

HEIL Europe Limited
Annual Report for the year ended
31 December 2011

Registered no: SC053003



HEIL Europe Limited

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for the year ended

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HEIL Europe Limited

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Directors and advisors

Directors

Pat Carroll

Darren Bird

Company secretary

HBJGW Company Secretarial Limited

Registered office

Exchange Tower

19 Canning Street

Edinburgh

EH3 8EH

Statutory auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Erskine House

68-73 Queen Street

Edinburgh

EH2 4NH

Bankers

NatWest

No 1 Hatton Gardens

London

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Directors' report for the year ended 31 December 2011
Company registration number SC053003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2011.

Business review and principal activities

The principal activity of the company is the manufacture and service of refuse collection equipment. The principal activity of the company remained unchanged throughout the year and the directors do not anticipate any change in the principal activity in the foreseeable future. The directors are satisfied with the performance of the company for the year under review.

The results for the company show a profit before tax of £321,745, (2010: £139,559) for the year and sales of £18,334,020, (2010: £17,672,601).

The company has net assets of £8,922,909, (2010: £8,998,837).

The directors do not recommend the payment of a dividend for the year (2010: £Nil).

Principal risks and uncertainties

The principal risks affecting the company are the effects of the economy following the problems in the banking sector making credit and finance far more difficult for private contractors to obtain. Municipal customers are also being affected with central and local government funding restrictions resulting in reassessment of vehicle replacement programmes.

The company is also susceptible to fluctuations in steel prices and steel prices are expected to increase during 2012.

Future outlook

The order book steadily improved during early 2011 and although higher output in the second half of the year consumed some of this the order book was 15% up on unit volume from end 2010. There has been a marked increase in tender and quotation activity in early 2012 which is expected will lead to increased demand in 2012.

Key performance indicators

The directors believe that the use of key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Pat Carroll
Darren Bird

Directors' report for the year ended 31 December 2011 (continued)**Statement of directors' responsibilities in respect of the Annual Report and financial statements**

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 prepared 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 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;
- 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 Auditors and disclosure of information to auditors

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

By order of the Board

Andrew Walker, Director, for and on behalf of
HBJGW Secretarial Limited
Company Secretary, Edinburgh

Dated: 22/5/12

**Independent auditors' report to the members of
HEIL Europe Limited**

We have audited the financial statements of HEIL Europe Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 financial statements to identify material inconsistencies with the 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 2011 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.

**Independent auditors' report to the members of
HEIL Europe Limited (continued)**

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.

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.

Martin Cowie

Martin Cowie (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

Dated: 22 May 2012

**Profit and Loss Account
for the year ended 31 December 2011**

	Note	2011 £	2010 £
Turnover	2	18,334,020	17,672,601
Cost of sales		<u>(15,485,169)</u>	<u>(15,038,030)</u>
Gross profit		2,848,851	2,634,571
Administrative expenses		<u>(2,554,263)</u>	<u>(2,480,502)</u>
Operating profit		294,588	154,069
Interest receivable and similar income	6	27,168	32,553
Interest payable and similar charges	7	(11)	(63)
Other finance expense	21	<u>-</u>	<u>(47,000)</u>
Profit on ordinary activities before taxation	3	321,745	139,559
Tax on profit on ordinary activities	8	(68,423)	(15,864)
Profit for the financial year	16	<u>253,322</u>	<u>123,695</u>

All the above figures relate to continuing activities.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the years stated above, and their historical cost equivalents.

Statement of Total Recognised Gains and Losses (STRGL) for the year ended 31 December 2011

	Note	2011 £	2010 £
Profit for the financial year		253,322	123,695
Actuarial gain on defined benefit pension	21	1,449,000	29,000
Actuarial loss due to limitation on surplus which can be recognised		(1,888,000)	(36,000)
Deferred tax associated with defined benefit pension		109,750	1,960
Total recognised (loss) /gain for the financial year		(75,928)	118,655

