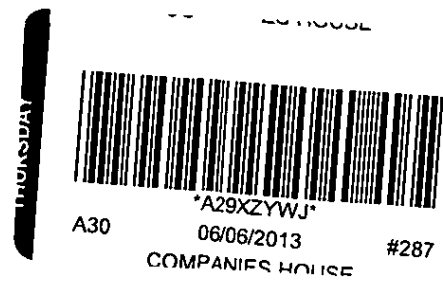


**BURCKHARDT COMPRESSION (UK)  
LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 March 2013**



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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**COMPANY INFORMATION**

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<b>DIRECTORS</b>	Mr C Webb Mr R C Zust
<b>COMPANY SECRETARY</b>	Mr C Webb
<b>REGISTERED NUMBER</b>	3966507
<b>REGISTERED OFFICE</b>	Units 1 & 2 Arena 14 Bicester Park Charbridge Lane Bicester Oxfordshire OX26 4SS
<b>INDEPENDENT AUDITORS</b>	Wise & Co Chartered Accountants and Statutory Auditors Wey Court West Union Road Farnham Surrey GU9 7PT
<b>BANKERS</b>	HSBC Bank plc 168 High Street Guildford Surrey GU1 3YU

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## **BURCKHARDT COMPRESSION (UK) LIMITED**

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### **DIRECTORS' REPORT for the year ended 31 March 2013**

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The directors present their report and the financial statements for the year ended 31 March 2013

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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,
- 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.

#### **PRINCIPAL ACTIVITIES**

The core business of the company during the year was the promotion of sales of its own range of reciprocating compressors and related equipment and also the supply of spare parts, workshop repairs, compressor revamps, installation, commissioning and maintenance services for the same and for other brands of reciprocating compressor. In addition, the company promoted the sales of, and supplied spare parts, workshop repairs, and maintenance services for centrifuges, refrigeration equipment and vacuum pumps on behalf of selected companies through representation agreements.

#### **BUSINESS REVIEW**

The reported results for this past year reflect the completion of a large value revamp project on two Burckhardt compressors, the continued improvement in sales of spare parts and services for Burckhardt compressors, plus continuing growth in new aftermarket business from end-users with other brands of reciprocating compressors. Gross margins on some of these larger orders were lower than usual due to their strategic nature, however, elsewhere they were acceptable.

Going forward for the next financial year we expect our aftermarket business results to steadily improve further based on secured maintenance agreements and potential for both Burckhardt and Other Brand compressors. We expect the business turnover to be lower, due to the revamp project completion this year, but we expect profits to be bettered.

Our received commissions for new machines were as expected. New machine orders were slightly lower than 2011-2012 meaning that new machine commissions received for next year will be lower than 2012-2013. There are more prospects for new machine orders in the forthcoming year but competition is high.

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**DIRECTORS' REPORT**  
**for the year ended 31 March 2013**

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**RESULTS**

The loss for the year, after taxation, amounted to £35,338 (2012 - loss £19,799)

**DIRECTORS**

The directors who served during the year were

Mr C Webb  
Mr R C Züst

**PROVISION OF INFORMATION TO AUDITORS**


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

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

**AUDITORS**

The auditors, Wise & Co, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board and signed on its behalf

  
.....  
Mr C Webb  
Director  
Date 20/05/13

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## **BURCKHARDT COMPRESSION (UK) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURCKHARDT COMPRESSION (UK) LIMITED**

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We have audited the financial statements of Burckhardt Compression (UK) Limited for the year ended 31 March 2013, set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, 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 Directors' report to identify material inconsistencies with the audited financial statements. 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 March 2013 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.

