

Bifold FluidPower

TUESDAY



AN1PYZ9T

A36

15/11/2011

104

COMPANIES HOUSE

Bifold Fluidpower (Holdings) Limited

Registered number 4606078

**Directors' Report and Group Financial Statements
for the year ended 28 August 2011**



CONTENTS

1	Company information
2	Directors' Report
4	Statement of directors' responsibilities
5	Independent auditor's report
6	Group profit and loss account
7	Group balance sheet
8	Company balance sheet
9	Group cash flow statement
10	Accounting policies
14	Notes to the financial statements

COMPANY INFORMATION

<i>Directors</i>	G T Jacobson M T Dennis A S Revans B C E Pazzard
------------------	---

<i>Secretary</i>	A S Revans
------------------	------------

<i>Registered office</i>	Greenside Way Middleton Manchester M24 1SW
--------------------------	--

<i>Registered number</i>	4606078
--------------------------	---------

<i>Auditor</i>	KPMG LLP St James' Square Manchester M2 6DS
----------------	---

<i>Bankers</i>	Bank of Scotland PLC 39 Albyn Place Aberdeen AB10 1YN
----------------	---

DIRECTORS' REPORT

The directors present the Directors' Report and the financial statements for the year ended 28 August 2011

Principal activity

The principal activity of the group continues to be the manufacture and sale of pneumatic and hydraulic control valves, couplers and pumps

Business review

Development and performance of the business:

A recovering market and new product launches have seen the company's turnover increase by 26% and its operating profit by 59% compared to the previous year. Continuing investment in infrastructure, transactional systems, manufacturing equipment and research and development will enable the company to take full advantage of the improvement in market conditions.

Principal risks and uncertainties:

The group's operational risks include environmental, health and safety, machinery breakdowns and IT failures. The group has implemented policies on environmental and health and safety matters and operates to the relevant Codes of Practice. The group seeks to minimise, as far as is reasonably practicable, any detrimental effects to the environment of its operations and products. A senior staff director has responsibility for environmental, health and safety matters. All matters concerning the environment and health and safety continue to be regulated by preventative, investigatory and consultative systems, overseen by the Environment, Health and Safety Committee. Marshalsea Hydraulics Limited's policies and procedures regarding health and safety are managed by Citation plc, a leading specialist in this area. Manufacturers' service support is provided on all the group's key items of plant and machinery. Disaster recovery procedures exist in the event of IT failures.

The group's commercial risks include volatility of raw material prices and bad debts. Prices are rigorously monitored and appropriate action taken to ensure that margins are maintained. New customers are subject to credit checks before credit is extended.

Key Performance Indicators:

KPIs used to monitor the performance of the business include the following:

- Turnover
- Gross margin, material and labour %
- Operating profit
- Stock turns
- Debtor days
- Order book
- Health and safety
- Product returns

All financial KPIs are monitored against budget.

Proposed dividend

The directors do not propose payment of a final dividend, making the total of dividends £2,714,340 for the year (2010 £2,000,040).

DIRECTORS' REPORT (continued)

Directors

The directors, all of whom served throughout the financial year, are set out on page 1

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

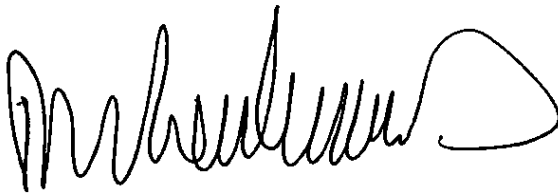
Disclosure of information to auditor

The directors who held office at the date of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

A handwritten signature in black ink, appearing to read 'A S Revans', with a large, stylized loop at the end.

A S Revans
Secretary

2 November 2011

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the group's websites. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT
to the members of Bifold Fluidpower (Holdings) Limited



We have audited the financial statements of Bifold Fluidpower (Holdings) Limited for the year ended 28 August 2011 which comprise the Group Profit and Loss Account, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 August 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company's 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.

