

Baldwin UV Limited (formerly Nordson UV Limited)

Report and Financial Statements

31 October 2009

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COMPANIES HOUSE

Company number 1197368

Baldwin UV Limited (formerly Nordson UV Limited)

Registered No 1197368

Directors

J W Ainsworth

S K H Weisser - appointed 30 June 2010

J P Jordan - appointed 30 June 2010

D G Nixon - appointed 30 June 2010

Secretary

Clarks Nominees Limited

Auditor

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditors

Churchill House

Chalvey Road East

Slough

Berkshire

SL1 2LS

Bankers

Fortis Bank

5 Aldermanbury Square

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EC2V 7HR

Solicitors

Clarks Legal LLP

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The Forbury

Reading

RG1 3EB

Registered office

816 Leigh Road

Trading Estate

Slough

Berkshire

SL1 4BD

Directors' report

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

Results and dividends

The retained loss for the year, after taxation, amounted to £368,586 (2008 loss of £368,877) The directors do not recommend the payment of any dividends (2008 £nil)

Research and development

Research and development expenditure is incurred on the development of new products and or making improvements to existing products

Principal activities and review of the business

The company is principally engaged in the manufacture and distribution of specialised print drying equipment

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

	2009 £'000	2008 £'000	Change %
Turnover	5,460	8,418	-35%
Total operating profit	17	87	-80%
Loss after tax	(369)	(369)	0%
Shareholder's deficit	(10,703)	(10,334)	-4%
Current assets as % of current liabilities	16%	21%	-5%
Average number of employees	43	54	-20%

The global recession hit hard in the year with turnover decreasing by 35% as many customers were unable to raise finance or were unwilling to risk investing in the global downturn

Profits were challenged in all markets as competitors fought for the small amount of business available but cost reduction programmes saw a 3 4% improvement in gross profit margin

A voluntary redundancy programme and a small number of compulsory redundancies together with the suspension of non-essential spending assisted in reducing administrative expenses by 25%

The company's current assets as % of current liabilities decreased by 5% This was mainly a result of a decrease in debtors, a reflection of the downturn in sales due to the recession

The directors are satisfied with the results for the year and are looking forward to improvements in the forthcoming year assisted by potential margin recovery from the weakened pound

The financial statements have been prepared on a going concern basis as the ultimate parent company, Baldwin Technology Company, Inc , has agreed to provide ongoing financial support

Post balance sheet events

On 30 June 2010, 100% of the company's ordinary share capital was transferred from Nordson Corporation Inc to Baldwin Technology Company, Inc Following this transfer, the directors consider the company's ultimate parent undertaking and controlling party to be Baldwin Technology Company, Inc

On 1 July 2010 the company changed its name from Nordson UV Limited to Baldwin UV Limited

Directors' report (continued)

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include competitive and legislative risk. Senior management of the company and parent company are responsible for setting policies to monitor financial risks. The principal risks and uncertainties are threefold namely -

- *Competitive risks*

The global market for specialised print drying equipment is highly competitive and the company strives to distinguish itself from its competitors. The global economic crisis continues to have a major impact with customers unable to obtain finance from the banks. Whilst Europe and Asia saw a slowdown in activity, in the US market there were robust sales as manufacturers added UV to their conventional presses in an attempt to improve their utilisation by sourcing UV capacity.

The weakness of sterling has enabled the company to be more competitive in Asia and Europe and resulted in improved margins in the US.

The management will continue their strategies of offering best in class service, delivery and after-sales support as well as investing in cost reduction and quality enhancement programmes. Initiatives to attract business in the emerging markets will continue as management see these areas as major contributors to sales in the near future.

- *Legislative risks*

In UK and Europe, UV equipment has to be manufactured to EU standards that are subject to continuous revision. The company invests considerable sums in research and development in order to meet the changes brought about by legislation including WEEE & RoHS compliance and changing employment law.

- *Credit risk*

There is a risk of financial loss to the company arising from the failure of customers to pay debts due. The company manages these situations through stringent credit control procedures. The directors are of the view that the risk is at an acceptable low level.

