Grant Thornton

Financial Statements
Lindal Holdings Plc and its subsidiary undertakings

For the Year Ended 31 December 2010

Company No. 3284403

Company information

Company registration number	3284403
Registered office	Cherrycourt Way Stanbridge Road Leighton Buzzard Bedfordshire LU7 4UH
Directors	L A Chadburn F Gilbert J Marion
Secretary	L A Chadburn
Solicitors	EMW Picton Howell LLP Seebeck House One Seebeck Place Knowlhill Milton Keynes Buckinghamshire MK5 8FR
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Central Milton Keynes

Index to the financial statements

Report of the directors

The directors present their report and the financial statements of the group for the year ended 31 December 2010

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

There was a profit for the year after taxation of £1,963,000 (2009 £509,000)

The directors have not recommended a dividend (2009 £nil)

On 3rd November 2010 the group acquired a shareholding in Lindal France and Lindal Mexico On 28 December 2010 the group acquired a further shareholding in Lindal France The total acquisitions in the year amounted to £3,255,000 (2009 £nil) The investments represent a 34% share in Lindal France and a 2% share in Lindal de Mexico The transactions were as a result of group restructuring which also resulted in a change of ownership The group is now 100% owned by Lodans Holdings.

On 31 December 2010 the assets of Aerosol Technique Lindal (UK) Limited were transferred to Lindal Valve Company Limited Both companies are 100% owned by Lindal Holdings Plc The trade will continue as a department of Lindal Valve Company Limited and the expectations of profit for the trade are in line with the 2010 result There will be some administration cost savings which will result from transfer

Turnover generated from continuing operations has increased in 2010 by £4,036,000 (19%), the growth is attributable to the UK and European markets Within the total group turnover of £24,819,000 there are sales of £nil (2009 £2,899,000) contributed by the subsidiary in Mexico The 2010 results do not include this subsidiary as the shareholding was 2% in 2010 (2009 51%)

The increased group profit of £1,454,000 is attributable to the growth in sales, combined with the consolidation of the cost control measures achieved over the last few years

The main emphasis over the coming 12 months is to improve the cash flow of the group, whilst maintaining the excellent relationships in existence with suppliers and customers The group remains invested in its employees and ensuring that it attracts high calibre individuals in order to facilitate future growth of the business In additions key performance measures are used and reviewed monthly to ensure the business remains in control These include OTIF, OEE and financial ratios

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

Report of the directors (continued)

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 borrowings 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

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

A R Magill (resigned 7 March 2011)
L A Chadburn
R Zandona (resigned 18 February 2011)
J W Hopkins (resigned 18 February 2011)

F Gilbert and J Marion were appointed on 15 February 2011

Policy on the payment of creditors
It is the group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and abide by them Trade creditors at the year end amount to 54 days (2009 - 15 days) of average supplies for the year

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

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

Report of the directors (continued)

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 laws) Under company law the directors must not approve financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company and group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 group and the company 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as each of the directors is aware

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Auditor
Grant Thornton UK LLP offer themselves for reappointment as auditor in accordance with Section 489 of the Companies Act 2006

ON BEHALF OF THE BOARD

L Chadburn
Director

26 APRIL 2011

Report of the independent auditor to the members of Lindal Holdings Plc

We have audited the financial statements of Lindal Holdings Plc for the year ended 31 December 2010 which comprise the principal accounting policies, group profit and loss account, the group and company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses, 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 set out on pages 4-5, 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 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 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 and company's affairs as at 31 December 2010 and of its 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

Report of the independent auditor to the members of Lindal Holdings Plc (continued)

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

Philip Crooks
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Central Milton Keynes

26 April 2011

Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards The accounting policies remain unchanged from the prior year

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all material group undertakings These are adjusted, where appropriate, to conform to group accounting policies Acquisitions are accounted for under the acquisition method and goodwill on consolidation arising after 1999 is capitalised and written off over five years from the year of acquisition The results of companies acquired or disposed of are included in the group profit and loss account from, or up to, the date that control passes respectively As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408(1)(a) of the Companies Act 2006

Turnover

Group turnover is the total amount receivable by the group for goods supplied and services provided, excluding VAT and trade discounts Sales of goods are recognised on despatch and sales of services upon performance of the service