Stuart Burdass (Senior Statutory Auditor)
for and on behalf of KPMG LLP
Chartered Accountants and Statutory Auditor

St James' Square
Manchester
M2 6DS
United Kingdom

GROUP PROFIT AND LOSS ACCOUNT

for the year ended 28 August 2011

	Note	2011 £	2010 £
Sales: continuing operations		25,067,773	19,813,694
Cost of sales		(13,771,616)	(11,240,413)
Gross profit		11,296,157	8,573,281
Distribution costs		(2,565,491)	(2,338,591)
Administrative expenses		(3,903,601)	(3,200,126)
Operating profit: continuing operations	2	4,827,065	3,034,564
Interest receivable and similar income		1,950	246
Interest payable and similar charges	5	(18,551)	(26,720)
Profit on ordinary activities before taxation		4,810,464	3,008,090
Tax on profit on ordinary activities	6	(1,344,012)	(711,091)
Profit for the financial year	18	3,466,452	2,296,999

All results arise from continuing operations

There were no recognised gains or losses other than those dealt with in the profit and loss account, and therefore no Statement of Total Recognised Gains and Losses has been presented

The accounting policies on pages 10 to 13 and the notes on pages 14 to 23 form part of these financial statements

GROUP BALANCE SHEET
at 28 August 2011

	Note	2011 £	2010 £
Fixed assets			
Intangible assets	8	1,059,147	1,159,659
Tangible assets	9	1,510,824	1,541,372
		2,569,971	2,701,031
Current assets			
Stocks	11	4,451,940	3,753,099
Debtors (including £49,781 (2010 £10,847) due after more than one year)	12	6,645,350	4,928,295
Cash at bank and in hand		538,349	526,008
		11,635,639	9,207,402
Creditors: amounts falling due within one year	13	(6,449,888)	(4,902,169)
Net current assets		5,185,751	4,305,233
Total assets less current liabilities		7,755,722	7,006,264
Creditors: amounts falling due after more than one year	14	(39,005)	(45,854)
Net assets		7,716,717	6,960,410
Capital and reserves			
Called up share capital	17	11,338	7,143
Share premium account	18	235,597	235,597
Profit and loss account	18	7,469,782	6,717,670
Shareholders' funds		7,716,717	6,960,410

These financial statements were approved by the board on 2 November 2011 and signed on its behalf by



M T Dennis
Director

The accounting policies on pages 10 to 13 and the notes on pages 14 to 23 form part of these financial statements

COMPANY BALANCE SHEET

at 28 August 2011

	Note	2011 £	2010 £
Fixed assets			
Investments	10	4,191,333	4,191,333
		4,191,333	4,191,333
Current assets			
Debtors	12	643,957	1,005,325
Cash at bank and in hand		23,986	15,297
		667,943	1,020,622
Creditors: amounts falling due within one year	13	(2,739,964)	(3,033,525)
Net current liabilities		(2,072,021)	(2,012,903)
Total assets less current liabilities		2,119,312	2,178,430
Creditors: amounts falling due after more than one year	14	-	(4,195)
Net assets		2,119,312	2,174,235
Capital and reserves			
Called up share capital	17	11,338	7,143
Share premium account	18	235,597	235,597
Profit and loss account	18	1,872,377	1,931,495
Shareholders' funds		2,119,312	2,174,235

These financial statements were approved by the board on 2 November 2011 and signed on its behalf by



M T Dennis
Director

The accounting policies on pages 10 to 13 and the notes on pages 14 to 23 form part of these financial statements

GROUP CASH FLOW STATEMENT
for the year ended 28 August 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	20	4,133,363	3,606,447
Returns on investments and servicing of finance			
Interest received		1,950	246
Interest paid		(18,551)	(26,720)
		(16,601)	(26,474)
Taxation paid		(865,418)	(1,060,808)
Capital expenditure			
Purchase of tangible fixed assets net of hire purchase		(399,092)	(311,918)
		(399,092)	(311,918)
Dividends paid		(2,714,340)	(2,000,040)
Net cash inflow before financing		137,912	207,207
Financing			
Capital element of hire purchase rentals		(125,571)	(213,922)
Net cash outflow from financing		(125,571)	(213,922)
Increase / (decrease) in cash in the year		12,341	(6,715)
Reconciliation of net cash flow to movement in net debt			
Increase / (decrease) in cash in the year		12,341	(6,715)
Capital element of hire purchase rentals		125,571	213,922
Change in net cash resulting from cash flows	21	137,912	207,207
New hire purchase	21	(232,600)	(97,650)
A Ordinary shares reclassified	21	4,195	-
Movement in net cash in year		(90,493)	109,557
Net cash brought forward		431,949	322,392
Net cash carried forward	21	341,456	431,949

