



Financial Statements Lindal Holdings Limited

For the year ended 31 December 2011

Registered number: 03284403

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Company Information

Directors	L A Chadburn (resigned 31 December 2011) J Hopkins (resigned 8 March 2011) A Magill (resigned 8 March 2011) R Zandona (resigned 8 March 2011) J Marion (appointed 15 February 2011) F Gilbert (appointed 15 February 2011)
Company number	03284403
Registered office	Cherrycourt Way Standbridge Road Leighton Buzzard Bedfordshire LU7 4UH
Auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Grant Thornton House 202 Silbury Boulevard Milton Keynes MK9 1LW
Solicitors	EMW Picton Howell LLP Seebeck House One Seebeck Place Knowlhill Milton Keynes Buckinghamshire MK5 8FR

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Directors' Report

For the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

Directors' responsibilities statement

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). 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 the group and of the profit or loss of the group for that period. In preparing these 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The group is principally engaged in the manufacture, assembly and distribution of aerosol valves and the sale of machinery for use in aerosol valve assembly.

The holding company also has loan agreements to and from group companies, third parties and third party suppliers. The loans are provided to supply cash to other group companies (i.e. treasury function).

Business review

The directors report a trading operating profit of £3,029k (2010 £2,655k). There was a trading profit after taxation amounting to £2,163k (2010 £1,963k). The directors have not recommended a dividend (2010 £nil).

2011 has seen a further increase in turnover from £24,819k to £30,169k an increase of 22%. This growth is attributable to the UK market. The main focus of the business in the year has been to increase the market share whilst maintaining the low cost base and high levels of customer service and quality products. The results show a consolidation of the cost control measures achieved over the last few years which has increased trading profitability after taxation by 12%. The main emphasis over the coming 12 months is to improve the cash flow of the business, whilst maintaining the excellent relationships in existence with suppliers and customers. The business remains invested in its employees and ensuring that it attracts high calibre individuals in order to facilitate future growth of the business. In addition key performance measures are used and reviewed monthly to ensure the business remains in control. These include on time in full ("OTIF") and financial ratios.

Directors' Report

For the year ended 31 December 2011

Going Concern

The directors have prepared cash flow forecasts for the next 12 months which show the group will be profitable and have sufficient resources available. On this basis the accounts have been prepared on the going concern basis.

Directors

The directors who served during the year were

L A Chadburn (resigned 31 December 2011)

J Hopkins (resigned 18 February 2011)

A Magill (resigned 7 March 2011)

R Zandona (resigned 18 February 2011)

J Marion (appointed 15 February 2011)

F Gilbert (appointed 15 February 2011)

The group provides indemnity insurance for its directors and other key personnel.

Principal risks and uncertainties

Financial risk management objectives and policies

The group's activities expose it to a variety of financial risks: credit risk, liquidity risk, cash flow and fair value interest rate risk and foreign exchange risk. The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance.

(a) Credit risk

The group has no significant concentrations of credit risk. It has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash balances and ensuring availability of funding through an adequate amount of committed credit facilities. The group aims to maintain flexibility in funding by keeping committed credit lines available in the form of a confidential invoice discounting facility to finance working capital.

(c) Cash flow and fair value interest rate risk

The group's cash flow interest rate risk arises from long-term borrowing. Borrowings issued at variable rates expose the group to cash flow interest rate risk. All the group's borrowings are at variable rates but the group does not consider the risk to be significant.

(d) Foreign exchange risk

The group transacts in both Euros and US dollars. Foreign exchange risk is managed by entering into forward exchange rate contracts in US dollars when appropriate, and matching income and expenditure in currencies wherever possible.

Land and buildings

On 7th February 2012 the land and buildings owned by the company were valued by Lambert Smith Hampton at higher than the net book value of properties at the balance sheet date which was £1,916k. The directors have decided not to revalue the properties and to continue with historical cost accounting.

