

HEIL Europe Limited
Annual Report for the year ended
31 December 2012

Registered no: SC053003

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HEIL Europe Limited

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HEIL Europe Limited

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Directors and advisors

Directors

Pat Carroll – resigned 31 January 2013

Darren Bird – resigned 31 January 2013

Marco Orecchia – appointed 31 January 2013

Charles Clinch – appointed 31 January 2013

Company secretary

HBJGW Company Secretarial Limited

Registered office

Taxi Way

Hillend Industrial Estate

Dunfermline

Fife

KY11 9ES

Independent 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 2012
Company registration number SC053003

The directors present their report and the audited financial statements of the company for the year ended 31 December 2012.

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 on ordinary activities before taxation of £51,353, (2011: £321,745) for the year and turnover of £16,742,550, (2011: £18,334,020).

The company has net assets of £8,931,459, (2011: £8,922,909).

The directors do not recommend the payment of a dividend for the year (2011: £Nil).

The directors are delighted to announce that on 31 January 2013 the whole of the Ordinary Share Capital of Heil Europe Limited was acquired by Farid UK limited, a wholly owned subsidiary of FEG BRIVIO S.P.A. who, from 31 January 2013, have become the immediate and ultimate parent undertakings respectively.

On 1 May 2013 the assets and liabilities of Farid UK Limited were transferred at book value to Heil Europe Limited.

On 3 May 2013 Heil Europe Limited changed its name to HEIL FARID European Company Limited.

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 2013.

Future outlook

The directors believe that the combination of the Heil and Farid companies will be able to offer customers the broadest product range from one source. The combined company will be an even stronger player in its traditional markets and provide a very sound base to expand into new markets. Customers will also have access to a much larger after sales team enhancing the already strong relationships which have been developed by the individual companies. The combination is also expected to generate synergies in manufacturing, marketing and administration once full integration has taken place.

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 – resigned 31 January 2013; Darren Bird – resigned 31 January 2013

Marco Orecchia – appointed 31 January 2013; Charles Clinch – appointed 31 January 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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.

HEIL Europe Limited

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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

A handwritten signature in black ink, consisting of a large, sweeping loop followed by a smaller, more intricate flourish.

Charles Clinch
Director

Dated: 10 July 2013

**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 2012 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 2012 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)**

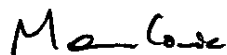
Opinion on other matter prescribed by the Companies Act 2006

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 (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh

Dated: 10 July 2013

HEIL Europe Limited

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**Profit and Loss Account
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	2	16,742,550	18,334,020
Cost of sales		<u>(13,966,806)</u>	<u>(15,485,169)</u>
Gross profit		2,775,744	2,848,851
Administrative expenses		<u>(2,778,394)</u>	<u>(2,554,263)</u>
Operating profit		(2,650)	294,588
Interest receivable and similar income	6	32,050	27,168
Interest payable and similar charges	7	(47)	(11)
Other finance income	21	<u>22,000</u>	<u>-</u>
Profit on ordinary activities before taxation	3	51,353	321,745
Tax on profit on ordinary activities	8	2,627	(68,423)
Profit for the financial year	16	<u>53,980</u>	<u>253,322</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 for the year ended 31 December 2012

	Note	2012	2011
		£	£
Profit for the financial year		53,980	253,322
Actuarial (loss) /gain on defined benefit pension	21	(842,000)	1,449,000
Actuarial gain / (loss) due to limitation on surplus which can be recognised		783,000	(1,888,000)
Deferred tax associated with defined benefit pension		13,570	109,750
Total recognised profit / (loss) for the financial year		8,550	(75,928)

Balance Sheet as at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	9	<u>264,917</u>	<u>249,478</u>
Current assets			
Stocks	10	4,946,961	3,533,502
Debtors	11	<u>8,063,323</u>	<u>9,784,964</u>
		<u>13,010,284</u>	<u>13,318,466</u>
Creditors: amounts falling due within one year	12	<u>(3,793,489)</u>	<u>(4,184,111)</u>
Net current assets		<u>9,216,795</u>	<u>9,134,355</u>
Total assets less current liabilities		9,481,712	9,383,833
Provisions for liabilities	13	<u>(733,513)</u>	<u>(622,924)</u>
Net assets excluding net pension asset		8,748,199	8,760,909
Net pension asset	21	<u>183,260</u>	<u>162,000</u>
Net assets including net pension asset		<u>8,931,459</u>	<u>8,922,909</u>
Capital and reserves			
Share capital	15	15,000	15,000
Profit and loss account	16	<u>8,916,459</u>	<u>8,907,909</u>
Total shareholder's funds	17	<u>8,931,459</u>	<u>8,922,909</u>

