

HELLER MACHINE TOOLS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2009



BLOOMER HEAVEN LIMITED
Chartered Accountants & Registered Auditors
33 Lionel Street
Birmingham
B3 1AB

HELLER MACHINE TOOLS LIMITED**CONTENTS**

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HELLER MACHINE TOOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements for the year ended 31 December 2009

Principal activities

The company continued to be engaged in the assembly, sale and maintenance of CNC machine tools along with the supply of spare parts. Similarly, the design and supply of fixtures alongside its technical expertise and know how in order to provide solutions to its customers' engineering requirements.

Business review

Performance for the year has been directly and severely affected by the global financial crisis and European recession. The company's customers have seen unparalleled loss of demand for their own products and this has placed a dramatic reduction on the market requirement for machine tools during the year. This in turn led to a decrease in turnover of 59%.

The balance sheet on page 6 of the financial statements shows that while affected by the downturn, the net asset position of the company remains strong. At the balance sheet date the current ratio was 1.02:1 (2008 1.20:1), with the quick ratio standing at 0.13:1 (2008 0.20:1).

Action taken at an early stage recognised the on-going severity of the recession and included a phased redundancy programme and cost control exercise that has ensured a sound financial and practical structure to move forward as a secure and reliable supplier for our customers.

The company has benefited from the exceptional quality of its employees who have, and continue to work in a diligent and positive manner to support our Group business plan.

Due to the measures taken during the year the Directors consider that the company is operationally and financially well placed to face the challenges of the on-going recession whilst enjoying the improvements in trade in certain areas of our world market place that are being seen.

The directors have reviewed the financial risk management objectives and policies of the group. Aside from fluctuation in worldwide demand for machine tools, the most significant risk faced by the group is exposure to foreign currency flows as the majority of its turnover is derived from Euro denominated exports to its German parent. In order to manage this risk the company operates a Euro deposit account, in addition to its Sterling facility, and makes a significant proportion of materials purchases from European suppliers which it then settles in Euros. This natural hedge precludes any need for forward currency transactions. The company does not enter into any derivatives or speculative financial instruments.

Gebr Heller Maschinenfabrik GmbH continues an active programme of research and development on a group basis from which its subsidiary companies derive considerable benefits. Accordingly, expenditure by the individual subsidiary companies is at a negligible level and Heller Machine Tools Limited did not incur any significant expenditure on research and development during the year under review.

Results

The loss for the year, after taxation, amounted to £2,371,088 (2008 - profit £66,260).

Directors

The directors who served during the year were

Mr G. E. Lloyd
Mr K. Winkler

HELLER MACHINE TOOLS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

Statement of directors' responsibilities

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,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

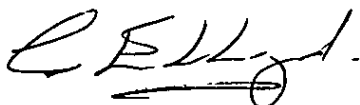
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 March 2010 and signed on its behalf



G. E. Lloyd
Director

HELLER MACHINE TOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HELLER MACHINE TOOLS LIMITED

We have audited the financial statements of Heller Machine Tools Limited for the year ended 31 December 2009, set out on pages 5 to 18. 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 opinion we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

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.

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 2009 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.

HELLER MACHINE TOOLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF HELLER MACHINE TOOLS LIMITED

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



Christopher Stephen-Haynes MA FCA FCIE (Senior statutory auditor)

for and on behalf of Bloomer Heaven Limited (Statutory auditor)

Chartered Accountants & Registered Auditors

33 Lionel Street

Birmingham

B3 1AB

25 March 2010

HELLER MACHINE TOOLS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Turnover	1,2	20,647,390	50,667,097
Raw materials and consumables		(16,144,546)	(39,393,381)
Other external charges		(1,892,764)	(4,463,667)
Staff costs		(4,578,249)	(6,151,135)
Depreciation and amortisation		(543,496)	(402,656)
Operating (loss)/profit	3	(2,511,665)	256,258
Interest receivable		370	1,638
Interest payable	6	(133,793)	(146,378)
(Loss)/profit on ordinary activities before taxation		(2,645,088)	111,518
Tax on (loss)/profit on ordinary activities	7	274,000	(45,258)
(Loss)/profit for the financial year	14	(2,371,088)	66,260

All amounts relate to continuing operations

There were no recognised gains and losses for 2009 or 2008 other than those included in the profit and loss account

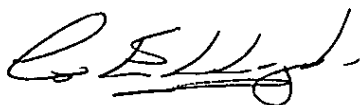
The notes on pages 8 to 18 form part of these financial statements

