

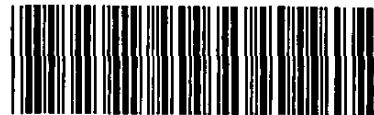
Registered number 00434274

BUHLER SORTEX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2011

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BUHLER SORTEX LIMITED

COMPANY INFORMATION

DIRECTORS

C D Chaffers
C A Gunawardena
A Hillary (resigned 21 October 2011)
H R Kefayati
B G M Kilshaw (resigned 31 March 2011)
B Mendler (Chairman)
N J Wilkins
N H Wilson
G Yates (appointed 7 November 2011)
M I Kelly (appointed 18 April 2011)

COMPANY SECRETARY

N H Wilson

COMPANY NUMBER

00434274

REGISTERED OFFICE

20 Atlantis Avenue
London
E16 2BF

AUDITORS

Bourner Bullock
Chartered Accountants & Statutory Auditors
Sovereign House
212 - 224 Shaftesbury Avenue
London
WC2H 8HQ

BUHLER SORTEX LIMITED

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BUHLER SORTEX LIMITED

DIRECTORS' REPORT for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

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 agricultural industries.

BUSINESS REVIEW

The Key performance indicators (KPIs) are defined in the table below. The KPIs for the company in 2010 are shown in the following table.

	2011	2010
Operating profit	£19,752,187	£25,320,841
Dividend cover	0.92	1.14
Ordinary shareholders' equity	£27,655,923	£29,311,723

KPI DEFINITIONS

Dividend cover is calculated as operating profit after tax divided by the current year proposed final dividend.

The directors consider that the result for the period and the position at the end of it are satisfactory and they expect the present level of activity to be sustained for the foreseeable future.

BUHLER SORTEX LIMITED

DIRECTORS' REPORT for the year ended 31 December 2011

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £14,703,100 (2010 - £18,207,718)

During the year the directors paid a dividend of £16,000,000 in respect of 2010. The directors have recommended a final ordinary dividend of £16,000,000 for the year ended 31 December 2011.

DIRECTORS

The directors who served during the year were

C D Chaffers
C A Gunawardena
A Hillary (resigned 21 October 2011)
H R Kefayati
B G M Kilshaw (resigned 31 March 2011)
B Mendler (Chairman)
N J Wilkins
N H Wilson
G Yates (appointed 7 November 2011)
M I Kelly (appointed 18 April 2011)

PRINCIPAL RISKS AND UNCERTAINTIES

Interest and Foreign exchange rates

The directors monitor the financial risks to the company on an ongoing basis. During the year the credit, interest and foreign exchange rate risks were minimal. Hence, the directors did not feel that it was appropriate to mitigate these risks by purchasing any financial instruments.

Global Economic outlook

The global economic outlook has also been identified as a potential risk due to the worldwide coverage of the customer base. However the directors are confident that the industry the company operates in, will not be affected greatly.

Credit risk

The Company's credit risk is primarily attributable to balances owed by other Group undertakings and trade receivables. A substantial part of the trade receivables are generally supported by letters of credit, and as such are not believed to be at risk of default.

Price risk

The Company is exposed to price risks as a result of its operations with sales to customers and purchases from suppliers. To manage this risk, the Company enters into a certain number of fixed agreement sales contracts and purchase contracts. The directors review these contracts on a regular basis to ensure the Company is not exposed to excessive price risk. The Company has no exposure to commodity price risk or securities price risk.

FUTURE PROSPECTS

The directors remain optimistic about the long term prospects for growth.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

It is the company's policy to negotiate payment terms with its suppliers in all sectors and to ensure that they know the terms on which the payments will take place when business is agreed. It is the company's policy to

BUHLER SORTEX LIMITED

DIRECTORS' REPORT for the year ended 31 December 2011

abide by these terms. Trade creditor days of the company for the year ended 31 December 2011 were 40 days (2010: 40 days), calculated in accordance with the requirements set down in the Companies Act 2006. This represents the ratio, expressed in days, between the amounts invoiced to the company by its suppliers in the year and the amounts due, at the year end, to trade creditors within one year.

