

Mercedes-Benz HighPerformanceEngines Limited

**Directors' report and financial
statements**

Registered number 1760288

31 December 2010

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Directors' report

The directors submit their report and the financial statements for the year ended 31 December 2010

Principal activities and business review

On behalf of its parent company Daimler AG the principal activity of the company is the design, the development and the manufacture of Mercedes-Benz Formula One powertrain solutions, which powers the Mercedes GP Petronas Formula One Team, the Vodafone McLaren Mercedes Formula One Team, and the Force India Formula One Team (the Racing Teams')

The directors consider quality, technical excellence, speed and flexibility, combined with cost control, to be the principal success factors towards achieving the company's strategies over the medium term. Performance against these measurables is reviewed regularly.

Overall turnover has decreased to £81.7 million (2009: £97.2 million). This was primarily due to a FOTA decision not to race KERS for the 2010 season and gains in efficiency.

During the year the Racing Teams decided to race KERS again in 2011. Based on this, the company had to make a reversal of the 2009 KERS impairment of £1.4m and started KERS development activities again.

In the year, the company made a profit before taxation of £4.9 million, representing a margin of 6% against turnover.

In the coming year the company will continue with its principal activities to develop, manufacture, supply and support F1 powertrain solutions on behalf of its parent company Daimler, together with undertaking additional design and development work if requested by the group. The company will also evaluate strategic plans and operational goals following the announcement of the FIA World Motorsport Council concerning the 2013 powertrain.

Principal risks and uncertainties

The Contract Manufacturer Agreement with Daimler AG minimizes all significant business risks for the company. However, as the company operates principally in two currencies (Sterling and Euro) there is inherent exposure to exchange rate risk.

Interest rate exposure is limited to the internal borrowing rate set by Daimler AG.

Dividends

No dividend was paid during the year (2009: £nil).

Directors

The directors, who held office during the year and since the end of the year, were as follows:

Dr. Thomas Weber	(German)	Non executive and Chairman
Norbert Haug	(German)	Non executive
Thomas Fuhr	(German)	CEO
Sten Ola Källenius	(Swedish)	Non executive (resigned 31st Aug 2010)
Dr. Leopold Mikulic	(German)	Non executive (resigned 31st Aug 2010)
Berhard Heil	(German)	Non executive (appointed 31st Aug 2010)

Secretary		
Lionel Gunther	(French)	CFO

Directors' report *(continued)*

Charitable donations

The company made charitable donations of £2,088 during the year (2009 £100)

Policy and practice on payment of creditors

The company follows its standard terms and conditions for the payment of suppliers. It implies payment terms with its suppliers when it enters into purchase contracts. It then seeks to adhere to these arrangements providing it is satisfied that the suppliers have provided the goods or services in accordance with the agreed terms and conditions.

At the year end, there were 43 days' (2008 38 days) purchases in trade creditors.

Employees

The company's management has an open policy on the communication of information to employees concerning factors affecting their interests as employees and also the development of the company and consults employees on a regular basis to ensure that their views are taken into account in making decisions on matters likely to affect their interests.

It is the company's policy to give full and fair consideration to suitable applications for employment by disabled persons having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to staff. Opportunities also exist for employees of the company who become disabled to continue their employment or to be trained in other positions in the group.

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



Thomas Fuhr
Director

Mercedes-Benz Technology Centre
Morgan Drive
Brixworth
Northamptonshire
NN6 9GZ

Statement of Directors' Responsibilities' in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

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KPMG Audit Plc

Altius House
One North Fourth Street
Milton Keynes
MK9 1NE
United Kingdom

Independent auditors' report to the members of Mercedes-Benz HighPerformanceEngines Limited

We have audited the financial statements of Mercedes-Benz HighPerformanceEngines Limited for the year ended 31 December 2010 set out on pages 6 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 2010 and of its profit for the year then ended 31 December 2010,
- have been properly prepared in accordance with UK 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 Mercedes-Benz
HighPerformanceEngines 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



P D Selvey (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc,
Chartered Accountants
Altius House
One North Fourth Street
Milton Keynes
MK9 1NE

17 May, 2011

Profit and loss account

for the year ended 31 December 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover	2	81,741	97,157
Cost of sales		(68,019)	(79,658)
Gross profit		13,722	17,499
Administrative expenses		(7,497)	(11,715)
Operating profit	3, 6 & 7	6,225	5,784
Interest receivable and similar income	4	32	284
Interest payable and similar charges	5	(1,356)	(1,290)
Profit on ordinary activities before taxation		4,901	4,778
Tax on profit on ordinary activities	8	-	1,058
Profit for the financial year	16	4,901	5,836

There are no recognised gains or losses for the financial year except for those shown above. Accordingly, no separate statement of total recognised gains and losses has been prepared.

