

Registration number: 00434274

Bühler UK Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

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Bühler UK Limited

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Bühler UK Limited

Company Information

Directors	MI Kelly N J Wilkins C A Gunawardena N Whittingham M Picalek D A Kinsella N Hay C Cabello P Silverman C Gossweiler
Registered office	20 Atlantis Avenue London E16 2BF
Solicitors	Charles Russell Speechlys LLP 5 Fleet Place London EC4M 7RD
Accountants	Bourner Bullock Chartered Accountants Sovereign House 212-224 Shaftesbury Avenue London WC2H 8HQ
Independent Auditors	PricewaterhouseCoopers LLP The Atrium 1 Harefield Road Uxbridge Middlesex UB8 1EX

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2018

The directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company is the design, manufacture and global distribution of cleaning and sorting machinery as well as the supply of machinery and complete plants for the flour and feed milling, cereal processing, chocolate, printing ink, die casting, mechanical and pneumatic conveying industries and the supply of related services in the UK.

Fair review of the business and future developments

Everyday billions of people come into contact with Bühler technologies to cover their basic needs for food and mobility. With our industrial process technologies and solutions, we contribute significantly to feeding the world's population, setting the focus on food security and safety.

In 2018 Bühler UK Limited has become headquarter of the Digital Technologies division, renowned for its pioneering SORTEX® range of optical sorting technologies as well as innovative sensor and digital solutions. Bühler UK Limited is driving new technologies such as sorting of aflatoxin contaminated maize, solutions for sustainable microbial reduction or apps to analyse data.

Furthermore new markets segments such as fruits and vegetables has been explored and the company was very successful in this market in 2018.

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

	Unit	2018	2017
Gross Profit Margin	%	29.42	28.95
R&D Investment Measured on Turnover	%	3.17	2.13
Working Capital Ratio		2.30	1.97

The profit margin has increased to 29.42% (2017: 28.95%). The main reason for the increase was the launch of a new machine for the Nuts, Coffee, Fruit and Vegetable segments.

The R&D Investment has increased to 3.17% (2017: 2.13%) due to the move to digital technologies.

The working capital has increased to 2.30 (2017: 1.97) and investments in new products and segments are on-going.

Recruitment and development

The Company gives full consideration to applications for employment from disabled persons and aims to ensure as far as practicable that no job applicant receives less favourable treatment because of any of the relevant protected characteristics. No vacancy will be advertised or publicised (internally or externally) in a way which is designed to discourage viable applications with any particular protected characteristic. All applications will be considered on merit and the needs of the business. Applicants will be assessed so far as reasonably practicable against a set of objective, non-discriminatory criteria which will be directly related to the demands of the particular vacancy.

Promotion and training decisions will be made on the basis of merit including skill, aptitude, availability, experience and general overall suitability for the job. We will not unlawfully discriminate against any employee in making promotion or training decisions. We believe all employees should have an equal opportunity to progress and develop. The Company will try to ensure that promotion opportunities are brought to the attention of all employees/as wide a group of employees as possible.

Bühler UK Limited

Strategic Report for the Year Ended 31 December 2018

The Company recognises that training is an important factor in the encouragement of equal opportunities at work. It will take steps for its employees to increase awareness, knowledge, and skills for implementation of this policy. Training needs will also be identified through regular reviews/training needs analysis/appraisal discussions.

Energy and waste reduction

Bühler has long been committed to sustainability, and is making progress toward its goal of cutting energy use, water consumption, and waste by 30% by the year 2020. In 2018 Bühler UK Limited stopped the use of single use plastic cups, invested in energy efficient lighting and improved the air conditioning system.

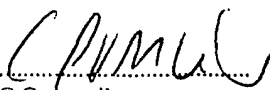
Principal risks and uncertainties

The exit of the UK from the European Union has been identified as a potential risk as there are many uncertainties on future trade barriers. The company has reacted to these uncertainties and has built a Brexit taskforce. The taskforce has analysed the entire supply chain and any other areas which might be impacted by Brexit. Based on this analysis a risk register was created to identify the areas with the most significant concerns and counter measures and actions were initiated. The Directors are confident that the measures taken are sufficient to mitigate this risk as far as possible.