Lindal Holdings Limited

Directors' Report

For the year ended 31 December 2011

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 22/05/2012

and signed on its behalf

J Marion
Director





Independent Auditor's Report to the Members of Lindal Holdings Limited

We have audited the financial statements of Lindal Holdings Limited for the year ended 31 December 2011, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Cash flow statement, reconciliation of net cash flow to movement in net debt 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 auditor

As explained more fully in the Directors' responsibilities statement, 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 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 Auditing Practices Board's website 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 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent Auditor's Report to the Members of Lindal Holdings Limited

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 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

A handwritten signature in black ink, appearing to read 'P Crooks'.

Philip Crooks (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Milton Keynes

Date 22 May 2012

Consolidated Profit and Loss Account

For the year ended 31 December 2011

	Note	2011 £000	2010 £000
Turnover	1,2	30,169	24,819
Raw materials and consumables		(21,699)	(16,899)
Other external charges		(1,996)	(2,147)
Staff costs	4	(2,718)	(2,531)
Depreciation and amortisation		(727)	(587)
Operating profit	3	3,029	2,655
Interest receivable and similar income	6	237	477
Interest payable and similar charges	7	(320)	(507)
Profit on ordinary activities before taxation		2,946	2,625
Tax on profit on ordinary activities	8	(783)	(662)
Profit for the financial year	20	2,163	1,963

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 10 to 26 form part of these financial statements

Consolidated Balance Sheet

As at 31 December 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Intangible assets	9		-		31
Tangible assets	10		6,330		5,588
Investments	11		3,397		3,397
			<u>9,727</u>		<u>9,016</u>
Current assets					
Stocks	12	1,447		1,672	
Debtors	13	11,986		10,628	
Cash at bank and in hand		463		680	
		<u>13,896</u>		<u>12,980</u>	
Creditors , amounts falling due within one year	14	(10,224)		(10,962)	
Net current assets			<u>3,672</u>		<u>2,018</u>
Total assets less current liabilities			<u>13,399</u>		<u>11,034</u>
Creditors , amounts falling due after more than one year	15		(3,526)		(3,391)
Provisions for liabilities					
Deferred tax	17		(346)		(279)
Net assets			<u>9,527</u>		<u>7,364</u>
Capital and reserves					
Called up share capital	19		1,050		1,050
Other reserves	20		1,100		1,100
Profit and loss account	20		7,377		5,214
Shareholders' funds	21		<u>9,527</u>		<u>7,364</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22/05/2012

J Marion
Director

The notes on pages 10 to 26 form part of these financial statements

Company Balance Sheet

As at 31 December 2011

	Note	£000	2011 £000	£000	2010 £000
Fixed assets					
Investments	11		3,327		3,327
Current assets					
Debtors	13	2,970		4,155	
Cash at bank		16		126	
		<u>2,986</u>		<u>4,281</u>	
Creditors amounts falling due within one year	14	<u>(1,787)</u>		<u>(4,616)</u>	
Net current assets/(liabilities)			<u>1,199</u>		<u>(335)</u>
Total assets less current liabilities			<u>4,526</u>		<u>2,992</u>
Creditors: amounts falling due after more than one year	15		<u>(1,508)</u>		<u>-</u>
Net assets			<u><u>3,018</u></u>		<u><u>2,992</u></u>
Capital and Reserves					
Called up share capital	19		1,050		1,050
Profit and loss account	20		1,968		1,942
Shareholders' funds	21		<u><u>3,018</u></u>		<u><u>2,992</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12/05/2012

J Marion
Director

The notes on pages 10 to 26 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 December 2011

	Note	2011 £000	2010 £000
Net cash flow from operating activities	22	2,355	1,807
Returns on investments and servicing of finance	23	(83)	(31)
Taxation		(956)	(42)
Capital expenditure and financial investment	23	(1,437)	(1,855)
Acquisitions and disposals	23	-	(3,255)
Cash outflow before financing		(121)	(3,376)
Financing	23	(2,109)	1,699
Decrease in cash in the year		(2,230)	(1,677)