Intangible fixed assets

Intangible assets are initially 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%

Depreciation

Depreciation 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

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

Freehold land is not depreciated

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Principal accounting policies (continued)

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity Provision is made for any foreseeable losses where appropriate No element of profit is included in the valuation of work in progress

Leasing and hire purchase commitments

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 group profit and loss account over the period 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 group profit and loss account on a straight line basis over the lease term

Pension costs

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company The annual contributions payable are charged to the group profit and loss account

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

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

Principal accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date The financial statements of foreign subsidiaries and joint ventures are translated at the rate of exchange ruling at the balance sheet date The exchange differences arising from the retranslation of the opening net investment in subsidiaries and joint ventures are taken directly to reserves Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets or long term loans to fund foreign activities, they are taken to reserves and offset against the differences arising from the translation of those assets All other exchange differences are dealt with through the profit and loss account

Other investments

Investments are included at cost or valuation as detailed in note 11

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Group profit and loss account

	Note	2010 £000	2010 £000	2009 £000	2009 £000
Group turnover					
Continuing operations		24,819		20,783	
Discontinued operations		-		2,899	
	1		24,819		23,682
Operating income and costs	2		(22,164)		(22,683)
Operating profit	4				
Continuing operations		2,655		805	
Discontinued operations		-		194	
			2,655		999
Loss on sale of discontinued operations			-		(48)
Interest receivable and similar income			477		256
Interest payable and similar charges	6		(507)		(345)
Profit on ordinary activities before taxation			2,625		862
Tax on profit on ordinary activities	7		(662)		(312)
Profit on ordinary activities after taxation			1,963		550
Minority interests			-		(41)
Profit for the financial year	21		1,963		509

Discontinued operations relate to Lindal De Mexico Limited, which was disposed of on 5 November 2009 (see note 11)

Group balance sheet

	Note	2010 £000	2009 £000
Fixed assets			
Intangible assets	9	**31**	61
Tangible assets	10	**5,588**	4,318
Investments	11	**3,397**	142
		9,016	4,521
Current assets			
Stocks	12	**1,672**	1,566
Debtors due within one year	13	**8,477**	7,271
Debtors due after more than one year	13	**2,151**	4,973
Cash at bank and in hand		**680**	2,348
		12,980	16,158
Creditors: amounts falling due within one year	14	**(10,962)**	(12,547)
Net current assets		**2,018**	3,611
Total assets less current liabilities		**11,034**	8,132
Creditors: amounts falling due after more than one year	15	**(3,391)**	(2,531)
		7,643	5,601
Provision for liabilities			
Deferred taxation	24	**(279)**	(200)
Net assets		**7,364**	5,401
Capital and reserves			
Called-up equity share capital	20	**1,050**	1,050
Other reserves	21	**1,100**	1,100
Profit and loss account	21	**5,214**	3,251
Shareholders' funds	22	**7,364**	5,401

These financial statements were approved by the directors on 26/4/11 and are signed on their behalf by

L A Chadburn
Director

The accompanying accounting policies and notes form part of these financial statements.

Company balance sheet

	Note	2010 £000	2009 £000
Fixed assets			
Investments	11	**3,327**	72
Current assets			
Debtors due within one year	13	**2,004**	3,963
Debtors due after more than one year	13	**2,151**	4,973
Cash at bank and in hand		**126**	729
		4,281	9,665
Creditors: amounts falling due within one year	14	**(4,616)**	(7,647)
Net current (liabilities)/assets		**(335)**	2,018
Total assets less current liabilities		**2,992**	2,090
Capital and reserves			
Called-up equity share capital	20	**1,050**	1,050
Profit and loss account	21	**1,942**	1,040
Shareholders' funds		**2,992**	2,090

These financial statements were approved by the directors on 26/4/11 and are signed on their behalf by