The accounting policies on pages 10 to 13 and the notes on pages 14 to 23 form part of these financial statements

ACCOUNTING POLICIES

for the year ended 28 August 2011

The following accounting policies have been applied consistently when dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards under the historical cost accounting rules

Basis of consolidation

The group financial statements include the financial statements of the company and its subsidiary undertakings made up to 28 August 2011. The acquisition method of accounting has been adopted. Under this method the results of subsidiaries acquired or disposed of in the year are included in the group profit and loss account from the date of acquisition or up to the date of disposal.

Under s408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account.

Going concern

The board has prepared forecasts for the forthcoming 12 month period which indicate that the group has sufficient financial resources to enable it to meet its obligations as they fall due. As a consequence the board believes that it is well placed to manage its business risk in the current economic environment.

After making all enquiries, the board has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing its accounts.

Accounting reference date

Financial statements are drawn up to the nearest Sunday to the accounting reference date.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the year.

Goodwill

Goodwill arising on acquisitions is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life up to a presumed maximum of 20 years.

Investments

Investments are held at cost less impairment.

Tangible fixed assets and depreciation

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

<i>Plant and equipment</i>	2 - 20 years reducing balance
----------------------------	-------------------------------

ACCOUNTING POLICIES

for the year ended 28 August 2011

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of a change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Stocks

Stocks and work in progress are valued at the lower of cost and estimated net realisable value.

Cost is determined on a first-in first-out basis and comprises the direct cost of production and the attributable proportion of all overheads appropriate to location and condition. Net realisable value is based on the estimated sales price after allowing for all further costs of disposal.

ACCOUNTING POLICIES

for the year ended 28 August 2011

Taxation

The charge for tax is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised without discounting in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS19

Leases

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future lease or hire purchase obligations are shown in creditors

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Post retirement benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from the company in an independently managed fund. The pension cost charge represents contributions payable to the scheme in the year.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Research and development expenditure

Expenditure on research and development is written off to the profit and loss account in the year in which it is incurred. Development expenditure is capitalised only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to exceed related future sales and adequate resources exist to enable the project to be completed.

Dividends on shares presented in shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Cash and liquid resources

Cash for the purposes of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

ACCOUNTING POLICIES

for the year ended 28 August 2011

Classification of financial instruments held by the group

Following the adoption of FRS 25, financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

1	Segmental analysis	Turnover		Operating profit	
		2011	2010	2011	2010
		£	£	£	£
<i>Analysis by activity</i>					
	Control valves	16,469,852	13,325,106	3,039,004	1,843,521
	Pumps and intensifiers	4,110,577	2,839,598	874,244	458,685
	Hydraulic couplers	1,137,400	712,786	241,905	115,137
	Subcontract engineering	3,349,944	2,936,204	671,912	617,221
		25,067,773	19,813,694	4,827,065	3,034,564
<i>Analysis by geographical market</i>					
	United Kingdom	7,906,397	7,139,978	2,163,186	1,465,487
	Other EU countries	5,555,634	4,282,523	815,058	449,345
	Other European countries	2,808,771	2,513,455	457,271	269,882
	Middle East and South Asia	2,381,206	1,725,320	384,459	183,454
	Africa	167,488	198,780	29,167	21,771
	North America	2,004,782	1,396,063	300,687	146,260
	South America	1,010,476	410,890	208,998	45,741
	South East Asia	2,603,991	1,508,602	372,774	154,650
	Australasia and Japan	629,028	638,083	95,465	297,974
		25,067,773	19,813,694	4,827,065	3,034,564
Net assets are all located in the United Kingdom					

2	Operating profit	2011	2010
	This is stated after charging / (crediting)	£	£
Auditor's remuneration audit			
	– group	25,368	25,968
	– company	4,819	5,219
	Research and development expenditure	1,389,610	1,206,851
	Depreciation of tangible fixed assets and development costs	670,961	648,575
	Loss on sale of fixed assets	987	427
	Amortisation of goodwill	90,804	90,804
	Operating lease rentals		
	– land and buildings	110,500	110,500
	– plant, machinery and motor vehicles	90,455	63,693
	Loss / (profit) on exchange	34,268	(223,308)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