HEIL Europe Limited

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Balance Sheet as at 31 December 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	9	<u>249,478</u>	<u>312,330</u>
Current assets			
Stocks	10	3,533,502	2,997,729
Debtors	11	<u>9,784,964</u>	<u>8,811,472</u>
		<u>13,318,466</u>	<u>11,809,201</u>
Creditors: amounts falling due within one year	12	<u>(4,184,111)</u>	<u>(2,773,616)</u>
Net current assets		<u>9,134,355</u>	<u>9,035,585</u>
Total assets less current liabilities		9,383,833	9,347,915
Provisions for liabilities	13	<u>(622,924)</u>	<u>(642,838)</u>
Net assets excluding net pension asset		8,760,909	8,705,077
Net pension asset	21	<u>162,000</u>	<u>293,760</u>
Net assets including net pension asset		<u>8,922,909</u>	<u>8,998,837</u>
Capital and reserves			
Share capital	15	15,000	15,000
Profit and loss account	16	<u>8,907,909</u>	<u>8,983,837</u>
Total shareholder's funds	17	<u>8,922,909</u>	<u>8,998,837</u>

The financial statements on pages 6 to 23 were approved by the board of directors on
22 May 2012 and were signed on its behalf by:



Darren Bird
Director

**Notes to the financial statements
for the year ended 31 December 2011****1 Accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Cash flow statement

The company has taken advantage of the exemptions conferred by FRS 1 (Revised 1996).

Turnover

Turnover represents the net invoiced value of units, spares and services sold including, where applicable, chassis, hoists and other third party supplied goods. Turnover is recognised when the goods are dispatched to the contracted point of delivery.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Freehold land is not depreciated.

Depreciation is calculated so as to write off the cost or valuation of tangible fixed assets, less their estimated residual values over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Buildings - freehold	Straight line over 20 years
Buildings - improvements	Straight line over 3 to 10 years
Plant and machinery	Straight line over 5 years
Computer equipment	Straight line over 3 to 5 years

Research and development expenditure

Expenditure in respect of research and development is charged against profits in the year in which it is incurred.

Inventories

Finished goods are valued at cost of labour and materials plus an addition for factory overheads, or at estimated net realisable value, if lower.

Raw materials are valued at the lower of cost and estimated net realisable value.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)****1 Accounting policies (continued)****Deferred taxation**

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future.

An asset is not recognised if the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised are not discounted.

Amounts payable and receivable in foreign currencies

Monetary assets and liabilities are re-translated into pounds sterling at the rate of exchange ruling at the balance sheet date. Exchange differences are taken to the profit and loss account.

Operating leases

Operating lease payments are charged against profits in the year in which they are incurred.

Defined contribution pension scheme

From 1 May 2010 the company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the company contributions payable to the scheme in respect of the accounting period.

Pensions

The company formerly operated a defined benefit pension scheme. This scheme closed to further accrual on 30 April 2010. In accordance with FRS17 "Retirement Benefits", the operating and financing costs of pensions were charged to the profit and loss account in the period in which they arose and are recognised separately. The costs of past service benefit enhancements, settlements and curtailments are also recognised in the period in which they arose. The difference between actual and expected returns on assets during the year, including changes in actuarial assumptions, is recognised in the statement of recognised gains and losses. Pension costs are assessed in accordance with the advice of a qualified actuary.

Warranties

The company has made a provision in respect of the estimated warranty costs which will be incurred over the standard warranty period. Where extended warranty cover has been purchased by customers the revenue is amortised over the extended warranty period.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

2 Analysis of turnover - by destination

	2011	2010
	£	£
UK	14,855,256	14,376,632
Other	3,478,764	3,295,969
	<u>18,334,020</u>	<u>17,672,601</u>

Turnover was entirely attributable to the manufacture and sale of refuse collection equipment.

3 Profit on ordinary activities before taxation

	2011	2010
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):-		
Auditors' remuneration	23,000	22,500
Auditors' remuneration – non-audit fees	9,225	8,690
Depreciation	108,144	127,714
Hire of plant and machinery	91,933	199,081
Foreign exchange (gains) / losses	(2,991)	29,987
Operating lease rentals:		
Buildings	108,100	108,100
Motor vehicles	75,888	87,733

4 Directors' emoluments

	2011	2010
	£	£
Aggregate emoluments	<u>-</u>	<u>82,688</u>

No retirement benefits are accruing to directors, (2010: £nil), under the company's defined benefit scheme and no contributions were paid under the defined contribution scheme.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

5 Employee information

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

	2011	2010
	Number	Number
Production	128	131
Selling & distribution	10	8
Administration	15	14
	<u>153</u>	<u>153</u>

The aggregate payroll costs of these persons were as follows:

	2011	2010
	£	£
Wages and salaries	3,739,455	3,738,612
Social security costs	316,957	331,306
Defined benefit scheme pension costs (note 21)	-	(164,000)
Defined contribution scheme pension costs (note 21)	85,256	79,983
	<u>4,141,668</u>	<u>3,985,901</u>