L A Chadburn
Director

Group cash flow statement

	Note	2010 £000	2009 £000
Net cash inflow/(outflow) from operating activities	23	**1,807**	(1,155)
Returns on investments and servicing of finance			
Interest received		**476**	256
Finance lease interest paid		**(34)**	(42)
Interest paid		**(473)**	(303)
Net cash outflow from returns on investments and servicing of finance		**(31)**	(89)
Taxation paid		**(42)**	(52)
Capital expenditure			
Payments to acquire tangible fixed assets		**(1,855)**	(948)
Net cash outflow from capital expenditure		**(1,855)**	(948)
Acquisitions and disposals			
Purchase of investments		**(3,255)**	-
Disposal of subsidiary		**-**	21
Net cash (outflow)/inflow from acquisitions and disposals		**(3,255)**	21
Cash outflow before financing		**(3,376)**	(2,233)
Financing			
Receipt of loans		**2,099**	6,221
Repayment of loans		**(3,765)**	(1,954)
Receipt of loan repayments		**3,185**	-
Inception of finance leases		**670**	-
Capital element of finance lease rentals		**(490)**	(457)
Net cash inflow from financing		**1,699**	3,810
(Decrease)/increase in cash	23	**(1,677)**	1,587

Group statement of total recognised gains and losses

	2010 £000	2009 £000
Profit for the financial year	**1,963**	509
Other recognised gains and losses	-	57
Total gains and losses recognised for the year	**1,963**	566

Notes to the financial statements

1 Turnover

The turnover and profit before taxation are attributable to the one principal activity of the group
An analysis of turnover by destination is given below

	2010 £000	2009 £000
United Kingdom	**15,002**	11,053
Europe	**4,272**	3,870
Rest of the World	**5,545**	8,759
	24,819	23,682

An analysis of turnover, profit before taxation and net assets by geographical segment is given below

	Turnover		Profit before tax		Net assets	
	2010 £000	2009 £000	**2010 £000**	2009 £000	**2010 £000**	2009 £000
UK	**24,819**	20,783	**2,625**	726	**7,364**	5,401
Mexico	-	2,899	-	136	-	–
	24,819	23,682	**2,625**	862	**7,364**	5,401

2 Other operating income and costs

	2010 Continuing £000	**2010 Discontinued £000**	**2010 Total £000**	2009 Continuing £000	2009 Discontinued £000	2009 Total £000
Other operating income	-	-	-	345	–	345
Changes in stocks of finished goods and work in progress	**(81)**	-	**(81)**	952	–	–
Raw materials and consumables	**16,900**	-	**16,900**	13,344	2,411	16,707
Other external charges	**1,168**	-	**1,168**	1,007	294	1,301
Staff costs	**2,531**	-	**2,531**	2,280	–	2,280
Depreciation and amortisation written off fixed assets	**579**	-	**576**	651	–	651
Other operating charges	**1,067**	-	**1,067**	1,399	–	1,399
	22,164	-	**22,164**	19,978	2,705	22,683

Notes to the financial statements (continued)

3 Particulars of employees

The average number of staff employed by the group during the financial year amounted to

	2010 No	2009 No
Production	51	47
Administration	25	23
	76	70

The aggregate payroll costs of the above were

	2010 £000	2009 £000
Wages and salaries	2,261	2,015
Social security costs	210	204
Other pension costs	60	61
	2,531	2,280

4 Operating profit

Operating profit is stated after charging

	2010 £000	2009 £000
Amortisation	30	30
Depreciation of		
owned fixed assets	280	340
leased fixed assets	299	311
Loss on disposal of fixed asset	6	–
Auditors' remuneration		
Fees payable to the auditor of the parent company's annual accounts	10	8
Fees payable to the company's auditor for other services		
- Subsidiaries	22	22
- Taxation services	5	6
Operating lease costs		
Plant and machinery	45	53
Net loss on foreign currency translation	62	269

Notes to the financial statements (continued)

5 Directors

Remuneration in respect of directors was as follows

	2010 £000	2009 £000
Emoluments receivable	**349**	336
Value of company pension contributions to money purchase schemes	**25**	24
	374	360

Emoluments of the highest paid director

	2010 £000	2009 £000
Emoluments receivable	**112**	99
Value of company pension contributions to money purchase schemes	**9**	9
	121	108

The number of directors who accrued benefits under company pension schemes was as follows