Reconciliation of Net Cash Flow to Movement in Net Debt

For the year ended 31 December 2011

	2011 £000	2010 £000
Decrease in cash in the year	(2,230)	(1,677)
Cash outflow from decrease in debt and lease financing	2,109	(1,699)
Movement in net debt in the year	(121)	(3,376)
Net debt at 1 January 2011	(5,170)	(1,794)
Net debt at 31 December 2011	(5,291)	(5,170)

The notes on pages 10 to 26 form part of these financial statements

Notes to the Financial Statements

For the year ended 31 December 2011

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The accounts were prepared on a going concern basis. The directors have prepared cash flow forecasts for the next 12 months which show the group will be profitable and have sufficient resources available

1.2 Basis of consolidation

The financial statements consolidate the accounts of Lindal Holdings Limited and all of its subsidiary undertakings ('subsidiaries'), as defined by FRS9

Investments are considered as associates where the group has a participating interest and has significant influence over the entity

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts

Sales of goods are recognised on despatch and sales of services upon performance of the service

1.4 Intangible fixed assets and amortisation

Intangible assets are recognised at cost

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Licences	-	5%
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1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% - 10%
Plant & machinery	-	10% - 50%
Motor vehicles	-	20%
Fixtures & fittings	-	10% - 50%

1.6 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment

- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

Notes to the Financial Statements

For the year ended 31 December 2011

1. Accounting Policies (continued)

1.7 Leasing and hire purchase

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

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

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are included on an undiscounted basis.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated profit and loss account.

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Notes to the Financial Statements

For the year ended 31 December 2011

1. Accounting Policies (continued)

1 12 Goodwill

Goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful life. Negative goodwill is written back to the profit and loss account over a period matching that of the related assets.

As a matter of accounting policy, negative goodwill arising on consolidation first accounted for in accounting periods ending before 23 December 1998, the implementation date of Financial Reporting Standard 10, was credited to profit and loss account on acquisition.

2. Turnover

An analysis of turnover by class of business is as follows

	2011 £000	2010 £000
United Kingdom	19,977	15,002
Europe	3,902	4,272
Rest of the World	6,290	5,545
	<u>30,169</u>	<u>24,819</u>

All turnover arose within the United Kingdom

3. Operating profit

The operating profit is stated after charging

	2011 £000	2010 £000
Amortisation - intangible fixed assets	31	30
Depreciation of tangible fixed assets		
- owned by the group	360	280
- held under finance leases	336	299
Auditors' remuneration	35	32
Auditors' remuneration - non-audit	8	5
Operating lease rentals		
- plant and machinery	43	45
Difference on foreign exchange	109	32
	<u>109</u>	<u>32</u>

Notes to the Financial Statements

For the year ended 31 December 2011

4. Staff costs

Staff costs, including directors' remuneration, were as follows

	2011 £000	2010 £000
Wages and salaries	2,403	2,261
Social security costs	246	210
Other pension costs	69	60
	<u>2,718</u>	<u>2,531</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No.
Production	70	51
Administration	26	25
	<u>96</u>	<u>76</u>

5. Director's remuneration

	2011 £000	2010 £000
Emoluments receivable	143	349
Pension contributions to money purchase pension schemes	11	25
Total	<u>154</u>	<u>374</u>

During the year retirement benefits were accruing to 4 directors (2010 - 4) in respect of defined contribution pension schemes

6. Interest receivable

	2011 £000	2010 £000
Interest receivable from group companies	237	476
Other interest receivable	-	1
	<u>237</u>	<u>477</u>

Notes to the Financial Statements

For the year ended 31 December 2011

7. Interest payable

	2011 £000	2010 £000
On bank loans and overdrafts	130	274
On other loans	1	32
On finance leases and hire purchase contracts	31	34
On loans from group undertakings	158	167
	<u>320</u>	<u>507</u>

8. Taxation

	2011 £000	2010 £000
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	721	600
Adjustments in respect of prior periods	(5)	(17)
Total current tax	<u>716</u>	<u>583</u>
Deferred tax		
Origination and reversal of timing differences	84	79
Effect of increased tax rate on opening liability	(21)	-
Adjustment in respect of prior periods	4	-
Total deferred tax (see note 17)	<u>67</u>	<u>79</u>
Tax on profit on ordinary activities	<u>783</u>	<u>662</u>

