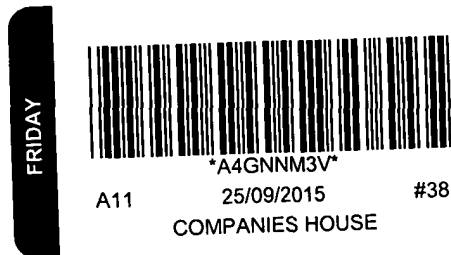


GIST LIMITED

(Registered No: 00502669)

DRAFT FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014



Registered Office: The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford,
Surrey, GU2 7XY, England.

GIST LIMITED

Annual report for the year ended 31 December 2014

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GIST LIMITED

Strategic report for the year ended 31 December 2014

The company is a member of The Linde Group, and its ultimate parent company is Linde AG (the "Group").

Principal activities

The company's principal activity is, and has been throughout the year, supply chain services for retailers and manufacturers. It is envisaged that this will continue to be the principal activity of the company for the foreseeable future.

The company continues to provide supply chain services to customers in four targeted areas; Food and Drink, Retail, Freight Forwarding and Group related activities. The company's market proposition covers the broad spectrum of supply chain solutions from design to operational execution, specifically tailored to individual customer needs.

Development and performance of the company's business during the financial year

Opportunities for growth in the logistics sector remained limited during the year as a result of retailers focusing on cost control and the generally weak economic situation. Gist continued to perform well in these challenging conditions, providing resilient and adaptable service offerings to its customers.

During the year the company won new business for its primary food and drink chilled distribution operations and extended its secondary food contract distribution activities into continental Europe. Going forward, the company is focused on expanding its end to end supply chain operations for national scale customers and continues to seek further opportunities for growth in the food retail sector.

The company continues to focus on safety and seeks to maintain its excellent safety awareness culture where all employees are encouraged to take a personal responsibility for safety, in an open and challenging environment.

Sales in the year rose 1.2% to £405.7m generated by increased revenue in the Food and Drink sector.

Operating profit for the year rose by 19.8% to £35.6m. Excluding expenses for share based payments which were included for the first time last year, underlying operating profit for the year rose by 6.8%, mainly due to good performance in primary food and drink distribution.

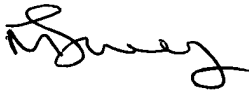
The company is funded by way of share capital and group loans where necessary. The company's balance sheet shows a zero cash position due to its participation in a cash pooling arrangement with another UK group company. As part of this arrangement the company held £36.5m of available credit at the balance sheet date (2013 £47.6m) in the form of an inter company debtor.

The results for the year are contained in the accompanying profit and loss account on page 8.

GIST LIMITED**Strategic report for the year ended 31 December 2014 (continued)****Risks and uncertainties**

The principal risks and uncertainties facing the company include, but are not limited to, retention of customer contracts, price and customer service levels, operational and safety performance, competition, integration of acquired businesses, performance risks under long term fixed price contracts, loss of supply of commodities and service, changes in the regulatory and legal environment, and credit and interest rate risks as affected by the wider economy.

The company has implemented a coordinated set of risk management and internal management control processes to monitor and, where possible, to mitigate these risks, including for example, strategic planning and management reporting and access to a dedicated risk management department within The Linde Group. Key performance indicators on a contract by contract basis are reviewed by the board regularly.



Mr M Sweeney
Director

.....21-09-2015

The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England

GIST LIMITED

Directors' report for the year ended 31 December 2014

The directors present their report and the audited financial statements of the company for the year ended 31 December 2014.

The principal activities and risks and uncertainties are contained within the Strategic report.

Directors

The directors of the company during the year and, where relevant, subsequent to the year end were:

Mr M R Bousfield	resigned 30 November 2014
Mr A C Brackfield	
Mr M I Chambers	
Mr M K Flynn	
Mr M A Gwynn	
Mr M Sweeney	

The directors are not subject to retirement by rotation.

Dividends

At a board meeting held on 2 June 2014 it was resolved that an interim dividend of £46.153846153 per Ordinary Share, representing a total dividend payment of £60,000,000, and a further dividend of €4.6153846153 per Ordinary Share, representing a total dividend payment of €6,000,000, be paid on 16 June 2014 to the registered holders of the Company's Ordinary Shares as at the close of business on 2 June 2014.

At a board meeting held on 7 May 2015 it was resolved that an interim dividend of £11.8461538461 per Ordinary Share, representing a total dividend payment of £15,400,000, and a further dividend of €4.6153846153 per Ordinary Share, representing a total dividend payment of €6,000,000, be paid on 12 May 2015 to the registered holders of the Company's Ordinary Shares as at the close of business on 7 May 2015.

