

Registered number. 434274

BUHLER SORTEX LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2009

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BUHLER SORTEX LIMITED

COMPANY INFORMATION

DIRECTORS

C D Chaffers
C A Gunawardena
A Hillary
H R Kefayati
B G M Kilshaw
B Mandler (Chairman)
N J Wilkins
N H Wilson
C E Briggs

COMPANY SECRETARY

N H Wilson

COMPANY NUMBER

434274

REGISTERED OFFICE

20 Atlantis Avenue
London
E16 2BF

AUDITORS

Bourner Bullock
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 2009

The directors present their report and the financial statements for the year ended 31 December 2009

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 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 2009 are shown in the following table.

	2009	2008
Operating profit	£15,821,878	£8,903,106
Dividend cover	1.4	1.2
Ordinary shareholders' equity	£21,978,729	£18,424,865

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 2009

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £11,247,944 (2008 - £5,861,432)

During the year the directors paid a dividend of £7,000,000 in respect of 2008. The directors have recommended a final ordinary dividend of £11,000,000 for the year ended 31 December 2009.

DIRECTORS

The directors who served during the year were

C D Chaffers
C A Gunawardena
A Hillary
H R Kefayati
B G M Kilshaw
B Mendler (Chairman)
N J Wilkins
N H Wilson
C E Briggs

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 2009

abide by these terms. Trade creditor days of the company for the year ended 31 December 2009 were 27 days (2008 27 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

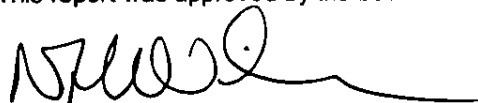
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- 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, Bourner 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 26/05/10

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 2009, 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 Statement of directors' responsibilities, 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 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.

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 2009 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

BOURNER BULLOCK

Chartered Accountants

Sovereign House

212 - 224 Shaftesbury Avenue

London

WC2H 8HQ

Date *1 June 2010*

BUHLER SORTEX LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Note	2009 £	As restated 2008 £
TURNOVER	1,2	63,405,604	46,057,843
Cost of sales		<u>(40,914,191)</u>	<u>(32,863,678)</u>
GROSS PROFIT		22,491,413	13,194,165
Selling and distribution costs		<u>(4,462,972)</u>	<u>(4,566,608)</u>
Administrative expenses		<u>(1,373,438)</u>	<u>(1,119,197)</u>
Profit/(loss) arising from exchange movements		<u>(833,125)</u>	<u>1,394,746</u>
Total administrative expenses		<u>(2,206,563)</u>	<u>275,549</u>
OPERATING PROFIT	3	15,821,878	8,903,106
Interest receivable		<u>126,728</u>	<u>84,254</u>
Interest payable	7	<u>(105,880)</u>	<u>(542,911)</u>
Other finance income/ (expenditure)	8	<u>(54,000)</u>	<u>(24,000)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,788,726	8,420,449
Tax on profit on ordinary activities	9	<u>(4,540,782)</u>	<u>(2,559,017)</u>
PROFIT FOR THE FINANCIAL YEAR	18	<u>11,247,944</u>	<u>5,861,432</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 2009

	Note	2009 £	2008 £
PROFIT FOR THE FINANCIAL YEAR		11,247,944	5,861,432
Actuarial gain/ (loss) related to pension scheme	23	(964,000)	238,000
Deferred tax attributable to actuarial gain	23	269,920	(82,640)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		10,553,864	6,016,792