3 Directors' remuneration	2011	2010
	£	£
Emoluments	353,088	304,034
Company contributions to defined contribution pension schemes	54,038	38,114
	407,126	342,148
	Number	Number
Members of defined contribution pension schemes	4	4
	£	£
<i>Amounts in respect of the highest paid director</i>		
Emoluments	97,311	79,353
Company contributions to defined contribution pension schemes	3,165	2,468
	100,476	81,821
4 Staff numbers and costs	2011	2010
	Number	Number
<i>Average number of people employed in the year, including directors</i>		
Production	127	118
Sales, technical, management and administration	73	71
	200	189
	£	£
<i>Aggregate payroll costs of these persons</i>		
Wages and salaries	6,397,840	5,690,588
Social security costs	686,372	591,735
Other pension costs (see note 22)	131,653	126,807
	7,215,865	6,409,130
5 Interest payable and similar charges	2011	2010
	£	£
On bank overdrafts and loans	6,924	6,413
On finance leases and hire purchase contracts	7,431	19,942
On other loans	4,196	365
	18,551	26,720

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

6	Tax on profit on ordinary activities	2011	2010
		£	£
(a) Analysis of tax charge in year			
	<i>Current tax</i>		
	Corporation tax	652,046	134,518
	Payment for group relief	731,811	776,636
	Overprovision in prior year	(911)	(166,361)
	Total current tax	1,382,946	744,793
	<i>Deferred tax</i>		
	Origination and reversal of timing differences - current year	(39,738)	(45,054)
	Origination and reversal of timing differences - prior years	804	11,352
		(38,934)	(33,702)
	Tax on profit on ordinary activities	1,344,012	711,091
(b) Factors affecting tax charge for the year			
	The current rate of tax for the year is higher (2010 lower) than the standard rate of corporation tax in the UK of 27.16% (2010 28.00%). The differences are explained below		
		£	£
	Profit on ordinary activities before taxation	4,810,464	3,008,090
	Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27.16% (2010 28.00%)	1,306,600	842,266
	<i>Effects of</i>		
	Expenses not deductible or chargeable for tax purposes (including goodwill amortisation)	41,981	30,566
	Accelerated capital allowances	40,173	44,087
	Other timing differences	3,000	2,635
	Effects of small companies rate	(7,897)	(8,400)
	Overprovision in prior year	(911)	(166,361)
	Current tax charge for the year	1,382,946	744,793
(c) Factors that may affect future tax charges			
	The group does not expect its effective tax rate in future years to differ significantly from the standard rate of corporation tax in the UK		
7	Dividends	2011	2010
		£	£
	<i>Equity dividends on ordinary shares</i>		
	Interim paid	2,714,340	2,000,040
		2,714,340	2,000,040

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 August 2011

8 Intangible fixed assets	<i>Development costs</i>	<i>Goodwill</i>	<i>Total</i>
Group	£	£	£
<i>Cost</i>			
At 29 August 2010 and 28 August 2011	39,696	1,816,069	1,855,765
<i>Amortisation</i>			
At 30 August 2010	19,346	676,760	696,106
Charged in year	9,708	90,804	100,512
At 28 August 2011	29,054	767,564	796,618
<i>Net book value</i>			
At 28 August 2011	10,642	1,048,505	1,059,147
At 29 August 2010	20,350	1,139,309	1,159,659
Goodwill arising on the acquisition of subsidiary undertakings is being amortised evenly over the directors' estimate of its useful economic life of 20 years			
The company had no intangible fixed assets			

9 Tangible fixed assets	<i>Plant and equipment</i>
Group	£
<i>Cost</i>	
At 30 August 2010	5,425,949
Additions	631,692
Disposals	(20,048)
At 28 August 2011	6,037,593
<i>Depreciation</i>	
At 30 August 2010	3,884,577
Charged in year	661,253
Disposals	(19,061)
At 28 August 2011	4,526,769
<i>Net book value</i>	
At 28 August 2011	1,510,824
At 29 August 2010	1,541,372
The net book value of tangible fixed assets includes £322,861 (2010 £103,461) in respect of assets held under finance leases and hire purchase contracts. Depreciation charged in the year on those assets amounted to £52,600 (2010 £126,243)	
The company had no tangible fixed assets	