Disabled persons

The company's employee recruitment practices give full consideration to job applications from disabled persons. Candidates are selected and appointed on the basis of their ability to perform the duties of the job. Encouragement is given in the training, career development and promotion of all employees according to the opportunities available, organisational requirements and individual aptitudes and abilities. This policy includes disabled employees for whom any further necessary training is arranged taking account of their particular needs, any reasonable adjustments and the resources required to meet them.

The company continues to support employees who have become disabled during employment with the company. The aim is to maintain their pre-disability position.

GIST LIMITED

Directors' report for the year ended 31 December 2014 (continued)

Employee involvement

Company policy follows that of the ultimate holding company, Linde AG, in encouraging consultation with employees on matters of concern to them.

Communication with individual employees is achieved through briefings and personal appraisal sessions and collectively, through company newspapers, videos, information bulletins and other such publications, as well as representatives attending briefing meetings with senior management and participating on consultation forums, safety committees and trade union negotiating committees. The Linde Group has a European Works Council comprising representatives from the workforce of the Group's businesses in its European countries.

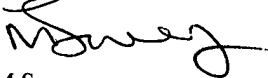
Disclosure of information to auditor

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

Auditor

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

By Order of the Board


Mr M Sweeney
Director

21-09-2015

The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England

GIST LIMITED

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
 Gateway House
 Tollgate
 Chandlers Ford
 SO53 3TG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIST LIMITED

We have audited the financial statements of Gist Limited for the year ended 31st December 2014 set out on pages 8 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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, 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

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 31st December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 GIST LIMITED
(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.



James Ledward (senior statutory auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Gateway House
Tollgate
Chandlers Ford
SO53 3TG

.....22 September.....2015

GIST LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	<u>2014</u> £000	<u>2013</u> £000
Turnover	2	405,709	401,096
Cost of sales		(360,724)	(362,974)
Gross profit		<u>44,985</u>	<u>38,122</u>
Administrative expenses		(9,545)	(8,586)
Other income received		161	188
Operating profit	3	<u>35,601</u>	<u>29,724</u>
Profit on disposal of fixed assets		1,685	438
Profit on ordinary activities		<u>37,286</u>	<u>30,162</u>
Dividends received		4,804	4,230
Net interest receivable and similar charges	4	140	186
Interest on pension scheme liabilities	16	(1,790)	(1,270)
Expected return on pension scheme assets	16	1,590	1,100
Profit on ordinary activities before taxation		<u>42,030</u>	<u>34,408</u>
Tax on profits on ordinary activities	5	(8,270)	(686)
Profit on ordinary activities after taxation		<u><u>33,760</u></u>	<u><u>33,722</u></u>

All the company's operations are classed as continuing.

There are no gains and losses in either period other than those recognised above.

GIST LIMITED
BALANCE SHEET AT 31 DECEMBER 2014

	Notes	2014 £000	2013 £000
FIXED ASSETS			
Tangible assets	8	77,661	81,877
Investments	9	216	216
		<u>77,877</u>	<u>82,093</u>
CURRENT ASSETS			
Stocks	10	1,773	1,658
Debtors: Amounts falling due within one year	11	112,424	131,025
Debtors: Amounts falling due after more than one year	12	3,531	4,267
Total Debtors Receivable		<u>115,955</u>	<u>135,292</u>
Cash at bank and in hand		-	-
		<u>117,728</u>	<u>136,950</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	13	(79,036)	(70,733)
Net current assets - including non-current debtors of £3.5m (2013: £4.3m)		<u>38,692</u>	<u>66,217</u>
Total assets less current liabilities		<u>116,569</u>	<u>148,310</u>
Creditors: Amounts falling due after more than one year	14	(30)	(91)
Provisions for liabilities and charges	15	-	(851)
NET ASSETS EXCLUDING PENSION ASSETS AND LIABILITIES		<u>116,539</u>	<u>147,368</u>
Pension deficit	16	(1,065)	(4,075)
NET ASSETS INCLUDING PENSION ASSETS AND LIABILITIES		<u>115,474</u>	<u>143,293</u>
CAPITAL AND RESERVES			
Called up share capital	18	1,300	1,300
Share premium account	19	74,621	74,621
Capital contribution reserve	19	3,471	3,614
Profit and loss account	19	36,082	63,758
EQUITY SHAREHOLDER'S FUNDS		<u>115,474</u>	<u>143,293</u>

The financial statements on pages 8 to 34 were approved by the Board of Directors on 21.09.15 and are signed on its behalf by:


 MR M SWEENEY Director

GIST LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>2014</u>	<u>2013</u>
	£000	£000
Profit for the financial year	33,760	33,722
Actuarial gain recognised on the pension schemes	3,620	300
Movement on deferred tax relating to actuarial (gain) on pensions	(252)	(60)
Total recognised gains and losses for the financial year	<u>37,128</u>	<u>33,962</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

a) Accounting convention

These financial statements are based on the modified historical cost accounting convention including the revaluation of certain land and buildings in 1989 (see note 1(e)).

