

Registration number 00434274

Buhler Sortex Limited
Directors' Report and Financial Statements
for the Year Ended 31 December 2012



Buhler Sortex Limited

Contents

Company Information	1
Directors' Report	2 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 7
Profit and Loss Account	8
Statement of Total Recognised Gains and Losses	9
Balance Sheet	10
Notes to the Financial Statements	11 to 29
The following pages do not form part of the statutory financial statements	
Detailed Profit and Loss Account	30 to 32

Buhler Sortex Limited

Company Information

Chairman	B Mendler
Directors	M I Kelly H R Kefayati C D Chaffers N J Wilkins C A Gunawardena G Yates N Wilson M Picalik
Company secretary	Nigel Wilson
Registered office	20 Atlantis Avenue London E16 2BF
Auditors	Bourner Bullock Chartered Accountants Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ

Buhler Sortex Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

M I Kelly

H R Kefayati

C D Chaffers

N J Wilkins

C A Gunawardena

G Yates

B Mendler - Chairman

N Wilson

The following director was appointed after the year end

M Picalek (appointed 14 January 2013)

Principal activity

The principal activity of the company is 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

Dividends

The directors recommend a final dividend payment of £12,000,000 be made in respect of the financial year ended 31 December 2012. This dividend has not been recognised as a liability in the financial statements

Business review

Fair review of the business

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

The KPIs for the company in 2012 are shown in the following table

The company's key financial and other performance indicators during the year were as follows

	Unit	2012	2011
Operating profit	£	17,442,402 00	19,752,187 00
Dividend cover		0 89	0 92
Ordinary shareholders' equity	£	26,229,522 00	27,655,923 00

Buhler Sortex Limited
Directors' Report for the Year Ended 31 December 2012

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

Principal risks and uncertainties

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

Financial instruments

Objectives and policies

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

Price risk, credit risk, liquidity risk and cash flow risk

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 developments

The directors remain optimistic about the long term prospects for growth

Research and development

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

Buhler Sortex Limited
Directors' Report for the Year Ended 31 December 2012

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Bourner Bullock as auditors of the company is to be proposed at the forthcoming Annual General Meeting

Approved by the Board and signed on its behalf by

A handwritten signature in black ink, appearing to read 'N Wilson', with a long horizontal flourish extending to the right.

N Wilson
Director

Date 01.07.2013

Buhler Sortex Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

Independent Auditor's Report to the Members of Buhler Sortex Limited

We have audited the financial statements of Buhler Sortex Limited for the year ended 31 December 2012, set out on pages 8 to 29. 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 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 Statement of Directors' Responsibilities (set out on page 5), 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

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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditor's Report to the Members of
Buhler Sortex Limited**

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



David Wheeler (Senior Statutory Auditor)
For and on behalf of Bournier Bullock, Statutory Auditor

Chartered Accountants
Sovereign House
212-224 Shaftesbury Avenue
London
WC2H 8HQ

4 July 2013

Buhler Sortex Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	71,619,562	74,318,042
Cost of sales		<u>(47,517,164)</u>	<u>(47,115,484)</u>
Gross profit		24,102,398	27,202,558
Distribution costs		(5,356,034)	(5,632,294)
Administrative expenses		(1,303,962)	(1,825,862)
Other operating income		<u>-</u>	<u>7,785</u>
Operating profit	3	17,442,402	19,752,187
Other interest receivable and similar income	7	145,542	47,982
Interest payable and similar charges	8	<u>(142,096)</u>	<u>(64,165)</u>
Profit on ordinary activities before taxation		17,445,848	19,736,004
Tax on profit on ordinary activities	9	<u>(4,075,749)</u>	<u>(5,032,904)</u>
Profit for the financial year	17	<u><u>13,370,099</u></u>	<u><u>14,703,100</u></u>

Turnover and operating profit derive wholly from continuing operations

The notes on pages 11 to 29 form an integral part of these financial statements

Buhler Sortex Limited

**Statement of Total Recognised Gains and Losses for the Year Ended 31 December
2012**

	Note	2012 £	2011 £
Profit for the financial year		13,370,099	14,703,100
Actuarial gain/(loss) recognised on defined benefit pension scheme		275,000	(402,000)
Deferred tax on actuarial gain/loss recognised on defined benefit pension scheme		<u>(71,500)</u>	<u>43,100</u>
Total recognised gains and losses relating to the year		<u><u>13,573,599</u></u>	<u><u>14,344,200</u></u>

