3106880

Buhler (RL) Limited

Report and Financial Statements

31 December 2004

ERNST & YOUNG

Registered No: 3106880

Directors
U Baur
F Studer

Secretary
P M Silverman

Registered Office
Buhler House
Centennial Park
Elstree
Hertfordshire
WD6 3SX

Auditors
Ernst & Young LLP
400 Capability Green
Luton
Bedfordshire
LU1 3LU

Bankers
Fortis Bank
23 Camomile Street
London
EC3A 7PP

Solicitors
Wedlake Bell
52 Bedford Row
London
WC1R 4LR

Directors' report

The directors present their report and financial statements for the year ended 31 December 2004.

Results and dividends

The loss for the year after taxation amounted to £347,000 (2003 - £485,000). The directors do not recommend a dividend (2003 - £nil).

Principal activity and review of the business

The company operated an engineering business specialising in the design, supply and installation and maintenance of bulk material handling and related equipment in both the UK and export markets until 28 February 2003.

On 28 February 2003 all trading assets of the company were sold to the SPX Corporation. All employees were transferred to the SPX Corporation and the company ceased to trade from this date onwards.

Future developments

It is anticipated that the company will become dormant within the next 12 months.

Directors and their interests

The directors during the year ended 31 December 2004 were as follows:

U Baur
F Studer

The directors at 31 December 2004 had no interest in the ordinary shares of the company at any time during the year.

Auditors

A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

By order of the board

P M Silverman
Secretary

Date 15 December 2005

Statement of directors' responsibilities in respect of the financial statement

Company law requires the directors to prepare financial statements for each year, which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed 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 proper accounting records which 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 1985. 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.

ERNST & YOUNG

Independent auditors' report

to the members of Buhler (RL) Limited

We have audited the company's financial statements for the year ended 31 December 2004, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 16. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Luton

Date 15 December 2005

Profit and loss account

for the year ended 31 December 2004

	Notes	*2004 £000*	*2003 £000*
Turnover – discontinued operations	2	–	630
Cost of sales		–	(516)
Gross profit		–	114
Distribution costs		–	(277)
Administrative costs		(191)	(202)
		(191)	(479)
Operating loss – discontinued operations	4	(191)	(365)
Profit on disposal of discontinued operations	6	–	725
Interest receivable	7	13	16
(Loss)/profit on ordinary activities before taxation		(178)	376
Tax on (loss)/profit on ordinary activities	8	(169)	109
(Loss)/profit retained for the financial year	12	(347)	485

Statement of total recognised gains and losses

for the year ended 31 December 2004

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £347,000 in the year ended 31 December 2004 and the profit of £485,000 in the year ended 31 December 2003.

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Balance sheet

at 31 December 2004

	Notes	2004 £000	2003 £000
Current assets			
Debtors	9	761	1,160
Cash at bank and in hand		103	48
		864	1,208
Creditors: amounts falling due within one year	10	236	233
Net current assets		628	975
Total assets less current liabilities		628	975
Capital and reserves			
Called up share capital	11	500	500
Profit and loss account	12	128	475
Total shareholders' funds	12	628	975

15/12/05

15.12.05

Director

Notes to the financial statements

at 31 December 2004

1. Accounting policies

Accounting convention

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

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Motor vehicles, fixtures and fittings and computer equipment - 3 to 8 years

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials and consumables	- cost of direct materials and labour, including transport and handling costs, calculated on a first in first out basis.
Work in progress, tooling and finished goods	- cost of direct materials, and labour and attributable production overheads, based on a normal level of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements
at 31 December 2004

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

The company is also the sponsoring employer of a defined benefit pension scheme, which ceased to accrue benefits for its members from 30 April 2001. The trustees are seeking to wind-up the scheme, and additional contributions have been made by the company and charged to the profit and loss account as incurred in order to maintain the scheme fully funded throughout the process of transferring members' benefits to alternative pension arrangements.

Cashflow

In accordance with Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of a company that publishes financial statements that include a consolidated cash flow statement.

Contingent liabilities

In the event of a claim against the company which may give rise to a present obligation at the balance sheet date, provision is made for anticipated settlement costs where a reasonable estimate can be made of the likely outcome and of any cost to the company of settling claims.

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties excluding amounts recharged to suppliers for raw materials. Turnover is attributable to one discontinued activity, the design, supply and installation and maintenance of bulk material handling and related equipment.

An analysis of turnover by geographical market is given below:

	2004	*2003*
	£000	*£000*
United Kingdom	–	488
Europe	–	29
America	–	2
Middle East	–	63
Far East (including Australia)	–	16
Africa	–	32
	–	630

Notes to the financial statements
at 31 December 2004

3. Staff costs

	2004 £000	2003 £000
Wages and salaries	–	274
Social security costs	–	32
Other pension costs	–	8
	–	314

The average number of employees of the company was nil (2003: 58).