6 Interest receivable and similar income

	2011	2010
	£	£
Inter-company	27,168	32,507
Bank	-	46
	<u>27,168</u>	<u>32,553</u>

7 Interest payable and similar charges

	2011	2010
	£	£
Bank	11	63
	<u>11</u>	<u>63</u>

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

8 Taxation on profit on ordinary activities

	2011 £	2010 £
Current tax:		
UK corporation tax at 26.5%, (2010:28.0%), on the profit for the year on ordinary activities	15,287	(109,313)
Adjustments to tax charge in respect of previous years	3,626	(12,023)
Current tax charge / (credit) for the year	18,913	(121,336)
Deferred tax:		
Pension charge	61,750	137,200
Effect of tax rate change	(12,240)	-
Tax on profit on ordinary activities	68,423	15,864

The tax assessed for the year is lower, (2010: lower), than the standard rate of corporation tax in the UK (26.5%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	321,745	139,559
Profit on ordinary activities multiplied by standard rate in the UK 26.5% (2010: 28.0%)	85,262	39,077
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	(6,344)	(12,999)
Movement in potential deferred tax asset not recognised	(1,881)	1,809
Pension charge in excess of pension relief	(61,750)	(137,200)
Prior year adjustments	3,626	(12,023)
Current tax charge / (credit) for the year	18,913	(121,336)

In accordance with the provisions of UK GAAP Financial Reporting Standard 19 the above deferred tax balances are calculated using a deferred tax rate of 25% (2010: 27%). A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax from 1 April 2012 from 25% to 24%. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by April 2014. None of these rate reductions have been substantively enacted at the balance sheet date and, therefore, are not included in the financial statements.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

9 Tangible fixed assets

	Freehold land, buildings and building improvements	Plant and machinery	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2011	815,768	627,556	144,094	1,587,418
Additions	-	-	45,292	45,292
At 31 December 2011	815,768	627,556	189,386	1,632,710
Depreciation				
At 1 January 2011	719,471	426,936	128,681	1,275,088
Charge for year	35,531	58,106	14,507	108,144
At 31 December 2011	755,002	485,042	143,188	1,383,232
Net book value				
At 31 December 2011	60,766	142,514	46,198	249,478
At 31 December 2010	96,297	200,620	15,413	312,330

The freehold land and buildings includes the cost of freehold land £10,890, (2010: £10,890), which is not depreciated.

10 Stocks

	2011 £	2010 £
Raw materials and consumables	3,092,004	2,442,604
Finished goods	441,498	555,125
	3,533,502	2,997,729

The replacement cost of stock is not materially different from book value.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

11 Debtors

	2011 £	2010 £
Amounts falling due within one year		
Trade debtors	2,703,077	2,197,428
Amounts owed by immediate parent company	6,877,297	6,432,760
Other debtors	37,405	14,984
Prepayments and accrued income	76,785	56,987
Corporation tax – group relief	90,400	109,313
	<u>9,784,964</u>	<u>8,811,472</u>

Loans due from parent company are unsecured, accrue interest at 0.55%, (2010: 0.5%), and are repayable on demand.

12 Creditors: amounts falling due within one year

	2011 £	2010 £
Bank overdraft	18,355	47,032
Trade creditors	2,231,239	1,442,405
Amounts owed to fellow subsidiaries	33,675	24,832
Other tax and social security	102,058	86,263
Accruals and deferred income	1,798,784	1,173,084
	<u>4,184,111</u>	<u>2,773,616</u>

Amounts owed to fellow subsidiaries are unsecured normal trading account balances which do not bear interest. The overdraft is secured by a guarantee from the immediate parent company, Dover UK Holdings Limited.

13 Provisions for liabilities

	Warranty provision £
At 1 January 2011	642,838
Profit and loss account - created in year	421,179
Utilised in year	(441,093)
At 31 December 2011	<u>622,924</u>

The warranty provision reflects the company's expected cost of meeting anticipated warranty claims for refuse collection equipment.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

14 Deferred tax

	2011		2010	
	Recognised	Unrecognised	Recognised	Unrecognised
	£	£	£	£
Accelerated capital allowances	-	75,414	-	69,325
Other timing differences	-	-	-	-
Deferred taxation excluding deferred tax on pension asset	-	75,414	-	69,325
Pension liability	(54,000)	-	(114,240)	-
Total deferred taxation	(54,000)	75,414	(114,240)	69,325

The unrecognised deferred tax assets have not been recognised as the directors consider that they are unlikely to be recoverable in the foreseeable future.

