

SORTEX LIMITED
REPORT AND ACCOUNTS
1990

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SORTEX LIMITED

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REPORT AND ACCOUNTS 1990

DIRECTORS: D.M.Dymond
B.J.Booth
J.A.Haynes
M.C.Kelly
C.L.Lee
J.M.Low
D.J.Turner

SECRETARY: B.J.Booth

REGISTERED OFFICE: Pudding Mill Lane,
Stratford,
London E15 2PJ

REGISTERED NUMBER: 434274

AUDITORS: Pannell Kerr Forster
78 Hatton Garden
London EC1N 8JA

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REPORT OF THE DIRECTORS

The directors present their report for the period ended 31 December 1990.

RESULTS AND DIVIDENDS

	£
The profit for the period attributable to shareholders amounted to	1,128,826
	<u>2,649,991</u>
The retained profit brought forward was	3,778,817
The directors propose a dividend of £2.784 per share on ordinary shares.	696,000
	<u>£3,082,817</u>
Giving a profit to be carried forward of	

PRINCIPLE ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The company is principally engaged in the manufacture and distribution of electronic colour sorters and vision systems, and in the manufacture and installation of cleaning and sorting machinery mainly for the food and agriculture industries.

RESEARCH AND DEVELOPMENT

The company is currently involved in the research and development of further ranges of microprocessor-based colour sorting equipment.

DIRECTORS

Mr C.D.Gorner resigned on 28 February 1990.
Mr B.J.Booth was appointed a director and Secretary on 28 February 1990.
The remaining directors listed on Page 1 served throughout 1990.

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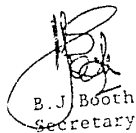
DIRECTORS' INTERESTS

The directors' interests in the shares of the company's ultimate holding company are shown in the table below.
The directors did not have any interests in shares or debentures of the company or any other subsidiary of the ultimate holding company during any part of 1990.

	Ordinary Shares of 25p		Ordinary Shares of 25p covered by options	
	1990	1989	1990	1989
B.J.Booth	-	-	3,243	-
D.M.Dymond	-	-	789	789
J.A.Haynes	51,204	51,204	-	-
M.C.Kelly	-	-	5,212	5,212
C.L.Lee	14,057	16,367	30,636	32,326
J.M.Low	-	-	5,986	5,986
D.J.Turner	12,000	10,782	209,112	152,651

AUDITORS

The auditors, Pannell Kerr Forster, have signified that they are willing to remain in office and they will be proposed for re-election.


B.J.Booth
Secretary

28 February 1991
Pudding Mill Lane,
Stratford,
London E15.2PJ

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REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements of Sortex Limited set out on pages 5 to 14, in accordance with auditing standards.

In our opinion these financial statements give a true and fair view of the state of affairs of the company at 31st December 1990, and of the profit and source and application of funds for the year ended on that date, and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster

Pannell Kerr Forster
Chartered Accountants
London. 28 February 1991

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1990

	Note	1990 £	1989 £
TURNOVER	2/3	8,226,104	8,465,895
Cost of sales		<u>5,524,275</u>	<u>5,488,218</u>
GROSS PROFIT		2,701,829	2,977,677
Distribution costs		858,931	826,331
Administrative expenses		<u>1,347,369</u>	<u>1,392,588</u>
NET OPERATING INCOME	4	495,529	758,758
Profit/(Loss) arising on exchange movements		(46,428)	183,670
Other income	7	115,000	20,306
Interest receivable/(payable)	8	95,926	(137,520)
		<u>660,027</u>	<u>825,214</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Taxation	9	<u>255,000</u>	<u>299,000</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		405,027	526,214
Extraordinary items	10	<u>723,799</u>	<u>279,914</u>
PROFIT FOR THE FINANCIAL YEAR		1,128,826	806,128
Dividends	11	<u>696,000</u>	<u>765,000</u>
RETAINED PROFIT FOR THE YEAR		<u>432,826</u>	<u>41,128</u>
STATEMENT OF RETAINED PROFITS			
Balance at 31 December 1989		2,649,991	2,608,863
Retained profit for the year		<u>432,826</u>	<u>41,128</u>
Balance at 31 December 1990		<u>3,082,817</u>	<u>2,649,991</u>

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BALANCE SHEET - 31 DECEMBER 1990

	Note	1990 £	1989 £
FIXED ASSETS			
Tangible assets	12	2,970,206	3,136,417
CURRENT ASSETS			
Stocks	13	2,026,227	1,792,828
Debtors	14	2,017,747	2,445,351
Group undertakings	15	193,452	1,389,651
Cash at bank and in hand		<u>324,378</u>	<u>58,995</u>
		4,561,804	5,686,825
CURRENT LIABILITIES (amounts falling due within one year)			
Creditors	16	2,194,488	2,150,737
Group undertakings	15	1,938,228	3,582,214
Bank overdrafts		<u>90,477</u>	<u>214,300</u>
		4,223,193	5,947,251
NET CURRENT ASSETS/ (LIABILITIES)		<u>338,611</u>	<u>(260,426)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,308,817	2,875,991
PROVISIONS FOR LIABILITIES AND CHARGES	17	<u>(24,000)</u>	<u>(24,000)</u>
		3,332,817	2,899,991
CAPITAL AND RESERVES			
Called up share capital	18	250,000	250,000
Profit and loss account		<u>3,082,817</u>	<u>2,649,991</u>
		3,332,817	2,899,991