HELLER MACHINE TOOLS LIMITED
REGISTERED NUMBER: 01414150

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Note	2009 £	2008 £
Fixed assets			
Tangible fixed assets	8	7,421,123	7,767,966
Current assets			
Stocks	9	4,002,745	11,229,608
Debtors	10	584,086	2,254,016
Cash at bank and in hand		2,087	1,198
		<u>4,588,918</u>	<u>13,484,822</u>
Creditors: amounts falling due within one year	11	<u>(4,516,715)</u>	<u>(11,154,374)</u>
Net current assets		<u>72,203</u>	<u>2,330,448</u>
Total assets less current liabilities		<u>7,493,326</u>	<u>10,098,414</u>
Provisions for liabilities			
Deferred tax	12	-	(234,000)
Net assets		<u><u>7,493,326</u></u>	<u><u>9,864,414</u></u>
Capital and reserves			
Called up share capital	13	4,500,000	4,500,000
Revaluation reserve	14	1,430,963	1,430,963
Profit and loss account	14	<u>1,562,363</u>	<u>3,933,451</u>
Shareholders' funds	15	<u><u>7,493,326</u></u>	<u><u>9,864,414</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 March 2010



G E. Lloyd
Director

The notes on pages 8 to 18 form part of these financial statements

HELLER MACHINE TOOLS LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £	2008 £
Net cash (outflow)/inflow from operating activities	16	1,336,729	(631,942)
Returns on investments and servicing of finance	17	(133,423)	(144,740)
Taxation		-	(265,257)
Capital expenditure and financial investment	17	(196,653)	(1,350,708)
Increase/(Decrease) in cash in the year		<u>1,006,653</u>	<u>(2,392,647)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2009**

	2009 £	2008 £
Increase/(Decrease) in cash in the year	<u>1,006,653</u>	<u>(2,392,647)</u>
	-	-
Movement in net debt in the year	<u>1,006,653</u>	<u>(2,392,647)</u>
Net debt at 1 January 2009	<u>(3,082,950)</u>	<u>(690,303)</u>
Net debt at 31 December 2009	<u>(2,076,297)</u>	<u>(3,082,950)</u>

The notes on pages 8 to 18 form part of these financial statements

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain freehold properties and are in accordance with applicable accounting standards

1.2 Going Concern

The steep decline in economic activity around the world, which started in the prior year, has inevitably created uncertainty, particularly over (a) demand for the products of the Heller Group worldwide, (b) the exchange rates between Sterling and the Euro (and therefore, the cost of materials) and (c) the general availability of bank finance to support businesses in the foreseeable future

The group, Heller GmbH, of which Heller Machine Tools Limited is the UK subsidiary, has both considerable financial resources and an encouraging order book with a number of customers across both different geographic areas and industries. As a consequence, the directors of Heller Machine Tools Limited believe that the company is well placed to manage its business risks successfully despite the current economic outlook

After making enquiries therefore, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

1.3 Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related items. Turnover also includes the value of work done on long term contracts

Turnover on long-term contracts represents the value of work done in the year, including estimates of amounts not invoiced, and is recognised by reference to the stage of completion

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost or valuation of those assets, less their estimated residual value, over their expected useful lives on the following bases

Buildings	-	25 years
Plant & machinery	-	between 5 and 25 years
Fixtures, fittings & equipment	-	between 5 and 10 years
Tools	-	3 years

1.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS 15 Tangible Fixed Assets the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 31 December 1996 and will not update that valuation

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

1. Accounting Policies (continued)

1.6 Operating leases

Rentals under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged on a straight line basis over the period of the lease

1.7 Stocks

Stocks and production work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes material, direct labour and appropriate production overheads, where applicable

1.8 Deferred taxation

Deferred taxation is provided on the liability method in respect of tax effects arising from all timing differences

1.9 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 translated into sterling at the rate of exchange ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

1.10 Government grants

Capital grants when received are shown as contributions towards the purchase of the relevant assets. The grants are amortised in the profit and loss account in line with the depreciation policy for the assets concerned

1.11 Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. Amounts recoverable under long-term contracts, which are included in debtors, are stated at the net sales value of the work less the amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts are included in long-term contract balances in stock

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

2. Turnover

The whole of the turnover is attributable to the company's principal activity of machine tool manufacturing, sales and servicing

A geographical analysis of turnover is as follows

	2009 £	2008 £
Europe	19,074,512	50,578,533
Other	1,572,878	88,564
	<u>20,647,390</u>	<u>50,667,097</u>

3. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	544,110	402,656
Auditor's remuneration for the audit of the financial statements	24,500	24,500
Auditors' remuneration - for other services	1,900	1,070
Operating lease rentals		
- vehicles and plant	217,686	238,123
Exchange difference	(180,702)	1,483,015
Profit on sale of tangible fixed assets	(614)	-
	<u></u>	<u></u>