15 Share capital

	2011	2010
	£	£
Allotted, called up and fully paid 15,000 Ordinary shares of £1 each	15,000	15,000

16 Profit and loss account

	2011	2010
	£	£
At 1 January	8,983,837	8,865,182
Profit for the financial year	253,322	123,695
Pension related losses from the STRGL	(329,250)	(5,040)
At 31 December	8,907,909	8,983,837

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

17 Reconciliation of movements in shareholders' funds

	2011	2010
	£	£
At 1 January	8,998,837	8,880,182
Profit for the financial year	253,322	123,695
Pension related losses from the STRGL	(329,250)	(5,040)
At 31 December	<u>8,922,909</u>	<u>8,998,837</u>

18 Contingent liabilities

The company has granted a guarantee to the Commissioners of Customs & Excise for £100,000 (2010: £100,000).

19 Capital commitments

Capital expenditure that has been contracted for but has not been provided for in the financial statements at 31 December 2011 amounted to Nil, (2010: Nil).

20 Leases

(i) Land and buildings

At 31 December 2011 the company had minimum annual commitments under operating leases expiring within the following periods:

	2011	2010
	£	£
From one to two years	108,100	108,100
	<u>108,100</u>	<u>108,100</u>

**Notes to the financial statements
for the year ended 31 December 2011 (continued)****20 Leases (continued)****(ii) Other**

At 31 December 2011 the company had minimum annual commitments under operating leases expiring within the following periods:

	2011	2010
	£	£
Within one year	18,082	34,515
From one to two years	13,326	14,728
From two to five years	44,216	13,256
	<u>75,624</u>	<u>62,499</u>

21 Pension arrangements

The company operated a defined benefit pension scheme with assets held in a separate fund administered by the Scottish Life Assurance Company. The scheme provides retirement benefits on the basis of members' final salary. All employees were entitled to join the scheme subject to age requirements. The most recent valuation is dated 6 April 2010 and relates to service by members up to that date. The scheme was closed to further accrual on 30 April 2010.

Defined benefit scheme

An actuarial valuation of the pension scheme, using the projected unit basis, was carried out at 31 December 2011 by Peter Cormack FIA employed by The Royal London Mutual Insurance Society Limited.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

21 Pension arrangements (continued)

The major assumptions used by the actuary were:

	2011	2010
Rate of increase in salaries	N/A	N/A
Rate of increases to pensions in payment:-		
Accruing pre 6 April 1997	3.0%	3.0%
Accruing between 5 April 1997 and 21 November 2007	3.1%	3.8%
Accruing post 21 November 2007	2.4%	2.5%
Discount rate	5.1%	5.4%
Retail price inflation	3.1%	3.8%
Consumer price inflation	2.4%	N/A

The mortality assumptions used were:

	2011	2010
Longevity at age 65 for current pensioners:		
Men	21.3 years	21.2 years
Women	23.4 years	23.2 years
Longevity at age 65 for future pensioners currently aged 45:		
Men	22.6 years	22.6 years
Women	25.0 years	24.8 years

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

21 Pension arrangements (continued)

The expected rates of return were:

	At 31 Dec 2011	At 31 Dec 2010
Expected long term rate of return	4.1%	5.0%

The expected return on assets is based on a long-term expectation for each asset class at 31 December 2011. The scheme assets are all invested in a policy of insurance i.e. 100% "Other". As such, the rate allows for the underlying distribution of assets within the policy and is after deduction for expenses.

The assets / (liabilities) in the scheme were:

	2011 £	2010 £
Total market value of assets	7,447,000	7,145,000
Present value of scheme liabilities	(5,305,000)	(6,701,000)
Surplus in the scheme	2,142,000	444,000
Surplus not recognised	(1,926,000)	(36,000)
Surplus to be recognised	216,000	408,000
Related deferred tax liability	(54,000)	(114,240)
Net pension asset	162,000	293,760

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

21 Pension arrangements (continued)

Reconciliation of present value of scheme liabilities

	2011	2010
	£	£
Liabilities at 1 January	6,701,000	6,395,000
Current service costs	-	102,000
Interest cost on scheme liabilities	360,000	369,000
Actuarial (gain) / loss	(1,694,000)	210,000
Employee contributions	-	36,000
Gain on curtailments	-	(266,000)
Benefits paid	(62,000)	(145,000)
Liabilities at 31 December	<u>5,305,000</u>	<u>6,701,000</u>