The notes on pages 11 to 29 form an integral part of these financial statements

Buhler Sortex Limited
(Registration number: 00434274)
Balance Sheet at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	10	<u>664,934</u>	<u>729,209</u>
Current assets			
Stocks	11	5,838,711	5,896,572
Debtors	12	26,519,816	30,912,945
Cash at bank and in hand		<u>8,512,418</u>	<u>6,968,862</u>
		40,870,945	43,778,379
Creditors Amounts falling due within one year	13	<u>(13,133,159)</u>	<u>(13,958,108)</u>
Net current assets		<u>27,737,786</u>	<u>29,820,271</u>
Total assets less current liabilities		28,402,720	30,549,480
Provisions for liabilities	14	<u>(1,630,778)</u>	<u>(2,024,057)</u>
Net assets excluding pension liability		26,771,942	28,525,423
Net pension liability		<u>(542,420)</u>	<u>(869,500)</u>
Net assets		<u><u>26,229,522</u></u>	<u><u>27,655,923</u></u>
Capital and reserves			
Called up share capital	15	1,250,000	1,250,000
Profit and loss account	17	<u>24,979,522</u>	<u>26,405,923</u>
Shareholders' funds	18	<u><u>26,229,522</u></u>	<u><u>27,655,923</u></u>

Approved by the Board and signed on its behalf by


B Mendler
Chairman

Date 01/07/2013

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

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

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group

Turnover

Turnover represents amounts chargeable in respect of the sale of goods and services to customers

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

Asset class	Depreciation method and rate
Buildings	2.5% straight line
Leasehold land	equal annual installments over the period of the lease
Plant and machinery	8.33% to 33.33% straight line
Fixtures and 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

Research and development

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

Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

Deferred tax

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 required by FRS19

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

Pensions

Defined contribution pension scheme

The company operates a defined contribution pension 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.

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.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

2 Turnover

During the year 98.91% of the company's turnover related to exports (2011 - 98.28%)

An analysis of turnover by geographical location is given below

	2012 £	2011 £
Sales - UK	780,448	1,275,537
Sales - Rest of world	70,839,114	73,042,505
	<u>71,619,562</u>	<u>74,318,042</u>

An analysis of turnover by class of business is given below

	2012 £	2011 £
Sales of Machines and Related Income	71,619,562	74,318,042
	<u>71,619,562</u>	<u>74,318,042</u>

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Operating leases - other assets	713,286	143,624
Foreign currency (gains)/losses	(79,258)	31,256
Depreciation of owned assets	398,145	742,715
Auditors remuneration	64,950	64,933

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

4 Auditor's remuneration

	2012 £	2011 £
Audit of the financial statements	47,500	47,500
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	8,800	11,283
Other services	8,650	6,150
	17,450	17,433
	64,950	64,933

5 Particulars of employees

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

	2012 No.	2011 No.
Administration and support	16	20
Production	101	102
Research and development	47	48
Sales, marketing and distribution	56	51
	220	221

The aggregate payroll costs were as follows.

	2012 £	2011 £
Wages and salaries	7,459,043	7,701,223
Social security costs	799,963	787,909
Staff pensions	470,380	419,739
	8,729,386	8,908,871

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

6 Directors' remuneration

The directors' remuneration for the year was as follows

	2012	2011
	£	£
Remuneration (including benefits in kind)	647,758	1,064,351
Company contributions paid to money purchase schemes	40,320	81,316

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012	2011
	No.	No.
Accruing benefits under defined benefit pension scheme	7	7

In respect of the highest paid director

	2012	2011
	£	£
Remuneration	200,297	194,956
Defined benefit accrued pension entitlement at the end of the period	17,054	14,135

7 Other interest receivable and similar income

	2012	2011
	£	£
Bank interest receivable	<u>145,542</u>	<u>47,982</u>

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

8 Interest payable and similar charges

	2012	2011
	£	£
Interest on loans from group undertakings	119,096	38,165
Pension scheme other finance costs	23,000	26,000
	<u>142,096</u>	<u>64,165</u>

9 Taxation

Tax on profit on ordinary activities

	2012	2011
	£	£
Current tax		
Corporation tax charge	4,027,444	5,022,946
Adjustments in respect of previous years	6,271	-
UK Corporation tax	4,033,715	5,022,946
Deferred tax		
Origination and reversal of timing differences	42,034	9,958
Total tax on profit on ordinary activities	<u>4,075,749</u>	<u>5,032,904</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%)