Approved by the Board on 30/04/19 and signed on its behalf by:



MI Kelly
Director



C Gossweiler
Director

Bühler UK Limited

Directors' Report for the Year Ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Directors of the Company

The directors who held office either during the year and/ or up to the date of signing the financial statements were as follows:

MI Kelly

N J Wilkins

C A Gunawardena

N Whittingham

M Picalek

D A Kinsella

N Hay

C Cabello

P Silverman

C Gossweiler (appointed 23 March 2018)

C Schlatter Broger (resigned 23 March 2018)

Dividends

The directors made dividend payments during the financial year ended 31 December 2018 of £6m (2017: £9m).

The directors propose a dividend payment for the financial year ended 31 December 2018 of £9m (2017: £6m).

Financial Risk Management

Objectives and policies

The directors monitor the financial risks to the company on an ongoing basis. The devaluation of Sterling increased foreign purchase prices but also made our products more attractive in external markets. 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 bank confirmed 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.

Bühler UK Limited

Directors' Report for the Year Ended 31 December 2018

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses debt finance, provided by the Group. The directors review these arrangements on a regular basis to ensure the Company is not excessively exposed to liquidity risk.

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The directors review the levels of cash held by the Company to ensure that the amounts held are sufficient to mitigate cash flow risk as far as possible, and that adequate funds are available to facilitate the smooth running of the Company's operational activities.

Political donations

No donations were made to any political parties during the current year or the previous year.

Research and development

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

Directors' liabilities

Throughout the financial year and as at the date of the approval of these financial statements, the Company maintained Directors and Officer's Liability insurance policies on behalf of the directors of the Company. These policies meet the 2006 Companies Act definition of a qualifying third party indemnity provision.

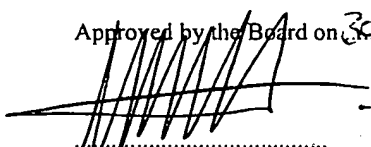
Disclosure of information to the auditors

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.

Independent auditors

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

Approved by the Board on 30/04/19 and signed on its behalf by:



MI Kelly
Director



C Gossweiler
Director

Bühler UK 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Bühler UK Limited

Independent Auditors' Report to the Members of Bühler UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Bühler UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the income statement, the statement of total comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Bühler UK Limited

Independent Auditors' Report to the Members of Bühler UK Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Bühler UK Limited

Independent Auditors' Report to the Members of Bühler UK Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Alex Crompton

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Alex Crompton (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 30/4/2019

Bühler UK Limited

Income Statement for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	94,358,251	94,036,551
Cost of sales		<u>(66,601,402)</u>	<u>(66,816,753)</u>
Gross profit		27,756,849	27,219,798
Distribution costs		(4,897,632)	(5,585,133)
Administrative expenses		(10,376,979)	(10,015,658)
Other operating income	5	<u>358,772</u>	<u>220,169</u>
Operating profit	6	12,841,010	11,839,176
Interest receivable and similar income	8	821,322	259,249
Interest payable and similar expenses	9	(49,286)	(65,873)
Other finance income		<u>-</u>	<u>3,665,255</u>
Profit on ordinary activities before taxation		13,613,046	15,697,807
Tax on profit on ordinary activities	13	<u>(2,170,080)</u>	<u>(1,924,552)</u>
Profit for the financial year		<u><u>11,442,966</u></u>	<u><u>13,773,255</u></u>

The notes on pages 14 to 35 form an integral part of these financial statements.

Bühler UK Limited

Statement of Total Comprehensive Income for the Year Ended 31 December 2018

	2018	2017
	£	£
Profit for the financial year	<u>11,442,966</u>	<u>13,773,255</u>
Remeasurements of net defined benefit pension scheme obligation	1,768,000	1,044,000
Movement on deferred tax relating to pension deficit	<u>(300,560)</u>	<u>(177,480)</u>
Other comprehensive income	<u>1,467,440</u>	<u>866,520</u>
Total comprehensive income for the year	<u><u>12,910,406</u></u>	<u><u>14,639,775</u></u>

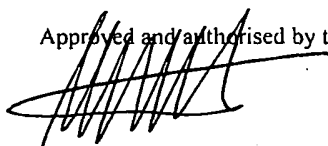
The notes on pages 14 to 35 form an integral part of these financial statements.