Notes to the Financial Statements

For the year ended 31 December 2011

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 26.49% (2010 - 28%). The differences are explained below:

	2011 £000	2010 £000
Profit on ordinary activities before tax	2,946	2,625
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.49% (2010 - 28%)	780	735
Effects of		
Non-tax deductible amortisation of goodwill and impairment	36	28
Capital allowances for year in excess of depreciation	(89)	(95)
Utilisation of tax losses	(6)	(68)
Adjustments to tax charge in respect of prior periods	(5)	(17)
Current tax charge for the year (see note above)	716	583

9. Intangible fixed assets

	Licences £000
Group	
Cost	
At 1 January 2011 and 31 December 2011	381
Amortisation	
At 1 January 2011	350
Charge for the year	31
At 31 December 2011	381
Net book value	
At 31 December 2011	-
At 31 December 2010	31

Notes to the Financial Statements

For the year ended 31 December 2011

10. Tangible fixed assets

Group	Freehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Total £000
Cost					
At 1 January 2011	2,576	5,214	29	1,022	8,841
Additions	30	1,301	-	107	1,438
Disposals	-	(24)	-	(90)	(114)
At 31 December 2011	2,606	6,491	29	1,039	10,165
Depreciation					
At 1 January 2011	632	1,872	22	727	3,253
Charge for the year	58	567	2	69	696
On disposals	-	(24)	-	(90)	(114)
At 31 December 2011	690	2,415	24	706	3,835
Net book value					
At 31 December 2011	1,916	4,076	5	333	6,330
At 31 December 2010	1,944	3,342	7	295	5,588

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2011 £000	2010 £000
Plant and machinery	2,405	2,041

The depreciation charged in the year on plant and machinery held under finance leases was £336k (2010 £299k)

Notes to the Financial Statements

For the year ended 31 December 2011

11. Fixed asset investments

Group	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2011 and 31 December 2011	50	3,347	3,397
Net book value			
At 31 December 2011	50	3,347	3,397
At 31 December 2010	50	3,347	3,397
Company			
Cost or valuation			
At 1 January 2011 and 31 December 2011	50	3,277	3,327
Net book value			
At 31 December 2011	50	3,277	3,327
At 31 December 2010	50	3,277	3,327

Notes to the Financial Statements

For the year ended 31 December 2011

11. Fixed asset investments (continued)

	Country of incorporation	Proportion held	Share capital and reserves	Profit / (loss) for the year
Lindal Valve Company Limited	United Kingdom	100%	6,651	2,134
Aerosol Technique Lindal (UK) Limited	United Kingdom	100%	-	-
Lindal de Mexico	Mexico	2%	718	111
Lindal France	France	34%	12,038	399
VARI SpA	Italy	1%	5,013	213
Lindal do Brasil Ltda*	Brazil	28%	679	125

*Investment held by Lindal Valve Company Limited

Lindal France has not been included in these accounts as an associate on the basis that Lindal Holdings Limited does not have a long term participating interest in Lindal France as defined in Companies law and relevant accounting standards

Lindal do Brasil has not been included in these accounts as an associate on the basis that Lindal Holdings Limited does not have any significant influence over its operating and financial policies

12. Stocks

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Raw materials	836	932	-	-
Work in progress	221	139	-	-
Finished goods and goods for resale	390	601	-	-
	1,447	1,672	-	-

13. Debtors

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Due after more than one year				
Amounts owed by group undertakings	-	2,151	-	2,151
Due within one year				
Trade debtors	6,979	5,809	-	-
Amounts owed by group undertakings	4,791	2,424	2,970	1,885
Other debtors	77	180	-	119
Prepayments and accrued income	139	64	-	-
	11,986	10,628	2,970	4,155