Balance sheet
at 31 December 2010

	<i>Note</i>	2010 £000	2010 £000	2009 £000	2009 £000
Fixed assets					
Tangible assets	9		98,390		101,242
Current assets					
Stocks	10	10,084		7,781	
Debtors	11	14,396		12,789	
Cash at bank and in hand		32		32	
		<u>24,512</u>		<u>20,602</u>	
Creditors, amounts falling due within one year	12	<u>(39,230)</u>		<u>(28,441)</u>	
Net current liabilities			(14,718)		(7,839)
Total assets less current liabilities			83,672		93,403
Creditors, amounts falling due after more than one year	13		(51)		(22,085)
Provisions for liabilities	14		(7,402)		-
Net assets			<u>76,219</u>		<u>71,318</u>
Capital and reserves					
Called up share capital	15		17		18
Share premium account	16		14,998		14,998
Redenomination reserve	16		1		-
Profit and loss account	16		61,203		56,302
Shareholders' funds			<u>76,219</u>		<u>71,318</u>

These financial statements were approved by the board of directors on 10 MAY 2011 and were signed on its behalf by:


Thomas Fuhr
Director

Registered number 1760288

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2010

	2010 £000	2009 £000
Profit for the financial year	4,901	5,836
Net addition to shareholders' funds	4,901	5,836
Opening shareholders' funds	71,318	65,482
Closing shareholders' funds	76,219	71,318

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The balance sheet shows net current liabilities of £14.7 million as at the balance sheet date. Notwithstanding these facts the financial statements have been prepared on a going concern basis, which the directors believe appropriate for the following reasons. The ultimate parent company, Daimler AG, has provided written guarantees in relation to external debt liabilities of the Company should such support be required. Also the manufacturer's agreement between the parent company, Daimler AG, and Mercedes-Benz High Performance Engines Limited ensures that the Company will be provided with sufficient funds to enable it to meet its liabilities as they fall due. On this basis, the Directors consider that they will be able to meet their liabilities, as and when they fall due, for a period not less than 12 months from the date of signing of these financial statements.

Cash flow statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Buildings	-	3 - 10% per annum
Plant fixtures and fittings	-	6% - 33% per annum

No depreciation is provided on assets under construction until they are brought into use.

No depreciation is provided on freehold land.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pensions

The company contributes to money purchase pension schemes and contributions are charged to the profit and loss account as incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred.

Employee benefit trust

The company has a critical illness trust for which funds are held and administered outside the control of the company. The company obtains no future economic benefit, nor exercises any future rights or control, over amounts it transfers. The existence of the trust neither relieves nor creates any obligations in respect of benefits provided. Contributions made to the trust are recorded as an expense in the period in which they are made.

Impairment of fixed assets

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

Reversals of impairment

For fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2 Turnover

Turnover represents income received from Daimler AG in relation to Mercedes GP, McLaren and Force India F1 for the development and supply of engines.

Notes (continued)

3 Profit on ordinary activities before taxation

	2010 £000	2009 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting)</i>		
Auditors' remuneration		
Audit	57	63
Depreciation and other amounts written off tangible fixed assets		
Owned	8,695	4,905
Leased	71	64
Exceptional – Impairment of fixed assets	-	1,355
Exceptional – Reversal of impairment of fixed assets	(1,242)	-
Depreciation of reinstated assets	105	-
Hire of land and buildings - operating leases	27	414
Research and development expense	35,100	41,600
Loss on disposal of fixed assets	73	257
	<u> </u>	<u> </u>

In 2010 the KERS impairment taken in 2009 was partially reversed in light of the FOTA (Formula One Team Association) decision to race KERS again in the 2011 Formula One season

4 Interest receivable and similar income

	2010 £000	2009 £000
Receivable from group undertakings	32	58
Other interest	-	226
	<u> </u>	<u> </u>
	32	284
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2010 £000	2009 £000
Hire purchase and finance lease interest	12	13
Payable to group undertakings	907	1,277
Other interest	437	-
	<u> </u>	<u> </u>
	1,356	1,290
	<u> </u>	<u> </u>

Notes (continued)

6 Remuneration of directors

	2010 £000	2009 £000
Directors' emoluments	457	499
Company contributions to money purchase pension schemes	-	-
	<u>457</u>	<u>499</u>

The emoluments of the highest paid director were £456,888 (2009 £301,189 part year) and company pension contributions of £nil (2009 £nil) were made to a money purchase scheme on his behalf

No retirements benefits under money purchase schemes are accruing to directors (2009 nil)

