

Registration number: 00434274

Buhler Sortex Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015

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Buhler Sortex Limited

Contents

Company Information	1
Strategic Report	2
Directors Report	3 to 4
Statement of Directors' Responsibilities	5
Independent Auditor's Report	6 to 7
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 to 25

Buhler Sortex Limited

Company Information

Directors	M I Kelly N J Wilkins C A Gunawardena N Whittingham M Picalek D A Kinsella C Schlatter Broger
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

Strategic Report for the Year Ended 31 December 2015

The Directors present their strategic report for the year ended 31 December 2015.

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.

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 Company's key financial and other performance indicators during the year were as follows:

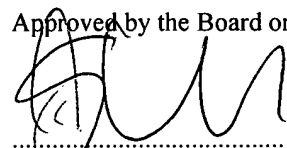
	Unit	2015	2014
Operating Profit	£'000	10,502	14,941
Dividend cover		0.65	0.96

Dividend cover is calculated as profit after tax divided by the dividends paid in the year.

Principal risks and uncertainties

The global economic outlook has also been identified as a potential risk due to the worldwide coverage of the customer base. Several geographic markets are particularly sensitive but the company anticipates growth in new and untested markets that should more than make up for any short-fall in existing established markets. The directors do not consider the possible exit of the UK from the European Union as a risk to the business.

Approved by the Board on 19 August 2016 and signed on its behalf by:



C Schlatter Broger
Director

Buhler Sortex Limited

Directors Report for the Year Ended 31 December 2015

The Directors present their report and the financial statements for the year ended 31 December 2015.

Directors of the Company

The directors who held office during the year were as follows:

N Wilson (resigned 15 April 2016)

M I Kelly

H R Kefayati (Resigned 23 January 2016)

N J Wilkins

C A Gunawardena

N Whittingham

M Picalek

The following directors were appointed after the year end:

D A Kinsella (appointed 1 January 2016)

C Schlatter Broger (appointed 15 April 2016)

Dividends

The directors recommend a final dividend payment of £Nil be made in respect of the financial year ended 31 December 2015. This dividend has not been recognised as a liability in the financial statements.

The directors do not recommend a dividend payment for the financial year ended 31 December 2015 due to expansion plans for the forthcoming year. It is anticipated however that an interim dividend will be declared for 2016.

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

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 bank confirmed letters of credit, and as such are not believed to be at risk of default.

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 optical colour sorting equipment.

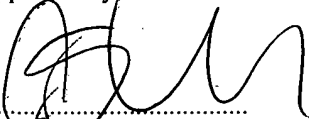
Buhler Sortex Limited

Directors Report for the Year Ended 31 December 2015

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 of which they know the auditors are unaware.

Approved by the Board on 19 August 2016 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'C Schlatter Broger', written over a dotted line.

C Schlatter Broger
Director

Buhler Sortex Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 has 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.

Buhler Sortex Limited

Independent Auditor's Report

We have audited the financial statements of Buhler Sortex Limited for the year ended 31 December 2015, set out on pages 8 to 25. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 to the financial statements.

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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 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 strategic report and Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

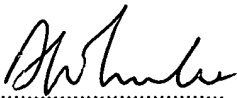
Buhler Sortex Limited

Independent Auditor's Report

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, Statutory Auditor

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

19 August 2016

Buhler Sortex Limited

Profit and Loss Account for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover	3	57,715,855	67,408,564
Cost of sales		<u>(35,711,638)</u>	<u>(42,113,468)</u>
Gross profit		22,004,217	25,295,096
Distribution costs		(5,262,362)	(5,997,843)
Administrative expenses		<u>(6,240,085)</u>	<u>(4,356,537)</u>
Operating profit		<u>10,501,770</u>	<u>14,940,716</u>
Other interest receivable and similar income	5	275,049	370,889
Interest payable and similar charges	6	<u>(584,623)</u>	<u>(480,003)</u>
		<u>(309,574)</u>	<u>(109,114)</u>
Profit before tax		10,192,196	14,831,602
Taxation	10	<u>(1,373,948)</u>	<u>(2,368,972)</u>
Profit for the financial year		<u><u>8,818,248</u></u>	<u><u>12,462,630</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Buhler Sortex Limited

Statement of Comprehensive Income for the Year Ended 31 December 2015

	Note	2015 £	2014 £
Profit for the year		<u>8,818,248</u>	<u>12,462,630</u>
Remeasurement gain/loss on defined benefit pension schemes before tax		286,000	(397,000)
Movement on deferred tax relating to pension deficit		<u>(57,200)</u>	<u>79,400</u>
		<u>228,800</u>	<u>(317,600)</u>
Total comprehensive income for the year		<u><u>9,047,048</u></u>	<u><u>12,145,030</u></u>

The notes on pages 12 to 25 form an integral part of these financial statements.