RESEARCH AND DEVELOPMENT ACTIVITIES

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

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the group has been continued through the newsletter 'Mosaic'. Employees have also been encouraged to present their suggestions and views on the group's performance to management. Regular staff meetings are held between local management and employees to allow a free flow of information and ideas.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy wherever practical to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees where appropriate.

PROVISION OF INFORMATION TO AUDITORS

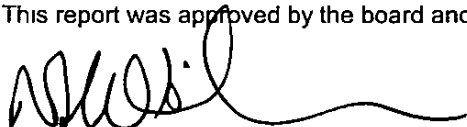
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Bournier Bullock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf



N H Wilson
Director

Date **08.06.12**

BUHLER SORTEX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUHLER SORTEX LIMITED

We have audited the financial statements of Buhler Sortex Limited for the year ended 31 December 2011, set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

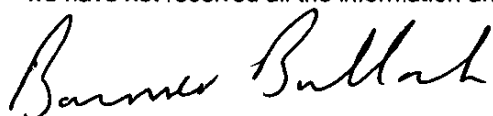
BUHLER SORTEX LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUHLER SORTEX LIMITED

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



David Wheeler (Senior statutory auditor)
for and on behalf of

Bournier Bullock

Chartered Accountants & Statutory Auditors

Sovereign House

212 - 224 Shaftesbury Avenue

London

WC2H 8HQ

Date

15th June 2012

BUHLER SORTEX LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Note	2011 £	2010 £
TURNOVER	1,2	74,325,827	84,610,842
Cost of sales		<u>(47,115,484)</u>	<u>(51,942,686)</u>
GROSS PROFIT		27,210,343	32,668,156
Distribution costs		<u>(5,632,294)</u>	<u>(5,769,199)</u>
Administrative expenses		<u>(1,825,862)</u>	<u>(1,578,116)</u>
OPERATING PROFIT	3	19,752,187	25,320,841
Interest receivable and similar income		47,983	20,873
Interest payable and similar charges	7	<u>(38,166)</u>	<u>(4,712)</u>
Other finance costs	8	<u>(26,000)</u>	<u>(19,000)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		19,736,004	25,318,002
Tax on profit on ordinary activities	9	<u>(5,032,904)</u>	<u>(7,110,284)</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u>14,703,100</u>	<u>18,207,718</u>

All amounts relate to continuing operations

The notes on pages 9 to 22 form part of these financial statements

BUHLER SORTEX LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2011

	Note	2011 £	2010 £
PROFIT FOR THE FINANCIAL YEAR		14,703,100	18,207,718
Actuarial gain/ (loss) related to pension scheme	23	(402,000)	174,000
Deferred tax attributable to actuarial (gain)/loss	23	43,100	(48,720)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		14,344,200	18,332,998

The notes on pages 9 to 22 form part of these financial statements

BUHLER SORTEX LIMITED
Registered number 00434274

BALANCE SHEET
as at 31 December 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	10		729,209		12,683,578
CURRENT ASSETS					
Stocks	11	5,896,572		6,733,692	
Debtors	12	30,912,944		22,181,666	
Cash at bank		6,968,861		14,741,438	
		<u>43,778,377</u>		<u>43,656,796</u>	
CREDITORS amounts falling due within one year	13	(13,958,106)		(18,643,490)	
NET CURRENT ASSETS			<u>29,820,271</u>		<u>25,013,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>30,549,480</u>		<u>37,696,884</u>
CREDITORS amounts falling due after more than one year	14		-		(5,184,000)
PROVISIONS FOR LIABILITIES					
Other provisions	16		(2,024,057)		(2,526,561)
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>28,525,423</u>		<u>29,986,323</u>
Defined benefit pension scheme liability	23		(869,500)		(674,600)
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u><u>27,655,923</u></u>		<u><u>29,311,723</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		1,250,000		1,250,000
Profit and loss account	18		26,405,923		28,061,723
SHAREHOLDERS' FUNDS	19		<u><u>27,655,923</u></u>		<u><u>29,311,723</u></u>

