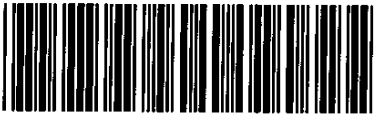


HELLER MACHINE TOOLS HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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HELLER MACHINE TOOLS HOLDINGS LIMITED

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HELLER MACHINE TOOLS HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The group, the company and its wholly owned subsidiary, is the UK operation of Heller Group and continues to be engaged in the assembly, sale and maintenance of CNC machine tools along with the supply of spare parts. The group also designs and supplies fixtures together with technical expertise and know how to provide solutions to its customers' engineering requirements.

The philosophy of Heller Group is to remain one of the world's premier manufacturers of high quality machine tools. The strategy for all its subsidiaries, including Heller Machine Tools Limited, is for each of them to be an efficient and profitable supplier of high quality machine tools.

Business review

The group generated a pre-tax loss of £367,000 (2021: £1,209,000).

The market continues to remain competitive for the supply of high quality products and advanced technical solutions such as those supplied by the group. With the new generation range of the product line being built in the UK, the group continues to remain confident that the demand for its product and especially the new five-axis machine will continue. New markets remain the focus and will improve the company's future prospects for the sale of its products.

Principal risks and uncertainties

The directors have reviewed the risk management objectives and policies of the group and these are continually monitored.

With the end of the pandemic the group is returning to the operational procedures established pre pandemic. Nevertheless challenges remain after the start of the war in Ukraine affecting the global energy and raw material market. Inflation and a supply chain which is still not operating with the same parameters as before the pandemic require a big focus from the company to monitor the development of prices and lead times. Heller Machine Tools Limited has seen in 2022 a high demand for machine tools.

Although various restrictions have been removed in the last year, the supply chain is still under pressure to perform within the market requirements, but, finally lead times are being reduced.

The Heller Group has adequate financial resources and bank facilities in place which have helped bring the directors to the conclusion that the company and group are going concerns. As a consequence of this, the directors of Heller Machine Tools Holdings Limited believe that the company is well placed to manage current business risks and uncertainties.

The group is exposed to a foreign currency risk as most of its turnover is derived from Euro denominated exports. It continues to manage this risk by operating Euro bank accounts and making a significant amount of purchases from European suppliers in Euros. This natural hedge precludes the need for using forward currency contracts. The group does not enter into any derivatives or speculative financial instruments.

Within the machine tool business there is an inherent risk of product liability and warranty claims. The directors are also aware of a tendency in the automotive industry, one of the largest markets for machine tools, of customers to include unlimited guarantee clauses. The directors mitigate against the risk from indemnity clauses by ensuring that contracts are carefully drafted so that any potential loss to the Heller Group is limited. Systems are in place to ensure the efficiency of group's employees in satisfying its customers' needs and, in the monitoring, and reduction of potential contract risks from work undertaken.

The granted Authorised Economic Operator status in 2021 continues to show its benefit for the business in the trade with our parent company in Germany.

HELLER MACHINE TOOLS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

The group's key financial performance indicators encompass turnover, profitability and the strength of its balance sheet.

The consolidated statement of income and retained earnings on page 10 of the financial statements shows a turnover of £51M (2021: £34M), with a loss after tax of £376,000 (2021: £974,000). The improved results in 2022 compared to 2021 reflect the increase in demand and improvement in the supply chain as described above.

The consolidated balance sheet on page 11 shows that the net asset position of the group remains strong. At the balance sheet date the current ratio was 1.60:1 (2021: 1.89:1) and the quick ratio was standing at 0.18:1 (2021: 0.28:1).

The consolidated statement of cash flows on page 15 shows that the cash flows from operating activities were an outflow of £1,233,000 (2021 inflow: £1,129,000). As can be seen on page 15 this is due to a number of factors.

Non financial information

Human rights

We are committed to respecting and upholding human rights within our business and within our supply chain. We recognise our responsibility to identify and address potential or actual human rights infringements linked to the products and services we provide. We encourage our suppliers to uphold the same standards as we apply to ourselves.

- Modern slavery statement – <https://uk.heller.biz/modern-slavery-statement/>

GDPR regulations are regularly reviewed and the directors are satisfied that the group meets the requirements.

The group has Information security and Electronic communications policies, which are designed to ensure that all IT and other communication equipment and resources, are used properly and kept secure. The group has various monitoring, firewalls and anti-virus software with structured file access in place to protect against the risk of IT security breaches.