Buhler Sortex Limited

(Registration number: 00434274)
Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
Fixed assets			
Intangible assets	11	97,005	110,303
Tangible assets	12	<u>775,457</u>	<u>547,821</u>
		<u>872,462</u>	<u>658,124</u>
Current assets			
Stocks	13	12,298,577	7,597,186
Debtors	14	27,652,337	31,085,123
Cash at bank and in hand		<u>3,501,573</u>	<u>4,647,683</u>
		43,452,487	43,329,992
Creditors: Amounts falling due within one year	21	<u>(21,101,230)</u>	<u>(16,189,949)</u>
Net current assets		<u>22,351,257</u>	<u>27,140,043</u>
Total assets less current liabilities		23,223,719	27,798,167
Provisions for liabilities	19	<u>(591,050)</u>	<u>(851,746)</u>
Net assets excluding pension asset/(liability)		22,632,669	26,946,421
Net pension liability	20	<u>(305,600)</u>	<u>(666,400)</u>
Net assets		<u>22,327,069</u>	<u>26,280,021</u>
Capital and reserves			
Called up share capital	16	1,250,000	1,250,000
Retained earnings	17	<u>21,077,069</u>	<u>25,030,021</u>
Total equity		<u>22,327,069</u>	<u>26,280,021</u>

Financial Statements can be amended after issue with proper authorisation.

Approved and authorised by the Board on 19 August 2016 and signed on its behalf by:



M I Kelly

Director

The notes on pages 12 to 25 form an integral part of these financial statements.

Buhler Sortex Limited

Statement of Changes in Equity for the Year Ended 31 December 2015

	Share capital £	Retained earnings £	Total £
At 1 January 2015	1,250,000	25,030,021	26,280,021
Profit for the year	-	8,818,248	8,818,248
Other comprehensive income	-	228,800	228,800
Total comprehensive income	-	9,047,048	9,047,048
Dividends	-	(13,000,000)	(13,000,000)
At 31 December 2015	1,250,000	21,077,069	22,327,069
	Share capital £	Retained earnings £	Total £
At 1 January 2014	1,250,000	25,884,991	27,134,991
Profit for the year	-	12,462,630	12,462,630
Other comprehensive income	-	(317,600)	(317,600)
Total comprehensive income	-	12,145,030	12,145,030
Dividends	-	(13,000,000)	(13,000,000)
At 31 December 2014	1,250,000	25,030,021	26,280,021

The notes on pages 12 to 25 form an integral part of these financial statements.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

The company is a private limited company incorporated and domiciled in England and Wales.

The address of its registered office is:

20 Atlantis Avenue

London

E16 2BF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

As a Qualifying Entity, the company has taken advantage of the exemption, under Section 1.12 of FRS 102, to not prepare a Statement of Cash Flows.

Name of parent of group

These financial statements are consolidated in the financial statements of Buhler Holdings AG.

The financial statements of Buhler Holdings AG may be obtained from CH 9240 Uzwil, Switzerland.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Key sources of estimation uncertainty

The annual depreciation charge for tangible fixed assets is sensitive to changes in the useful economic lives and residual values of the assets. The useful lives and residual values are re-assessed annually.

The company manufactures machines which are subject to technological developments and customer demands. As a result it is necessary to consider the recoverability of cost of stock and the associated provision required. When calculating stock provisions, management considers the nature and condition of the stock, as well as applying assumptions around anticipated future usage of stock components.