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



B Mendler (Chairman)
Director

Date 08.06.12

The notes on pages 9 to 22 form part of these financial statements

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 ACCOUNTING POLICIES**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

1.2 CASH FLOW

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Buildings	-	2 5% straight line
Leasehold Land	-	equal annual installments over the period of the lease
Plant & machinery	-	8 33% to 33 33% straight line
Fixtures & fittings	-	8 33% to 33 33% straight line
Computer equipment	-	20% to 33 33% straight line
Other fixed assets	-	20% to 33 33% straight line

The carrying value of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

1.5 OPERATING LEASES

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

1.6 STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads

1.7 RESEARCH AND DEVELOPMENT

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

1.8 GOVERNMENT GRANTS

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1. ACCOUNTING POLICIES (continued)**1 9 DEFERRED TAXATION**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1 10 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

1 ACCOUNTING POLICIES (continued)**1.11 PENSIONS**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2010

Defined benefit pension scheme

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2010

Pension costs for the group's defined benefit scheme are recognised as follows

(a) Within operating profit

- The current service cost arising from employee service in the current period,
- The prior year service cost related to employee service in prior periods arising in the current period as a result of improvements to benefits and,
- Gains and losses arising on unanticipated or curtailments where the item that gave rise to the settlement or curtailment is recognised within operating profit

(b) Within interest payable/receivable

- The interest cost on the liabilities, calculated by reference to the scheme liabilities and discount rate at the beginning of the period and allowing for changes during the period, and
- The expected return on assets, calculated by reference to the assets and their long-term expected rate of return at the beginning of the period and allowing for changes during the period

(c) Within the statement of total recognised gains and losses

- On the scheme assets - the difference between the expected and actual return on assets, and
- On the scheme liabilities - (i) The differences between The actuarial assumptions and actual experience, and (ii) The effect of changes in actuarial assumptions

Defined contribution pension scheme

The company also provides pension benefits for employees through a defined contribution scheme operated by an insurance company. The pension charge represents the amounts payable by the company to the fund in respect of the year. Premiums are paid as required by the insurers and charged to the profit and loss account on an accruals basis.

2 TURNOVER

A geographical analysis of turnover is as follows

	2011 £	2010 £
United Kingdom	1,283,322	707,441
Rest of world	73,042,505	83,903,401
	<u>74,325,827</u>	<u>84,610,842</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	742,715	734,028
Operating lease rentals		
- other operating leases	143,624	139,108
Difference on foreign exchange	31,256	(54,533)
Research & development expenditure	4,523,341	4,561,341
	<u> </u>	<u> </u>

4 AUDITORS' REMUNERATION

	2011 £	2010 £
Fees payable to the company's auditor for the audit of the company's annual accounts	47,500	43,000
Fees payable to the company's auditor and its associates in respect of		
Taxation and advisory	11,283	13,344
	<u> </u>	<u> </u>

	2011 £	2010 £
Fees payable to the company's auditor and its associates in connection with the company's pension scheme(s) in respect of		
The auditing of accounts of the scheme(s)	6,150	5,500
	<u> </u>	<u> </u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	7,701,222	7,443,310
Social security costs	787,909	768,811
Other pension costs (Note 23)	194,766	170,340
	<u>8,683,897</u>	<u>8,382,461</u>

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

	2011 No	2010 No
Factory/warehouse	102	100
Administration	20	21
Selling	51	53
Research & development	48	50
	<u>221</u>	<u>224</u>

6 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>1,064,351</u>	<u>1,175,756</u>
Company contributions to defined contribution pension schemes	<u>81,316</u>	<u>77,120</u>