Future developments

The directors aim to continue to develop lower cost feature rich versions of the traditional product range and markets whilst seeking accelerated growth from new products and markets.

Directors of the company

The directors who served the company during the year were as follows

E P Campbell (Chairman) - resigned 30 January 2010

A Dunn - resigned 30 January 2009

G Thaxton - resigned 30 June 2010

J W Ainsworth

S K H Weisser - appointed 30 June 2010

J P Jordan - appointed 30 June 2010

D G Nixon - appointed 30 June 2010

Directors' qualifying third party indemnity provisions

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Directors' report (continued)

Directors' statement as to disclosure of information to the auditor

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquires of fellow directors and of the company's auditor, each of these directors confirm that

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is not aware, and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information

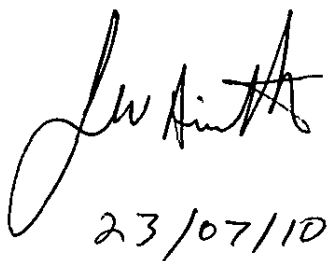
Auditor

Grant Thornton UK LLP have expressed willingness to continue in office. In accordance with section 485(4) of the Companies Act 2006, a resolution to appoint Grant Thornton UK LLP as auditor will be put to the members at the Annual General Meeting.

By order of the Board

J W Ainsworth
Director

Date



23/07/10

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the shareholders of Baldwin UV Limited (formerly Nordson UV Limited)

We have audited the financial statements of Baldwin UV Limited (formerly Nordson UV Limited) for the year ended 31 October 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 October 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

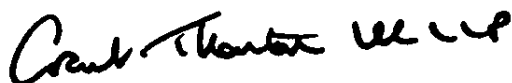
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



John Corbishley
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough
Date 28 July 2010

Profit and loss account
for the year ended 31 October 2009

	Notes	2009 £	2008 £
Turnover	2	5,459,849	8,418,484
Cost of sales		3,769,376	6,092,384
Gross profit		1,690,473	2,326,100
Administrative expenses		1,673,473	2,239,282
Operating profit	3	17,000	86,818
Interest receivable and similar income	6	1,082	11,170
Interest payable and similar charges	7	(459,785)	(560,955)
		(458,703)	(549,785)
Loss on ordinary activities before taxation		(441,703)	(462,967)
Tax on loss on ordinary activities	8	73,117	94,090
Deficit retained for the financial year		(368,586)	(368,877)

All of the activities of the company are classed as continuing

The company has no recognised gains and losses other than the loss for the year

Balance sheet

at 31 October 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	9	454,676	508,042
Investments	10	517,541	517,541
		<u>972,217</u>	<u>1,025,583</u>
Current assets			
Stocks	11	1,120,770	1,115,934
Debtors	12	1,120,633	1,947,183
Cash at bank and in hand		1,235	2,468
		<u>2,242,638</u>	<u>3,065,585</u>
Creditors amounts falling due within one year	13	13,917,665	14,425,392
Net current liabilities		<u>(11,675,027)</u>	<u>(11,359,807)</u>
Net liabilities		<u>(10,702,810)</u>	<u>(10,334,224)</u>
Capital and Reserves			
Called up share capital	17	1,984,414	1,984,414
Share premium account		45,504	45,504
Capital redemption		5,600	5,600
Profit and loss account	18	(12,738,328)	(12,369,742)
Equity shareholders' deficit	18	<u>(10,702,810)</u>	<u>(10,334,224)</u>

These financial statements were approved by the directors and are signed on their behalf by

J W Ainsworth
Director

Date 23/07/10
Company registration number 1197368

Notes to the financial statements

at 31 October 2009

1. Accounting policies

Basis of preparation

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

The financial statements are prepared for the company only as the directors have elected to not prepare consolidated financial statements as the company is exempt from preparing and delivering group financial statements under section 401 of the Companies Act 2006