Bühler UK Limited

(Registration number: 00434274)
Balance Sheet as at 31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	14	6,722	23,859
Tangible assets	15	<u>13,301,582</u>	<u>11,716,705</u>
		<u>13,308,304</u>	<u>11,740,564</u>
Current assets			
Stock	16	9,850,771	15,470,002
Debtors	17	33,275,911	28,193,351
Cash at bank and in hand	18	<u>12,279,138</u>	<u>13,302,632</u>
		55,405,820	56,965,985
Creditors: Amounts falling due within one year	19	<u>(24,056,257)</u>	<u>(28,917,030)</u>
Net current assets		<u>31,349,563</u>	<u>28,048,955</u>
Total assets less current liabilities		44,657,867	39,789,519
Provisions for liabilities	20	<u>(834,426)</u>	<u>(616,484)</u>
Net assets excluding pension asset/(liability)		43,823,441	39,173,035
Post-employment benefit plan liability	21	-	(1,082,000)
Post-employment benefit plan asset	21	<u>1,178,000</u>	<u>-</u>
Net assets		<u>45,001,441</u>	<u>38,091,035</u>
Capital and reserves			
Called up share capital	22	1,250,000	1,250,000
Retained earnings		<u>43,751,441</u>	<u>36,841,035</u>
Total equity		<u>45,001,441</u>	<u>38,091,035</u>

Approved and authorised by the Board on 30/04/19 and signed on its behalf by:



MI Kelly
Director



C Gossweiler
Director

The notes on pages 14 to 35 form an integral part of these financial statements.

Bühler UK Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2018	<u>1,250,000</u>	<u>36,841,035</u>	<u>38,091,035</u>
Profit for the financial year	-	11,442,966	11,442,966
Other comprehensive income	-	<u>1,467,440</u>	<u>1,467,440</u>
Total comprehensive income for the year	-	12,910,406	12,910,406
Dividends	-	<u>(6,000,000)</u>	<u>(6,000,000)</u>
At 31 December 2018	<u>1,250,000</u>	<u>43,751,441</u>	<u>45,001,441</u>

	Called up share capital £	Retained earnings £	Total equity £
At 1 January 2017	<u>1,250,000</u>	<u>31,201,260</u>	<u>32,451,260</u>
Profit for the financial year	-	13,773,255	13,773,255
Other comprehensive expense	-	<u>866,520</u>	<u>866,520</u>
Total comprehensive income for the year	-	14,639,775	14,639,775
Dividends	-	<u>(9,000,000)</u>	<u>(9,000,000)</u>
At 31 December 2017	<u>1,250,000</u>	<u>36,841,035</u>	<u>38,091,035</u>

The notes on pages 14 to 35 form an integral part of these financial statements.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

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

The address of its registered office is:

20 Atlantis Avenue

London

E16 2BF

United Kingdom

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 United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, modified by certain financial assets and liabilities measured at fair value through profit or loss.

The company has early adopted the Amendments to FRS 102 'The Financial Reporting Standard in the UK and Republic of Ireland' arising from the Financial Reporting Council (FRC) Triennial Review 2017: Incremental Improvements and Clarifications. These amendments are required to be adopted for financial periods beginning on or after 1 January 2019, and have not resulted in significant amendments in the company except for disclosure of the stock expense during the year.

Summary of disclosure exemptions

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Bühler UK Limited is a qualifying entity as its results are consolidated into the financial statements of Bühler Holding AG which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to present a statement of cash flows as required by paragraph 3.17 (d) of FRS 102;
- (ii) from the requirement to present financial instrument disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, 12.26 and 12.29; and
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv).

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Name of parent of group

These financial statements are consolidated in the financial statements of Bühler Holding AG.

The financial statements of Bühler Holding AG may be obtained from CH - 9240 Uzwil, Switzerland.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and services 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 turnover when the amount of turnover 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.

Turnover is differentiated between the following business activities:

- a) The sale of engineered plant orders, whole or partial, usually including installation or supervision of installation and start up services. Orders are fulfilled and managed as projects under the responsibility of an assigned project manager. Spare parts, training and technical assistance included in the main plant order are allocated to this business activity. Project progress when a performance obligation is satisfied over time is measured based on the cost incurred in relation to the total project costs (input method).
- b) The sale of single machines and spares parts including components, subassembly and assembly to an existing machine or equipment. Turnover from the sale of machines is recognised when a customer receives the goods and the company satisfies its performance obligation.
- c) Services including repairs, maintenance, reconditioning, performance contracts, training, technological consultancy, lab trials, technical assistance, planning and control. Revenue from services is recognised on a straight-line basis over the lifetime of the contract.