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

BUHLER SORTEX LIMITED
Registered number 434274

BALANCE SHEET
as at 31 December 2009

	Note	£	2009 £	As restated 2008 £
FIXED ASSETS				
Tangible fixed assets	10		13,018,945	13,192,933
CURRENT ASSETS				
Stocks	11	5,509,358		5,194,320
Debtors	12	20,330,337		8,012,046
Cash at bank		9,982,022		10,077,180
		<u>35,821,717</u>		<u>23,283,546</u>
CREDITORS , amounts falling due within one year	13	(17,725,183)		(10,668,654)
NET CURRENT ASSETS			<u>18,096,534</u>	<u>12,614,892</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>31,115,479</u>	<u>25,807,825</u>
CREDITORS , amounts falling due after more than one year	14		(5,227,200)	(5,270,400)
PROVISIONS FOR LIABILITIES				
Other provisions	16		(2,986,550)	(1,794,320)
NET ASSETS EXCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u>22,901,729</u>	<u>18,743,105</u>
Defined benefit pension scheme liability	23		(923,000)	(318,240)
NET ASSETS INCLUDING PENSION SCHEME ASSETS/(LIABILITIES)			<u><u>21,978,729</u></u>	<u><u>18,424,865</u></u>
CAPITAL AND RESERVES				
Called up share capital	17		1,250,000	1,250,000
Profit and loss account	18		20,728,729	17,174,865
SHAREHOLDERS' FUNDS	19		<u><u>21,978,729</u></u>	<u><u>18,424,865</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

29.5.10

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 2009

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 has taken advantage of the exemption from preparing a cashflow statement contained in FRS1 (Revised) since it is a wholly owned subsidiary of Buhler Holdings A.G whose accounts include the company and are publicly available

1.3 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied, 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%	straight line
		to	
		33 33%	
Fixtures & fittings	-	8 33%	straight line
		to	
		33 33%	
Computer equipment	-	20%	straight line
		to	
		33 33%	
Other fixed assets	-	20%	straight line
		to	
		33 33%	

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

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1. ACCOUNTING POLICIES (continued)**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. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

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 2009

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 2007

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 pensions

The company also provides pension benefits for employees through a defined contribution scheme operated by an insurance company. 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

	2009 £	2008 £
United Kingdom	720,276	741,043
Rest of world	62,685,328	45,316,800
	<u>63,405,604</u>	<u>46,057,843</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

3. OPERATING PROFIT

The operating profit is stated after charging

	2009 £	2008 £
Depreciation of tangible fixed assets		
- owned by the company	664,900	733,265
Operating lease rentals		
- other operating leases	119,273	121,426
Profit/(loss) arising from exchange movements	833,125	(1,394,746)
Research & development expenditure	4,339,765	3,449,819
	<u> </u>	<u> </u>

4. AUDITORS' REMUNERATION

	2009 £	2008 £
Fees payable to the company's auditor for the audit of the company's annual accounts	36,000	33,000
Fees payable to the company's auditor and its associates in respect of		
Taxation and advisory	17,311	26,809
	<u> </u>	<u> </u>
	2009 £	2008 £
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)	5,300	5,000
	<u> </u>	<u> </u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2009 £	2008 £
Wages and salaries	6,544,938	6,074,938
Social security costs	675,418	625,603
Other pension costs (Note 23)	268,708	251,940
	<u>7,489,064</u>	<u>6,952,481</u>

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

	2009 No.	2008 No
Factory/warehouse	88	77
Administration	16	14
Selling	45	42
Research & development	44	41
	<u>193</u>	<u>174</u>

6. DIRECTORS' REMUNERATION

	2009 £	2008 £
Emoluments	<u>993,509</u>	<u>967,496</u>
Company contributions to defined contribution pension schemes	<u>70,211</u>	<u>65,987</u>

During the year retirement benefits were accruing to 8 directors (2008 - 8) in respect of money purchase pension schemes

The highest paid director received remuneration of £190,207 (2008 - £183,393)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £32,463 (2008 - £29,640)

7 INTEREST PAYABLE

	2009 £	2008 £
On other loans	-	24,000
On loans from group undertakings	-	25,295
Other interest payable	105,880	493,616
	<u>105,880</u>	<u>542,911</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

8. OTHER FINANCE INCOME/ (EXPENDITURE)

	2009 £	2008 £
Expected return on pension scheme assets	161,000	213,000
Interest on pension scheme liabilities	(215,000)	(237,000)
	<u>(54,000)</u>	<u>(24,000)</u>

