

Registration number: 02072970

**Hoerbiger UK Limited**  
Directors' Report and Financial Statements  
For the Year Ended 31 December 2015



**Hoerbiger UK Limited**  
**Company Information**

<b>Directors</b>	B Martin R Bacher
<b>Registered Office</b>	Unit 2 Maple Park Lowfields Avenue Leeds West Yorkshire LS12 6HH
<b>Solicitors</b>	Shakespeare Putsman LLP Somerset House Temple Street Birmingham B2 5DJ
<b>Bankers</b>	Deutsche Bank AG 1 Great Winchester Street London EC2N 2DB
<b>Auditor</b>	Deloitte LLP Chartered Accountants and Statutory Auditor 1 City Square Leeds LS1 2AL United Kingdom

**Hoerbiger UK Limited**  
**Directors' Report for the Year Ended 31 December 2015**

The directors present their annual report and audited financial statements for the year ended 31 December 2015. This Director's report has been prepared in accordance with the provisions applicable to the companies entitled to the small companies exemption.

The company is a wholly owned subsidiary of Hoerbiger Kompressortechnik Europa Holding GmbH, whose ultimate parent is Hoerbiger Holding AG, a company incorporated in Switzerland.

The principal activity of the company was the production, sale and distribution of compressor parts, compressor component repair and the overhaul, maintenance, upgrading and revamping of compressors and other rotating equipment.

**Development and performance of the business**

	2015 £	2014 £
Turnover	3,301,143	5,739,899
Loss on ordinary activities before taxation	(1,412,015)	(201,356)

In May 2015, the company ceased to produce compressor components, these production operations were transferred to a group company outside of the UK. The company continued with operations to repair, overhaul and upgrade rotating equipment.

The re-organisation enabled the company to follow the Hoerbiger Group strategy to accelerate the development of the Service business and to emphasise its commitment to the UK market. As part of this re-organisation, the remaining business relocated during the year to a new site that enabled the business to have an optimised workshop environment for its operations from standard valve repair to the overhaul of heavy equipment whilst retaining the existing highly competent engineering expertise and allowing the Service team to focus solely on satisfying customer needs. Despite operating in a highly competitive market place, the Directors believe the company is now in a strong position to develop its Service business in the UK.

During the year the company also incurred significant costs relating to the closure of production operations and relocation of the business to the new premises resulting in one off costs of £1.2m. In addition the company acquired IEP Technologies Limited in the year and Newson Gale Limited in 2016.

Also, due to the relocation of the business and the decision to market for sale the existing land and buildings, the Directors made the decision to further impair its value. The value was reduced to £430k. This value is equal to the sales proceeds received in May 2016 when the sale was completed. The additional impairment resulted in a charge of £48,700 in 2015.

**Results and dividends**

The results for the company are set out in the financial statements.

No dividends were paid in 2014. The directors do not recommend a dividend in respect of 2015.

**Going concern**

The company's business activities are set out above.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also believe that with the strong support the company receives from the Hoerbiger Group it will be a valuable contributor to the overall group profitability.

Having received such assurances from the Hoerbiger Holding AG board and considered any other relevant uncertainties, the directors are therefore confident that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider that it is appropriate to continue to prepare these financial statements on a going concern basis.

**Hoerbiger UK Limited**  
**Directors' Report for the Year Ended 31 December 2015**

.....continued

**Post balance sheet events.**

The company acquired Newson Gale Ltd in January 2016, for £17.544 million. Newson Gale provide a broad range of solutions relating to the uncontrolled discharge of static electricity.

The sale of the land and buildings was completed on 15 June 2016, for a consideration equal to the impaired net book value of the asset as at 31 December 2015.

**Directors**

The directors who held office during the year and subsequently, except as noted below, were as follows:

- B Martin
- H Stehr (resigned 24 June 2016)
- R Bacher (appointed 24 June 2016)

**Auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

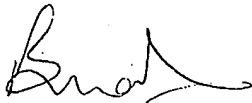
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

**Approval of reduced disclosures**

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received.

The company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the company by Hoerbiger Holding AG., as the ultimate controlling party.