Government grants

Government grants relating to tangible fixed assets are accounted for using the accrual method. The grant is recognised in profit and loss on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred it is recognised as deferred income and not deducted from the carrying amount of the asset.

Research and development

Expenditure on research or the research phase of an internal project is expensed as incurred. In the research phase of an internal project the entity cannot demonstrate that there is an intangible asset that will generate probable future economic benefits.

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.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

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 are 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
Freehold land and buildings	2.5% straight line
Furniture, fittings and equipment	8.33% to 33.33% straight line
Other property, plant and equipment	10% to 33.33% straight line

Intangible assets

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

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.

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.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Stock

Stock is 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, stock is assessed for impairment. If stock is 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.

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.

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/fall short of the contribution due for service, the excess/shortfall is recognised as a prepayment/accrual.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Defined benefit pension obligation

The company operates two defined benefit pension schemes.

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 comprehensive income

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

Financial Instruments

Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement immediately.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

3 Critical accounting estimates and judgements

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Revision to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Critical accounting estimates and judgements (continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Impairment of stock

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.

Pension Asset/ liability

The company has an obligation to pay pension benefits. Any surplus or deficit in the plan is calculated between the difference between the fair value of the plan's assets and the defined benefit obligation. 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.

Any surplus is restricted so that it is no more than the economic benefits that could be realised by the company, either in the form of future refunds or reductions in future contributions.

Warranty provisions

The company makes an estimate of the recoverable value of its debtors and amounts due from fellow group undertakings. When carrying out the assessment directors consider factors including the aging profile of debtors, historic experience and performance of the debtors' business.

Similarly, the company calculates a provision of 1% of machine turnover for the warranties which are in place for the machines which are sold. In calculating this provision, management consider the costs incurred for any specific issues which may have arisen which could impact on the size or volume of future warranty claims being made.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

4 Turnover

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

	2018	2017
	£	£
Sale of goods	87,269,952	88,033,218
Rendering of services	7,054,785	5,935,202
Other revenue	33,514	68,131
	<u>94,358,251</u>	<u>94,036,551</u>

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

	2018	2017
	£	£
UK	18,254,916	18,205,082
Europe	29,971,162	33,971,178
Rest of world	46,132,173	41,860,291
	<u>94,358,251</u>	<u>94,036,551</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018	2017
	£	£
Research and development expenditure credit	<u>358,772</u>	<u>220,169</u>

6 Operating profit

Arrived at after charging

	2018	2017
	£	£
Depreciation expense	545,290	458,265
Amortisation of Government grant	(43,200)	(43,200)
Amortisation expense (charged to administrative expenses)	17,137	35,669
Research and development cost	2,989,769	2,001,337
Operating lease expense - other	<u>481,542</u>	<u>643,304</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

7 Government grants

The Government grant received towards the purchase of leasehold land is treated as deferred income which is credited to the income statement by instalments over the 125 year lease period of the land on a basis consistent with the depreciation policy. At the year end a balance of £4,838,400 (2017: £4,881,600) was included in deferred income in relation to this grant.

The amount of grants recognised in the financial statements was £43,200 (2017 - £43,200).

8 Interest receivable and similar income

	2018 £	2017 £
Other finance income	-	3,665,255
Foreign exchange gains	821,322	259,249
	<u>821,322</u>	<u>3,924,504</u>

9 Interest payable and similar expenses

	2018 £	2017 £
Interest expense on other finance liabilities	28,286	2,873
Other finance costs	21,000	63,000
	<u>49,286</u>	<u>65,873</u>

10 Staff costs

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

	2018 £	2017 £
Wages and salaries	13,560,342	12,307,815
Social security costs	1,445,577	1,278,605
Other pension costs	820,304	712,414
Other employee expense	120,801	113,102
	<u>15,947,024</u>	<u>14,411,936</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

10 Staff costs (continued)

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

	2018 No.	2017 No.
Production	99	99
Administration and support	30	23
Research and development	77	66
Sales, marketing and distribution	114	101
	<u>320</u>	<u>289</u>

11 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	1,495,725	1,371,330
Contributions paid to money purchase schemes	104,237	101,685
	<u>1,599,962</u>	<u>1,473,015</u>

During the year, some directors have been remunerated through Bühler A.G. rather than Bühler UK Ltd.