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 August 2011

10 Investments

<i>Company</i>			<i>Subsidiary undertakings</i>
			<i>£</i>
At 29 August 2010 and 28 August 2011			4,191,333
<i>Subsidiary undertakings</i>	<i>Principal activity</i>	<i>Class of share</i>	<i>Holding %</i>
Bifold Fluidpower Limited	Manufacture of control valves	Ordinary	100%
MTS Precision Limited	Precision engineering	Ordinary	100%
Marshalsea Hydraulics Limited	Manufacture of pumps and valves	Ordinary	100%
Bifold Company (Manufacturing) Limited	Dormant	Ordinary	100%
All of the above are incorporated in England and Wales			

11 Stocks

<i>Group</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Raw materials and components	3,561,449	2,947,434
Work in progress	706,256	659,000
Finished goods	184,235	146,665
	4,451,940	3,753,099
The company held no stock		

12 Debtors

<i>Group</i>	<i>2011</i>	<i>2010</i>
	<i>£</i>	<i>£</i>
Trade debtors	6,025,120	4,557,569
Other taxation and social security	418,013	239,381
Other debtors	2,830	4,311
Prepayments	149,606	116,187
Deferred taxation (see note 16)	49,781	10,847
	6,645,350	4,928,295
<i>Company</i>	<i>£</i>	<i>£</i>
Amounts owed by group undertakings	643,957	1,005,325
Deferred taxation is due after more than one year. All other debtors fall due within one year. Amounts owed by group undertakings are repayable on demand and interest free.		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

13 Creditors: amounts falling due within one year	2011	2010
Group	£	£
Obligations under finance leases and hire purchase contracts (see note 15)	157,888	48,205
Trade creditors	2,266,556	1,992,189
Amounts owed to parent undertaking	2,231,311	1,947,760
Corporation tax	652,046	134,518
Other taxation and social security	319,235	233,675
Other creditors	85,904	58,948
Accruals	736,948	486,874
	6,449,888	4,902,169
Company	£	£
Amounts owed to group undertakings	2,732,864	3,026,124
Accruals	7,100	7,401
	2,739,964	3,033,525
Amounts owed to group undertakings are repayable on demand and interest free		

14 Creditors: amounts falling due after more than one year	2011	2010
Group	£	£
A ordinary shares of £1 each (see note 17)	-	4,195
Obligations under finance leases and hire purchase contracts (see note 15)	39,005	41,659
	39,005	45,854
Company	£	£
A ordinary shares of £1 each (see note 17)	-	4,195

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

15 Obligations under hire purchase contracts	2011	2010
Group	£	£
<i>Maturity</i>		
– in one year or less	164,898	51,210
– in more than one year but not more than five years	39,905	42,500
	204,803	93,710
Less finance charges allocated to future periods	(7,910)	(3,846)
	196,893	89,864
<i>Analysed as follows</i>		
Creditors amounts falling due within one year	157,888	48,205
Creditors amounts falling due after more than one year	39,005	41,659
	196,893	89,864

16 Deferred taxation	2011	2010
Group	£	£
Deferred tax (asset) / provision at the beginning of the year	(10,847)	22,855
Underprovision in prior year	804	11,352
Charged in year	(39,738)	(45,054)
Deferred tax asset at the end of the year	(49,781)	(10,847)
<i>Analysed as follows</i>		
Excess of capital allowances over depreciation on fixed assets	(43,732)	(7,297)
Other timing differences	(6,049)	(3,550)
Deferred tax asset	(49,781)	(10,847)

Deferred tax has been provided at 25% (2010 27%)

On 23 March 2011 the Chancellor announced the reduction in the main rate of UK corporation tax to 26% with effect from 1 April 2011 and a further reduction to 25% with effect from 1 April 2012. These changes became substantively enacted on 29 March 2011 and 5 July 2011 respectively and therefore the effect of these rate reductions creates a reduction in the deferred tax asset which has been included in the figures above.