Approved by the Board and signed on its behalf by:



B Martin  
Director

Date :

16/12/2016

## **Hoerbiger UK Limited Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

## **Independent Auditor's Report to the Members of Hoerbiger UK Limited**

We have audited the financial statements of Hoerbiger UK Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

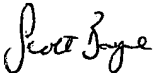
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the director's report.



**Scott Bayne FCA (Senior Statutory Auditor)**  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

16 December 2016

**Hoerbiger UK Limited**  
**Profit and Loss Account for the Year Ended 31 December 2015**

	Note	Discontinued Operations 2015	Continuing Operations 2015	Total 2015	Discontinued Operations 2014	Continuing Operations 2014	Total 2014
		£	£	£	£	£	£
<b>Turnover</b>	3	729,000	2,572,143	3,301,143	2,254,000	3,485,899	5,739,899
<b>Cost of sales</b>		(1,390,000)	(1,693,621)	(3,083,621)	(1,563,000)	(2,376,083)	(3,939,083)
<b>Gross profit</b>		(661,000)	878,522	217,522	691,000	1,109,816	1,800,816
<b>Administrative expenses</b>		(536,000)	(1,828,177)	(2,364,177)	(646,000)	(1,722,253)	(2,368,253)
<b>Other income</b>	6	2,000	731,109	733,109	6,000	357,391	363,391
<b>Operating (loss)/profit on ordinary activities before taxation</b>	4	(1,195,000)	(218,546)	(1,413,546)	51,000	(255,046)	(204,046)
<b>Other interest received and similar income</b>	5	-	1,531	1,531	-	2,690	2,690
<b>(Loss)/profit on ordinary activities before taxation</b>		(1,195,000)	(217,015)	(1,412,015)	51,000	(252,356)	(201,356)
<b>Tax on (loss)/profit on ordinary activities</b>	9	-	-	-	-	(97,805)	(97,805)
<b>(Loss)/profit for the financial year</b>		(1,195,000)	(217,015)	(1,412,015)	51,000	(350,161)	(299,161)

Continuing operations relate to the service contract work performed under the new business plan. The accompanying notes form an integral part of these financial statements.

**Hoerbiger UK Limited**  
**Statement of Comprehensive Income for the Year Ended 31 December 2015**

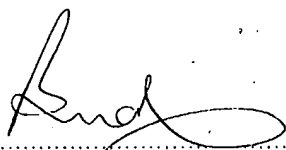
	Note	Total 2015 £	Total 2014 £
<b>Net loss for the year</b>		<b>(1,412,015)</b>	<b>(299,161)</b>
Total actuarial gains / (losses) relating to pension scheme	18	18,320	(10,628)
Write off pensions (deficit) / surplus	18	(18,320)	10,628
<b>Total comprehensive expense for the year</b>		<b><u>(1,412,015)</u></b>	<b><u>(299,161)</u></b>



**Hoerbiger UK Limited**  
**Balance Sheet as at 31 December 2015**

	Note	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Intangible assets	10		1,251		1,492
Tangible assets	11		663,319		959,336
Investments	12		1,336,005		
			<u>2,000,575</u>		<u>960,828</u>
<b>Current assets</b>					
Stocks	13	137,037		361,167	
Debtors due within one year	14	1,228,801		3,206,283	
Cash at bank and in hand		71,581		35,685	
		<u>1,437,419</u>		<u>3,603,135</u>	
<b>Creditors</b>					
Amounts due within one year	15	(1,014,351)		(728,305)	
<b>Net current assets</b>			<u>423,068</u>		<u>2,874,830</u>
<b>Pension scheme</b>	18		-		-
<b>Net assets</b>			<u>2,423,643</u>		<u>3,835,658</u>
<b>Capital and reserves</b>					
Called-up share capital	16		4,600,000		4,600,000
Other reserves			100,000		100,000
Profit and loss reserve			(2,276,357)		(864,342)
<b>Shareholder's funds</b>			<u>2,423,643</u>		<u>3,835,658</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements of Hoerbiger UK Limited, company number 02072970, were approved by the board and authorised for issue on *16 December 2016* and signed on its behalf by:



B Martin  
Director

**Hoerbiger UK Limited**  
**Statement of Changes in Equity at 31 December 2015**

	Called-up share capital £	Equity reserve £	Profit and loss account £	Total £
<b>At 31 December 2013 as previously stated</b>	4,600,000	100,000	(565,181)	4,134,819
Changes on transition to FRS 102 (see note 20)	-	-	-	-
<b>At 1 January 2014 as restated</b>	4,600,000	100,000	(565,181)	4,134,819
Loss for the financial year	-	-	(299,161)	(299,161)
Other comprehensive income	-	-	-	-
<b>Total comprehensive expense</b>	-	-	(299,161)	(299,161)
<b>At 31 December 2014</b>	4,600,000	100,000	(864,342)	3,835,658
Loss for the financial year	-	-	(1,412,015)	(1,412,015)
Other comprehensive income	-	-	-	-
<b>Total comprehensive expense</b>	-	-	(1,412,015)	(1,412,015)
<b>At 31 December 2015</b>	4,600,000	100,000	(2,276,357)	(2,423,643)

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

**1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

***General information and basis of accounting***

Hoerbiger UK Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 2. The nature of the Company's operations and its principal activities are set out in the Directors report on pages 3 to 4.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Hoerbiger UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Hoerbiger UK Ltd meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel.

**Turnover**

Turnover represents amounts chargeable, excluding value added tax and trade discounts, in respect of the sale of goods and services to customers. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover relating to service activity is recognised on completion of the service work in line with the customer purchase agreement. Other income relates to recharges to group companies in respect of particular payroll costs.

**Going concern**

The company's business activities are set out above.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors also believe that with the strong support the company receives from the Hoerbiger Group it will be a valuable contributor to the overall group profitability.

Having received such assurances from the Hoerbiger Holding AG board and considered any other relevant uncertainties, the directors are therefore confident that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors consider that it is appropriate to continue to prepare these financial statements on a going concern basis.

**Tangible fixed assets**

Fixed assets are stated at cost less depreciation less any provision for impairment at the rates stated below.

**Depreciation**

Depreciation is provided on tangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Plant and machinery	10-20% straight line
Freehold buildings	2% straight line
Freehold land is not depreciated.	

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**Intangible fixed assets – goodwill and software rights**

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life as stated below. Provision is made for any impairment.

Intangible software licenses are included at cost and are amortised on a straight line basis over their useful economic lives at the rates stated below. Provision is made for any impairment.

Intangible software licences	33% straight line
Goodwill	33% straight line

**Investments**

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**Stock and work in progress**

Stock and work in progress are stated at the lower of cost and net realisable value. Cost includes direct labour, materials and appropriate production overheads. Provision is made for obsolete and slow moving stocks.

**Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

**Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

**Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term, even if the payments are not on this basis.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities 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 Company after deducting all of its liabilities.

*(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*(ii) Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**Financial instruments (continued)**

**(iii) Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**Employee benefits**

For defined benefit schemes the amounts charged to operating profit are the costs arising from employee services rendered during the period and the cost of plan introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability is charged to profit or loss and included within finance costs. Re-measurement comprising actuarial gains and losses and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors assessed the carrying value of fixed assets following the discontinuance of the production activities. As all fixed assets related to those activities were disposed of either to their Group Companies or third parties it was deemed the value of the remaining assets were fair. The value of the land and buildings was impaired in these accounts to reflect the consideration agreed with the purchaser. All assumptions and estimates in relation to the defined benefit pension scheme are detailed in note 18.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**3. Turnover**

An analysis of turnover by type is given below:

	Total 2015 £	Total 2014 £
Manufactured parts	729,000	2,254,000
Service Operations	2,572,143	3,485,899
	<u>3,301,143</u>	<u>5,739,899</u>

An analysis of turnover by geographical market is given below:

	Total 2015 £	Total 2014 £
UK	2,130,900	3,045,624
Rest of Europe	965,483	2,319,333
Rest of World	204,760	374,942
	<u>3,301,143</u>	<u>5,739,899</u>

**4. Loss on ordinary activities before taxation**

Loss on ordinary activities before taxation is stated after charging / (crediting):

	Total 2015 £	Total 2014 £
Depreciation of tangible fixed assets (note 11)	102,056	181,115
Impairment of tangible fixed assets (note 11)	48,700	299,173
Amortisation of other intangible assets (note 10)	1,286	1,268
Profit/(loss) on disposal of fixed assets	64,720	-
Cost of stock recognized as an expense	1,226,985	2,153,723
Losses/(gains) on foreign exchange	164,939	115,114
Operating lease rentals	78,421	78,398
	<u></u>	<u></u>

The impairment of tangible fixed assets arose as a result of the agreed sale price being less than the net book value at the balance sheet date. Amortisation of intangible assets is included in administrative expenses.