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

	2018 No.	2017 No.
Accruing benefits under money purchase pension scheme	<u>8</u>	<u>9</u>

In respect of the highest paid director:

	2018 £	2017 £
Remuneration	220,684	196,260
Company contributions to money purchase pension schemes	<u>17,099</u>	<u>15,323</u>

12 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>64,300</u>	<u>67,400</u>
Other audit related fees		
The auditing of accounts of any associate of the company	<u>2,000</u>	<u>-</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

13 Tax on profit on ordinary activities

Tax charged in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	1,909,624	1,828,176
Deferred taxation		
Arising from origination and reversal of timing differences	<u>260,456</u>	<u>96,376</u>
Tax expense	<u>2,170,080</u>	<u>1,924,552</u>
Tax relating to items recognised in other comprehensive income or equity		
	2018 £	2017 £
Deferred tax related to items recognised as items of other comprehensive income	<u>300,560</u>	<u>177,480</u>

The tax on profit on ordinary activities before taxation for the year is lower than the standard rate of corporation tax in the UK (2017 - lower than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Profit on ordinary activities before taxation	<u>13,613,046</u>	<u>15,697,807</u>
Corporation tax at standard rate	2,586,479	3,021,828
Effect of expense not deductible in determining taxable profit	96,203	199,175
Decrease from effect of tax incentives	(640,313)	(599,186)
Tax (decrease)/increase from effect of capital allowances and depreciation	(9,245)	12,538
Tax increase from other short-term timing differences	260,456	96,376
Tax decrease arising from group relief	-	(7,015)
Tax decrease from changes in pension fund prepayment	(123,500)	(100,100)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>-</u>	<u>(699,064)</u>
Total tax charge	<u>2,170,080</u>	<u>1,924,552</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

13 Tax on profit on ordinary activities (continued)

Factors affecting future tax charges

The rate of taxation is expected to follow the standard rate of UK corporation tax in future periods. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on October 2015) and the Finance Bill 2016 (on September 2016). These include reductions to the main rate to reduce the rate from 1st April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

Deferred tax

Deferred tax assets and liabilities

	Asset £	Liability £
2018		
Capital allowances in excess of depreciation	-	249,047
Retirement benefit surplus	-	200,260
	<u> </u>	<u>449,307</u>

	Asset £	Liability £
2017		
Capital allowances in excess of depreciation	-	72,231
Retirement benefit surplus	183,940	-
	<u>183,940</u>	<u>72,231</u>

14 Intangible assets

	Software £	Total £
Cost or valuation		
At 1 January 2018	494,649	494,649
At 31 December 2018	494,649	494,649
Amortisation		
At 1 January 2018	470,790	470,790
Amortisation charge	17,137	17,137
At 31 December 2018	487,927	487,927
Carrying amount		
At 31 December 2018	6,722	6,722
At 31 December 2017	23,859	23,859

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

15 Tangible assets

	Freehold land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2018	10,331,313	2,846,528	997,358	14,175,199
Additions	1,685,899	326,033	133,794	2,145,726
Disposals	-	(58,519)	(25,667)	(84,186)
At 31 December 2018	<u>12,017,212</u>	<u>3,114,042</u>	<u>1,105,485</u>	<u>16,236,739</u>
Depreciation				
At 1 January 2018	88,066	1,677,878	692,550	2,458,494
Charge for the year	178,237	302,918	64,135	545,290
Eliminated on disposal	-	(44,901)	(23,726)	(68,627)
At 31 December 2018	<u>266,303</u>	<u>1,935,895</u>	<u>732,959</u>	<u>2,935,157</u>
Carrying amount				
At 31 December 2018	<u>11,750,909</u>	<u>1,178,147</u>	<u>372,526</u>	<u>13,301,582</u>
At 31 December 2017	<u>10,243,247</u>	<u>1,168,650</u>	<u>304,808</u>	<u>11,716,705</u>