The Chancellor proposed changes to reduce further the main rate of corporation tax by one per cent per annum to 23% by 1 April 2014, but these changes have not yet been substantively enacted and therefore are not included in the figures above. Due to the uncertainty regarding the periods in which the deferred tax balances will be realised it is not possible to quantify the impact of the proposed rate changes.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

17 Share capital	2011	2010
Group and company	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	11,398	7,203
A ordinary shares of £1 each	-	4,195
	11,398	11,398
<i>Allotted and fully paid</i>		
Ordinary shares of £1 each	11,338	7,143
A ordinary shares of £1 each	-	4,195
	11,338	11,338
Less included in creditors amounts falling due within one year	-	(4,195)
	11,338	7,143
The A ordinary shares of £1 each have been re-designated as Ordinary shares of £1 each		

18 Reserves	Share premium account	Profit and loss account
Group	£	£
At 30 August 2010	235,597	6,717,670
Retained profit for the year	-	3,466,452
Dividends on shares classified within shareholders' funds	-	(2,714,340)
At 28 August 2011	235,597	7,469,782
Company	£	£
At 30 August 2010	235,597	1,931,495
Retained profit for the year	-	2,655,222
Dividends on shares classified within shareholders' funds	-	(2,714,340)
At 28 August 2011	235,597	1,872,377

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 August 2011

19	Reconciliation of movements in shareholders' funds	2011	2010		
	Group	£	£		
	At 30 August 2010	6,960,410	6,663,451		
	Share capital re-designated	4,195	-		
	Profit for the financial year	3,466,452	2,296,999		
	Dividends on shares classified within shareholders' funds	(2,714,340)	(2,000,040)		
	At 28 August 2011	7,716,717	6,960,410		
	Company	£	£		
	At 30 August 2010	2,174,235	2,151,836		
	Share capital re-designated	4,195	-		
	Profit for the financial year	2,655,222	2,022,439		
	Dividends on shares classified within shareholders' funds	(2,714,340)	(2,000,040)		
	At 28 August 2011	2,119,312	2,174,235		
20	Reconciliation of operating profit to operating cash flows	2011	2010		
		£	£		
	Operating profit: continuing operations	4,827,065	3,034,564		
	Depreciation of tangible fixed assets and development costs	670,961	648,575		
	Loss on sale of fixed assets	987	427		
	Amortisation of goodwill	90,804	90,804		
	Changes in working capital				
	Stocks	(698,841)	(390,946)		
	Debtors	(1,678,121)	783,074		
	Creditors	920,508	(560,051)		
	Net cash inflow from operating activities	4,133,363	3,606,447		
21	Analysis of net debt	At beginning of year	Cash flows	Other non cash changes	At end of year
	Group	£	£	£	£
	Cash at bank and in hand	526,008	12,341	-	538,349
	A ordinary shares	(4,195)		4,195	-
	Hire purchase	(89,864)	125,571	(232,600)	(196,893)
		431,949	137,912	(228,405)	341,456

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 28 August 2011

22 Commitments

Group

Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £9,516 (2010 £150,000)

Pension scheme

The company operates a defined contribution group personal pension scheme for certain employees. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £131,653 (2010 £126,807)

The unpaid contributions outstanding at the year end, included in 'Other creditors' (note 13), are £10,308 (2010 £7,467)

Operating leases	<i>Land and buildings 2011 £</i>	<i>Land and buildings 2010 £</i>	<i>Plant and machinery 2011 £</i>	<i>Plant and machinery 2010 £</i>
Leases expiring				
– within one year	-	-	28,546	12,137
– within one to two years	-	-	12,807	27,997
– within two to five years	35,500	-	48,963	26,904
– in over five years	75,000	110,500	1,843	-
Annual commitment	110,500	110,500	92,159	67,038

The company had no commitments (2010 £Nil)

23 Contingent liabilities

Guarantee

The company has a cross-guarantee in respect of the bank borrowings of other group companies. The total amount outstanding at the year end was £15,341,308 (2010 £17,347,548)

24 Ultimate parent undertaking

The ultimate parent undertaking is Bifold Group Limited, a company incorporated in England and Wales

The accounts of Bifold Group Limited can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