HELLER MACHINE TOOLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	3,947,564	5,342,240
Social security costs	388,048	580,772
Other pension costs	242,637	228,123
	<u>4,578,249</u>	<u>6,151,135</u>

The average number of employees during the year was as follows

	2009 No.	2008 No
Directors	2	2
Production, sales and administration	153	186
	<u>155</u>	<u>188</u>

5. Directors' remuneration

	2009 £	2008 £
Emoluments	<u>155,678</u>	<u>174,602</u>
Company pension contributions to money purchase pension schemes	<u>68,165</u>	<u>50,978</u>

During the year retirement benefits were accruing to 1 director (2008 - 1) in respect of money purchase pension schemes

6. Interest payable

	2009 £	2008 £
On bank overdrafts	<u>133,793</u>	<u>146,378</u>

HELLER MACHINE TOOLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

7. Taxation

	2009 £	2008 £
Analysis of tax (credit)/charge in the year		
Current tax (see note below)		
UK corporation tax charge on (loss)/profit for the year	-	40,000
Adjustments in respect of prior periods	(40,000)	(4,742)
Total current tax	(40,000)	35,258
Deferred tax (see note 12)		
Origination and reversal of timing differences	(234,000)	10,000
Tax on (loss)/profit on ordinary activities	(274,000)	45,258

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2008 - higher than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2009 £	2008 £
(Loss)/profit on ordinary activities before tax	(2,645,088)	111,518
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.0% (2008 - 28.5%)	(740,625)	31,783
Effects of:		
Expenses not deductible for tax purposes	17,890	19,832
Difference between capital allowances and depreciation	49,225	(11,691)
Utilisation of tax losses	39,185	-
Short term differences	36,540	-
Rounding of current year provision	-	76
Tax losses carried forward	597,785	-
Adjustments to tax charge in respect of prior periods	(40,000)	(4,742)
Current tax (credit)/charge for the year (see note above)	(40,000)	35,258

Factors that may affect future tax charges

The company has tax losses to carry forward of £2,134,945 (2008 £Nil)

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

8. Tangible fixed assets

	Freehold land and buildings £	Plant & machinery £	Fixtures, fittings, tools & equipment £	Total £
Cost or valuation				
At 1 January 2009	7,071,138	2,415,160	1,015,874	10,502,172
Additions	31,014	107,462	58,791	197,267
Disposals	-	-	(62,045)	(62,045)
At 31 December 2009	<u>7,102,152</u>	<u>2,522,622</u>	<u>1,012,620</u>	<u>10,637,394</u>
Depreciation				
At 1 January 2009	1,003,457	1,292,556	438,193	2,734,206
Charge for the year	163,153	148,576	232,381	544,110
On disposals	-	-	(62,045)	(62,045)
At 31 December 2009	<u>1,166,610</u>	<u>1,441,132</u>	<u>608,529</u>	<u>3,216,271</u>
Net book value				
At 31 December 2009	<u>5,935,542</u>	<u>1,081,490</u>	<u>404,091</u>	<u>7,421,123</u>
At 31 December 2008	<u>6,067,681</u>	<u>1,122,604</u>	<u>577,681</u>	<u>7,767,966</u>

Freehold land and buildings include freehold land not subject to depreciation amounting to £2,538,447 (2008 £2,538,447)

Cost or valuation at 31 December 2009 is as follows

	Freehold land and buildings
At cost	4,077,152
At valuation	
Market value 1996	3,025,000
	<u>7,102,152</u>

HELLER MACHINE TOOLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

8. Tangible fixed assets (continued)

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows

	2009 £	2008 £
Cost	5,671,189	5,640,175
Accumulated depreciation	(1,166,610)	(1,003,457)
Net book value	<u>4,504,579</u>	<u>4,636,718</u>

9. Stocks

	2009 £	2008 £
Raw materials	2,667,220	5,722,822
Work in progress	1,335,525	5,506,786
	<u>4,002,745</u>	<u>11,229,608</u>

10. Debtors

	2009 £	2008 £
Trade debtors	306,147	386,096
Amounts owed by group undertakings	48,270	40,895
Other debtors	105,949	604,917
Prepayments and accrued income	123,720	158,372
Amounts recoverable on long term contracts	-	1,063,736
	<u>584,086</u>	<u>2,254,016</u>

HELLER MACHINE TOOLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

**11. Creditors:
Amounts falling due within one year**

	2009 £	2008 £
Bank loans and overdrafts	2,078,384	3,084,148
Payments received on account	96,111	-
Trade creditors	1,016,042	2,098,840
Amounts owed to group undertakings	760,836	5,149,879
Social security and other taxes	192,099	278,032
Accruals and deferred income	373,243	543,475
	<u>4,516,715</u>	<u>11,154,374</u>