During the year retirement benefits were accruing to 7 directors (2010 - 8) in respect of defined contribution pension schemes

The highest paid director received remuneration of £194,956 (2010 - £210,770)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £14,135 (2010 - £34,971)

7. INTEREST PAYABLE

	2011 £	2010 £
Other interest payable	<u>38,166</u>	<u>4,712</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

8 OTHER FINANCE INCOME/ (EXPENDITURE)

	2011 £	2010 £
Expected return on pension scheme assets	214,000	209,000
Interest on pension scheme liabilities	(240,000)	(228,000)
	<u>(26,000)</u>	<u>(19,000)</u>

9 TAXATION

	2011 £	2010 £
ANALYSIS OF TAX CHARGE IN THE YEAR/PERIOD		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year/period	5,022,946	7,204,246
Adjustments in respect of prior periods	-	(49,150)
TOTAL CURRENT TAX	<u>5,022,946</u>	<u>7,155,096</u>
DEFERRED TAX		
Origination and reversal of timing differences	9,958	(92,692)
Effect of increased tax rate on opening liability	-	47,880
TOTAL DEFERRED TAX (see note 15)	<u>9,958</u>	<u>(44,812)</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>5,032,904</u>	<u>7,110,284</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

9 TAXATION (continued)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD**

The tax assessed for the year/period is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 26.49% (2010 - 28%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>19,736,004</u>	<u>25,318,002</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.49% (2010 - 28%)	5,228,689	7,089,041
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	81,383	61,935
Capital allowances for year/period in excess of depreciation	54,311	72,251
Other timing differences	(175,611)	199,472
Adjustments to tax charge in respect of prior periods	-	(49,150)
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	(43,449)	(47,880)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(122,377)	(170,573)
CURRENT TAX CHARGE FOR THE YEAR/PERIOD (see note above)	<u>5,022,946</u>	<u>7,155,096</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

Provision has been made for all deferred tax assets in respect of accelerated capital allowances, short term and other timing differences, arising from transactions and events recognised in the financial statements of the current year and previous years

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2011

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant & machinery £	Fixtures & fittings, equipment and vehicles £	Total £
COST				
At 1 January 2011	12,492,750	1,270,052	3,066,765	16,829,567
Additions	-	78,814	317,399	396,213
Disposals	(12,492,750)	(597,817)	(546,307)	(13,636,874)
At 31 December 2011	-	751,049	2,837,857	3,588,906
DEPRECIATION				
At 1 January 2011	779,121	1,068,925	2,297,943	4,145,989
Charge for the year	143,789	121,007	477,919	742,715
On disposals	(922,910)	(582,958)	(523,139)	(2,029,007)
At 31 December 2011	-	606,974	2,252,723	2,859,697
NET BOOK VALUE				
At 31 December 2011	-	144,075	585,134	729,209
At 31 December 2010	11,713,629	201,127	768,822	12,683,578

11. STOCKS

	2011 £	2010 £
Raw materials	3,380,683	3,422,022
Work in progress	1,040,569	1,759,983
Finished goods and goods for resale	1,475,320	1,551,687
	<u>5,896,572</u>	<u>6,733,692</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material

12. DEBTORS

	2011 £	2010 £
Trade debtors	18,603,159	16,445,084
Amounts owed by group undertakings	11,496,042	4,027,194
Other debtors	451,640	1,366,045
Prepayments	213,779	234,950
Deferred tax asset (see note 15)	148,324	108,393
	<u>30,912,944</u>	<u>22,181,666</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

12. DEBTORS (continued)**13. CREDITORS**
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Trade creditors	1,193,467	3,655,085
Amounts owed to group undertakings	795,203	529,735
Corporation tax	2,793,141	4,829,193
Social security and other taxes	235,974	245,582
Other creditors	4,666,316	4,956,082
Accruals	4,274,005	4,427,813
	<u>13,958,106</u>	<u>18,643,490</u>