The financial statements on pages 7 to 24 were approved by the board of directors on 10 July 2013 and were signed on its behalf by:



Charles Clinch
Director

**Notes to the financial statements
for the year ended 31 December 2012****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 2012 (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 2012 (continued)**

2 Turnover - by destination

	2012	2011
	£	£
UK	14,107,859	14,855,256
Other	2,634,691	3,478,764
	<u>16,742,550</u>	<u>18,334,020</u>

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

3 Profit on ordinary activities before taxation

	2012	2011
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):-		
Auditors' remuneration	23,800	23,000
Auditors' remuneration – non-audit fees	9,600	9,225
Depreciation	98,776	108,144
Hire of plant and machinery	71,460	91,933
Foreign exchange losses / (gains)	3,657	(2,991)
Operating lease rentals:		
Buildings	108,100	108,100
Motor vehicles	80,969	75,888

4 Directors' emoluments

	2012	2011
	£	£
Aggregate emoluments	<u>-</u>	<u>-</u>

The directors did not receive any emoluments in respect of their services to the company (2011: £nil). No retirement benefits are accruing to directors, (2011: £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 2012 (continued)**

5 Employee information

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

	2012	2011
	Number	Number
Production	131	128
Selling & distribution	8	10
Administration	18	15
	157	153

The aggregate payroll costs of these persons were as follows:

	2012	2011
	£	£
Wages and salaries	4,179,930	3,739,455
Social security costs	357,602	316,957
Defined benefit scheme pension costs (note 21)	59,000	247,000
Defined contribution scheme pension costs (note 21)	140,726	85,256
	4,737,258	4,388,668

6 Interest receivable and similar income

	2012	2011
	£	£
Inter-company	32,048	27,168
Bank	2	-
	32,050	27,168

7 Interest payable and similar charges

	2012	2011
	£	£
Bank	47	11
	47	11

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

8 Tax on profit on ordinary activities

	2012 £	2011 £
Current tax:		
UK corporation tax at 24.5%, (2011:26.5%), on the profit for the year on ordinary activities	(10,389)	15,287
Adjustments to tax charge in respect of previous years	(6,548)	3,626
Current tax credit / charge for the year	(16,937)	18,913
Deferred tax:		
Pension charge	18,630	61,750
Effect of tax rate change	(4,320)	(12,240)
Tax on profit on ordinary activities	(2,627)	68,423

The tax assessed for the year is lower, (2011: lower), than the standard rate of corporation tax in the UK (24.5%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	51,353	321,745
Profit on ordinary activities multiplied by standard rate in the UK 24.5% (2011: 26.5%)	12,581	85,262
Effects of:		
Expenses not deductible for tax purposes and other permanent differences	(7,973)	(6,344)
Movement in potential deferred tax asset not recognised	3,633	(1,881)
Pension charge in excess of pension relief	(18,630)	(61,750)
Adjustments to tax charge in respect of previous years	(6,548)	3,626
Current tax (credit) / charge for the year	(16,937)	18,913

The UK corporation tax rate reduced to 24% from 1 April 2012. A subsequent reduction in the UK corporation tax rate to 23% was substantively enacted on 3 July 2012 and will apply from 1 April 2013. The substantively enacted rate of 23% has been used in the calculation of deferred tax. As announced in the 2012 Autumn statement, the rate is expected to reduce further to 21% from 1 April 2014. The aggregate impact of the reduction in rate from 23% to 21% would reduce the deferred tax liability on the pension scheme surplus by approximately £5,000 and will be recognised when the legislation is substantively enacted.

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

9 Tangible fixed assets

	Freehold land, buildings and building improvements	Plant and machinery	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2012	815,768	627,556	189,386	1,632,710
Additions	-	76,886	37,329	114,215
At 31 December 2012	815,768	704,442	226,715	1,746,925
Accumulated Depreciation				
At 1 January 2012	755,002	485,042	143,188	1,383,232
Charge for year	18,840	58,196	21,740	98,776
At 31 December 2012	773,842	543,238	164,928	1,482,008
Net book value				
At 31 December 2012	41,926	161,204	61,787	264,917
At 31 December 2011	60,766	142,514	46,198	249,478

The freehold land and buildings includes the cost of freehold land £10,890, (2011: £10,890), which is not depreciated.