Bank borrowings are secured by a mortgage on the freehold property and by debentures incorporating a fixed and floating charge over current and future assets of the company

12 Deferred taxation

	2009 £	2008 £
At beginning of year	234,000	224,000
(Released during)/charge for year	(234,000)	10,000
	<u>-</u>	<u>234,000</u>

The provision for deferred taxation is made up as follows

	2009 £	2008 £
Accelerated capital allowances	188,000	234,000
Other short term timing differences	36,000	-
Tax losses carried forward	(224,000)	-
	<u>-</u>	<u>234,000</u>

13. Share capital

	2009 £	2008 £
Allotted, called up and fully paid		
4,500,000 Ordinary shares of £1 each	<u>4,500,000</u>	<u>4,500,000</u>

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

14. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2009	1,430,963	3,933,451
Loss for the year	-	(2,371,088)
At 31 December 2009	<u>1,430,963</u>	<u>1,562,363</u>

15 Reconciliation of movement in shareholders' funds

	2009 £	2008 £
Opening shareholders' funds	9,864,414	9,798,154
(Loss)/profit for the year	(2,371,088)	66,260
Closing shareholders' funds	<u>7,493,326</u>	<u>9,864,414</u>

16 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2009 £	2008 £
Operating (loss)/profit	(2,511,665)	256,258
Depreciation of tangible fixed assets	544,110	402,657
Profit on disposal of tangible fixed assets	(614)	-
Decrease/(increase) in stocks	7,226,863	(2,060,325)
Decrease in debtors	1,717,304	783,176
Increase in amounts owed by group undertakings	(7,375)	(22,392)
Decrease in creditors	(1,242,851)	(773,537)
(Decrease)/increase in amounts owed to group undertakings	(4,389,043)	782,221
Net cash inflow/(outflow) from operating activities	<u>1,336,729</u>	<u>(631,942)</u>

17. Gross cash flows

	2009 £	2008 £
Returns on investments and servicing of finance		
Interest received	370	1,638
Interest paid	(133,793)	(146,378)
Net cash outflow from returns on investments and servicing of finance	<u>(133,423)</u>	<u>(144,740)</u>

HELLER MACHINE TOOLS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009**

17. Gross cash flows (continued)

	2009 £	2008 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(197,267)	(1,350,708)
Sale of tangible fixed assets	614	-
	<u>(196,653)</u>	<u>(1,350,708)</u>
Net cash outflow from capital expenditure	<u>(196,653)</u>	<u>(1,350,708)</u>

18 Analysis of changes in net debt

	2008 £	Cash flow £	Other non-cash changes £	2009 £
Cash at bank and in hand	1,198	889	-	2,087
Bank overdraft	(3,084,148)	1,005,764	-	(2,078,384)
	<u>(3,082,950)</u>	<u>1,006,653</u>	<u>-</u>	<u>(2,076,297)</u>
Net debt	<u>(3,082,950)</u>	<u>1,006,653</u>	<u>-</u>	<u>(2,076,297)</u>

19. Capital commitments

At 31 December 2009 the company had capital commitments as follows

	2009 £	2008 £
Contracted for but not provided in these financial statements	-	66,949
	<u>-</u>	<u>66,949</u>

20. Pension commitments

The company operates a defined contribution pension scheme. The charge for the year of £242,637 (2008 £228,123) represents contributions falling due and paid over in the year.

HELLER MACHINE TOOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

21. Operating lease commitments

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	2009 £	2008 £
Expiry date.		
Within 1 year	14,854	162,537
Between 2 and 5 years	132,155	245,791
After more than 5 years	-	37,082
	<u>147,009</u>	<u>445,410</u>

22. Related party transactions

The company's financial statements are consolidated into those of its ultimate parent undertaking, Heller GmbH whose financial statements are publicly available. Consequently, the company has taken advantage of the exemptions provided in paragraph 3(c) of FRS 8 Related Party Transactions not to disclose transactions with other Heller Group entities.

Amounts due to and from group related parties at the balance sheet date are detailed in notes 10 and 11 to the financial statements.

23. Ultimate parent undertaking and controlling party

Heller Machine Tools Limited is a wholly owned subsidiary of Heller Machine Tools Holdings Limited, which itself is a wholly owned subsidiary of Gebr. Heller Maschinenfabrik GmbH of Nürtingen, Germany.

Heller Machine Tools Limited regards Heller GmbH of Nürtingen, Germany as its ultimate parent company.