The accounts on pages 5 to 14 were approved by the board of directors on 28 February 1991 and are signed on its behalf by:-

G. L. Lee

G. L. Lee
Director

14/8/91

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SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1990

	1990 £	1989 £
SOURCE OF FUNDS		
FROM OPERATIONS		
Profit before taxation	660,927	825,214
Items not involving the movement of funds:		
Depreciation less profit on sale of fixed assets	<u>327,282</u>	<u>282,526</u>
	987,309	1,107,740
OTHER SOURCES		
Sale of fixed assets	<u>20,611</u>	<u>39,940</u>
	1,007,920	1,147,680
FUNDS APPLIED		
Purchase of fixed assets	181,682	193,311
Tax paid	<u>350,691</u>	<u>152,367</u>
INCREASE/(DECREASE) IN WORKING CAPITAL	<u>475,547</u>	<u>802,002</u>
Arising from changes in:		
Stocks	233,399	(403,889)
Debtors	(427,604)	942,855
Creditors (excluding tax)	(139,442)	76,739
Group undertakings	419,988	(18,794)
Net liquid funds	<u>389,206</u>	<u>205,091</u>
	<u>475,547</u>	<u>802,002</u>

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

1 ACCOUNTING POLICIES

(a) Basis of preparation of the accounts

The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards.

(b) Depreciation of fixed assets

Depreciation is calculated on a straight line basis at rates estimated to write-off the cost of assets within their expected useful lives. The principal annual rates of depreciation employed are:

Leasehold properties	Land - equal annual instalments over the length of the lease.
	Buildings - 2%, or 10% for improvements.
Plant, machinery, vehicles and furniture	10% to 40%

(c) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and estimated net realisable value. Cost consists of cost of raw materials, labour and overheads attributable to production.

(d) Research and development

Research and development expenditure is written off in the year in which it is incurred.

(e) Foreign currencies

Assets and liabilities in foreign currencies are translated to sterling at rates of exchange ruling at the balance sheet date; transactions recorded in foreign currencies are translated to sterling at rates of exchange ruling at the time of the transaction.

(f) Deferred taxation

Provision is made for deferred taxation, using the liability method, on short-term timing differences and all other material timing differences which are not expected to continue in the future. Where known, provision is made at the rates of corporation tax that will apply in the years in which the taxation is expected to arise.

(g) Finance Leases

Tangible Fixed assets held under finance leases are capitalised at their fair value and a corresponding amount treated as a liability.

2 TURNOVER

Turnover comprises the invoice value of goods and services supplied by the company net of commission and VAT.

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

3 ANALYSIS OF TURNOVER

All turnover is derived from the sale of optical separators and sorting machinery in the following geographical markets:

	1990 £	1989 £
United Kingdom	1,100,836	1,212,754
Overseas	<u>7,125,268</u>	<u>7,253,141</u>
	8,226,104	8,465,895

4 NET OPERATING INCOME is stated after charging:

	1990 £	1989 £
Depreciation of tangible fixed assets	333,049	298,662
Lease rentals	12,473	10,206
Auditors' remuneration	<u>19,404</u>	<u>19,400</u>

5 STAFF COSTS

	1990 £	1989 £
Wages and salaries	2,061,482	1,941,978
Social Security costs	205,605	191,748
Other pension costs (see note)	<u>71,634</u>	<u>65,909</u>
	2,338,721	2,199,635

This includes remuneration paid to directors of the company including pension contributions £166,987 (1989 £137,427) see note 6

Pension Costs

The company is a member of the group's two UK pension schemes. One, the Booker Money Purchase Plan (BMPP) is a defined contribution scheme and the other, the Booker Final Salary Scheme (BFSS) is a defined benefits scheme based on final pensionable pay. Contributions payable to BFSS which amounted to £55,031 are assessed by consulting qualified actuaries based on the experience of the scheme as a whole. Details of this scheme as required by SSAP 24 are disclosed in the accounts for the year ending 31 December 1990 of Booker plc. Contributions payable to BMPP during the year, which amounted to £16,603, represent the pension cost charge for this particular scheme.