The company has an obligation to pay pension benefits. The cost of these benefits and the present value of the obligation depend on a number of factors including; life expectancy, asset valuations and the discount rate on corporate bonds. The assumptions reflect historical experience and current trends.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	8.33% to 33.33% straight line
Other property, plant and equipment	20% to 33.33% straight line

Intangible assets

Intangible assets is stated in balance sheet at cost, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Computer software	33.33% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement of the creditor for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price, unless the arrangement constitutes a financing transaction where the transaction is measured at amortised costs using the effective interest rate method.

Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Defined benefit pension obligation

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2013.

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 discount rate at the beginning of the period and allowing for changes during the period.

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

- The differences between the actuarial assumptions and actual experience, and the effect of changes in actuarial assumptions.

Derivative financial instruments and hedging

Derivatives

Derivative 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 2015

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2015 £	2014 £
Sale of goods	<u>57,715,855</u>	<u>67,408,564</u>

The analysis of the company's revenue for the year by market is as follows:

	2015 £	2014 £
UK	687,000	509,000
Rest of world	<u>57,028,855</u>	<u>66,899,564</u>
	<u>57,715,855</u>	<u>67,408,564</u>

4 Operating profit

Arrived at after charging/(crediting)

	2015 £	2014 £
Depreciation expense	322,983	311,005
Amortisation expense (charged to administrative expenses)	52,511	-
Foreign exchange gains	<u>312,722</u>	<u>369,253</u>

5 Other interest receivable and similar income

	2015 £	2014 £
Interest income on bank deposits	127,864	370,889
Other finance income	<u>147,185</u>	<u>-</u>
	<u>275,049</u>	<u>370,889</u>

6 Interest payable and similar charges

	2015 £	2014 £
Interest expense on other finance liabilities	246,901	88,750
Foreign exchange (gains) / losses	312,722	369,253
Other finance costs	<u>25,000</u>	<u>22,000</u>
	<u>584,623</u>	<u>480,003</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

	2015 £	2014 £
Wages and salaries	8,377,970	8,430,447
Social security costs	843,614	1,449,156
Pension costs, defined contribution scheme	521,905	472,877
	<u>9,743,489</u>	<u>10,352,480</u>

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

	2015 No.	2014 No.
Production	96	99
Administration and support	17	16
Research and development	53	53
Sales, marketing and distribution	52	54
	<u>218</u>	<u>222</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2015 £	2014 £
Remuneration	1,023,256	941,934
Contributions paid to money purchase schemes	91,756	81,950
	<u>1,115,012</u>	<u>1,023,884</u>

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

	2015 No.	2014 No.
Received or were entitled to receive shares under long term incentive schemes	<u>6</u>	<u>6</u>

In respect of the highest paid director:

	2015 £	2014 £
Remuneration	203,746	221,538
Company contributions to money purchase pension schemes	<u>21,954</u>	<u>19,394</u>

9 Auditors' remuneration

	2015 £	2014 £
Audit of the financial statements	<u>42,000</u>	<u>48,000</u>
Other fees to auditors		
All other non-audit services	<u>23,245</u>	<u>17,475</u>

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

10 Corporation tax

Tax charged/(credited) in the income statement

	2015 £	2014 £
Current taxation		
UK corporation tax	1,305,712	2,235,935
Deferred taxation		
Arising from origination and reversal of timing differences	68,236	133,037
Tax expense in the income statement	<u>1,373,948</u>	<u>2,368,972</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	<u>10,192,196</u>	<u>14,831,602</u>
Corporation tax at standard rate	2,063,920	3,188,794
Effect of expense not deductible in determining taxable profit (tax loss)	39,562	1,644
Increase (decrease) from effect of tax incentives	(511,847)	(710,428)
Tax increase (decrease) from effect of capital allowances and depreciation	(62,129)	(25,671)
Tax increase (decrease) from other short-term timing differences	68,236	133,037
Tax increase (decrease) arising from group relief	(6,128)	(58,513)
Tax increase (decrease) from changes in pension fund prepayment	(91,548)	(36,119)
Tax increase (decrease) from effect of adjustment in research and development tax credit	(126,118)	(129,508)
Other tax effects for reconciliation between accounting profit and tax expense (income)	-	5,736
Total tax charge	<u>1,373,948</u>	<u>2,368,972</u>