Reconciliation of fair value of scheme assets

	2011	2010
	£	£
Assets at 1 January	7,145,000	6,320,000
Expected return on scheme assets	362,000	322,000
Actuarial (loss) / gain	(245,000)	239,000
Employer contributions	247,000	373,000
Employee contributions	-	36,000
Benefits paid	(62,000)	(145,000)
Assets at 31 December	<u>7,447,000</u>	<u>7,145,000</u>
Actual return on assets	<u>117,000</u>	<u>561,000</u>

Analysis of the amount charged / (credited) to profit and loss is:

	2011	2010
	£	£
Current service cost	-	102,000
Gain on settlement and curtailments	-	(266,000)
Total operating charge / (credit)	<u>-</u>	<u>(164,000)</u>

**Notes to the financial statements
for the year ended 31 December 2011 (continued)**

21 Pension arrangements (continued)

Analysis of the amount credited to other financial expense is:

	2011	2010
	£	£
Expected return on scheme assets	362,000	322,000
Effect of excess restriction recognised in P&L	(2,000)	-
Interest cost on scheme liabilities	(360,000)	(369,000)
Net return	-	(47,000)

The cumulative amount of actuarial (losses) and gains recognised in the Statement of Total Recognised Gains and Losses (STRGL) is 2011 £904,000, (2010: £465,000).

Amounts for current and previous four years:

	2011	2010	2009	2008	2007
	£	£	£	£	£
Scheme Liabilities	5,305,000	6,701,000	6,395,000	4,124,000	5,550,000
Scheme Assets	7,447,000	7,145,000	6,320,000	5,147,000	5,351,000
Excess / (shortfall)	2,142,000	444,000	(75,000)	(1,023,000)	(199,000)
Experience adjustment on Scheme assets (loss) / gain	(245,000)	239,000	524,000	(839,000)	(198,000)
Experience adjustment on Scheme liabilities gain / (loss)	730,000	426,000	31,000	425,000	139,000

The defined benefit scheme was closed to further accrual on 30 April 2010 and with effect from 1 May 2010 Heil Europe Limited now operates a defined contribution scheme.

Defined Contribution Pension Scheme

The company operates a defined contribution pension scheme which commenced on 1 May 2010. The cost of company contributions to the scheme was £85,256, (2010: £79,983), of which £3,557, (2010: Nil), was accrued as at 31 December 2011.

**Notes to the financial statements
for the year ended 31 December 2011 (continued)****22 Post balance sheet events**

In addition to the changes in rates of Corporation tax disclosed above within note 8 (Taxation on profit in the year) a number of changes to the UK Corporation tax system were announced in the June 2011 and March 2012 UK Budget Statements. Finance Act 2011 included legislation reducing the main rate of corporation tax from 26% to 25% from 1 April 2012. The March 2012 UK Budget Statement announced a reduction in the main rate of Corporation tax to 24% from 1 April 2012 and a resolution, passed by Parliament on 26th March 2012, reduced the main rate. Legislation to reduce the main rate of Corporation tax from 25% to 24% from 1 April 2012 and from 24% to 23% from April 2013 is expected to be included in the Finance Act 2012. A further reduction to the main rate is proposed to reduce the rate to 22% by April 2014. None of these expected rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The effect of the changes announced in the March 2012 budget would be to reduce the deferred tax liability provided at the balance sheet date by £2,160.

The overall effect of the further changes from 24% to 22%, if these applied to the deferred tax balance at the balance sheet date, would be to further reduce the deferred tax liability by an additional £4,320 (being £2,160 recognised in 2013 and £2,160 recognised in 2012).

23 Ultimate parent undertaking and controlling party

The immediate parent is Dover UK Holdings Limited.

The ultimate parent undertaking and controlling party is the Dover Corporation incorporated in the United States of America.

Dover Corporation is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2011. The consolidated financial statements of Dover Corporation are available from Dover Corporation, 3005 Highland Parkway, Suite 200, Downers Grove, IL 60515, USA.

HEIL Europe Limited, as a wholly owned company which has publically available consolidated statements, is exempt from disclosing transactions and balances, under the terms of FRS8, with related parties in the Dover Corporation group. .