16 Stock

	2018 £	2017 £
Raw materials and consumables	4,905,973	5,803,214
Work in progress	3,110,440	7,670,564
Finished goods and goods for resale	<u>1,834,358</u>	<u>1,996,224</u>
	<u>9,850,771</u>	<u>15,470,002</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

17 Debtors

	Note	2018 £	2017 £
Trade debtors		17,045,967	15,209,500
Amounts owed by group undertakings	25	11,082,924	7,772,912
Other Debtors		1,746,441	10,568
Gross amount due from customers for contract work		2,787,745	4,491,823
Deferred tax assets	13	-	183,940
Prepayments and accrued income		<u>612,834</u>	<u>524,608</u>
Total Debtors		<u>33,275,911</u>	<u>28,193,351</u>

Trade debtors are stated after provision for impairment of £304,932 (2017: £359,295).

Amounts owed by group undertakings accrue no interest and are repayable on demand.

Included in trade debtors are amounts receivable after 12 months or longer totalling £4,748,196.

18 Cash at bank and in hand

	2018 £	2017 £
Cash on hand	820	715
Cash at bank	<u>12,278,318</u>	<u>13,301,917</u>
	<u>12,279,138</u>	<u>13,302,632</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

19 Creditors: Amounts falling due within one year

	Note	2018 £	2017 £
Trade creditors		3,156,413	3,492,588
Amounts owed to group undertakings	25	2,824,052	4,391,591
Other taxation and social security		399,516	483,817
Other creditors		1,721,753	2,634,295
Corporation tax liability		38,086	743,792
Deferred government grant	7	4,838,400	4,881,600
Accrued expenses and deferred income		<u>11,078,037</u>	<u>12,289,347</u>
		<u>24,056,257</u>	<u>28,917,030</u>

Amounts owed to group undertakings accrue no interest and are repayable on demand.

20 Provisions for liabilities

	Warranties £	Deferred tax on other timing differences £	Deferred tax on pensions £	Total £
At 1 January 2018	544,253	72,231	(183,940)	432,544
Increase in existing provisions	-	176,816	384,200	561,016
Decrease in existing provisions	<u>(159,134)</u>	<u>-</u>	<u>-</u>	<u>(159,134)</u>
At 31 December 2018	<u>385,119</u>	<u>249,047</u>	<u>200,260</u>	<u>834,426</u>

A provision is recognised for expected warranty claims on products sold during the last 12 months. It is expected that most of these costs will be incurred in the next financial year.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Post-employment benefits

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 £683,312 (2017 - £645,417).

Defined benefit pension schemes

	2018 £	2017 £
The Sortex Final Salary Pension Scheme surplus/ (obligation)	(31,000)	(163,000)
The Bühler Pension Scheme surplus	1,209,000	(919,000)
Total defined benefit pension surplus/ (obligation)	<u>1,178,000</u>	<u>(1,082,000)</u>

Sortex Final Salary Pension Scheme

The deficit is being spread over the remaining service life of the employees who were members of the Sortex Final Salary Scheme 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 (2017 - £190,000). There were no outstanding contributions as at 31 December 2018.

The date of the most recent comprehensive actuarial valuation was 02 January 2018. 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 £2,000 (2017 - £110,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2017 - £Nil).

Reconciliation of present value of scheme liabilities

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

	2018 £	2017 £
Fair value of scheme assets	5,572,000	5,848,000
Present value of defined benefit obligation	<u>(5,603,000)</u>	<u>(6,011,000)</u>
Defined benefit pension scheme deficit	<u>(31,000)</u>	<u>(163,000)</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Post-employment benefits (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2018
	£
Present value at start of year	6,011,000
Interest cost	136,000
Actuarial gains and losses	(353,000)
Benefits paid	<u>(191,000)</u>
Present value at end of year	<u><u>5,603,000</u></u>

Reconciliation of scheme assets

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

	2018
	£
Fair value at start of year	5,848,000
Interest income	134,000
Return on plan assets, excluding interest income	(409,000)
Employer contributions	191,000
Other	<u>(192,000)</u>
Fair value at end of year	<u><u>5,572,000</u></u>

The fair value of the plan asset was:

	2018	2017
	£	£
Cash and cash equivalents	60,000	21,000
Equity instruments	3,148,000	3,444,000
Other assets	<u>2,364,000</u>	<u>2,383,000</u>
	<u><u>5,572,000</u></u>	<u><u>5,848,000</u></u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Post-employment benefits (continued)