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The cash flows of the company are included in the consolidated cash flow statement of Linde AG. Consequently, the company is exempt under the terms of FRS 1 from publishing a cash flow statement.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

b) Turnover

Turnover is based on the invoiced value of sales, excluding VAT, and includes sales to other companies within The Linde Group. Turnover for services is recognised when the service has been performed for the customer as specified in the contract or agreement.

c) Finance and operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals consist of capital repayment only. The capital element is applied to reduce the outstanding obligations. Assets held under finance leases are depreciated over the shorter of the lease terms and the useful lives of equivalent owned assets.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the financial year end. Transactions in foreign currencies are translated at the rate ruling on the date of the transaction or at the contracted rate where applicable. All exchange differences are dealt with through the profit and loss account.

e) Tangible fixed assets

(i) No depreciation is charged on freehold land or construction in progress. Depreciation is charged on all other fixed assets on the straight line basis over their useful economic lives. Straight line depreciation rates vary according to the class of asset, but are typically:

	Per Annum
Freehold buildings	2-10%
Leasehold land and buildings (or at rates based on the life of the lease, where shorter than 25 years)	2-4%
Plant, machinery & vehicles	4-33%

(ii) 'FRS 15 - Tangible fixed assets,' became effective on 23 March 2000 and the company adopted the transitional arrangements of this standard which allowed the company to retain the book amounts of its previously revalued land and buildings being the 'frozen' book values. The company has not updated the valuation of its previously revalued land and buildings which were last revalued during 1989 by the Group Surveyor, Mr P C Biles, ARICS on a depreciated replacement cost basis. The basis of valuation was the purchase cost in the open market for non-specialised property and for specialised property the current cost of the site and buildings depreciated to reflect the age of the buildings. In taking advantage of the transitional arrangements, for the purposes of FRS 15 the 'frozen' book values are treated as though they were historical costs.

f) Investment

Investments in subsidiaries, joint ventures and associates are stated at cost less any provision for permanent diminution in value. They are reviewed for impairment whenever circumstances indicate that the carrying amount may not be recoverable.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

g) Stocks

Stocks consist of fuel, oil, stationery and spare parts for vehicles and plant. Stock is valued at the lower of cost and net realisable value. Cost is arrived at on the 'first-in, first-out' (FIFO) basis.

h) Deferred Tax

Deferred taxation is provided in full on timing differences which represent a liability at the balance sheet date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted. Deferred tax is accounted for in accordance with FRS 19.

i) Pensions

UK employees who joined the company prior to 1 July 2003 could elect to become members of a BOC UK defined benefit scheme funded partly by contributions from members and partly by contributions from Group undertakings at rates advised by independent, professionally qualified actuaries. With effect from April 2011, all employees who were members of the BOC UK defined benefit scheme became deferred pensioners and had the opportunity to join a new defined benefit scheme dedicated to Gist employees.

UK employees of The Linde Group who have had offers of employment dated after 30 June 2003 are entitled to become members of BOC Retirement Savings Plan, a defined contribution plan.

The company accounts for pension costs in accordance with UK Financial Reporting Standard 17 (FRS17) on retirement benefits.

The pension cost recognised in the company's financial statements, in relation to the defined contribution scheme, is the total of company contributions payable in the period.

The assets of The Linde Group's BOC UK and Gist pension scheme are held independently of the Group's finances. The principal schemes are self-administered. Further details of the schemes, showing their assets, can be found in the Report and Accounts 2014 for Linde AG.

In respect of the Gist defined benefit scheme the regular service cost of providing retirement benefits to employees during the year is charged to operating profit in the year. The full cost of providing amendments to benefits in respect of past service is also charged to operating profit in the year. A credit representing the expected return on assets of the retirement benefit schemes during the year is included within profit on ordinary activities before taxation. This is based on the market value of the assets of the scheme at the start of the financial year. A charge representing the expected increase in the liabilities of the retirement benefit schemes during the year is included within profit on ordinary activities before taxation. This arises from the scheme being one year closer to payment. Differences between actual and expected returns on assets during the year are recognised in the statement of total recognised gains and losses in the year together with differences arising from changes in assumptions.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

j) Classification of financial instruments issued by the company

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

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

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

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy. The finance cost on the financial liability component is correspondingly higher over the life of the instrument.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholder's funds, are dealt with as appropriations in the reconciliation of movements in shareholder's funds.

k) Dividends on shares presented within shareholder's funds

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

l) Share-based payments

The share option programme allows certain employees to acquire shares of Linde AG, the company's ultimate parent company. The fair value of options granted is recognised as an employee expense with a corresponding increase in equity at Linde AG. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not reaching the threshold for vesting.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. TURNOVER

Turnover principally relates to supply chain activity within the UK.