Notes to the Financial Statements

For the year ended 31 December 2011

14. Creditors: Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Bank loans and overdrafts	2,230	218	-	-
Other loans	1,165	1,714	1,165	1,714
Net obligations under finance leases and hire purchase contracts	341	527	-	-
Trade creditors	3,314	2,882	-	-
Amounts owed to group undertakings	2,039	4,106	517	2,742
Corporation tax	361	601	-	-
Social security and other taxes	648	537	-	-
Other creditors	88	207	87	156
Accruals and deferred income	38	170	18	4
	10,224	10,962	1,787	4,616

The overdrafts are secured by a fixed and floating charge over all the assets of the UK group

The bank loans are secured against freehold land and buildings

The other loans are with third parties as part of the treasury function and are unsecured loans with interest rates of between 4% - 6%

15. Creditors: Amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Bank loans	1,133	1,324	-	-
Other loans	-	1,499	-	-
Net obligations under finance leases and hire purchase contracts	885	568	-	-
Amounts owed to group undertakings	1,508	-	1,508	-
	3,526	3,391	1,508	-

Notes to the Financial Statements

For the year ended 31 December 2011

15. Creditors:

Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Repayable by instalments	296	487	-	-

There are two bank loans. One is payable over 15 years by monthly repayments of £13,489. Interest on the loan is charged at 1.25% per annum over base rate. The other is payable over 10 years by monthly repayments of £3,958 exclusive of interest. Interest on this loan is charged at 2.25% over base rate. Both bank loans are secured by a charge on the assets of the company.

The amounts owed to other participating interest were paid in 2011 and interest of 4% per annum was charged during the period of the loan, and is unsecured.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Between one and five years	885	568	-	-

Notes to the Financial Statements

For the year ended 31 December 2011

16. Borrowings

Borrowings include the following amounts which are due for repayment as follows

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Amounts repayable in one year or less or on demand				
Bank overdraft	2,022	9	-	-
Bank loans and overdraft	208	209	-	-
Finance lease and lease purchase	341	527	-	-
Other loan	1,165	1,714	1,165	1,714
In more than one year but not more than two years				
Bank loan	209	209	-	-
Finance lease and lease purchase	320	193	-	-
Other loans	-	1,499	-	-
In more than two years but not more than five years				
Bank loan	628	628	-	-
Finance lease and lease purchase	565	375	-	-
In greater than five years				
Bank loan	296	487	-	-
Total	5,754	5,850	1,165	1,714

17. Deferred taxation

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
At beginning of year	279	200	-	-
Charge for the year	67	79	-	-
At end of year	346	279	-	-

Notes to the Financial Statements

For the year ended 31 December 2011

17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Accelerated capital allowances	348	281	-	-
Other timing differences	(2)	(2)	-	-
	346	279	-	-

18. Related party transactions

The company has applied the FRS8 exemption for wholly owned entities included within consolidated accounts that are publically available in relation to transactions with Lindal Valve Company Limited and Aerosol Technique Lindal (UK) Limited

Related party transactions not covered by the above exemptions are as follows

2011

	Year end balances Dr/(Cr) £000	Sales to £000	Purchases from £000
Other companies subject to common control	1,091	2,513	9,251

Within the year end debtor is a net of £4,274,000 being loans repayable by companies under common control. The sales and purchases relate to trading with the wider group through the groups principal activity of manufacture, assembly and distribution of aerosol valves and the sale of machinery for use in aerosol valve assembly

2010

	Year end balances Dr/(Cr) £000	Sales to £000	Purchases from £000
Other companies subject to common control	468	3,826	10,819

Within the year end debtor is a net of £1,294,000 being loans repayable by companies under common control. The sales and purchases relate to trading with the wider group through the groups principal activity of manufacture, assembly and distribution of aerosol valves and the sales of machinery for use in aerosol valve assembly

Notes to the Financial Statements

For the year ended 31 December 2011

19. Share capital

	2011 £000	2010 £000
Authorised		
2,000,000 Ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid		
1,050,000 Ordinary shares of £1 each	<u>1,050</u>	<u>1,050</u>