The fee's payable to the company's auditor are £15,000 (2014: 18,001). The non-audit fees are £4,225 (2014: 5,000).

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**5. Other interest receivable and similar income**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Interest receivable and similar income	1,531	2,690
	<u>          </u>	<u>          </u>

**6. Other income**

	<b>Total 2015 £</b>	<b>Total 2014 £</b>
Recharges to other group undertakings	676,480	243,236
Rental income from external tenants	-	19,944
Freight income	56,629	100,211
	<u>          </u>	<u>          </u>
	733,109	363,391
	<u>          </u>	<u>          </u>



**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**7. Particulars of employees**

	<b>Total 2015 No.</b>	<b>Total 2014 No.</b>
The average number of employees, including directors, during the year were as follows:		
Sales and technical	5	12
Administration, production service and clerical	14	14
Production and service	16	22
	<u>35</u>	<u>48</u>

The aggregate payroll costs of these persons were as follows:

	<b>2015 £</b>	<b>2014 £</b>
Wages and salaries	1,674,333	1,938,608
Restructuring Costs	311,836	-
Social security	204,033	216,601
Other pension costs	53,294	56,335
	<u>2,243,496</u>	<u>2,211,544</u>

Restructuring costs are a result of the relocation and discontinued operations.

**8. Directors' emoluments**

The directors' emoluments for the year are as follows:

	<b>2015 £</b>	<b>2014 £</b>
Directors' remuneration (including benefits in kind)	127,661	137,888
Compensation for loss of office	-	70,350
	<u>127,661</u>	<u>208,238</u>

There were no directors accruing benefits under defined benefit schemes during the year (2014: None).

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**9. Tax on (loss)/profit on ordinary activities**

**Tax on (loss)/profit on ordinary activities**

The tax result/(charge) comprises:

	2015 £	2014 £
Total current tax	-	-
Total deferred tax	-	(97,805)
<b>Total tax on (loss)/profit on ordinary activities</b>	<b>-</b>	<b>(97,805)</b>

The standard rate of tax applied to reported (loss)/profit on ordinary activities is 20.25 % (2014: 20.0%). There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax shown above and the amount calculated by applying the average standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £	2014 £
<b>Loss on ordinary activities before tax</b>	<b>(1,412,015)</b>	<b>(201,356)</b>
Tax on loss on ordinary activities at average standard UK corporation tax rate of 20.25% (2014: 21.50%)	(285,933)	(40,271)
Effects of:		
- Tax losses increased	285,933	40,271
<b>Total tax result for year</b>	<b>-</b>	<b>-</b>

The amount of the deferred tax asset provided and not provided in the financial statements is as follows:

	Provided 2015 £	Not provided 2015 £	Provided 2014 £	Not provided 2014 £
Deferred taxation	-	634,385	-	395,722

Deferred tax has not been provided due to the uncertainty around future profitability.

**Factors that may affect future tax charges**

The Finance Act 2015, which was substantively enacted in July 2015, included provisions to reduce the main rate of UK corporation tax to 20% with effect from 1 April 2015. Accordingly 20.25% has been applied when calculating un-recognised deferred tax assets as at 31 December 2015.