Environment

As a business we recognise the importance of reducing our environmental impact and have over the last few years, *introduced various energy saving initiatives such as PIR detection LED lighting along with updating the installed air conditioning system to a more efficient product.*

Heller is considering alternative means and strategies for saving energy.

Employees

The group aims to provide a safe working environment, which encourages personal development. Respect and responsibility are highly valued in the organisation and the group seeks to operate within a framework of fairness, openness, integrity and accountability.

HELLER MACHINE TOOLS HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

The group provides safe and healthy conditions of all work, plant, equipment and systems by identifying and reducing to an acceptable level all workplace hazards and risks. The group seeks to monitor its "days lost" KPI year on year in 2021 it was 5% (2020: 1.53%).

Employee turnover during the year was 4.5% (2020: 12.46%). The group continues to be committed to advertising vacancies internally to ensure employees are given opportunities to progress as they recognise the value of retaining their highly skilled staff.

Absence rates were 1.8% (2020: 1.1%).

Anti-corruption and anti-bribery

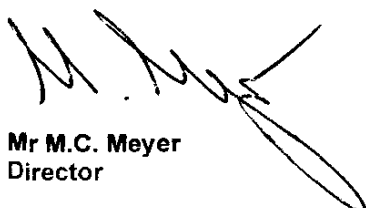
The group is committed to conducting its operations in a socially responsible manner and will not tolerate any form of bribery or corruption from its employees, suppliers or any other parties. The group conducts its business with honesty and integrity and expects all of the employees to maintain high standards. Both the anti-bribery and Whistle Blowing policies are available upon request.

Directors' statement of compliance with duty to promote the success of the Group

The directors in the performance of their duties during the year have acted in good faith to promote the success of the group for the benefit of the members, while having regard to the impact of our operations on the wider community and our stakeholders. The directors understand the business and the environment in which it operates. This is key when considering the likely consequences of any long term decisions. The group continues to invest in the efficient production of its product and in order to optimise material handling, has expanded Kanban and trolley systems usage within the assembly process. It also recognises that its employees and their skills are key to business success and seeks to train and support its employees in the delivery of its excellent products and services. Employee welfare and wellbeing are of utmost importance and the company engages with them all through regular internal communications. It works closely with suppliers to reduce the impact on the environment by utilising re-usable packaging materials and pallets and has invested heavily in transport frames to support this activity. Additionally it recycles materials where it is able to. Further details on employee involvement and environmental matters can be found in the non-financial information section of this report.

This report was approved by the board on 15/09/2023

and signed on its behalf.



Mr M.C. Meyer
Director

HELLER MACHINE TOOLS HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £375,588 (2021 - loss £974,028).

No dividends have been paid during the year and no final dividend is proposed.

Directors

The directors who served during the year and thereafter were:

Mr M.C. Meyer
Mr M.P. Rosenberger (appointed 1 January 2022)
Mr K.M. Winkler (resigned 1 January 2022)

Future developments

As noted within the strategic report, the philosophy of Heller Group is to remain one of the world's premier manufacturers of high quality machine tools.

Engagement with suppliers, customers and others

Refer to the strategic report.

HELLER MACHINE TOOLS HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Greenhouse gas emissions, energy consumption and energy efficiency action

The group's greenhouse gas emissions and energy consumption during the year ended 31 December 2022, as required under the Streamlined Energy & Carbon Reporting (SECR) framework provisions, are as follows:

	2022		2021	
	KWh	CO2e (t)	KWh	CO2e (t)
Electricity	1,095,519	212	1,082,843	229
Gas	834,302	152	1,108,336	203
Motor vehicles ***	190,970	89	296,594	137

*** Includes fuel used by company cars on business use. The company uses third party hauliers which are not included in these figures.

The metric of CO2 equivalent (kg) relative to turnover (£M) has been considered the most appropriate way to track energy efficiency. For the year ended 31 December 2022 this equates to 8.8 (2021: 16.8) tonnes of carbon dioxide equivalent per £1 million of turnover.

Greenhouse gas (GHG) emissions are calculated in line with the UK Government Guidance on Streamlined Energy and Carbon Reporting and mandatory GHG reporting guidance. Conversion factors are taken from the UK Governments conversion factors.

We have used the "Greenhouse gas reporting: conversion factors 2022" from the UK Government website to calculate the amount of carbon dioxide.