20. Reserves

	Other reserves £000	Profit and loss account £000
Group		
At 1 January 2011	1,100	5,214
Profit for the year	-	2,163
At 31 December 2011	<u>1,100</u>	<u>7,377</u>
Company		
At 1 January 2011		1,942
Profit for the year		26
At 31 December 2011		<u>1,968</u>

Cumulative negative goodwill credited to profit and loss reserves is £949,000 (2010 £949,000)

Notes to the Financial Statements

For the year ended 31 December 2011

21. Reconciliation of movement in shareholders' funds

	2011	2010
Group	£000	£000
Opening shareholders' funds	7,364	5,401
Profit for the year	2,163	1,963
Closing shareholders' funds	9,527	7,364
Company	2011	2010
	£000	£000
Opening shareholders' funds	2,992	4,229
Profit/(loss) for the year	26	(1,237)
Closing shareholders' funds	3,018	2,992

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

22. Net cash flow from operating activities

	2011	2010
	£000	£000
Operating profit	3,029	2,655
Amortisation of intangible fixed assets	31	30
Depreciation of tangible fixed assets	696	579
(Profit)/loss on disposal of tangible fixed assets	(1)	6
Decrease/(increase) in stocks	225	(106)
Increase in debtors	(1,357)	(1,837)
(Decrease)/increase in creditors	(268)	480
Net cash inflow from operating activities	2,355	1,807

23. Analysis of cash flows for headings netted in cash flow statement

	2011	2010
	£000	£000
Returns on investments and servicing of finance		
Interest received	237	476
Interest paid	(289)	(473)
Hire purchase interest	(31)	(34)
Net cash outflow from returns on investments and servicing of finance	(83)	(31)

Notes to the Financial Statements

For the year ended 31 December 2011

23. Analysis of cash flows for headings netted in cash flow statement (continued)

	2011 £000	2010 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(1,438)	(1,855)
Sale of tangible fixed assets	1	-
Net cash outflow from capital expenditure	(1,437)	(1,855)
	2011 £000	2010 £000
Acquisitions and disposals		
Purchase of fixed asset investments	-	(3,255)
	2011 £000	2010 £000
Financing		
Receipt of bank loans	-	2,099
Repayment of loans	(192)	(3,765)
Receipt of other loans	779	3,185
Repayment of other loans	(2,827)	-
New finance leases	664	670
Capital element of finance lease rentals	(533)	(490)
Net cash (outflow)/inflow from financing	(2,109)	1,699

24. Analysis of changes in net debt

	1 January 2011 £000	Cash flow £000	Other non-cash changes £000	31 December 2011 £000
Cash at bank and in hand	680	(217)	-	463
Bank overdraft	(9)	(2,013)	-	(2,022)
	671	(2,230)	-	(1,559)
Debt:				
Finance leases	(1,095)	(131)	-	(1,226)
Debts due within one year	(1,923)	2,240	(1,690)	(1,373)
Debts falling due after more than one year	(2,823)	-	1,690	(1,133)
Net debt	(5,170)	(121)	-	(5,291)

Notes to the Financial Statements

For the year ended 31 December 2011

25. Capital commitments

At 31 December 2011 the group and company had capital commitments as follows

	Group		Company	
	2011	2010	2011	2010
	£000	£000	£000	£000
Contracted for but not provided in these financial statements	141,000	227,000	141,000	227,000

26. Operating lease commitments

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011	2010	2011	2010
	£000	£000	£000	£000
Group				
Expiry date:				
Within 1 year	-	-	13	4
Between 2 and 5 years	-	-	21	36

27. Controlling related party

The ultimate parent undertaking of this company by virtue of its shareholding in Lindal Holdings Plc is Lodans Holdings Limited, a company incorporated in Switzerland. The directors understand that the controlling related party of Lodans Holdings Limited is Union Bank of Switzerland.

Lodans Holdings Limited acquired its shareholding in Lindal Holdings Plc in 2010 from EPTEC SA, incorporated in Luxembourg. No group accounts are available to the public.