The Government has subsequently announced in the Summer Budget, on 8 June 2015, that the rates of corporation tax will be further reduced to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. As the enabling legislation has not been substantively enacted these rates do not apply to the deferred tax position at 31 December 2015.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**10. Intangible fixed assets**

	<b>Goodwill</b>	<b>Software licences</b>	<b>Total</b>
<b>Cost</b>	<b>£</b>	<b>£</b>	<b>£</b>
As at 1 January 2015	277,227	215,001	492,228
Additions	-	1,045	1,045
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	277,227	216,046	493,273
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
As at 1 January 2015	277,227	213,509	490,736
Charge for the year	-	1,286	1,286
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	277,227	214,795	492,022
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
As at 31 December 2015	-	1,251	1,251
	<hr/>	<hr/>	<hr/>
As at 31 December 2014	-	1,492	1,492
	<hr/>	<hr/>	<hr/>

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**11. Tangible fixed assets**

<b>Cost</b>	<b>Freehold land and buildings £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
As at 1 January 2015	969,090	4,118,358	5,087,448
Additions	-	107,370	107,370
Disposals	(15,000)	(2,348,728)	(2,363,728)
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	954,090	1,877,000	2,831,090
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
As at 1 January 2015	474,090	3,654,022	4,128,112
Charge for the year	14,088	87,968	102,056
Disposals	(12,788)	(2,098,309)	(2,111,097)
Impairment	48,700	-	48,700
	<hr/>	<hr/>	<hr/>
As at 31 December 2015	524,090	1,643,681	2,167,771
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
As at 31 December 2015	430,000	233,319	663,319
	<hr/>	<hr/>	<hr/>
As at 31 December 2014	495,000	464,336	959,336
	<hr/>	<hr/>	<hr/>

At the end of 2015 freehold land and buildings were further impaired to reduce the net book value to an amount equal to the agreed sale proceeds. The sale of the land and buildings was completed on 15 June 2016.

**12. Fixed Asset Investments**

	<b>2015 £</b>	<b>2014 £</b>
Subsidiary undertakings	1,336,005	-
Total	<hr/> 1,336,005 <hr/>	<hr/> - <hr/>

The undertakings in which the company's interest at the yearend is more than 20% are as follows:

<b>Subsidiary undertakings</b>	<b>Country of incorporation</b>	<b>Principal activity</b>	<b>Class and percentage of shares held</b>
<b>Held directly by Company</b>			
IEP Technologies Limited	England and Wales	Explosion protection systems	100% Ordinary shares

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**13. Stocks**

	2015 £	2014 £
Raw materials and consumables	51,053	285,660
Work in progress	37,329	52,462
Finished goods and goods for resale	48,655	23,045
	<u>137,037</u>	<u>361,167</u>

The directors consider the net book value of stocks to be the same as their replacement cost.

**14. Debtors: amounts due within one year**

	2015 £	2014 £
Trade debtors	430,706	591,400
Amounts owed by group undertakings	362,737	2,550,730
Prepayments and accrued income	435,358	64,153
	<u>1,228,801</u>	<u>3,206,283</u>

Amounts owed by group undertakings include cash balances of £nil (2014: £2,388,361) held under a cash pooling arrangement with Hoerbiger UK Limited's parent company.

**15. Creditors: amounts falling due within one year**

	2015 £	2014 £
Trade creditors	145,882	341,701
Other taxation and social security	46,152	110,735
Amounts owed to group undertakings	397,215	138,583
Accruals and deferred income	425,102	137,286
	<u>1,014,351</u>	<u>728,305</u>

Amounts owed to group undertakings include overdrawn cash balances of £305,180 (2014: £nil) held under a cash pooling arrangement with Hoerbiger UK Limited's parent company.

**16. Called-up share capital and reserves**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
4,600,000 Ordinary shares of £1 each	4,600,000	4,600,000
	<u>4,600,000</u>	<u>4,600,000</u>

The Company has 1 class of ordinary share with no right to fixed income. The profit and loss reserve represents cumulative profits or losses.

The Directors are of the opinion that the other reserves are non-distributable.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

.....continued

**17. Financial commitments**

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
- within one year	34,495	56,573	-	47,301
- between one and five years	148,871	30,878	-	27,120
- after five years	448,429	-	-	-
	<u>631,795</u>	<u>87,451</u>	<u>-</u>	<u>74,421</u>

**18. Pension scheme**

**Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £53,294 (2014: £56,335). There were no outstanding or prepaid contributions at the end of the financial year (2014: none).

**Defined benefit pension scheme**

The company also operates a defined benefit scheme for qualifying employees who are entitled to retirement benefits as a percentage of their final salary. No other post-retirement benefits are provided. The scheme is closed to new members and future accruals.