	2010 No	2009 No
Money purchase schemes	**4**	4

6 Interest payable and similar charges

	2010 £000	2009 £000
Interest payable on bank borrowing	**32**	59
Interest on hire purchase and finance leases	**34**	42
Other interest payable	**441**	244
	507	345

Notes to the financial statements (continued)

7 Taxation on profit on ordinary activities

	2010 £000	2009 £000
Current tax	600	43
Foreign taxation	-	52
Adjustment in respect of prior years	(17)	17
Total current tax	583	112
Deferred tax	79	200
Tax on profit on ordinary activities	662	312

Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2010 £000	2009 £000
Profit on ordinary activities before taxation	2625	862
Profit on ordinary activities by rate of tax	735	241
Expenses not deductible for tax purposes	28	20
Depreciation for the period (less than allowances)/in excess	(95)	14
Tax losses utilised	(68)	(175)
Prior year adjustments	(17)	17
Overseas tax rate differences	-	(5)
Total current tax charge	583	112

The group has the following potential deferred tax (liability)/asset not recognised

	2010 £000	2009 £000
Accelerated capital allowances	-	(78)
Other timing differences	-	11
Unrealised tax losses	47	54
Net	47	(13)

The company has potential deferred tax assets of £47,000 (2009 liability of £13,000) in respect of tax losses

The balances are not recognised because of immateriality and uncertainly with regards recovery of certain tax losses

8 Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £902,000 (2009 £155,000)

Notes to the financial statements (continued)

9 Intangible fixed assets

Group	Licences £000
Cost	
At 1 January 2010 and 31 December 2010	381
Amortisation	
At 1 January 2010	320
Charge for the year	30
At 31 December 2010	350
Net book value	
At 31 December 2010	**31**
At 31 December 2009	61

10 Tangible fixed assets

Group	Freehold property £000	Plant machinery, fixtures and fittings and motor vehicles £000	Total £000
Cost			
At 1 January 2010	2,574	5,379	7,953
Additions	2	1,853	1,855
Disposals	-	(967)	(967)
At 31 December 2010	2,576	6,265	8841
Depreciation			
At 1 January 2010	576	3,059	3,635
Charge for the year	56	523	579
On disposals	-	(961)	(961)
At 31 December 2010	632	2,621	3,253
Net book value			
At 31 December 2010	**1,944**	**3,644**	**5,588**
At 31 December 2009	1,998	2,320	4,318

Plant and machinery net book value includes £2,041,000 (2009 £1,596,000) of assets held under finance leases The depreciation charged was £299,000 (2009 £311,000)

Notes to the financial statements (continued)

11 Investments

Group

	Other investments £000
Cost or valuation	
At 1 January 2010	142
Additions	3,255
At 31 December 2010	**3,397**

In November 2009 the group disposed of its whole shareholding in Lindal De Mexico In November 2010, a shareholding in Lindal De Mexico, now diluted to 2% was reacquired along with shares amounting to a 34% stake in Lindal France The group does not have any significant influence over Lindal France and its operating and financial policies

The group owns 28% of the ordinary share capital of Lindal do Brasil Ltda, incorporated in Brazil Lindal do Brasil Ltda reported a profit for the year of £ 142,000 (2009 profit £350,000) and share capital and reserves at the end of the year were a deficit of £34,000 (2009 £176,000) The group does not have any significant influence over its operating and financial policies

Company

	Subsidiary undertakings £000	Other investments £000	Total £000
Cost or valuation			
At 1 January 2010	256	24	280
Additions	3,255	-	3,255
At 31 December 2010	3,511	24	3,535
Amounts written off			
At 1 January 2010 and 31 December 2010	208	-	208
Net book value			
At 31 December 2010	**3,303**	**24**	**3,327**
At 31 December 2009	48	24	72

Notes to the financial statements (continued)

11 Investments (continued)

The company owns the ordinary share capital of the following companies which are involved in the manufacture, assembly and distribution of aerosol valves and the sale of equipment for use in the manufacture of aerosol valves

	Country of incorporation	Proportion held	Share capital and reserves £000	Profit/(loss) for the year £000
Lindal Valve Company Limited	UK	100%	4,517	3,096
Aerosol Technique Lindal (UK) Limited	UK	100%	–	(1,195)
Lindal de Mexico	Mexico	2%	820	36
Lindal France	France	34%	10,926	32
VARI SpA	Italy	1%		