14 CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR-
DEFERRED INCOME

	2011 £	2010 £
Deferred income	10,800	5,227,200
Depreciated during the year	(10,800)	(43,200)
	<u>-</u>	<u>5,184,000</u>

The Government grant received towards the purchase of leasehold land is treated as deferred income which is credited to the profit and loss account by installments over the 125 year lease period of the land on a basis consistent with the depreciation policy

15. DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year/period	108,393	15,701
Released during year/period	39,931	-
Other movement	-	92,692
	<u>148,324</u>	<u>108,393</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

15. DEFERRED TAX ASSET (continued)

The deferred tax asset is made up as follows

	2011 £	2010 £
Accelerated capital allowances	<u>148,324</u>	<u>108,393</u>

16 PROVISIONS

	Provisions £
At 1 January 2011	2,526,561
Movement	(502,504)
At 31 December 2011	<u>2,024,057</u>

PROVISIONS

Provisions relate to the cost of specific and general warranty claims over the next 12 months

17. SHARE CAPITAL

	2011 £	2010 £
ALLOTTED, CALLED UP AND FULLY PAID		
1,250,000 Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,250,000</u>

18 RESERVES

	Profit and loss account £
At 1 January 2011	28,061,723
Profit for the year	14,703,100
Dividends Equity capital	(16,000,000)
Pension reserve movement	(358,900)
At 31 December 2011	<u>26,405,923</u>

The closing balance on the Profit and loss account includes a £869,500 (2010 - £674,600) debit, stated after deferred taxation of £305,500 (2010 - £262,400), in respect of pension scheme liabilities of the company pension scheme

BUHLER SORTEX LIMITED

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19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	29,311,723	21,978,725
Profit for the year/period	14,703,100	18,207,718
Dividends (Note 20)	(16,000,000)	(11,000,000)
Other recognised gains and losses during the year/period	(358,900)	125,280
Closing shareholders' funds	<u>27,655,923</u>	<u>29,311,723</u>

20. DIVIDENDS

	2011 £	2010 £
Dividends paid on equity capital	<u>16,000,000</u>	<u>11,000,000</u>

The directors have recommended a final ordinary dividend of £16,000,000 for the year ended 31 December 2011

21. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption within FRS 8 which allows related party transactions not to be disclosed where the company is a wholly owned subsidiary and consolidated financial statements are publicly available. There were no material amounts receivable from or payable to related parties at the balance sheet date.

22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent undertaking of the smallest group of undertakings, for the current and previous year, for which group accounts are drawn up, and of which the company is a member, is Buhler UK Holdings Limited. Copies of Buhler UK Holdings Limited's accounts can be obtained from 20 Atlantis Avenue, London, E16 2BF.

The parent undertaking of the largest group undertaking, for the current and previous year, for which group accounts are drawn up, and of which the company is a member, is Buhler Holdings AG, a company incorporated in Switzerland. Copies of Buhler Holdings AG's accounts can be obtained from CH 9240, Uzwil, Switzerland.

For the current and previous years, Buhler Holdings AG is the ultimate parent undertaking of Buhler Sortex Limited.

For the current and previous year the ultimate controlling party is Mr Urs Buhler.

23. PENSION COMMITMENTS

The company has two pension schemes -

BUHLER SORTEX LIMITED

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23. PENSION COMMITMENTS (continued)

Norwich Union Personal Pension (NUPP) which is a defined contribution scheme and The Sortex Final Salary Scheme (SFSS) which is a defined benefit scheme based on final pensionable salary. As previously reported the SFSS scheme was closed on 30 June 2001 with regard to members' contributions.

Defined contribution pension scheme

The pension cost, which represents contributions payable by the company to the NUPP, amounted to £243,509 (2010 - £283,220). There are no outstanding contributions as at 31 December 2011.

The company operates a Defined benefit pension scheme.