Fundamental accounting concept

The financial statements have been prepared on a going concern basis as the parent company, Baldwin Technology Company, Inc, has guaranteed to provide financial support to enable the company to continue to meet its obligations as they fall due for a period of at least twelve months from the date of signature of these financial statements

Cash flow statement

The company has not prepared a statement of cash flows as permitted by FRS 1 (Revised 1996) 'Cash Flow Statements' on the basis that it was a fully owned subsidiary of Nordson Corporation Inc throughout the year and the consolidated financial statements are publicly available

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended

Depreciation

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

Leasehold improvements	-	the shorter of 5 years or the remainder of the lease term
Plant and machinery	-	20%
Computer equipment	-	33 33%
Fixtures and fittings	-	25%

Research and development

Pure and applied research expenditure is not capitalised and is written off in the year of expenditure through the profit and loss account. There is no development expenditure that is capitalised during the year

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows

Raw materials	-	purchase cost on a first-in, first-out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

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

Notes to the financial statements

at 31 October 2009

1. Accounting policies (continued)

Deferred taxation

Deferred tax 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 a right to pay less or to receive more, tax, with the following exception

- 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 future reversal of 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

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods

Rendering of services

Revenue from the installation of equipment is recognised on completion of installation

Interest income

Revenue is recognised as interest accrues using the effective interest method

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward foreign currency contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. All differences are taken to the profit and loss account

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Notes to the financial statements

at 31 October 2009

1. Accounting policies (continued)

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme which has an underpin that a member's benefits earned pre April 1997, for contracted staff, will not be less than a minimum guaranteed pension. The contribution rates are such that the underpin is not expected to be triggered. However, the existence of the underpin gives a defined benefit element to the scheme, and under FRS 17 "Retirement Benefits" this element of the scheme therefore meets the definition of a defined benefit scheme.

Management have accounted for benefits accrued in the scheme prior to April 1997 as defined benefit pension scheme benefits. Benefits accrued post April 1997 are accounted for as defined contribution pension scheme benefits.

Defined benefit scheme

Scheme assets are measured at fair values. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit, adjusted for deferred tax, is presented separately from other net assets on the balance sheet. A net surplus is only recognised to the extent that it is recoverable by the company.

The current service costs and costs from settlements and curtailments are charged against operating profit. Past service costs are spread over the period until the benefit increases vest. Interest on the scheme liabilities and the expected return on scheme assets are included in other finance costs. Actuarial gains and losses are reported in the statement of total recognised gains and losses.

Defined contribution scheme

Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Turnover

Turnover relates entirely to the principal, continuing activity of the company. In the opinion of the directors, the disclosure of turnover by geographical area would be seriously prejudicial to the interests of the company and therefore has not been disclosed.

Notes to the financial statements

at 31 October 2009

3. Operating profit

This is stated after charging

	2009 £	2008 £
Auditor's remuneration - audit services	17,000	20,000
Net loss on foreign currency translation	64,915	153,508
Depreciation of owned fixed assets	60,695	69,216
Operating lease rentals - land and buildings	298,443	298,445
- plant and machinery and motor vehicles	53,050	50,675
Research and development expenditure	520,120	579,550

4. Staff costs

	2009 £	2008 £
Wages and salaries	1,665,436	2,115,457
Social security costs	163,406	191,602
Other pension costs (note 19)	101,014	61,946
	1,929,856	2,369,005

The weekly average number of employees during the year was as follows

	2009 No	2008 No
Administration	10	11
Manufacturing	33	43
	43	54

5. Directors' emoluments

	2009 £	2008 £
Emoluments	128,005	142,931
Company pension contributions	58,515	29,975

During the year 1 director (2008: 1) participated in a defined benefit pension scheme. The scheme of which the director is a member is operated by another group company.

The other directors of the company are also directors or officers of other companies within the Nordson Corporation Inc. group. These directors' services to the company do not occupy a significant amount of their time. As such these directors do not consider that they receive any remuneration for services to the company for the year ended 31 October 2009 and the year ended 31 October 2008.