On 5 November 2009 the company disposed of its shareholding in Lindal De Mexico for £74,000 realising a loss to the group of £48,000 In November 2010 a shareholding in Lindal De Mexico, now diluted to 2%, was reacquired along with shares amounting to a 34% stake in Lindal France

On 31 December 2010 the trade and assets of Aerosol Technique Lindal (UK) Limited were transferred to Lindal Valve Company Limited Aerosol Technique Lindal (UK) Limited ceased trading on 31 December 2010 and is dormant in 2011

12 Stocks

	The group 2010 £000	The group 2009 £000	The company 2010 £000	The company 2009 £000
Raw materials	**932**	825	–	–
Work in progress	**139**	167	–	–
Finished goods	**601**	574	–	–
	1,672	1,566	–	–

Notes to the financial statements (continued)

13 Debtors

Amounts due within one year

	The group		The company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Trade debtors	**5,809**	4,149	–	–
Amounts owed by group undertakings	–	–	–	1,859
Amounts owed to companies under common control	**2,424**	807	**1,885**	–
Other debtors	**180**	306	**119**	150
Other loans receivable	–	1,954	–	1,954
Prepayments and accrued income	**64**	55	–	–
	8,477	7,271	**2,004**	3,963

The company entered into loans with third parties in the previous year as part of the group treasury function These are unsecured loans that are issued at an interest rate of between 5%-7 5%.

Amounts due after one year

	The group		The company	
	2010	2009	**20010**	2009
	£000	£000	**£000**	£000
Amounts owed by companies under common control	**2,151**	4,973	**2,151**	4,973

Notes to the financial statements (continued)

14 Creditors: amounts falling due within one year

	The group		The company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank overdraft	**9**	–	–	–
Bank loans	**209**	209	–	–
Other loans	**1,714**	5,773	**1,714**	5,773
Trade creditors	**2,882**	689	–	–
Amounts owed to companies under common control	**4,106**	2,848	**2,742**	–
Corporation tax	**601**	60	–	–
Other taxation and social security	**537**	413	–	–
Other creditors	**207**	238	**156**	–
Amounts owed by associates	–	1,776	–	1,776
Accruals and deferred income	**170**	104	**4**	98
Amounts due under finance leases and hire purchase agreements	**527**	437	–	–
	10,962	12,547	**4,616**	7,647

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

The bank loan is 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%

Notes to the financial statements (continued)

15 Creditors: amounts falling due after more than one year

	The group		The company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank loan	**1,324**	1,513	–	–
Other loans	**1,499**	540	–	–
Amounts due under finance leases and hire purchase agreements	**568**	478	–	–
	3,391	2,531	–	–

The bank loan is secured against freehold land and buildings

The other loan relate to an unsecured loan with a third party with an interest rate of 4%

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date

	The group		The company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Bank loan	**487**	676	–	–

The bank loan 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 It is secured by a charge on the UK assets of the group

Notes to the financial statements (continued)

16 Borrowings

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

	The group		The company	
	2010	2009	**2010**	2009
	£000	£000	**£000**	£000
Amounts repayable				
In one year or less or on demand				
Bank overdraft	**9**	–	–	
Bank loans and overdraft	**209**	209	–	–
Finance lease and lease purchase	**527**	437	–	–
Other loan	**1,714**	5,773	**1,714**	5,773
In more than one year but not more than two years				
Bank loan	**209**	209	–	–
Finance lease and lease purchase	**193**	379	–	–
Other loans	**1,499**	–	–	–
In more than two years but not more than five years				
Bank loan	**628**	628	-	–
Finance lease and lease purchase	**375**	99	–	–
Other loans	–	540	–	–
In greater than five years				
Bank loan	**487**	676	–	–
	5,850	8,950	**1,714**	5,773

17 Pensions

Defined Contribution Scheme

The group operates a defined contribution scheme for the benefit of certain employees The assets of the scheme are administered by trustees in a fund independent from those of the group

Notes to the financial statements (continued)

18 Commitments under operating leases

At 31 December 2010 the group had annual commitments under non-cancellable operating leases as set out below