Disclosure 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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant post balance sheet events.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

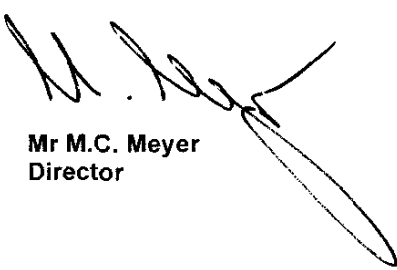
Auditor

Following a rebranding exercise on 15 May 2023 the trading name of the company's independent auditor changed from M I A Macintyre Hudson to MHA.

The auditor, MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **15/09/2023**

and signed on its behalf.



Mr M.C. Meyer
Director

HELLER MACHINE TOOLS HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Heller Machine Tools Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Consolidated Statement of income and retained earnings, the Consolidated and Company Balance sheets, the Group Statement of cash flows, the Consolidated and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 and of the Group's loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

HELLER MACHINE TOOLS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLER MACHINE TOOLS HOLDINGS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- *the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.*

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

HELLER MACHINE TOOLS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLER MACHINE TOOLS HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claim;
- Enquiry of management to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and reviewing accounting estimates for bias;
- Reviewing board minutes and legal expenses for evidence of potential litigation or undeclared contingent liabilities; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

HELLER MACHINE TOOLS HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELLER MACHINE TOOLS HOLDINGS
LIMITED (CONTINUED)

Use of our report

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 opinions we have formed.



Christopher Barlow BFP FCA FCCA (Senior statutory auditor)
for and on behalf of

MHA, Statutory Auditor
Birmingham, United Kingdom

Date: 19 - 09 - 2023

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

HELLER MACHINE TOOLS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	50,941,466	34,452,742
Other operating income	5	739,586	1,126,650
Raw materials and consumables		(40,952,174)	(26,915,974)
Other external charges		(4,236,574)	(2,838,489)
Gross profit		6,492,304	5,824,929
Staff costs	8	(6,214,454)	(5,905,375)
Depreciation and amortisation		(401,175)	(982,608)
Operating loss	6	(123,325)	(1,063,054)
Interest receivable and similar income	10	3,672	5,512
Interest payable and similar expenses	11	(247,776)	(151,486)
Loss before tax		(367,429)	(1,209,028)
Tax on loss	12	(8,159)	235,000
Loss for the financial year		(375,588)	(974,028)
Total comprehensive income for the year		(375,588)	(974,028)
(Loss) for the year attributable to:			
Owners of the parent Company		(375,588)	(974,028)

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED
REGISTERED NUMBER:01439149

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	4,744,754	6,709,082
Current assets			
Stocks	15	13,773,815	17,963,025
Debtors: amounts falling due within one year	16	1,672,028	3,182,738
Cash at bank and in hand		92,690	126,267
		<u>15,538,533</u>	<u>21,272,030</u>
Creditors: amounts falling due within one year	17	<u>(9,791,244)</u>	<u>(11,261,640)</u>
Net current assets		<u>5,747,289</u>	<u>10,010,390</u>
Total assets less current liabilities		<u>10,492,043</u>	<u>16,719,472</u>
Creditors: amounts falling due after more than one year	18	(925,067)	(6,591,908)
Provisions for liabilities			
Deferred taxation	20	<u>(13,000)</u>	<u>(198,000)</u>
Net assets		<u><u>9,553,976</u></u>	<u><u>9,929,564</u></u>
Capital and reserves			
Called up share capital	21	4,500,000	4,500,000
Profit and loss account	22	5,053,976	5,429,564
Equity attributable to owners of the parent Company		<u>9,553,976</u>	<u>9,929,564</u>
		<u><u>9,553,976</u></u>	<u><u>9,929,564</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
15/09/2023


Mr M.C. Meyer
Director

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED
REGISTERED NUMBER:01439149

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	4,500,000	4,500,000
Current assets			
Debtors: amounts falling due within one year	16	73,729	73,729
Net current assets		<u>73,729</u>	<u>73,729</u>
Total assets less current liabilities		<u>4,573,729</u>	<u>4,573,729</u>
Net assets		<u><u>4,573,729</u></u>	<u><u>4,573,729</u></u>
Capital and reserves			
Called up share capital	21	4,500,000	4,500,000
Profit and loss account brought forward		<u>73,729</u>	<u>73,729</u>
Profit and loss account carried forward		<u>73,729</u>	<u>73,729</u>
		<u><u>4,573,729</u></u>	<u><u>4,573,729</u></u>

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own statement of income in these financial statements. The profit of the Company for the year was £Nil (2021: £Nil).