7 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2010	2009
Production	388	423
Administration (includes graduates, apprentices and interns)	36	31
	<u>424</u>	<u>454</u>

The aggregate payroll costs of these persons were as follows

	2010 £000	2009 £000
Wages and salaries	18,967	21,143
Social security costs	2,154	2,521
Pension costs	1,991	2,226
Redundancy costs	-	1,664
	<u>23,112</u>	<u>27,554</u>

Notes (continued)

8 Tax on profit on ordinary activities

Analysis of charge/ (credit) in period

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Current tax on income for the period	-	-
Adjustments in respect of previous years	(7,402)	(1 058)
Total current tax credit	(7,402)	(1 058)
<i>Deferred tax</i>		
Origination/reversal of timing differences	(923)	-
Adjustments in respect of previous years	8,325	-
Total deferred tax	7,402	-
Tax charge/ (credit) on profit	-	(1 058)

Factors affecting the tax credit for the current period

The current tax credit for the period is different from the standard rate of corporation tax in the UK of 28% (2009 28 %). The differences are explained below

	2010 £000	2009 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,901	4,778
Current tax at 28% (2009 28%)	1,372	1 338
<i>Effects of</i>		
Expenses not deductible for tax purposes	313	289
Capital items expensed	(8)	(26)
Timing differences between depreciation and capital allowances	636	(1,442)
Other timing differences	15	(87)
R&D tax credit	(2,948)	(2,912)
Group relief surrendered	620	2,840
Adjustments in respect of previous years	(7,402)	(1 058)
Total current tax credit	(7,402)	(1 058)

On 22 June 2010 the Chancellor announced that the main rate of UK corporation tax will reduce from 28% to 27% with effect from 1 April 2011. This tax change became substantively enacted in July 2010 and therefore the effect of the rate reduction on the deferred tax balances as at 31 December 2010 has been included in the figures above. On 23 March 2011 the Chancellor announced a further reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011. This change became substantively enacted on 29 March 2011 and therefore the effect of the rate would create an additional reduction in the deferred tax liability of approximately £270k. This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date.

The Chancellor also proposed changes to further reduce the main rate of corporation tax by one per cent per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. The overall effect of the further reductions from 27% to 23%, if these applied to the deferred tax balance at 31 December 2010, would be to further reduce the deferred tax liability by approximately £1,100k.

Notes (continued)

8 Tax on profit on ordinary activities (continued)

Deferred taxation

The company has identified a deferred tax liability of £7,402,000 (2009 £485,000 asset unrecognised) as noted below, relating to accelerated capital allowances, other short term timing differences against depreciation and tax losses. A debtor receivable from the immediate parent company in relation to tax losses surrendered has been recognised to offset the current year liability. The remaining balance of the deferred tax asset in the prior year was not recognised as it was considered that the availability of sufficient taxable profits in the future against which these timing differences could be deducted could not be seen with reasonable certainty.

	2010 £000	2009 £000
Timing differences between accumulated depreciation and capital allowances	(13,306)	(5,573)
Other timing differences	146	86
Tax losses	5,758	5,972
	<hr/>	<hr/>
Recognised deferred tax (liability)/asset	(7,402)	485
	<hr/>	<hr/>

9 Tangible fixed assets

	Land and buildings £000	Plant, fixtures & vehicles £000	Assets under construction £000	Total £000
Cost				
At beginning of year	46,134	95,735	2,412	144,281
Additions	489	2,691	1,800	4,980
Disposals	-	(1,394)	-	(1,394)
Transfers between items	(125)	1,523	(1,398)	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	46,498	98,555	2,814	147,867
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	4,195	38,844	-	43,039
Charge for the period	1,147	7,619	-	8,766
Impairment reversal	-	(1,137)	-	(1,137)
Disposals	-	(1,191)	-	(1,191)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	5,342	44,135	-	49,477
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2010	41,156	54,420	2,814	98,390
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	41,939	56,891	2,412	101,242
	<hr/>	<hr/>	<hr/>	<hr/>

In August 2010, FOTA announced a decision to reintroduce KERS for the 2011 Formula One season. As a result, a £1.1m reversal of impairment to KERS assets was recorded on the basis that these assets will now continue to be used by the company in developing the technology. The reversal is for the net book value of assets as at the balance sheet date in accordance to its original useful economic life.

Notes (continued)

9 Tangible fixed assets (continued)

Included in the net book value of plant, fixtures and vehicles is £212,021 (2009 £190,979) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £70,673 (2009 £63,559).