The group	Assets other than land and buildings 2010 £000	2009 £000
Operating leases which expire		
Within 1 year	4	6
Within 2 to 5 years	36	43
	40	49

19 Related party transactions

Related party transactions are as follows

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 sale of machinery for use in aerosol valve assembly

2009

	Year end balances Dr/(Cr) £000	Sales to £000	Purchases from £000
Other companies subject to common control	2,932	2,981	9,310

Within the year end debtor is a net of £4,973,000 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

Notes to the financial statements (continued)

20 Share capital

Authorised share capital

	2010 £000	2009 £000
2,000,000 Ordinary shares of £1 each	**2,000**	2,000

Allotted, called up and fully paid

	2010 No	2010 £000	2009 No	2009 £000
Ordinary shares of £1 each	**1,050,000**	**1,050**	1,050,000	1,050

21 Reserves

Group	Other reserves £000	Profit and loss account £000
At 1 January 2010	1,100	3,251
Profit for the financial year	-	1,963
At 31 December 2010	**1,100**	**5,214**

Cumulative negative goodwill credited to profit and loss reserves is £949,000 (2009 £949,000)

Company	Profit and loss account £000
At 1 January 2010	1,040
Profit for the financial year	902
At 31 December 2010	**1,942**

Notes to the financial statements (continued)

22 Reconciliation of movements in shareholders' funds

	2010 £000	2009 £000
Profit for the financial year	**1,963**	509
Other net recognised gains and losses	**-**	57
Net increase to shareholders' equity funds	**1,963**	566
Opening shareholders' equity funds	**5,401**	4,835
Closing shareholders' equity funds	**7,364**	5,401

23 Notes to the statement of cash flows

Reconciliation of operating loss to net cash inflow from operating activities

	2010 £000	2009 £000
Operating profit	**2,655**	999
Amortisation	**30**	30
Depreciation	**579**	651
Loss on disposal of tangible fixed assets	**6**	34
Loss on sale of investment	**–**	47
(Increase)/decrease in stocks	**(106)**	740
Increase in debtors	**(1,837)**	(3,355)
Increase/(decrease) in creditors	**480**	(240)
Exchange difference	**–**	(61)
Net cash inflow/(outflow) from operating activities	**1,807**	(1,155)

Reconciliation of net cash flow to movement in net debt

	2010 £000	2009 £000
(Decrease)/increase in cash in the period	**(1,677)**	1,587
Net cash inflow/(outflow) from financing	**2,009**	(3,810)
Non-cash adjustment in respect of intra-group loan	**1,761**	–
Inception of finance leases and hire purchase agreements	**(670)**	–
Change in net debt	**3,100**	(2,223)
Net debt at 1 January 2010	**(6,602)**	(4,379)
Net debt at 31 December 2010	**(5,179)**	(6,602)

Notes to the financial statements (continued)

23 Notes to the statement of cash flows (continued)

Analysis of changes in net debt

	At 1 Jan 2010 £000	Cash flows £000	Non cash flow £000	At 31 Dec 2010 £000
Net cash				
Cash in hand and at bank	2,348	(1,668)	-	680
Overdrafts	–	(9)	-	(9)
	2,348	(1,677)	-	671
Debt				
Bank and other loans	(8,035)	1,519	1,761	(4,755)
Finance leases and similar agreements	(915)	(180)	–	(1,095)
	(8,950)	1,339	1,761	(15,850)
Net debt	(6,602)	(338)	1,761	5,179

Non-cashflow in relation to bank and other loans relates to loans with companies which are now under common control following a group restructuring

24 Deferred taxation

The company has the following deferred tax liability

	2010 £000	2009 £000
Accelerated capital allowances	**281**	199
Other timing differences	**(2)**	1
	279	200

The movement in the deferred tax liability is shown below

	2010 £000	2009 £000
At 1 January	**(200)**	–
Charge to the profit and loss account for the year	**(79)**	(200)
At 31 December	**(279)**	(200)

25 Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £227,000 (2009 £nil)

Notes to the financial statements (continued)

26 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 it's shareholding in Lindal Holdings Plc in 2010 from EPTEC SA, incorporated in Luxemburg No group accounts are available to the public