Notes to the financial statements

at 31 October 2009

6. Interest receivable

	2009 £	2008 £
Other interest receivable and similar income	1,082	11,170

7. Interest payable and similar charges

	2009 £	2008 £
Intercompany interest	313,181	298,911
Bank loans and overdrafts	118,604	262,044
FRS 17 finance charges (note 19)	28,000	-
	<u>459,785</u>	<u>560,955</u>

8. Taxation on loss on ordinary activities

(a) Tax on loss on ordinary activities

The tax charge is made up as follows

	2009 £	2008 £
<i>Current tax</i>		
Current year corporation tax	(28,570)	-
Adjustment in respect of prior periods	(44,547)	(94,090)
Total current tax (note 8(b))	<u>(73,117)</u>	<u>(94,090)</u>

(b) Factors affecting current tax charge

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 28% (2008

28%) The differences are reconciled below

	2009 £	2008 £
Loss on ordinary activities before taxation	<u>(441,703)</u>	<u>(462,967)</u>
Loss on ordinary activities by rate of tax of 28% (2008 28%)	(123,677)	(129,631)
Expenses not deductible for tax purposes	2,799	7,819
Capital allowances in advance of depreciation	4,617	(6,999)
Other timing differences	-	75,513
Losses not recognised	87,691	53,873
Adjustment in respect of prior periods	(44,547)	(94,090)
Effect of change in tax rate	-	(575)
Total current tax (note 8(a))	<u>(73,117)</u>	<u>(94,090)</u>

Notes to the financial statements

at 31 October 2009

8. Taxation on loss on ordinary activities (continued)

(c) Deferred tax

	2009 £	2008 £
<i>Amounts not recognised</i>		
Short term timing differences	(909,818)	(815,231)
Losses	(228,893)	(259,691)
Deferred taxation	<u>(1,138,711)</u>	<u>(1,074,922)</u>

Unrecognised tax losses

Deferred tax assets have not been recognised in respect of the company's losses and short-term timing differences, as the company has been loss-making for some time

9. Tangible fixed assets

	<i>Leasehold improvements</i> £	<i>Plant and machinery</i> £	<i>Total</i> £
<i>Cost</i>			
At 1 November 2008	671,116	632,824	1,303,940
Additions	-	7,329	7,329
At 31 October 2009	<u>671,116</u>	<u>640,153</u>	<u>1,311,269</u>
<i>Depreciation</i>			
At 1 November 2008	242,958	552,940	795,898
Provided during the year	38,184	22,511	60,695
At 31 October 2009	<u>281,142</u>	<u>575,451</u>	<u>856,593</u>
<i>Net book value</i>			
At 31 October 2009	<u>389,974</u>	<u>64,702</u>	<u>454,676</u>
At 31 October 2008	<u>428,158</u>	<u>79,884</u>	<u>508,042</u>

Notes to the financial statements

at 31 October 2009

10. Fixed asset investments

	<i>Interest in group undertakings £</i>
<i>Cost</i>	
At 1 November 2008 and 31 October 2009	5,629,000
<i>Impairment</i>	
At 1 November 2008 and 31 October 2009	5,111,459
<i>Net book value</i>	
At 31 October 2009	517,541
At 31 October 2008	517,541

Interests in group undertakings

<i>Name of undertaking</i>	<i>Country of incorporation or registration</i>	<i>Description of shares held</i>	<i>Proportion of nominal value of issued shares held</i>
Spectral Technology Limited	England and Wales	100,000 £1 ordinary shares	100%
Primarc Limited	England and Wales	15,000 £1 ordinary shares	100%
ACT Spectral Limited	England and Wales	2 £1 ordinary shares	100%
Colordry Limited	England and Wales	10,000 £1 ordinary shares	100%
Wallace Knight Limited	England and Wales	177,780 10p ordinary shares	100%

All of the above companies operate principally in England and Wales

The principal business activities of these subsidiaries are

- (a) Primarc Limited - Manufacturers of ultra-violet lamps and transformers
- (b) ACT Spectral Limited, Spectral Technology Limited, Colordry Limited and Wallace Knight Limited - dormant throughout the period