Deferred tax

Deferred tax assets and liabilities

2015	Liability £
Capital allowances in excess of depreciation	25,982
	<u>25,982</u>

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

2014	Asset £
Capital allowances in excess of depreciation	9,254
	<u>9,254</u>

Tax relating to items recognised in other comprehensive income or equity

	2015 £	2014 £
Deferred tax related to items recognised as items of other comprehensive income	<u>(57,200)</u>	<u>(166,600)</u>

11 Intangible assets

	Software £	Total £
Cost or valuation		
At 1 January 2015	546,726	546,726
Additions acquired separately	39,213	39,213
Disposals	<u>(15,069)</u>	<u>(15,069)</u>
At 31 December 2015	<u>570,870</u>	<u>570,870</u>
Amortisation		
At 1 January 2015	436,423	436,423
Amortisation charge	52,511	52,511
Amortisation eliminated on disposals	<u>(15,069)</u>	<u>(15,069)</u>
At 31 December 2015	<u>473,865</u>	<u>473,865</u>
Carrying amount		
At 31 December 2015	<u>97,005</u>	<u>97,005</u>
At 31 December 2014	<u>110,303</u>	<u>110,303</u>

Amortisation on intangible fixed assets is charged to administration expenses.

The aggregate amount of research and development expenditure recognised as an expense during the period is £2,076,010 (2014 - £1,549,923).

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Tangible assets

	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 January 2015	2,002,634	761,048	2,763,682
Additions	273,514	277,105	550,619
Disposals	<u>(316,541)</u>	<u>(35,627)</u>	<u>(352,168)</u>
At 31 December 2015	<u>1,959,607</u>	<u>1,002,526</u>	<u>2,962,133</u>
Depreciation			
At 1 January 2015	1,650,222	565,639	2,215,861
Charge for the year	239,774	83,209	322,983
Eliminated on disposal	<u>(316,541)</u>	<u>(35,627)</u>	<u>(352,168)</u>
At 31 December 2015	<u>1,573,455</u>	<u>613,221</u>	<u>2,186,676</u>
Carrying amount			
At 31 December 2015	<u>386,152</u>	<u>389,305</u>	<u>775,457</u>
At 31 December 2014	<u>352,412</u>	<u>195,409</u>	<u>547,821</u>

13 Stocks

	2015 £	2014 £
Raw materials and consumables	4,598,858	4,118,630
Work in progress	6,524,902	2,309,888
Finished goods and goods for resale	<u>1,174,817</u>	<u>1,168,668</u>
	<u>12,298,577</u>	<u>7,597,186</u>

The cost of stocks recognised as an expense in the year amounted to £30,611,985 (2014 - £36,599,808).

14 Debtors

	Note	2015 £	2014 £
Trade debtors		15,691,005	17,783,129
Receivables from related parties		10,710,302	10,760,228
Other Debtors		1,049,150	2,272,825
Prepayments		<u>201,880</u>	<u>268,941</u>
Total current trade and other receivables		<u>27,652,337</u>	<u>31,085,123</u>

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

15 Cash and cash equivalents

	2015 £	2014 £
Cash at bank	<u>3,501,573</u>	<u>4,647,683</u>

16 Share capital

Allotted, called up and fully paid shares

	2015		2014	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,250,000</u>

17 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Retained earnings £	Total £
Remeasurement gain/loss on defined benefit pension schemes	<u>228,800</u>	<u>228,800</u>

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Retained earnings £	Total £
Remeasurement gain/loss on defined benefit pension schemes	<u>(317,600)</u>	<u>(317,600)</u>

18 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	787,347	819,166
Later than one year and not later than five years	<u>656,384</u>	<u>1,381,572</u>
	<u>1,443,731</u>	<u>2,200,738</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £843,635 (2014 - £845,761).

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

19 Provisions

	Other provisions £	Total £
At 1 January 2015	861,000	861,000
Increase (decrease) in existing provisions	<u>(295,932)</u>	<u>(295,932)</u>
At 31 December 2015	<u>565,068</u>	<u>565,068</u>

20 Pension and other 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 £521,905 (2014 - £472,877).

Defined benefit pension schemes

Sortex Final Salary Pension Scheme

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 (2014 - £190,000). There were no outstanding contributions as at 31 December 2015.