3. OPERATING PROFIT

	<u>2014</u> £000	<u>2013</u> £000
Operating profit is stated after charging :-		
Depreciation of tangible fixed assets		
Owned assets	12,806	12,705
Leased assets	98	471
Hire of plant and machinery	3,952	3,460
Property rental	3,090	4,303
Net foreign exchange loss	47	18
Auditor's remuneration for:		
Audit	83	101
Other non audit related services	30	53
	<u>140</u>	<u>186</u>

4. NET INTEREST RECEIVABLE AND SIMILAR CHARGES

	<u>2014</u> £000	<u>2013</u> £000
Interest receivable from group companies	143	201
Preference share dividends	(1)	(1)
Finance lease interest	(2)	(14)
	<u>140</u>	<u>186</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TAX

a) Analysis of tax charge in the year:-

	<u>2014</u> £000	<u>2013</u> £000
Current tax:		
Overseas tax	75	-
UK corporation tax on profits of the year	7,711	-
Total current tax	<u>7,786</u>	<u>-</u>
Deferred tax:		
Reversal and Origination of timing differences	222	130
Effect of decreased tax rate on opening asset	(19)	595
Adjustment for under / (over) provision in prior years	281	(39)
Tax on profit on ordinary activities	<u>8,270</u>	<u>686</u>

(b) Factors affecting tax charge for the year:-

The tax assessed for the period is different to the rate of corporation tax in the UK of 21.5% (2013: 23.25%). The differences are explained below:

	<u>2014</u> £000	<u>2013</u> £000
Profit on ordinary activities before tax	<u>42,030</u>	<u>34,408</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	9,036	8,000
Effects of:		
Expenses not deductible for tax purposes	333	200
Accelerated capital allowances and other timing differences	(625)	(932)
Dividend income not assessable for tax purposes	(1,033)	(983)
Overseas taxation (including adjustments in respect to previous years)	75	-
Group relief for nil consideration	-	(6,285)
Current tax charge for the period (see note (a) above)	<u>7,786</u>	<u>-</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. TAX (continued)

Tax on recognised gains and losses not included in the profit and loss account:

	<u>2014</u>	<u>2013</u>
	£000	£000
Origination and reversal of timing differences relating to pension scheme	252	60

The Finance Act 2013 includes provisions to reduce the main rate of corporation tax to 20% from 1 April 2015. The effect of this rate change on the deferred tax balances as at 31 December 2014 has been included in the deferred tax figures above.

6. DIRECTORS' EMOLUMENTS

(a) The emoluments of the directors of the company were:

	<u>2014</u>	<u>2013</u>
	£000	£000
Management Remuneration		
- Salaries and benefits	1,276	1,269
- Annual bonuses earned in the period	1,213	2,280
- Pension contributions	251	216
	<u>2,740</u>	<u>3,765</u>

Retirement benefits are accruing to four directors (2013 - five) under a defined benefit scheme.

(b) Emoluments payable to the highest paid director were as follows:

	<u>2014</u>	<u>2013</u>
	£000	£000
Emoluments	939	1,366
Pension contributions	102	46
Deferred pension	<u>147</u>	<u>142</u>

The emoluments of Mr A C Brackfield are paid by The BOC Group Limited, in his role as an employee of that company. His services to this company are of a non-executive nature and his emoluments are deemed to be wholly attributable to his services to The BOC Group Limited. Accordingly these financial statements include no emoluments in respect of this director.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. EMPLOYEES

(a) Average number of employees during the period:

	<u>2014</u> numbers	<u>2013</u> numbers
Management and administration	996	973
Warehousing and distribution	3,159	3,107
	<u>4,155</u>	<u>4,080</u>

(b) Employment costs:

	<u>2014</u> £000	<u>2013</u> £000
Wages and salaries	128,971	124,455
Social security costs	12,359	11,917
Pension costs	17,238	17,922
	<u>158,568</u>	<u>154,294</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FIXED ASSETS

a) Tangible Assets

	<u>Land & Buildings</u> £000	<u>Plant, Machinery & vehicles</u> £000	<u>Total</u> £000
GROSS BOOK VALUE			
At 1 January 2014	97,785	114,037	211,822
Capital Expenditure in the period	525	9,461	9,986
Disposals	(2,302)	(7,409)	(9,711)
At 31 December 2014	<u>96,008</u>	<u>116,089</u>	<u>212,097</u>
DEPRECIATION			
At 1 January 2014	53,538	76,407	129,945
Provided during the period	2,873	10,031	12,904
Disposals	(1,294)	(7,119)	(8,413)
At 31 December 2014	<u>55,117</u>	<u>79,319</u>	<u>134,436</u>
NET BOOK VALUE			
Owned Assets	40,351	36,770	77,121
Leased Assets	540	-	540
At 31 December 2014	<u>40,891</u>	<u>36,770</u>	<u>77,661</u>
At 1 January 2014	<u>44,247</u>	<u>37,630</u>	<u>81,877</u>

Accumulated depreciation relating to leased assets was £1,339,000 (2013: £2,940,000).

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. FIXED ASSETS (continued)

b) Land and Buildings

	<u>2014</u> £000	<u>2013</u> £000
Freehold property	38,569	41,608
Leasehold property		
- Long Term	1,782	2,050
- Short Term	540	589
	<u>40,891</u>	<u>44,247</u>

Prior year figures have been restated to correctly split out the net book values of long leasehold property, as this was previously stated incorrectly.

c) Capital commitments

	<u>2014</u> £000	<u>2013</u> £000
Future capital expenditure contracted but not provided for	<u>351</u>	<u>341</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. INVESTMENTS

a) Summary

	Investments in subsidiary undertakings £000
At 1 January 2014	216
Additions	-
At 31 December 2014	<u>216</u>

b) Group undertakings

Subsidiary undertakings

Country of incorporation	Name	% of nominal value held	Number of shares	Class of shares held
United Kingdom	Gist People Services Limited	100	4,000	Ordinary £1
Republic of Ireland	Gist Distribution Limited	100	250,000	Ordinary €1

10. STOCKS

	<u>2014</u> £000	<u>2013</u> £000
Raw materials and supplies	<u>1,773</u>	<u>1,658</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Trade debtors	59,711	68,290
Amounts owed by fellow subsidiary undertakings	49,195	59,603
Prepayments and accrued income	3,518	3,132
	<u>112,424</u>	<u>131,025</u>

12. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Deferred tax asset	3,531	4,267
	<u>3,531</u>	<u>4,267</u>

Deferred Tax

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		£000	£000
Deferred Tax Asset			
Arising from accelerated capital allowances		3,146	3,414
Pensions scheme		436	828
Other short term timing differences		(51)	25
		<u>3,531</u>	<u>4,267</u>
At 1 January 2014		4,267	5,013
Deferred tax (charge) in profit and loss account	5	(484)	(686)
Deferred tax (charge) in statement of total recognised gains and losses		(252)	(60)
At 31 December 2014		<u>3,531</u>	<u>4,267</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Trade creditors	25,358	24,872
Amounts owed to fellow subsidiaries	14,858	15,422
Corporation tax due	8,579	868
Other taxation and social security	13,233	14,851
Accruals and deferred income	17,008	14,661
Finance lease payables	-	59
	<u>79,036</u>	<u>70,733</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2014</u>	<u>2013</u>
	£000	£000
Finance lease payables in the second to fifth years inclusive	-	61
1,000 5% cumulative preference shares	1	1
29,000 5% cumulative B preference shares	29	29
	<u>30</u>	<u>91</u>

The 1,000 5% cumulative preference shares of £1 each and the 29,000 5% cumulative B preference shares of £1 each carry a fixed preferential dividend at the rate of 5% per annum, payable annually in arrears on the last working day in November. The shares have no redemption entitlement. On winding up the holders have priority before all other classes of shares to receive repayment of capital plus any arrears of dividend. The holders of the cumulative preference shares take priority over the holders of the cumulative B preference shares. Each class of preference share carries votes amounting to ten percent (10%) of the total votes able to be cast at all general meetings of the company.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>Dilapidations</u> <u>Provision</u> £000	<u>Employer's</u> <u>Liability</u> £000	<u>Total</u> £000
At 1 January 2014	642	209	851
Utilisation in the period	(642)	(209)	(851)
At 31 December 2014	-	-	-

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. PENSION COST

Contributions made to the BOC Retirement Savings Plan (defined contribution pension fund) during the year amounted to £7.0m (2013: £6.3m). There was no accrued contributions payable after year end (2013: nil).