Defined benefit pension scheme

The pension cost and provision are assessed in accordance with the advice of a professionally qualified actuary (Alexander Forbes Financial Services Limited) using the project unit credit method. The last valuation being made on the 31st December 2010, and updated to 31 December 2011 by a qualified actuary.

The deficit is being spread over the remaining service life of the employees who were members of the SFSS at the date of closure. The remaining deficit will be eliminated through company contributions to the scheme. Contributions paid during the year amounted to £190,000 (2010 - £190,000). There were no outstanding contributions as at 31 December 2011.

The amounts recognised in the Balance sheet are as follows:

	2011 £	2010 £
Present value of funded obligations	(4,777,000)	(4,506,000)
Fair value of scheme assets	3,602,000	3,569,000
Deficit in scheme	(1,175,000)	(937,000)
Related deferred tax asset	305,500	262,400
Net liability	(869,500)	(674,600)

The amounts recognised in profit or loss are as follows:

	2011 £	2010 £
Interest on obligation	(240,000)	(228,000)
Expected return on scheme assets	214,000	209,000
Total	(26,000)	(19,000)
Actual return on scheme assets	41,000	379,000

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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23 PENSION COMMITMENTS (continued)

Changes in the present value of the defined benefit obligation are as follows

	2011 £	2010 £
Opening defined benefit obligation	4,506,000	4,624,000
Interest cost	240,000	228,000
Actuarial Losses/(gains)	229,000	(4,000)
Benefits paid	(198,000)	(343,000)
Rounding	-	1,000
	<hr/>	<hr/>
Closing defined benefit obligation	4,777,000	4,506,000
	<hr/>	<hr/>

Changes in the fair value of scheme assets are as follows

	2011 £	2010 £
Opening fair value of scheme assets	3,569,000	3,342,000
Expected return	214,000	209,000
Actuarial gains and (losses)	(173,000)	170,000
Contributions by employer	190,000	190,000
Benefits paid	(198,000)	(343,000)
Brought forward rounding adjustment	-	1,000
	<hr/>	<hr/>
	3,602,000	3,569,000
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £1,025,740 (2010 - £666,840)

The company expects to contribute £190,000 to its Defined benefit pension scheme in 2012

The major categories of scheme assets as a percentage of total scheme assets are as follows

	2011	2010
Equities	52.98 %	55.60 %
Bonds	25.60 %	23.60 %
Gilts	21.10 %	18.00 %
Cash	0.40 %	2.80 %

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2011

23. PENSION COMMITMENTS (continued)

The expected return on scheme assets is based on market expectations at the beginning of the financial period for returns over the life of the related obligation. The expected rate of return on scheme assets for each category is detailed below.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages)

	2011	2010
Discount rate at 31 December	4.65 %	5.45 %
Future pension increases	3.00 %	3.45 %
Expected rate of return on scheme assets - Equities	6.75 %	7.00 %
Expected rate of return on scheme assets - Bonds	4.65 %	5.45 %
Expected rate of return on scheme assets - Gilts	3.00 %	4.00 %
Expected rate of return on scheme assets - Cash	3.50 %	3.95 %

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2011 £	2010 £	2009 £	2008 £	2007 £
Defined benefit obligation	(4,777,000)	(4,506,000)	(4,624,000)	(3,367,000)	(4,238,000)
Scheme assets	3,602,000	3,569,000	3,342,000	2,925,000	3,437,000
Deficit	<u>(1,175,000)</u>	<u>(937,000)</u>	<u>(1,282,000)</u>	<u>(442,000)</u>	<u>(801,000)</u>
Experience adjustments on scheme liabilities	-	-	-	(23,000)	(2,000)
Experience adjustments on scheme assets	<u>(173,000)</u>	<u>170,000</u>	<u>195,000</u>	<u>555,000</u>	<u>(89,000)</u>

24. OPERATING LEASE COMMITMENTS

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
EXPIRY DATE		
Within 1 year	15,181	30,660
Between 2 and 5 years	<u>796,121</u>	<u>65,473</u>