The date of the most recent comprehensive actuarial valuation was 31 December 2013. The pension cost and provision are assessed in accordance with the advice of a professionally qualified actuary (First Actuarial) using the project unit credit method.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £25,000 (2014 - £(41,000)).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2014 - £Nil).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the statement of financial position are as follows:

	2015 £	2014 £
Fair value of scheme assets	4,801,000	4,674,000
Present value of defined benefit obligation	<u>(5,183,000)</u>	<u>(5,507,000)</u>
	(382,000)	(833,000)
Other amounts recognised in the statement of financial position	<u>76,400</u>	<u>166,600</u>
Defined benefit pension scheme deficit	<u>(305,600)</u>	<u>(666,400)</u>

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2015 £
Present value at start of period	5,507,000
Interest cost	184,000
Actuarial gains and losses	(341,000)
Benefits paid	<u>(167,000)</u>
Present value at end of year	<u><u>5,183,000</u></u>

Fair value of scheme assets

Changes in the fair value of scheme assets are as follows:

	2015 £
Fair value at start of period	4,674,000
Interest income	159,000
Return on plan assets, excluding amounts included in interest income/(expense)	(55,000)
Employer contributions	190,000
Benefits paid	<u>(167,000)</u>
Fair value at end of year	<u><u>4,801,000</u></u>

Analysis of assets

The major categories of scheme assets are as follows:

	2015 £	2014 £
Cash and cash equivalents	66,000	40,000
Equity instruments	2,564,000	2,471,000
Other assets	<u>2,171,000</u>	<u>2,163,000</u>
	<u><u>4,801,000</u></u>	<u><u>4,674,000</u></u>

Return on scheme assets

	2015 £	2014 £
Return on scheme assets	<u>104,000</u>	<u>344,000</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.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

	2015 %	2014 %
Discount rate	3.70	3.40
Future pension increases	2.90	3.00
Inflation	<u>3.00</u>	<u>3.10</u>

Post retirement mortality assumptions

	2015 Years	2014 Years
Current UK pensioners at retirement age - male	86.00	87.00
Current UK pensioners at retirement age - female	<u>89.00</u>	<u>89.00</u>

21 Creditors

	Note	2015 £	2014 £
Due within one year			
Trade creditors		2,542,039	2,861,535
Amounts due to related parties		11,118,789	3,769,263
Social security and other taxes		217,887	213,621
Other payables		3,012,249	4,035,255
Accrued expenses		3,875,308	3,796,046
Corporation tax liability	10	<u>334,958</u>	<u>1,514,229</u>
		<u>21,101,230</u>	<u>16,189,949</u>

22 Dividends

The directors are proposing a final dividend of £Nil (2014 - £10.40) per share totalling £Nil (2014 - £13,000,000.00).

Buhler Sortex Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

23 Financial instruments

Categorisation of financial instruments

	2015 £	2014 £
Financial assets that are debt instruments measured at amortised cost	27,450,457	30,816,181
Financial liabilities measured at amortised cost	<u>(13,660,828)</u>	<u>(6,630,798)</u>
	<u>13,789,629</u>	<u>24,185,383</u>

24 Parent and ultimate parent undertaking

The parent undertaking of the smallest and largest group for which consolidated accounts are prepared, and of which the company is a member, is Buhler Holdings A.G., a company incorporated in Switzerland. Copies of Buhler Holdings A.G.'s accounts can be obtained from CH 9240, Uzwil, Switzerland.

Buhler UK Holdings Limited is the immediate parent company, by virtue of it's 100% shareholding.

Buhler Holdings A.G. is the ultimate parent company.

In the current period there is no one ultimate controlling party.

25 Transition to FRS 102

Under FRS 102, interest income on scheme assets is calculated by reference to the discount rate and does not reflect the expected return on assets as under previous UK GAAP. The effect of the change has been to reduce the credit to the profit and loss account in the year to 31 December 2014 and increase the credit to other comprehensive income (OCI) by £63,000. The corresponding effect to deferred tax arising on actuarial gains and losses has been to increase the amount of deferred tax charged to profit and loss OCI by £12,600 and decrease deferred tax charged.

Computer software has been reallocated under FRS 102 from tangible fixed assets to intangible fixed assets in the current year together with the 2014 comparatives. The net book value of the computer software reallocated in 2015 was £97,005 (2014 - £110,304).