The differences are reconciled below

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

	2012 £	2011 £
Profit on ordinary activities before taxation	<u>17,445,848</u>	<u>19,736,004</u>
Corporation tax at standard rate	4,274,233	5,228,679
Capital allowances for year in excess of depreciation	14,094	54,311
Increase or decrease in pension fund prepayment leading to an increase/(decrease) in tax	(58,426)	(43,449)
Other timing differences	(73,954)	(175,601)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	24,209	81,383
Adjustment in research and development tax credit leading to an increase/(decrease) in the tax charge	<u>(152,712)</u>	<u>(122,377)</u>
Total current tax	<u>4,027,444</u>	<u>5,022,946</u>

10 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2012	751,049	1,940,940	896,916	3,588,905
Additions	52,086	245,497	38,110	335,693
Disposals	<u>(188,698)</u>	<u>(73,566)</u>	<u>(212,437)</u>	<u>(474,701)</u>
At 31 December 2012	<u>614,437</u>	<u>2,112,871</u>	<u>722,589</u>	<u>3,449,897</u>
Depreciation				
At 1 January 2012	606,905	1,390,606	862,185	2,859,696
Charge for the year	38,424	332,792	26,930	398,146
Eliminated on disposals	<u>(188,667)</u>	<u>(71,774)</u>	<u>(212,437)</u>	<u>(472,878)</u>
At 31 December 2012	<u>456,662</u>	<u>1,651,624</u>	<u>676,678</u>	<u>2,784,964</u>
Net book value				
At 31 December 2012	<u>157,775</u>	<u>461,247</u>	<u>45,911</u>	<u>664,933</u>
At 31 December 2011	<u>144,144</u>	<u>550,334</u>	<u>34,731</u>	<u>729,209</u>

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

11 Stocks

	2012	2011
	£	£
Raw materials	3,148,976	3,380,683
Work in progress	1,022,654	1,040,569
Finished goods	1,667,081	1,475,320
	<u>5,838,711</u>	<u>5,896,572</u>

12 Debtors

	2012	2011
	£	£
Trade debtors	15,888,564	18,603,160
Amounts owed by group undertakings	9,753,332	11,496,043
Other debtors	486,628	451,640
Deferred tax	149,691	148,324
Prepayments and accrued income	241,601	213,778
	<u>26,519,816</u>	<u>30,912,945</u>

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 January 2012	148,324
Deferred tax credited to the profit and loss account	<u>1,367</u>
At 31 December 2012	<u><u>149,691</u></u>

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>149,691</u>	<u>148,324</u>
	<u><u>149,691</u></u>	<u><u>148,324</u></u>

13 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	2,213,734	1,193,468
Amounts owed to group undertakings	1,785,935	795,204
Corporation tax	2,497,445	2,793,142
Other taxes and social security	189,968	235,974
Other creditors	3,992,000	4,666,316
Accruals and deferred income	<u>2,454,077</u>	<u>4,274,004</u>
	<u><u>13,133,159</u></u>	<u><u>13,958,108</u></u>

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

14 Provisions

	Other provision £	Total £
At 1 January 2012	2,024,057	2,024,057
Credited to the profit and loss account	<u>(393,280)</u>	<u>(393,280)</u>
At 31 December 2012	<u>1,630,777</u>	<u>1,630,777</u>

15 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary of £1 each	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

16 Dividends

	2012 £	2011 £
Dividends paid		
Prior year final dividend paid	<u>15,000,000</u>	<u>16,000,000</u>
Recommended final dividend proposed for approval by shareholders	<u>12,000,000</u>	<u>16,000,000</u>

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

17 Reserves

	Profit and loss account £	Total £
At 1 January 2012	26,405,923	26,405,923
Profit for the year	13,370,099	13,370,099
Dividends	(15,000,000)	(15,000,000)
Actuarial gain on pension schemes	275,000	275,000
Deferred tax relating to actuarial gain/loss on pension schemes	(71,500)	(71,500)
At 31 December 2012	<u>24,979,522</u>	<u>24,979,522</u>

18 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	13,370,099	14,703,100
Other recognised gains and losses relating to the year	203,500	(358,900)
Dividends	(15,000,000)	(16,000,000)
Net reduction to shareholders' funds	(1,426,401)	(1,655,800)
Shareholders' funds at 1 January	<u>27,655,923</u>	<u>29,311,723</u>
Shareholders' funds at 31 December	<u>26,229,522</u>	<u>27,655,923</u>

19 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £470,380 (2011 - £243,509).