10 Stocks

	2012	2011
	£	£
Raw materials and consumables	4,251,567	3,092,004
Finished goods	695,394	441,498
	4,946,961	3,533,502

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

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

11 Debtors

	2012	2011
	£	£
Amounts falling due within one year		
Trade debtors	1,911,566	2,703,077
Amounts owed by immediate parent company	6,036,573	6,877,297
Other debtors	6,971	37,405
Prepayments and accrued income	97,824	76,785
Corporation tax – group relief	10,389	90,400
	<u>8,063,323</u>	<u>9,784,964</u>

Loans due from parent company are unsecured, accrue interest at 0.30%, (2011: 0.55%), and are repayable on demand.

12 Creditors: amounts falling due within one year

	2012	2011
	£	£
Bank overdraft	14,960	18,355
Trade creditors	2,117,293	2,231,239
Amounts owed to fellow subsidiaries	43,151	33,675
Other tax and social security	89,301	102,058
Accruals and deferred income	1,528,784	1,798,784
	<u>3,793,489</u>	<u>4,184,111</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 2012	622,924
Profit and loss account - created in year	604,078
Utilised in year	(493,489)
At 31 December 2012	<u>733,513</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 2012 (continued)**

14 Deferred tax

	2012		2011	
	Recognised	Unrecognised	Recognised	Unrecognised
	£	£	£	£
Accelerated capital allowances	-	60,388	-	75,414
Deferred taxation excluding deferred tax on pension asset	-	60,388	-	75,414
Pension liability	(54,740)	-	(54,000)	-
Total deferred taxation	(54,740)	60,388	(54,000)	75,414

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 Called up share capital

	2012	2011
	£	£
Allotted, called up and fully paid 15,000 Ordinary shares of £1 each	15,000	15,000

16 Profit and loss account

	2012	2011
	£	£
At 1 January	8,907,909	8,983,837
Profit for the financial year	53,980	253,322
Pension related losses from the STRGL	(45,430)	(329,250)
At 31 December	8,916,459	8,907,909

**Notes to the financial statements
for the year ended 31 December 2012 (continued)****17 Reconciliation of movements in shareholders' funds**

	2012	2011
	£	£
At 1 January	8,922,909	8,998,837
Profit for the financial year	53,980	253,322
Pension related losses from the STRGL	(45,430)	(329,250)
At 31 December	<u>8,931,459</u>	<u>8,922,909</u>

18 Contingent liabilities

The company has granted a guarantee to the Commissioners of Customs & Excise for £100,000 (2011: £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 2012 amounted to Nil, (2011: Nil).

20 Leases**(i) Land and buildings**

At 31 December 2012 the company had minimum annual commitments under operating leases expiring within the following periods:

	2012	2011
	£	£
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 2012 (continued)**

20 Leases (continued)

(ii) Other

At 31 December 2012 the company had minimum annual commitments under operating leases expiring within the following periods:

	2012	2011
	£	£
Within one year	13,326	18,082
From one to two years	44,385	13,326
From two to five years	25,147	44,216
	<u>82,858</u>	<u>75,624</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 2012 by Peter Cormack FIA employed by The Royal London Mutual Insurance Society Limited.

**Notes to the financial statements
for the year ended 31 December 2012 (continued)****21 Pension arrangements (continued)**

The major assumptions used by the actuary were:

	2012	2011
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%	3.1%
Accruing post 21 November 2007	2.6%	2.4%
Discount rate	4.6%	5.1%
Retail price inflation	3.1%	3.1%
Consumer price inflation	2.6%	2.4%

The mortality assumptions used were:

	2012	2011
Longevity at age 65 for current pensioners:		
Men	21.4 years	21.3 years
Women	23.5 years	23.4 years
Longevity at age 65 for future pensioners currently aged 45:		
Men	22.7 years	22.6 years
Women	25.0 years	25.0 years

**Notes to the financial statements
for the year ended 31 December 2012 (continued)****21 Pension arrangements (continued)**

The expected rates of return were:

	At 31 Dec 2012	At 31 Dec 2011
Expected long term rate of return	3.9%	4.1%

The expected return on assets is based on a long-term expectation for each asset class at 31 December 2012. 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:

	2012	2011
	£	£
Total market value of assets	7,867,000	7,447,000
Present value of scheme liabilities	(6,472,000)	(5,305,000)
Surplus in the scheme	1,395,000	2,142,000
Surplus not recognised	(1,157,000)	(1,926,000)
Surplus to be recognised	238,000	216,000
Related deferred tax liability	(54,740)	(54,000)
Net pension asset	183,260	162,000

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

21 Pension arrangements (continued)

Reconciliation of present value of scheme liabilities

	2012	2011
	£	£
Liabilities at 1 January	5,305,000	6,701,000
Current service costs	-	-
Interest cost on scheme liabilities	264,000	360,000
Actuarial loss / (gain)	1,145,000	(1,694,000)
Employee contributions	-	-
Gain on curtailments	-	-
Benefits paid	(242,000)	(62,000)
Liabilities at 31 December	<u>6,472,000</u>	<u>5,305,000</u>

Reconciliation of fair value of scheme assets

	2012	2011
	£	£
Assets at 1 January	7,447,000	7,145,000
Expected return on scheme assets	300,000	362,000
Actuarial gain / (loss)	303,000	(245,000)
Employer contributions	59,000	247,000
Employee contributions	-	-
Benefits paid	(242,000)	(62,000)
Assets at 31 December	<u>7,867,000</u>	<u>7,447,000</u>
Actual return on assets	<u>603,000</u>	<u>117,000</u>

Analysis of the amount charged to profit and loss is:

	2012	2011
	£	£
Current service cost	-	-
Gain on settlement and curtailments	-	-
Total operating charge	<u>-</u>	<u>-</u>

**Notes to the financial statements
for the year ended 31 December 2012 (continued)**

21 Pension arrangements (continued)

Analysis of the amount credited to other financial expense is:

	2012	2011
	£	£
Expected return on scheme assets	300,000	362,000
Effect of excess restriction recognised in P&L	(14,000)	(2,000)
Interest cost on scheme liabilities	(264,000)	(360,000)
Net return	<u>22,000</u>	<u>-</u>

The cumulative amount of actuarial (losses) and gains recognised in the Statement of Total Recognised Gains and Losses (STRGL) is £963,000, (2011: £904,000).

Amounts for current and previous four years:

	2012	2011	2010	2009	2008
	£	£	£	£	£
Scheme Liabilities	6,472,000	5,305,000	6,701,000	6,395,000	4,124,000
Scheme Assets	7,867,000	7,447,000	7,145,000	6,320,000	5,147,000
Excess / (shortfall)	<u>1,395,000</u>	<u>2,142,000</u>	<u>444,000</u>	<u>(75,000)</u>	<u>(1,023,000)</u>
Experience adjustment on Scheme assets gain / (loss)	303,000	(245,000)	239,000	524,000	(839,000)
Experience adjustment on Scheme liabilities (loss) / gain	(302,000)	730,000	426,000	31,000	425,000

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 £140,726, (2011: £85,256), of which £ nil, (2011: £3,557), was accrued as at 31 December 2012.

**Notes to the financial statements
for the year ended 31 December 2012 (continued)****22 Post balance sheet events**

On 23 January 2013 the Trustees of the defined benefit pension scheme, having taken extensive legal advice from advisors in Scotland, England and USA, and Heil Europe Limited resolved to authorise the substitution of Dover UK Pensions Limited as Principal Employer of the Scheme. The parties entered into a Deed of Amendment, Substitution and Flexible Apportionment arrangement. Dover UK Pensions Limited will be backed by a Guarantee from Heil Co., another Dover Corporation company formed in Delaware, USA. On 1 February 2013 the Trustees notified the Pensions Regulator of this transaction.

On 30 January 2013 the whole of the Ordinary Share Capital of Heil Europe Limited was acquired by Farid UK limited, a wholly owned subsidiary of FEG BRIVIO S.P.A.

On 1 May 2013 the assets and liabilities of Farid UK Limited were transferred at book value to Heil Europe Limited.

On 3 May 2013 Heil Europe Limited changed its name to HEIL FARID European Company Limited.

23 Ultimate parent undertaking and controlling party

Up until 30 January 2013 the immediate parent was Dover UK Holdings Limited.

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

Dover Corporation was the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2012. 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 financial statements, is exempt from disclosing transactions and balances, under the terms of FRS8, with related parties in the Dover Corporation group.

On 31 January 2013 the whole of the Ordinary Share Capital of Heil Europe Limited was acquired by Farid UK limited, a wholly owned subsidiary of FEG BRIVIO S.P.A. who, from 31 January 2013, have become the immediate and ultimate parent undertakings respectively.