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

6 EMOLUMENTS OF DIRECTORS

The emoluments, excluding pension contributions of directors of the company, are detailed as follows:

	1990 £	1989 £
Chairman	-	-
Highest paid director	80,100	41,966
Other directors in scale		
Not more than £5,000	2	2
£ 5,001 to £10,000	-	1
£35,001 to £40,000	2	1
£40,001 to £45,000	2	1

Number of directors

7 OTHER INCOME

	1990 £	1989 £
Other interest receivable and similar income	-	9,685
Gunson South Africa Joint Venture	<u>115,000</u>	<u>10,621</u>
	115,000	20,306

8 INTEREST PAYABLE AND SIMILAR CHARGES

	1990 £	1989 £
Group interest receivable/(payable)	76,473	(114,068)
Other interest receivable/(payable)	<u>19,453</u>	<u>(23,452)</u>
	95,926	(137,520)

9 TAX ON PROFITS ON ORDINARY ACTIVITIES

The charge based on the profit for the period comprises:

	1990 £	1989 £
UK Corporation Tax at 35%	255,000	287,000
Transfer from deferred taxation	-	<u>12,000</u>
	<u>255,000</u>	<u>299,000</u>

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

10 EXTRAORDINARY ITEMS	1990 £	1989 £
Reduction of provision against balance due from fellow subsidiary.	723,799	279,914
11 DIVIDENDS	1990 £	1989 £
Proposed dividends to Agricultural Holdings Company Limited	696,000	765,000

12 TANGIBLE FIXED ASSETS

	Long Leasehold		Plant and machinery	Furniture fittings equipment & vehicles	Total
	<u>Land</u>	<u>Building</u>			
	£	£	£	£	£
Cost					
at 1 January 1990	280,000	2,383,497	1,093,629	768,675	4,525,801
Additions	-	-	60,196	121,486	181,682
Disposals	-	-	(119,282)	(81,033)	(200,315)
At 31 December 1990	280,000	2,383,497	1,034,543	809,128	4,507,168
Depreciation					
at 1 January 1990	6,066	168,754	837,113	377,451	1,389,384
Charge for period	1,867	53,261	142,723	135,198	333,049
Disposals	-	-	(118,845)	(66,626)	(185,471)
At 31 December 1990	7,933	222,015	860,991	446,023	1,536,962
Net book amounts					
31 December 1990	<u>272,067</u>	<u>2,161,482</u>	<u>173,552</u>	<u>363,105</u>	<u>2,970,206</u>
Net book amounts					
31 December 1989	<u>273,934</u>	<u>2,214,743</u>	<u>256,516</u>	<u>391,224</u>	<u>3,136,417</u>

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

13 STOCKS

	1990 £	1989 £
Raw materials	605,239	420,451
Work in progress	1,201,850	1,269,875
Finished goods	<u>219,138</u>	<u>102,502</u>
	<u>2,026,227</u>	<u>1,792,828</u>

14 DEBTORS

	1990 £	1989 £
Due within one year:		
Trade debtors	1,844,130	2,261,382
Other debtors	133,433	74,827
Prepayments and accrued income	<u>40,184</u>	<u>109,142</u>
	<u>2,017,747</u>	<u>2,445,351</u>

15 GROUP UNDERTAKINGS

	1990 £	1989 £
Due within one year:		
due from other group undertakings	<u>193,452</u>	<u>1,389,651</u>
	<u>193,452</u>	<u>1,389,651</u>
Due to ultimate parent	<u>1,938,228</u>	<u>3,582,214</u>

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

16 CREDITORS	1990 £	1989 £
Amounts falling due within one year:		
Trade creditors	764,866	748,322
Corporation Tax	383,863	479,554
Other Taxation & Social Security	58,936	54,326
Other creditors	532,613	430,739
Accruals	<u>454,210</u>	<u>437,796</u>
	<u>2,194,488</u>	<u>2,150,737</u>
17 PROVISION FOR LIABILITIES AND CHARGES	1990 £	1989 £
Deferred taxation on Short-term timing differences	<u>(24,000)</u>	<u>(24,000)</u>
Deferred taxation is provided only on short term timing differences. No liability for taxation deferred on accelerated allowances is expected to arise in the foreseeable future. The full potential liability for deferred taxation is £226,000 (1989 £245,000).		
18 CALLED UP SHARE CAPITAL	1990 £	1989 £
Authorised, allotted, called up and fully paid 250,000 Ordinary shares of £1 each	<u>£250,000</u>	<u>£250,000</u>
19 CONTINGENT LIABILITIES		
There were no contingent liabilities at 31 December 1990 or 1989.		

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

20 EMPLOYEES

The average number of employees in 1990 was 145 (1989 - 149) and is broken down into the following categories:

	1990 Number	1989 Number
Factory/warehouse	77	83
Administration	18	20
Selling	26	24
Research & Development	<u>24</u>	<u>22</u>
	145	149

21 CAPITAL COMMITMENTS

	1990 £	1989 £
Capital expenditure committed but not yet provided for	3,900	44,532
Capital expenditure authorised but not committed	-	-

22 ULTIMATE PARENT

The ultimate parent is Booker PLC incorporated in Great Britain. Group Financial Statements can be obtained from the Registered Office of Booker Plc.