Gist operates a defined benefit scheme in the UK with assets held in a separately administered fund. The scheme provides earnings-related pension benefits and is wholly funded by Gist. This scheme commenced in April 2011 and the latest actuarial valuation was during 2014. This scheme is closed to new entrants. The company has a defined contribution scheme to provide benefits to new employees. The major assumptions used by the actuary for the defined benefit scheme were:

	<u>2014</u>	<u>2013</u>
Rate of increase in salaries	2.50%	2.50%
Rate of increase in pensions in payment	2.50%	2.50%
Discount rate	3.60%	4.65%
Inflation assumption	3.20%	3.50%

	<u>Males</u>	<u>Females</u>
Life expectancies as at 31 December 2014		
Average future life expectancy (in years) for a pensioner aged 65 at 31 December 2014	21.9	22.4
Average future life expectancy (in years) at age 65 for a non-pensioner aged 45 at 31 December 2014	23.4	25.9

The assets in the scheme and the expected rates of return were:

	<u>2014</u>	<u>2013</u>
Long term rate of return expected at 31 December		
Equities	3.60%	4.65%
Bonds	3.60%	4.65%
Other	3.60%	4.65%

	<u>2014</u> £000	<u>2013</u> £000	<u>2012</u> £000	<u>2011</u> £000
Value at 31 December				
Equities	14,050	11,760	7,530	2,887
Bonds	29,340	15,870	3,650	1,436
Other	5,100	1,920	8,140	3,867
Total market value of assets	48,490	29,550	19,320	8,190
Present value of scheme liabilities	(49,620)	(33,690)	(22,140)	(8,450)
(Deficit) in the scheme	(1,130)	(4,140)	(2,820)	(260)
Related deferred tax asset	65	65	65	65
Net pension (deficit)	(1,065)	(4,075)	(2,755)	(195)

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. PENSION COST (continued)

Analysis of the amount charged to operating profit:

	<u>2014</u>	<u>2013</u>
	£000	£000
Current service cost	9,770	10,810
Administration and other costs	710	830
Total operating charge	<u>10,480</u>	<u>11,640</u>

Of the total current service cost, £9.4m (2013: £10.7m) is included within cost of sales and £1.1m (2013: £0.9m) is included within administrative expenses.

The total contributions expected to be made to the scheme in the year to 31 December 2015 is £11.2m.

Analysis of the amount credited to other finance costs:

	<u>2014</u>	<u>2013</u>
	£000	£000
Expected return on pension scheme assets	1,590	1,100
Interest on pension scheme liabilities	(1,790)	(1,270)
Net return	<u>(200)</u>	<u>(170)</u>

Analysis of amount recognised in statement of total recognised gains and losses (STRGL):

	<u>2014</u>	<u>2013</u>
	£000	£000
Actual return less expected return on pension scheme assets	8,030	(220)
Experience gains and losses arising on the scheme liabilities	4,400	190
Changes in assumptions underlying the present value of the scheme liabilities	(9,720)	330
Effects from changes in demographic assumptions	910	-
Actuarial gain recognised in STRGL	<u>3,620</u>	<u>300</u>

The cumulative amount of actuarial gains recognised in the STRGL as at December 2014 is £0.7m, (2013: £2.9m loss).

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. PENSION COST (continued)

Reconciliation of present value of scheme liabilities

	<u>2014</u>	<u>2013</u>
	£000	£000
(Liabilities) in scheme at 1 January	(33,690)	(22,140)
Movement in the year:		
Current service cost	(9,770)	(10,810)
Interest expense	(1,790)	(1,270)
Employee contributions	(180)	(170)
Benefits paid by fund	220	180
Current actuarial gain / (loss)	(4,410)	520
(Liabilities) in scheme at 31 December	<u>(49,620)</u>	<u>(33,690)</u>

Reconciliation of fair value of scheme assets

	<u>2014</u>	<u>2013</u>
	£000	£000
Surplus in scheme at 1 January	29,550	19,320
Movement in the year:		
Expected return on scheme assets	1,590	1,100
Actuarial (losses) / gains	8,030	(220)
Benefits paid	(220)	(180)
Contributions	10,250	10,360
Administration and other costs	(710)	(830)
Surplus in scheme at 31 December	<u>48,490</u>	<u>29,550</u>

The overall expected rate of return is calculated by weighting the individual rates in accordance with the anticipated balance in the plan's investment portfolio.

The actual return on scheme assets in the year was £9.6m (2013: £0.9m).

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. PENSION COST (continued)

History of experience gains and losses:

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Difference between the expected and actual return on scheme assets:				
amount (£000)	8,030	(220)	570	160
percentage of scheme assets	16.6%	-0.7%	3.0%	2.0%
Experience gains and losses on scheme liabilities:				
amount (£000)	4,400	190	(1,350)	(80)
percentage of the present value of the scheme liabilities	-8.9%	-0.6%	6.1%	0.9%
Total amount recognised in statement of total recognised gains and losses:				
amount (£000)	3,620	300	(2,020)	(1,190)
percentage of the present value of the scheme liabilities	-7.3%	-0.9%	9.1%	14.1%

17. EMPLOYEE SHARE SCHEMES

Share based payments - Linde AG

A Long Term Investment Plan (LTIP) was implemented during 2007 by Linde AG and a further LTIP was implemented during 2012. Under these plans shares are directly granted from Linde AG to certain employees of the company.