Notes to the financial statements

at 31 October 2009

11. Stocks

	2009 £	2008 £
Raw materials and consumables	532,286	625,228
Work in progress	346,723	348,136
Finished goods	241,761	142,570
	<u>1,120,770</u>	<u>1,115,934</u>

The directors are of the opinion that the difference between purchase price or production cost of stocks and their replacement cost is not material

12. Debtors

	2009 £	2008 £
Trade debtors	466,834	926,288
VAT receivable	21,343	43,154
Amounts owed by group undertakings	401,817	690,333
Amounts owed by subsidiary undertakings	29,143	46,056
Prepayments and accrued income	201,496	236,352
Corporation tax	-	5,000
	<u>1,120,633</u>	<u>1,947,183</u>

13. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	3,810,203	3,812,223
Loan repayable to parent company	8,627,028	8,297,507
Payments received on account	-	165,861
Trade creditors	367,148	661,080
Amounts payable to group undertakings	14,407	143,753
Amounts owed to subsidiary undertakings	540,847	540,847
Other taxation and social security	49,155	64,326
Accruals and deferred income	508,877	739,795
	<u>13,917,665</u>	<u>14,425,392</u>

Notes to the financial statements

at 31 October 2009

14. Commitments under operating leases

At 31 October 2009 the company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£	£	£	£
<i>Operating leases which expire</i>				
Within one year	-	13,599	-	7,945
In two to five years	298,443	26,896	-	22,944
In over five years	-	-	298,445	-
	<u>298,443</u>	<u>40,495</u>	<u>298,445</u>	<u>30,889</u>

15. Capital commitments

The company had no capital commitments at 31 October 2009 or 31 October 2008

16. Related party transactions

The company is a wholly owned subsidiary of a parent undertaking. As the company is included in the parent undertaking's group financial statements (see note 20), the company has taken advantage of the exemption available under FRS 8 'Related Party Disclosures' not to disclose transactions with members within the group.

17. Share capital

	<i>Authorised</i>	
	2009	2008
	£	£
2,038,888 Ordinary shares of £1 each	<u>2,038,888</u>	<u>2,038,888</u>
	<i>Allotted, called up and fully paid</i>	
	2009	2008
	No	No
	£	£
Ordinary shares of £1 each	1,984,414	<u>1,984,414</u>

18. Reconciliation of shareholders' deficit and movement on reserves

	<i>Share capital</i>	<i>Share premium</i>	<i>Capital redemption reserve</i>	<i>Profit and loss</i>	<i>Total capital and reserves</i>
	£	£	£	£	£
At 1 November 2007	1,984,414	45,504	5,600	(12,000,865)	(9,965,347)
Retained deficit for the year	-	-	-	(368,877)	(368,877)
At 31 October 2008	<u>1,984,414</u>	<u>45,504</u>	<u>5,600</u>	<u>(12,369,742)</u>	<u>(10,334,224)</u>
Retained deficit for the year	-	-	-	(368,586)	(368,586)
At 31 October 2009	<u>1,984,414</u>	<u>45,504</u>	<u>5,600</u>	<u>(12,738,328)</u>	<u>(10,702,810)</u>

Notes to the financial statements

at 31 October 2009

19. Pension obligations

Defined benefit scheme

The company operates a defined contribution pension scheme which has an underpin that a member's benefits earned pre April 1997, for contracted staff, will not be less than a minimum guaranteed pension. The contribution rates are such that the underpin is not expected to be triggered. However, the existence of the underpin gives a defined benefit element to the scheme, and under FRS 17 "Retirement Benefits" this element of the scheme therefore meets the definition of a defined benefit scheme.

A full actuarial valuation of the benefits accrued in the scheme pre April 1997 was carried out at 6 April 2009 and updated to 31 October 2009 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The company currently pays contributions at a rate of £2,500 per month.