9. TAXATION

	2009 £	2008 £
ANALYSIS OF TAX CHARGE IN THE YEAR/PERIOD		
CURRENT TAX (see note below)		
UK corporation tax charge on profit for the year/period	4,465,516	2,404,503
Adjustments in respect of prior periods	(6,005)	151,514
TOTAL CURRENT TAX	<u>4,459,511</u>	<u>2,556,017</u>
DEFERRED TAX		
Origination and reversal of timing differences	46,591	3,000
Effect of increased tax rate on opening liability	34,680	-
TOTAL DEFERRED TAX (see note 15)	<u>81,271</u>	<u>3,000</u>
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>4,540,782</u>	<u>2,559,017</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR/PERIOD

The tax assessed for the year/period is higher than (2008 - *higher than*) the standard rate of corporation tax in the UK (28 50%) The differences are explained below

	2009 £	2008 £
Profit on ordinary activities before tax	<u>15,788,726</u>	<u>8,420,449</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28 50% (2008 - 28 5%)	4,499,787	2,399,998
EFFECTS OF:		
Expenses not deductible for tax purposes	(26,152)	85,191
Capital allowances for year/period in excess of depreciation	77,066	44,465
Other timing differences	130,425	11,399
Adjustments to tax charge in respect of prior periods	(6,005)	151,514
Additional deduction for R&D expenditure	(215,610)	(136,550)
CURRENT TAX CHARGE FOR THE YEAR/PERIOD (see note above)	<u>4,459,511</u>	<u>2,556,017</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

9 TAXATION (continued)**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

10. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery £	Furniture, fittings, equipment and vehicles £	Total £
COST				
At 1 January 2009	12,519,423	1,133,626	2,294,950	15,947,999
Additions	-	42,219	448,693	490,912
Disposals	-	-	(5,275)	(5,275)
At 31 December 2009	12,519,423	1,175,845	2,738,368	16,433,636
DEPRECIATION				
At 1 January 2009	337,250	937,797	1,480,019	2,755,066
Charge for the year	221,186	75,560	368,154	664,900
On disposals	-	-	(5,275)	(5,275)
At 31 December 2009	558,436	1,013,357	1,842,898	3,414,691
NET BOOK VALUE				
At 31 December 2009	11,960,987	162,488	895,470	13,018,945
At 31 December 2008	12,182,173	195,829	814,931	13,192,933

At 31 December 2009, included within the net book value of land and buildings is £6,733,788 (2008 - £6,911,773) relating to freehold land and buildings, £5,227,200 (2008 - £5,270,400) relating to long term leasehold land and buildings and £NIL (2008 - £NIL) relating to short term leasehold land and buildings

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

11. STOCKS

	2009 £	2008 £
Raw materials	2,697,607	2,738,501
Work in progress	1,338,567	1,258,013
Finished goods and goods for resale	1,473,184	1,197,806
	<u>5,509,358</u>	<u>5,194,320</u>

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

12. DEBTORS

	2009 £	2008 £
Trade debtors	13,836,840	2,437,967
Amounts owed by group undertakings	5,085,706	4,659,494
Other debtors	1,120,237	649,364
Deferred tax asset (see note 15)	15,701	62,292
Prepayments	271,853	202,929
	<u>20,330,337</u>	<u>8,012,046</u>

13. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	3,074,965	2,416,330
Amounts owed to group undertakings	1,072,275	821,911
Corporation tax	3,139,689	1,717,563
Social security and other taxes	243,334	281,667
Other creditors	6,515,910	2,668,470
Accruals	3,679,010	2,762,713
	<u>17,725,183</u>	<u>10,668,654</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

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

	2009 £	2008 £
Deferred income	5,270,400	5,313,600
Depreciated during the year	(43,200)	(43,200)
	<u>5,227,200</u>	<u>5,270,400</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

	2009 £	2008 £
At beginning of year/period	62,292	28,181
Released during/(charged for) year/period	-	(3,000)
Other movement	(46,591)	37,111
	<u>15,701</u>	<u>62,292</u>

The deferred tax asset is made up as follows

	2009 £	2008 £
Accelerated capital allowances	44,541	91,132
Other timing differences	(28,840)	(28,840)
	<u>15,701</u>	<u>62,292</u>

16. PROVISIONS

	£
At 1 January 2009	1,794,320
Additions	1,192,230
	<u>2,986,550</u>
At 31 December 2009	