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

15/09/2023


Mr M.C. Meyer
Director

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 January 2021	4,500,000	6,403,592	10,903,592	10,903,592
Comprehensive income for the year				
Loss for the year	-	(974,028)	(974,028)	(974,028)
Total comprehensive income for the year	-	(974,028)	(974,028)	(974,028)
At 1 January 2022	4,500,000	5,429,564	9,929,564	9,929,564
Comprehensive income for the year				
Loss for the year	-	(375,588)	(375,588)	(375,588)
Total comprehensive income for the year	-	(375,588)	(375,588)	(375,588)
At 31 December 2022	4,500,000	5,053,976	9,553,976	9,553,976

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	4,500,000	73,729	4,573,729
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 1 January 2022	4,500,000	73,729	4,573,729
Total comprehensive income for the year	-	-	-
Total transactions with owners	-	-	-
At 31 December 2022	4,500,000	73,729	4,573,729

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(375,588)	(974,028)
Adjustments for:		
Depreciation of tangible assets	844,898	977,825
(Profit)/loss on disposal of tangible assets	(443,723)	4,783
Government grants	(20,932)	(20,932)
Interest paid	247,776	151,486
Interest received	(3,672)	(5,512)
Taxation on profit/(loss) on ordinary activities	8,159	(235,000)
Decrease/(increase) in stocks	4,189,210	(6,072,113)
Decrease/(increase) in debtors	1,136,617	(205,662)
(Increase)/decrease in amounts owed by groups	(314,407)	44,357
Decrease in amounts owed by finance lessees	-	178,340
(Decrease)/increase in creditors	(888,008)	1,553,272
(Decrease)/increase in amounts owed to groups	(6,123,240)	5,732,308
Corporation tax received	510,092	-
Net cash (used in)/generated from operating activities	(1,232,818)	1,129,124
Cash flows from investing activities		
Purchase of tangible fixed assets	(182,853)	(1,061,043)
Sale of tangible fixed assets	1,746,007	-
Government grants received	20,932	20,932
Interest received	3,672	5,512
Net cash from investing activities	1,587,758	(1,034,599)

HELLER MACHINE TOOLS HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Repayment of loans	(140,741)	(136,757)
Interest paid	(247,776)	(151,486)
Net cash used in financing activities	(388,517)	(288,243)
Net (decrease) in cash and cash equivalents	(33,577)	(193,718)
Cash and cash equivalents at beginning of year	126,267	319,985
Cash and cash equivalents at the end of year	92,690	126,267
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	92,690	126,267
	92,690	126,267

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	126,267	(33,577)	-	92,690
Debt due after 1 year	(5,645,909)	-	5,645,909	-
Debt due within 1 year	(141,334)	141,334	(5,646,502)	(5,646,502)
	(5,660,976)	107,757	(593)	(5,553,812)

The notes on pages 18 to 33 form part of these financial statements.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Heller Machine Tools Holdings Limited is a private company limited by shares, incorporated and domiciled in England. The address of the registered office and the principal place of business is Acanthus Road, Ravensbank Business Park, Redditch, Worcestershire, B98 9EX.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014.

2.3 Going concern

The consolidated financial statements have been prepared on a going concern basis. The Directors have considered the relevant information, including the annual budget, forecast future cash flows, the impact of subsequent events and the continued support of the group in making their assessment. Demand for machines is strong, however, the global supply chain remains under enormous pressure and obtaining the raw materials and other goods to meet customer expectations is challenging. In response to the global supply chain issue the Directors have performed a thorough analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of ongoing issues in the supply chain and received assurances from group management that the company will receive ongoing support. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regards to the resources available to the group and the cashflow headroom available to it under various scenarios, the Directors have concluded that there is no material uncertainty and that they can continue to trade and adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Leased assets: the Group as lessor

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a moving average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of income and retained earnings in the same period as the related expenditure.

2.14 Foreign currency translation

The group's functional currencies are GBP and Euros. The presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.15 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent timing differences.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Some of these estimates and judgments are inherently uncertain and subject to change. The impact of any change in accounting estimates is reflected in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods. In this respect, the directors believe that the critical accounting policies where judgments or estimations are necessarily applied are as follows:-

Tangible fixed assets:

Depreciation is provided on fixed assets based on the estimated useful economic life of those assets. This is based on management's knowledge of the business and assets.