The most recent actuarial valuation was carried out by JLT Benefit Solutions Ltd based on values as at 30 September 2015 and then projected to the year-end based on the current bonus rate of 2% per annum using the defined accrued benefit method.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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***Reconciliation of scheme liabilities and scheme assets to assets and liabilities recognised***

	2015 £	2014 £
At 1 January		
Present value of scheme liabilities	(213,424)	(219,137)
Fair value of scheme assets	369,334	378,656
	<u>155,910</u>	<u>159,519</u>
Interest costs	(7,640)	(9,022)
Actuarial gains / (losses)	18,320	(10,628)
Expected return on scheme assets	13,409	16,041
	<u>24,089</u>	<u>(3,609)</u>
At 31 December		
Present value of scheme liabilities	(208,195)	(213,424)
Fair value of scheme assets	388,194	369,334
Surplus	179,999	155,910
Unrecognised surplus	(179,999)	(155,910)
Net pension asset	<u>-</u>	<u>-</u>

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**Amounts recognised in the Statement of Comprehensive Income**

The total amount recognised in the Statement of Comprehensive Income is:

	2015	2014
	£	£
Actual return less expected return on scheme assets	19,413	3,061
Experience gains / (losses) arising on scheme liabilities	456	(2,779)
Changes in the assumptions underlying the scheme liabilities	(1,549)	(10,910)
Effect of limit on amount of surplus not being recognisable	(18,320)	10,628

Result as at end of year

The cumulative amount of actuarial losses recognised in the statement of total recognised gains and losses since the adoption of FRS 102 (2014: FRS 17) is £20,848 (2014: £20,848).

**Amounts recognised in profit and loss**

The amounts recognised in profit and loss are as follows:

	2015	2014
	£	£
Interest cost	7,640	9,022
Expected return on scheme assets	(13,409)	(16,041)
Actual return on scheme assets	32,822	19,102

**Scheme liabilities**

Changes in the present value of the scheme liabilities are as follows:

	2015	2014
	£	£
As at start of year	213,424	219,137
Interest costs	7,640	9,022
Actuarial losses	1,093	13,689
Benefits paid	(13,962)	(28,424)
As at end of year	208,195	213,424

**Scheme assets**

Changes in the fair value of the scheme assets are as follows:

	2015	2014
	£	£
As at start of year	369,334	378,656
Expected return on scheme assets	13,409	16,041
Actuarial gains	19,413	3,061
Benefits paid	(13,962)	(28,424)
As at end of year	388,194	369,334



**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**Future contributions**

The company expects to contribute £nil to this defined benefit pension scheme in the next accounting period.

**Analysis of assets**

The major categories of scheme assets are as follows:

	2015	2014
	£	£
With Profits Policy	369,334	369,334

The long term expected rate of return on the With Profits Policy is determined by reference to long dated government bond yields with an allowance for out-performance in part of the assets in relation to the underlying asset split.

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

**Principal actuarial assumptions**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
	3.6%	4.4%
Discount rate at end of year		

Since the scheme provides for a defined benefit on retirement, assumptions regarding future inflation rates and salary changes are not applicable.

**Hoerbiger UK Limited**  
**Notes to the Financial Statements for the Year Ended 31 December 2015**

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**19. Related parties**

**Controlling entity**

The company's immediate parent company is Hoerbiger Kompressortechnik Europa Holding GmbH, incorporated in Austria, whose principal place of business and address is Techgate Tower, Floor 15, Donau City Strasse, 1220 Vienna, Austria. The ultimate reporting and controlling company is Hoerbiger Holding AG whose principal place of business is Switzerland and whose address is Baarerstrasse, 18 Postfach, 4348 CH-Zug, Switzerland. Hoerbiger Holding AG is the only company that prepares consolidated financial statements.

The Company has taken advantage of the exemption granted in section 33 of Financial Reporting Standards not to disclose related party transactions with other wholly owned group companies. There were no other related party transactions.

**20. Explanation of transition to FRS 102**

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102, there are no changes to accounting policies and no transitional adjustments, therefore no reconciliation of Profit and Loss or Equity has been presented.