4. Operating loss

This is stated after charging/(crediting):	2004 £000	2003 £000
Auditors' remuneration		
- audit services	7	14
- non audit services	2	–
Depreciation of owned fixed assets	–	18
Depreciation of assets held under finance leases and hire purchase agreements	–	–
Operating lease rentals - land and buildings	–	16
Operating lease rentals - other	–	27
Exceptional pension costs	–	60
Net exchange (gain)/loss on foreign currency transactions	–	(8)

5. Directors' emoluments

	2004 £000	2003 £000
Emoluments	–	33
Pension contributions	–	1

	2004 No.	2003 No.
Members of defined benefit scheme	–	–
Members of money purchase scheme	–	3

6. Profit on disposal of discontinued operations

The profit in 2003 arises from the sale of the trading assets of the company to SPX Corporation on 28 February 2003.

Notes to the financial statements
at 31 December 2004

7. Interest receivable

	2004 £000	2003 £000
Bank interest receivable	2	15
Interest on amount due from group undertaking	11	9
	13	24
Finance charges payable under finance leases and hire purchase agreements	–	–
Interest on amount due to group undertaking	–	(8)
Bank interest payable	–	–
	–	(8)
	13	16

8. Tax

(a) Tax on (loss)/profit on ordinary activities

The tax charge/(credit) is made up as follows:

	2004 £000	2003 £000
Current tax:		
UK corporation tax	4	–
Group relief receivable	–	(109)
Adjustments in respect of previous periods	165	–
Total current tax (note 8 (b))	169	(109)

b) Factors affecting current tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year differs from the standard rate of corporation tax in the UK of 30% (2003 – 30%). The differences are reconciled below:

	2004 £000	2003 £000
(Loss)/profit on ordinary activities before tax	(178)	376
Profit on ordinary activities multiplied by standard rate of corporation tax in UK of 30% (2003 – 30%)	(53)	113
Utilisation of tax losses	–	(189)
Expenses not deductible for tax purposes	57	3
Accelerated capital allowances	–	(45)
Other timing difference	–	9
Adjustments in respect of previous periods	165	–
Total current tax (note 8 (a))	169	(109)

The prior period adjustment to corporation tax of £165,000 is solely attributable to the profit on disposal of discontinued operations.

Notes to the financial statements
at 31 December 2004

9. Debtors

	2004 £000	2003 £000
Amounts owed by group undertakings	723	1,009
Other debtors	2	10
Corporation tax – group relief	36	141
	761	1,160

10. Creditors: amounts falling due within one year

	2004 £000	2003 £000
Amounts owed to ultimate parent undertaking	–	158
Accruals and deferred income	122	75
Corporation tax	114	–
	236	233

11. Called up share capital

	2004 £000	2003 £000
Authorised, allotted, called up and fully paid		
500,000 ordinary shares of £1 each	500	500

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2003	500	(10)	490
Profit for the year	–	485	485
At 1 January 2004	500	475	975
Loss for the year	–	(347)	(347)
At 31 December 2004	500	128	628

Notes to the financial statements

at 31 December 2004

13. Pensions

SSAP 24 disclosures

The company operated a defined contribution scheme pension scheme, and the contributions payable for the year amounted to £nil (2003 - £8,000). Administration of the scheme was transferred to the SPX Corporation on 28 February 2003.

The company's defined benefit pension scheme ceased to accrue benefits for its members on 30 April 2001 and, further to the transfer of member's benefits to other pension arrangements, the trustees are seeking to wind up the scheme in due course. Additional contributions of £Nil (2003 - £60,000) have been made by the company into this scheme in accordance with the advice of the scheme actuary in order to maintain full funding of the scheme during this process.

FRS 17 disclosures

The scheme is in the process of being wound up and this should be completed within six months of the accounts. Due to the current immateriality of the scheme, its imminent closure and the fact that all funding shortfalls have been made good in accordance with actuarial advice, no further valuation has been made as at 31 December 2004. The market value of scheme assets at 31 December 2002 was £122,000.

14. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties that are part of the Buhler AG group.

15. Parent undertaking and controlling party

The company's immediate parent undertaking is Buhler UK Holdings Limited. It has included the company in its group financial statements, copies of which are available from its registered office: Buhler House, Centennial Park, Elstree, Herts, WD6 3SX. In the directors' opinion, the company's ultimate parent undertaking and controlling party is Buhler AG which is incorporated in Switzerland. Copies of its group financial statements, which include the company, are available from CH-9240 Uzwil, Switzerland.

16. Contingent liabilities

At the year end Buhler (RL) Limited has a claim against them from Redler Limited. The claim is in respect of costs incurred by Redler Limited to rectify problems with a product sold to a third party. The product was sold to the third party prior to the sale of the business by Buhler (RL) Limited to Redler Limited. The claim is in the region of £695,000.

The directors have not provided for this amount due to the fact that the claim has neither been duly substantiated nor been notified in due time according to law and contract. This assessment is based on the terms of the sale agreement with Redler Limited.