Revenue recognition:

Sometimes the group undertakes projects, for example installation of machines on-site with automation. These are in effect contracts under section 23 of FRS102 and are accounted for in accordance with the provisions of that section. This requires estimates to be made for the contract revenue and costs, which may be affected by a variety of uncertainties that depend on the outcome of future events.

Stock:

The group holds a significant level of stock, both for production and as spares. Provision is made for slow-moving and potentially obsolete stock. This, by its very nature, requires management to make judgments. These are based on historical experience and on other factors that are believed to be relevant in the circumstances.

4. Turnover

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

Analysis of turnover by country of destination:

	2022 £	2021 £
Europe	49,713,175	33,781,500
Rest of the world	1,228,291	671,242
	<u>50,941,466</u>	<u>34,452,742</u>

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Other operating income

	2022 £	2021 £
Rental income	557,790	583,867
Coronavirus Job Rentention Scheme grants receivable	-	521,851
Government grants receivable	20,932	20,932
RDEC tax credits received	160,864	-
	<u>739,586</u>	<u>1,126,650</u>

6. Operating loss

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

	2022 £	2021 £
Depreciation of tangible fixed assets	844,897	977,825
Exchange differences	171,155	(290,443)
Other operating lease rentals	<u>149,587</u>	<u>121,225</u>

7. Auditor's remuneration

During the year, the Group obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Group's auditor for the audit of the consolidated and parent Company's financial statements	46,100	41,715
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	2,700	2,500
All taxation advisory services not included above	132	769
All non-audit services not included above	<u>2,250</u>	<u>-</u>
Fees payable to the Company's auditor in connection with the Group's pension scheme in respect of:		
The auditing of accounts of the scheme	<u>1,900</u>	<u>1,900</u>

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,367,723	5,122,398	-	-
Social security costs	581,595	506,705	-	-
Cost of defined contribution scheme	265,136	276,272	-	-
	<u>6,214,454</u>	<u>5,905,375</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Directors	2	2
Production, sales and administration	154	151
	<u>156</u>	<u>153</u>

The Company has no employees other than the directors, who did not receive any remuneration in either the current or prior years.

9. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	112,289	228,735
Group contributions to defined contribution pension schemes	10,000	10,000
	<u>122,289</u>	<u>238,735</u>

During the year retirement benefits were accruing to 1 directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration, including benefits in kind, of £114,778 (2021 - £231,224).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,000 (2021 - £10,000).

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Interest receivable and similar income

	2022	2021
	£	£
Other interest receivable	3,672	5,512

11. Interest payable and similar expenses

	2022	2021
	£	£
Bank interest payable	204,812	122,054
On loans from group undertakings	42,964	29,432
	247,776	151,486

12. Taxation

	2022	2021
	£	£
Corporation tax		
Adjustments in respect of previous periods	193,159	(538,000)
Total current tax	193,159	(538,000)
Deferred tax		
Origination and reversal of timing differences	(185,000)	303,000
Total deferred tax	(185,000)	303,000
Taxation on loss on ordinary activities	8,159	(235,000)

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(367,429)	(1,209,028)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(69,812)	(229,715)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	2,978	2,657
Capital allowances for year in excess of/(less than) depreciation	35,293	(21,348)
R&D expenditure credits	37,859	-
Other timing differences leading to an increase in taxation	1,841	13,406
Total tax charge for the year	8,159	(235,000)

Factors that may affect future tax charges

The group has trading losses carried forward of approximately £800,000.

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group

	Freehold land & buildings £	Plant & machinery £	Motor vehicles £	Fixtures, fittings, tools & equipment £	Total £
Cost					
At 1 January 2022	8,082,528	5,543,679	18,883	1,628,504	15,273,594
Additions	-	82,676	-	100,177	182,853
Disposals	-	(2,164,988)	(13,500)	(8,888)	(2,187,376)
At 31 December 2022	<u>8,082,528</u>	<u>3,461,367</u>	<u>5,383</u>	<u>1,719,793</u>	<u>13,269,071</u>
Depreciation					
At 1 January 2022	3,891,853	3,276,588	18,883	1,377,188	8,564,512
Charge for the year on owned assets	240,168	465,482	-	139,247	844,897
Disposals	-	(862,704)	(13,500)	(8,888)	(885,092)
At 31 December 2022	<u>4,132,021</u>	<u>2,879,366</u>	<u>5,383</u>	<u>1,507,547</u>	<u>8,524,317</u>
Net book value					
At 31 December 2022	<u>3,950,507</u>	<u>582,001</u>	<u>-</u>	<u>212,246</u>	<u>4,744,754</u>
At 31 December 2021	<u>4,190,675</u>	<u>2,267,091</u>	<u>-</u>	<u>251,316</u>	<u>6,709,082</u>