Present values of scheme liabilities, fair value of assets and surplus

	2009 £'000	2008 £'000
Fair value of scheme assets	1,217	1,112
Present value of scheme liabilities	1,036	872
Surplus in scheme	<u>181</u>	<u>240</u>

The scheme rules do not allow the company to reduce its future contributions as a result of the surplus, and therefore the surplus has not been recognised in the company's balance sheet. Accordingly, the potential deferred tax liability relating to this surplus has also not been recognised.

Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2009 £'000
Scheme liabilities at start of period	872
Interest cost	65
Actuarial losses	137
Benefits paid and death in service insurance premiums	(38)
Scheme liabilities at end of period	<u>1,036</u>

Reconciliation of opening and closing balances of the fair value of scheme assets

	2009 £'000
Fair value of scheme assets at start of period	1,112
Expected return on scheme assets	37
Actuarial gains	76
Contributions by the company	30
Benefits paid and death in service insurance premiums	(38)
Fair value of scheme assets at end of year	<u>1,217</u>

The actual return on the scheme assets during the year ended 31 October 2009 was £113,000.

Notes to the financial statements

at 31 October 2009

19. Pension obligations (continued)

Total expense recognised in profit and loss account

	2009 £'000
Interest costs	65
Expected return on scheme assets	(37)
Total expense recognised in profit and loss	<u>28</u>

Statement of total recognised gains and losses

	2009 £'000
Difference between expected and actual return on scheme assets	76
Experience losses arising on the scheme liabilities	(32)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	<u>(105)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable)	(61)
Effect of limit on amount of the surplus recognised due to some of the surplus not being recognisable	<u>61</u>
Total amount recognised in statement of total recognised gains and losses	<u>-</u>

Assets

	2009 £'000	2008 £'000
Equity	357	304
Bonds	87	57
Other (property, cash, etc)	309	272
Secure growth	464	479
Total assets	<u>1,217</u>	<u>1,112</u>

None of the fair value of the assets shown above include any of the company's financial instruments or any property occupied by, or other assets used by, the company

Assumptions

	2009 % per annum	2008 % per annum
Rate of discount	5.40%	7.50%
Allowance for revaluation of deferred pensions of RPI or 5% per annum if less	Fixed rate	Fixed rate
Allowance for commutation of pension for cash at retirement	None	None

Notes to the financial statements

at 31 October 2009

19. Pension obligations (continued)

The mortality assumptions adopted at 31 October 2009 imply the following life expectancies (years)

Male retiring at age 65 in 2009	23 0
Female retiring at age 65 in 2009	25 5
Male retiring at age 65 in 2029	25 0
Female retiring at age 65 in 2029	27 4

Expected long term rates of return

The long term expected rate of return on cash, bonds and property is based on the rate of return on gilts with an appropriate deduction. The long term expected rate of return on equities is based on the rate of return on gilts.

The expected long term rates of return applicable for each period are as follows

	2009 % per annum
Equity	4 80
Bonds	2 80
Other (property, cash, etc)	2 80
Secure growth	2 80
Overall for scheme	3 35

The best estimate of contributions to be paid by the company to the scheme for the period beginning after 31 October 2009 is £30,000

Defined contribution scheme

The company participates in a defined contribution scheme, where the assets for the scheme are held separately from those of the company. There was £5,900 of unpaid pension contributions outstanding at 31 October 2009 (2008: £8,336) which is included within accruals.

20. Ultimate parent company

The ultimate parent undertaking and controlling party of this company during the year was Nordson Corporation Inc, a company incorporated in the United States of America. The smallest and largest group, of which Baldwin UV Limited (formerly Nordson UV Limited) was a member, and for which group financial statements were prepared was Nordson Corporation Inc.

Copies of Nordson Corporation Inc's financial statements can be obtained from 28601 Clemens Road, Westlake, Ohio 44145, United States of America.

21. Post balance sheet events

On 30 June 2010, 100% of the company's ordinary share capital was transferred from Nordson Corporation Inc to Baldwin Technology Company, Inc, a company incorporated in the United States of America. Following this transfer, the directors consider the company's ultimate parent undertaking and controlling party to be Baldwin Technology Company, Inc.