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

Defined benefit pension schemes

The pension cost and provision are assessed in accordance with the advice of a professionally qualified actuary (JLT Benefit Solutions) using the project unit credit method. The last valuation being made on the 31st December 2010, and updated to 31 December 2012 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 2012.

Contributions payable to the pension scheme at the end of the year are £190,000 (2011 - £190,000).

The total contributions in the next year are expected to be £190,000.

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2012 £	2011 £
Fair value of scheme assets	4,019,000	3,602,000
Present value of scheme liabilities	(4,752,000)	(4,777,000)
Defined benefit pension scheme deficit	(733,000)	(1,175,000)
Related deferred tax asset	190,580	305,500
Net liability in the balance sheet	(542,420)	(869,500)

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Scheme assets

Changes in the fair value of scheme assets are as follows

	2012 £	2011 £
Fair value at start of year	3,602,000	3,569,000
Expected return on assets	197,000	214,000
Actuarial gains and losses	168,000	(173,000)
Employer contributions	190,000	190,000
Benefits paid	(138,000)	(198,000)
Fair value at end of year	<u>4,019,000</u>	<u>3,602,000</u>

Analysis of assets

The major categories of scheme assets are as follows

	2012 £	2011 £
Equity instruments	2,130,070	1,905,458
Cash	80,380	14,408
Other assets	<u>1,808,550</u>	<u>1,682,134</u>
	<u>4,019,000</u>	<u>3,602,000</u>

Actual return on scheme's assets

	2012 £	2011 £
Actual return on scheme assets	<u>365,000</u>	<u>41,000</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company

The overall expected return on assets assumption is derived as the weighted average of the expected returns from each of the main asset classes

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

Scheme liabilities

Changes in the present value of scheme liabilities are as follows

	2012 £	2011 £
Present value at start of year	4,777,000	4,506,000
Actuarial gains and losses	(107,000)	229,000
Interest cost	220,000	240,000
Benefits paid	(138,000)	(198,000)
Present value at end of year	<u>4,752,000</u>	<u>4,777,000</u>
Analysed as:		
Present value arising from wholly or partly funded schemes	<u>(4,752,000)</u>	<u>(4,777,000)</u>

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows

	2012 %	2011 %
Discount rate	4.50	4.65
Future pension increases	2.80	3.00
Inflation	2.80	3.00
Expected return on scheme assets - equity	6.75	6.75
Expected return on scheme assets - cash	3.30	3.50
Expected return on scheme assets - other	3.81	3.83

Post retirement mortality assumptions

	2012 Years	2011 Years
Current pensioners at retirement age	80.00	81.00

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Amounts recognised in the profit and loss account

	2012 £	2011 £
Amounts recognised in operating profit		
Recognised in arriving at operating profit	-	-
Amounts recognised in other finance cost		
Interest cost	220,000	240,000
Expected return on scheme assets	(197,000)	(214,000)
Recognised in other finance cost	23,000	26,000
Total recognised in the profit and loss account	<u>23,000</u>	<u>26,000</u>

Buhler Sortex Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

Amounts recognised in the statement of total recognised gains and losses

	2012 £	2011 £
Other actuarial gains (losses)	<u>203,500</u>	<u>(358,900)</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and (losses) since 1 January 2002 is £1,229,240 (2011 - £1,025,740)

History of experience adjustments on scheme assets and liabilities

Amounts for the current and previous 2 periods are as follows.

	2012 £	2011 £
Fair value of scheme assets	4,019,000	3,602,000
Present value of scheme liabilities	<u>(4,752,000)</u>	<u>(4,777,000)</u>
Deficit in scheme	<u>(733,000)</u>	<u>(1,175,000)</u>

Experience adjustments

	2012 £	2011 £
Experience adjustments arising on scheme assets	<u>168,000</u>	<u>(173,000)</u>

Comparative figures have not been restated as permitted by FRS 17

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

20 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012	2011
	£	£
Land and buildings		
Within one year	-	15,181
Within two and five years	699,300	796,121
	<u>699,300</u>	<u>811,302</u>
Other		
Within one year	17,161	65,473
Within two and five years	111,283	30,660
	<u>128,445</u>	<u>96,134</u>

21 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

22 Control

The ultimate controlling party is Mr Urs Buhler. 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.