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Fixed asset investments**Company**

	Investments in subsidiary company £
Cost and net book value	
At 1 January 2022	4,500,000
At 31 December 2022	<u>4,500,000</u>

Heller Machine Tools Holdings Limited has a 100% interest in the equity of Heller Machine Tools Limited, an unlisted company registered in England and Wales and having the same registered office. The principal activity of Heller Machine Tools Limited is machine tool manufacturing, sales and servicing. The subsidiary undertaking has been included in the consolidation.

15. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	8,892,400	9,331,394
Work in progress	4,881,415	8,631,631
	<u>13,773,815</u>	<u>17,963,025</u>

In respect of stock provisions, impairment gains totalling £157,764 (2021 - loss £223,681) were recognised in the profit and loss during the year.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	873,957	1,786,248	-	-
Amounts owed by group undertakings	389,417	75,010	73,729	73,729
Other debtors	267,384	1,129,052	-	-
Prepayments and accrued income	141,270	192,428	-	-
	<u>1,672,028</u>	<u>3,182,738</u>	<u>73,729</u>	<u>73,729</u>

17. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £
Bank loans	5,646,502	141,334
Payments received on account	575,159	626,197
Trade creditors	2,148,827	2,626,457
Amounts owed to group undertakings	146,104	6,269,344
Corporation tax	14,752	-
Other taxation and social security	222,932	209,763
Accruals and deferred income	1,036,968	1,388,545
	<u>9,791,244</u>	<u>11,261,640</u>

Bank loans are secured by fixed and floating charges over the group's freehold premises and certain plant machinery, fixtures and equipment.

18. Creditors: Amounts falling due after more than one year

	Group 2022 £	Group 2021 £
Bank loans	-	5,645,909
Accruals and deferred income	925,067	945,999
	<u>925,067</u>	<u>6,591,908</u>

Bank loans are secured by fixed and floating charges over the group's freehold premises and certain plant machinery, fixtures and equipment.

HELLER MACHINE TOOLS HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Loans

Analysis of the maturity of loans is given below:

	Group 2022 £	Group 2021 £
Amounts falling due within one year		
Bank loans	5,646,502	141,334
Amounts falling due 1-2 years		
Bank loans	-	5,645,909
Amounts falling due 2-5 years		
	5,646,502	5,787,243

20. Deferred taxation**Group**

	2022 £
At beginning of year	(198,000)
Charged to profit or loss	185,000
At end of year	(13,000)

	Group 2022 £	Group 2021 £
Accelerated capital allowances	(240,000)	(585,000)
Tax losses carried forward	204,000	375,000
Short term differences	23,000	12,000
	(13,000)	(198,000)

21. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
4,500,000 (2021 - 4,500,000) Ordinary shares of £1.00 each	4,500,000	4,500,000

HELLER MACHINE TOOLS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

22. Reserves

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

23. Pension commitments

The group operates defined contribution pension schemes. The charge for the year of £265,136 (2021: £276,272) represents contributions falling due and payable in the year. Contributions totalling £34,605 (2021: £34,505) are included in creditors.

24. Commitments under operating leases

At 31 December 2022 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	Group 2021 £
Not later than 1 year	196,455	210,096
Later than 1 year and not later than 5 years	228,384	388,626
Later than 5 years	-	12,288
	424,839	611,010

25. Related party transactions

The company's financial statements are consolidated into those of its ultimate parent undertaking, Heller Holding SE & Co. KGaA whose financial statements are publicly available.

The company has taken advantage of paragraph 33.1A of FRS102 and has not disclosed transactions with other wholly owned Heller Group entities.

Amounts due from and to group related parties at the balance sheet date are shown on notes 16 and 17 to the financial statements.

Compensation of £603,740 (2021: £567,248) was paid to key personnel, including directors, during the year.

26. Ultimate parent undertaking

Heller Machine Tools Holdings Limited regards Heller Holding SE & Co KGaA of Nuertingen, Germany as its ultimate parent company.