-	818
Percentage of the present value of the scheme liabilities	-	-	0.6%	-	2%

22. Ultimate parent and controlling company

The parent company of the only group which includes the company for which consolidated financial statements are prepared, and which is also the ultimate parent and controlling party is Crown Equipment Corporation, a company incorporated in the United States of America. The consolidated financial statements of Crown Equipment Corporation are not available to the general public.

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Notes to the financial statements For the year ended 31 March 2014

23. Related party transactions

Name	Relationship	Nature of transactions	Debtors at 31 March 2014 £'000	Debtors at 31 March 2013 £'000	Creditors at 31 March 2014 £'000	Creditors at 31 March 2013 £'000
Crown Equipment Corporation	Parent	Intercompany trading	-	44	866	3,520
Crown Gabelstapler GmbH	Fellow subsidiary	Intercompany trading	12	15	873	1,327
Crown Lift Trucks SL	Fellow subsidiary	Intercompany trading	43	-	-	-
Crown Lift Trucks Corp	Fellow subsidiary	Intercompany trading	16	-	-	-
Crown Intern Transport BV	Fellow subsidiary	Intercompany trading	10	-	-	-
Crown Handling NV	Fellow subsidiary	Intercompany trading		10	-	-
Crown Lift Trucks SRL	Fellow subsidiary	Intercompany trading	211	79	23	-
			<u>292</u>	<u>148</u>	<u>1,762</u>	<u>4,847</u>

Sales to other group companies during the year can be seen in note 2.

Purchases from other group companies totalled £16,915,000 (2013: £15,304,000) during the year.