The net book value of land and buildings comprises

	2010 £000	2009 £000
Freehold land	2,676	2,667
Freehold buildings	38,480	39,272
	<u>41,156</u>	<u>41,939</u>

10 Stocks

	2010 £000	2009 £000
Raw materials and consumables	6,165	4,842
Work in progress	2,107	1,660
Finished goods and goods for resale	1,812	1,279
	<u>10,084</u>	<u>7,781</u>

11 Debtors

	2010 £000	2009 £000
Trade debtors	230	95
Amounts owed by group undertaking	12,438	11,394
Tax and social security	731	401
Other debtors	76	233
Prepayments and accrued income	921	666
	<u>14,396</u>	<u>12,789</u>

All debtors are due within one year.

Notes (continued)

12 Creditors' amounts falling due within one year

	2010 £000	2009 £000
Bank overdraft	138	844
Obligations under hire purchase contracts finance leases and similar contracts	47	38
Amounts owed to group undertakings	2,527	8 113
Loan from group undertaking	22,214	5 249
Payments on account	-	1,750
Trade creditors	7,978	8 188
Other taxation and social security	1,009	-
Other creditors	25	23
Accruals and deferred income	5,292	4 236
	<u>39,230</u>	<u>28 441</u>

The 'Loan from group undertaking' is repayable on the 26 September 2011 and bears interest at the rate of 3.73%

13 Creditors: amounts falling due after more than one year

	2010 £000	2009 £000
Loan from group undertaking	-	22,000
Obligations under hire purchase contracts finance leases and similar contracts	51	85
	<u>51</u>	<u>22 085</u>

The maturity of obligations under finance leases and hire purchase contracts is as follows

	2010 £000	2009 £000
Within one year	47	38
In the second to fifth years	51	85
	<u>98</u>	<u>123</u>

14 Provisions for liabilities

	Deferred taxation £000
At beginning of year	-
Charge to the profit and loss for the year	(7,402)
At end of year	<u>(7,402)</u>

For further details of the deferred taxation liability see note 8

Notes (continued)

15 Called up share capital

	2010 £	2009 £
<i>Authorised, allotted, called up and fully paid</i>		
1 000 ordinary shares of £17 359 each	17,359	-
10 000 ordinary shares of \$1 each	-	10 000
2 500 'A' ordinary shares of \$1 each	-	1 601
2,500 'B' ordinary shares of \$1 each	-	1,601
2,500 'C' ordinary shares of \$1 each	-	1,601
2,500 'D' ordinary shares of \$1 each	-	1,601
2,263 'E' ordinary shares of \$1 each	-	1,455
	<u>17,359</u>	<u>17 859</u>

Two new shares were issued by Daimler UK PLC and classes A,B,C D & E dollar shares were converted into sterling denominations

This resulted in 1,000 ordinary shares of £17 359 each in issued share capital each having attached to them the rights, privileges, restrictions and obligations specified in the new articles of association

16 Reserves

	Redenomination reserve £000	Share premium £000	Profit and loss account £000
At beginning of year	-	14 998	56 302
Profit for the financial year	-	-	4 901
Redenomination in the year	1	-	-
	<u>1</u>	<u>14,998</u>	<u>61,203</u>

17 Related party transactions

As the company is a wholly owned subsidiary of Daimler UK Plc and the company's voting rights are controlled within the group headed by Daimler Aktiengesellschaft, the company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with other group companies. The consolidated financial statements of Daimler Aktiengesellschaft, within which this company is included, can be obtained from the address given in note 21.

Notes (continued)

18 Capital commitments

At 31 December 2010 the company had commitments, for which no provision has been made, under contracts placed in respect of capital expenditure amounting to £601,949 (2009 £173,027)

19 Financial commitments

There are obligations under operating leases to pay rentals during the next year which expire

	2010 Land and buildings £000	2010 Other £000	2009 Land and buildings £000	2009 Other £000
Within one year	-	-	46	-
In the second to fifth years inclusive	28	-	28	7
Over five years	-	-	-	-
	<u>28</u>	<u>-</u>	<u>74</u>	<u>7</u>

20 Pension scheme

The company contributes to various money purchase pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The charge for the period represents contributions payable to the schemes and amounted to £1,991,000 (2009 £2,226,000). The outstanding contributions as at 31 December 2010 were £nil (2009 £nil).

21 Ultimate holding company and parent of larger group in which the company is a member

Daimler UK Plc held 100% of the voting rights of the company as at the year end.

The company's ultimate holding company and controlling party is Daimler Aktiengesellschaft which is incorporated in Germany and heads the only group in which the results are consolidated for statutory purposes. The consolidated accounts of Daimler Aktiengesellschaft are available to the public and may be obtained from the offices of

Daimler UK Plc
 Tongwell
 Milton Keynes
 MK15 8BA