The return on plan assets was:

	2018 £	2017 £
Actual return on scheme assets	<u>(275,000)</u>	<u>481,000</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:

	2018 %	2017 %
Discount rate	2.70	2.30
Future pension increases	3.10	3.10
Inflation	<u>3.20</u>	<u>3.20</u>

Post retirement mortality assumptions

	2018 Years	2017 Years
Current UK pensioners at retirement age - male	86.00	87.00
Current UK pensioners at retirement age - female	88.00	89.00
Future UK pensioners at retirement age - male	88.00	88.00
Future UK pensioners at retirement age - female	<u>90.00</u>	<u>90.00</u>

Buhler Pension Scheme

The amounts in the financial statements for the year, relating to pensions, are based on a projected actuarial valuation dated 5 April 2018.

The date of the most recent comprehensive actuarial valuation was 5 April 2015. The actuarial valuation as at 5 April 2018 is currently ongoing but is due to be finalised soon. The pension cost and provision are assessed in accordance with the advice of a professionally qualified actuary (Xafinity Consulting Limited) using the projected unit credit method.

The accounting disclosures have been calculated by rolling forward the valuation liabilities from 5 April 2017 to the Measurement Date of 31 December 2018. The resulting assets/ liabilities have then been adjusted to reflect the different assumptions used. The results of the 15 February 2019 funding valuation have therefore been heavily relied upon for the purposes of these accounting disclosures.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Post-employment benefits (continued)

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £156,000 (2017: £43,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2017: £Nil).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

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

	2018 £
Fair value of scheme assets	15,089,000
Present value of defined benefit obligation	(13,880,000)
Defined benefit pension scheme surplus	<u>1,209,000</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2018 £
Present value at the start of the year	17,026,000
Interest cost	420,000
Actuarial gains and losses	(3,081,000)
Benefits paid	<u>(485,000)</u>
Present value at end of year	<u>13,880,000</u>

Fair value of scheme assets

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

	2018 £
Present value at the start of the year	16,107,000
Interest income	401,000
Return on plan assets, excluding amounts included in interest income/(expense)	(1,257,000)
Actuarial gains and losses	(137,000)
Employer contributions	460,000
Benefits paid	<u>(485,000)</u>
Fair value at end of year	<u>15,089,000</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

21 Post-employment benefits (continued)

Analysis of assets

The major categories of scheme assets are as follows:

	2018 £
Cash and cash equivalents	82,000
Equity instruments	6,345,000
Other assets	7,121,000
Property	<u>1,541,000</u>
	<u>15,089,000</u>

Return on scheme assets

	2018 £
Return on scheme assets	<u>(856,000)</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:

	2018 %
Discount rate	2.75
Future pension increases	3.20
Inflation	<u>3.40</u>

Post retirement mortality assumptions

	2018 Years
Current UK pensioners at retirement age - male	87.00
Current UK pensioners at retirement age - female	89.00
Future UK pensioners at retirement age - male	89.00
Future UK pensioners at retirement age - female	<u>91.00</u>

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

22 Called up share capital

Allotted, called up and fully paid shares

	2018		2017	
	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>

23 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2018 £	2017 £
Not later than one year	222,823	314,905
Later than one year and not later than five years	307,072	359,132
Later than five years	<u>256,768</u>	<u>331,383</u>
	<u>786,663</u>	<u>1,005,420</u>

24 Dividends

During the year the directors paid dividends of £4.80 per share (2017: £7.20 per share) totalling £6,000,000 (2017: £9,000,000).

During the year the directors proposed dividends of £7.20 per share (2017: £4.80 per share) totalling £9,000,000 (2017: £6,000,000).

25 Related party transactions

The company has taken advantage of the exemption under FRS 102 section 33.1A not to disclose related party transactions with other group companies.

Bühler UK Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

26 Parent and ultimate parent undertaking

The company's immediate parent is Bühler UK Holdings Limited, incorporated in England and Wales.

The ultimate parent is Bühler Holding AG, incorporated in Switzerland.

The most senior parent entity producing publicly available financial statements is Bühler Holding AG. These financial statements are available upon request from CH 9240, Uzwil, Switzerland.

There is no one ultimate controlling party.