2007 LTIP

During 2014 there were 4,168 (2013: 21,980) share options exercised. No new options were granted during the year (2013: nil). The exercise price is €2.56 (2013: €2.56). The average remaining period in the LTIP 2007 is nil months (2013: 6 months).

	<u>2014</u>	<u>2013</u>
Number of options		
Number as at 1 January	17,873	41,315
Options granted	-	-
Exercised	(4,168)	(21,980)
Forfeited	-	(376)
Expired	(13,279)	(1,086)
Transfers	(426)	-
Number as at 31 December	<u>-</u>	<u>17,873</u>
Of which exercisable at 31 December	-	-

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. EMPLOYEE SHARE SCHEMES (continued)

The estimate of the fair value of the services received is measured based on a Monte-Carlo-Simulation model under the following assumptions:

Monte Carlo simulation model

	3rd Tranche <u>2009</u>	4th Tranche <u>2010</u>	5th Tranche <u>2011</u>
Expected volatility (%)	34.60%	35.27%	34.06%
Risk-free interest rate (%)	1.88%	0.85%	1.89%
Expected dividend yield (%)	3.10%	2.50%	2.50%
Initial value of Linde AG share in €	59.75	84.54	116.45
Exercise price in €	2.56	2.56	2.56

	<u>Option price</u> <u>in €</u>	<u>weighting in</u> <u>percent</u>	<u>Total value in</u> <u>€</u>	<u>Probability in</u> <u>percent</u>	<u>Value at</u> <u>31.12 in €</u>
3rd tranche 2009					
Earnings per share	52.10	40	20.84	100	20.84
Absolute total shareholder return	26.38	30	7.91		7.91
Relative shareholder return	30.93	30	9.28		9.28
TOTAL		<u>100</u>	<u>38.03</u>		<u>38.03</u>
4th tranche 2010					
Earnings per share	79.64	40	31.86	100	31.86
Absolute total shareholder return	38.85	30	11.66		11.66
Relative shareholder return	46.78	30	14.03		14.03
TOTAL		<u>100</u>	<u>57.55</u>		<u>57.55</u>
5th tranche 2011					
Earnings per share	105.72	40	42.29	-	-
Absolute total shareholder return	52.57	30	15.77		15.77
Relative shareholder return	61.17	30	18.35		18.35
TOTAL		<u>100</u>	<u>76.41</u>		<u>34.12</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. EMPLOYEE SHARE SCHEMES (continued)

2012 LTIP

During 2014 there were no share options exercised (2013: nil). 14,115 (2013: 14,341) options were granted during the year. The exercise price is €2.56 (2013: €2.56). The average remaining period in the LTIP 2012 is 29 months (2013: 36 months).

	<u>2014</u>	<u>2013</u>
Number of options		
Number as at 1 January	31,940	17,744
Options granted	14,115	14,341
Forfeited	(1,866)	(145)
Transfers	(1,502)	-
Number as at 31 December	<u>42,687</u>	<u>31,940</u>
Of which exercisable at 31 December	-	-

The estimate of the fair value of the services received is measured based on a Monte-Carlo-Simulation model under the following assumptions:

Monte Carlo simulation model

	<u>1st Tranche</u> <u>2012</u>	<u>2nd Tranche</u> <u>2013</u>	<u>3rd Tranche</u> <u>2014</u>
Expected volatility (%)	22.54%	21.08%	19.95%
Risk-free interest rate (%)	0.44%	0.36%	0.24%
Expected dividend yield (%)	2.50%	2.50%	2.50%
Initial value of Linde AG share in €	120.6	147.85	154.55
Exercise price in €	2.56	2.56	2.56

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. EMPLOYEE SHARE SCHEMES (continued)

	<u>Option price</u> <u>in €</u>	<u>weighting in</u> <u>percent</u>	<u>Total value in</u> <u>€</u>	<u>Probability in</u> <u>percent</u>	<u>Value at</u> <u>31.12 in €</u>
1st tranche 2012					
Earnings per share	106.74	50	53.37	40	21.35
Relative total shareholder return	52.31	50	26.16		26.16
TOTAL		100	79.53		47.51
2nd tranche 2013					
Earnings per share	131.42	50	65.71	40	26.28
Relative total shareholder return	67.75	50	33.88		33.88
TOTAL		100	99.59		60.16
3rd tranche 2014					
Earnings per share	137.72	50	68.86	40	27.54
Relative total shareholder return	74.96	50	37.48		37.48
TOTAL		100	106.34		65.02

The expected volatility is based on the historic volatility calculated based on the weighted average remaining life of the share options adjusted for any expected changes to future volatility due to publicly available information.