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

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

17. SHARE CAPITAL

	2009 £	2008 £
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 2009	17,174,865
Profit for the year	11,247,944
Dividends Equity capital	(7,000,000)
Pension reserve movement	(694,080)
	<u>20,728,729</u>
At 31 December 2009	<u>20,728,729</u>

The closing balance on the Profit and loss account includes a £309,400 (2008 - £560,700) debit, stated after deferred taxation of £132,600 (2008 - £240,300), in respect of pension scheme liabilities of the company pension scheme

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2009 £	2008 £
Opening shareholders' funds	18,424,865	14,908,073
Profit for the year/period	11,247,944	5,861,432
Dividends (Note 20)	(7,000,000)	(2,500,000)
Other recognised gains and losses during the year/period	(694,080)	155,360
	<u>21,978,729</u>	<u>18,424,865</u>
Closing shareholders' funds	<u>21,978,729</u>	<u>18,424,865</u>

20. DIVIDENDS

	2009 £	2008 £
Dividends paid on equity capital	<u>7,000,000</u>	<u>2,500,000</u>

The directors have recommended a final ordinary dividend of £11,000,000 for the year ended 31 December 2009

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

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 more than 90% owned 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 -

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 £268,708 (2008 - £251,940). There are no outstanding contributions as at 31 December 2009

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 2007, and updated to 31 December 2009 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 £178,000 (2008 - £144,000). There were no outstanding contributions as at 31 December 2009

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The amounts recognised in the Balance sheet are as follows

	2009 £	2008 £
Present value of funded obligations	(4,624,000)	(3,367,000)
Fair value of scheme assets	3,342,000	2,925,000
	<hr/>	<hr/>
Deficit in scheme	(1,282,000)	(442,000)
Deficit	(1,282,000)	(442,000)
Related deferred tax asset	359,000	123,760
	<hr/>	<hr/>
Net liability	<u>(923,000)</u>	<u>(318,240)</u>

The amounts recognised in profit or loss are as follows

	2009 £	2008 £
Interest on obligation	(215,000)	(237,000)
Expected return on scheme assets	161,000	213,000
	<hr/>	<hr/>
Total	<u>(54,000)</u>	<u>(24,000)</u>

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

	2009 £	2008 £
Opening defined benefit obligation	3,367,000	4,238,000
Interest cost	215,000	237,000
Actuarial (Losses)/gains	1,159,000	(793,000)
Benefits paid	(117,000)	(315,000)
	<hr/>	<hr/>
Closing defined benefit obligation	<u>4,624,000</u>	<u>3,367,000</u>

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2009

23. PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets are as follows

	2009 £	2008 £
Opening fair value of scheme assets	2,925,000	3,437,000
Expected return	161,000	213,000
Actuarial gains and (losses)	195,000	(555,000)
Contributions by employer	178,000	144,000
Benefits paid	(117,000)	(314,000)
	3,342,000	2,925,000

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(792,120) (2008 - £(98,040))

The company expects to contribute £190,000 to its Defined benefit pension scheme in 2010

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

	2009	2008
European equities	7.50 %	6.70 %
Bonds	5.70 %	6.50 %
Gilts	4.50 %	3.70 %
Cash	4.20 %	2.00 %

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

	2009	2008
Discount rate at 31 December	5.70 %	6.50 %
Future pension increases	3.70 %	- %

Amounts for the current and previous four periods are as follows

Defined benefit pension schemes

	2009 £	2008 £	2007 £	2006 £	2005 £
Defined benefit obligation	(4,624,000)	(3,367,000)	(4,238,000)	(4,440,000)	(4,149,000)
Scheme assets	3,342,000	2,925,000	3,437,000	3,266,000	3,045,000
Deficit	(1,282,000)	(442,000)	(801,000)	(1,174,000)	(1,104,000)
Experience adjustments on scheme liabilities	-	(23,000)	(2,000)	(381,000)	-
Experience adjustments on scheme assets	195,000	(555,000)	(89,000)	205,000	23,000

BUHLER SORTEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

24. OPERATING LEASE COMMITMENTS

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as follows

	2009 £	2008 £
EXPIRY DATE.		
Within 1 year	24,291	22,176
Between 2 and 5 years	151,419	84,305