The Target 'Earnings Per Share' qualifies as a non-market performance condition. Such condition is not taken into account in the grant date fair value measurement of the services received. The Targets 'Absolute Total Shareholder Return' and 'Relative Total Shareholder Return' qualify as market conditions associated with the share option grants and are included in the fair value measurement of the options.

The income recognised for share based payments in the year was £143K (2013: £3,614K expense).

18. CALLED UP SHARE CAPITAL

	<u>2014</u> <u>£000</u>	<u>2013</u> <u>£000</u>
Ordinary Shares of £1 each:		
2,000,000 shares Authorised	2,000	2,000
1,300,000 shares Issued and Fully Paid	1,300	1,300

Please refer to note 14 for disclosures in respect of preference shares classified as liabilities.

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. RESERVES

	<u>Share</u> <u>Premium</u> <u>Account</u> £000	<u>Capital</u> <u>Contribution</u> <u>Reserve</u> £000	<u>Profit & Loss</u> <u>Account</u> £000
At 1 January 2014	74,621	3,614	63,758
Retained profit for the year	-	-	33,760
Dividend paid	-	-	(64,804)
Share options	-	(143)	-
Other recognised gains and losses relating to the year	-	-	3,368
At 31 December 2014	<u>74,621</u>	<u>3,471</u>	<u>36,082</u>

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	<u>Notes</u>	<u>2014</u> £000	<u>2013</u> £000
Profit for the financial period		33,760	33,722
Share options (debit)/credit - capital contribution		(143)	3,614
Dividends	21	(64,804)	(59,230)
Other recognised gains and losses		3,368	240
Net (decrease) / increase to shareholder's funds		<u>(27,819)</u>	<u>(21,654)</u>
Shareholder's funds at 1 January		143,293	164,947
Shareholder's funds at 31 December		<u>115,474</u>	<u>143,293</u>

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. DIVIDENDS

	<u>2014</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>
Equity Paid	64,804	59,230

At a board meeting held on 2 June 2014 it was resolved that an interim dividend of £46.153846153 per Ordinary Share, representing a total dividend payment of £60,000,000, and a further dividend of €4.6153846153 per Ordinary Share, representing a total dividend payment of €6,000,000, be paid on 16 June 2014 to the registered holders of the Company's Ordinary Shares as at the close of business on 2 June 2014.

At a board meeting held on 7 May 2015 it was resolved that an interim dividend of £11.8461538461 per Ordinary Share, representing a total dividend payment of £15,400,000, and a further dividend of €4.6153846153 per Ordinary Share, representing a total dividend payment of €6,000,000, be paid on 12 May 2015 to the registered holders of the Company's Ordinary Shares as at the close of business on 7 May 2015. These dividends have not been accounted for within the current year financial statements as they were authorised and paid after the year end.

22. OPERATING LEASE COMMITMENTS

	<u>Property Leases</u>	<u>Other operating leases</u>	<u>Property Leases</u>	<u>Other operating leases</u>
	<u>2014</u>	<u>2014</u>	<u>2013</u>	<u>2013</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Annual rentals payable on leases expiring:				
Less than 1 year	75	486	278	274
Between 1 and 2 years	1,110	430	983	1,064
Between 2 and 5 years	1,660	1,701	1,425	1,586
More than 5 years	106	199	105	271
	2,951	2,816	2,791	3,195

GIST LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. CONTINGENT LIABILITIES

The company is, in the ordinary course of business, subject to claims and circumstances giving rise to potential claims from customers. While the outcome of some of these matters cannot readily be foreseen, the directors believe that they will be disposed of without material effect on the net asset position as shown in these financial statements.

24. RELATED PARTY TRANSACTIONS

In accordance with Financial Reporting Standard No.8, Related Party Disclosures, the Company is exempt from disclosing transactions with entities that are part of The Linde Group, or investees of The Linde Group qualifying as related parties, as it is a wholly owned subsidiary of an ultimate parent publishing consolidated financial statements.

25. ULTIMATE PARENT UNDERTAKING

The immediate parent of the company is Storeshield Limited. The ultimate parent undertaking and controlling party is Linde AG which is incorporated in Germany. Linde AG is the parent undertaking and the smallest and largest group to consolidate these financial statements. Copies of Linde AG's consolidated financial statements may be obtained from that company at Klosterhofstrasse 1, 80331, Munich, Germany.