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BURCKHARDT COMPRESSION (UK) LIMITED**

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**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



Treena Turner FCA (Senior statutory auditor)  
for and on behalf of  
**Wise & Co**  
Chartered Accountants and Statutory Auditors  
Wey Court West  
Union Road  
Farnham  
Surrey  
GU9 7PT  
Date *3 June 2013*

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2013**

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	Note	2013 £	2012 £
<b>TURNOVER</b>	1,2	<b>4,696,734</b>	<b>3,276,659</b>
Cost of sales		<u>(3,844,226)</u>	<u>(2,520,267)</u>
<b>GROSS PROFIT</b>		<b>852,508</b>	<b>756,392</b>
Administrative expenses		<u>(895,948)</u>	<u>(726,881)</u>
Other operating income	3	<u>65,346</u>	<u>-</u>
<b>OPERATING PROFIT</b>	4	<b>21,906</b>	<b>29,511</b>
Interest receivable and similar income		<u>1,248</u>	<u>425</u>
Interest payable and similar charges	8	<u>(40,500)</u>	<u>(36,725)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(17,346)</b>	<b>(6,789)</b>
Tax on loss on ordinary activities	9	<u>(17,992)</u>	<u>(13,010)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	19	<u><b>(35,338)</b></u>	<u><b>(19,799)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and loss account

The notes on pages 8 to 19 form part of these financial statements

**BURCKHARDT COMPRESSION (UK) LIMITED**  
Registered number 3966507

**BALANCE SHEET**  
as at 31 March 2013

	Note	£	2013 £	£	2012 £
<b>FIXED ASSETS</b>					
Tangible assets	10		1,167,210		1,200,177
<b>CURRENT ASSETS</b>					
Stocks	11	309,066		365,301	
Debtors	12	1,069,543		1,352,772	
Cash at bank and in hand		342,017		142,062	
			<u>1,720,626</u>	<u>1,860,135</u>	
<b>CREDITORS</b> amounts falling due within one year	13	(1,142,585)		(1,279,723)	
<b>NET CURRENT ASSETS</b>			<u>578,041</u>		<u>580,412</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,745,251</u>		<u>1,780,589</u>
<b>CREDITORS</b> amounts falling due after more than one year	14		(1,500,000)		(1,500,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	16		(30,000)		(30,000)
<b>NET ASSETS</b>			<u>215,251</u>		<u>250,589</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		250,000		250,000
Profit and loss account	19		(34,749)		589
<b>SHAREHOLDERS' FUNDS</b>	20		<u>215,251</u>		<u>250,589</u>

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

20/5/2013

  
Mr C Webb  
Director

The notes on pages 8 to 19 form part of these financial statements



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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**CASH FLOW STATEMENT**  
for the year ended 31 March 2013

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	Note	2013 £	2012 £
Net cash flow from operating activities	21	276,926	(558,096)
Returns on investments and servicing of finance	22	(39,252)	(36,300)
Capital expenditure and financial investment	22	(37,719)	(37,628)
<b>CASH INFLOW/(OUTFLOW) BEFORE FINANCING</b>		<b>199,955</b>	<b>(632,024)</b>
Financing	22	-	600,000
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>199,955</b>	<b>(32,024)</b>

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**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 31 March 2013

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	2013 £	2012 £
Increase/(Decrease) in cash in the year	199,955	(32,024)
Cash inflow from increase in debt and lease financing	-	(600,000)
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>199,955</b>	<b>(632,024)</b>
Net debt at 1 April 2012	(1,357,938)	(725,914)
<b>NET DEBT AT 31 MARCH 2013</b>	<b>(1,157,983)</b>	<b>(1,357,938)</b>

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The notes on pages 8 to 19 form part of these financial statements

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## BURCKHARDT COMPRESSION (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

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#### 1 ACCOUNTING POLICIES

##### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

##### 1.2 GOING CONCERN

The company continues to make losses and their profit and loss reserve is now in deficit. The directors are forecasting a return to profitability and the parent company has confirmed its willingness and ability to support this company for the foreseeable future. On this basis the accounts have been prepared as a going concern.

##### 1.3 TURNOVER

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

##### 1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Freehold property	-	2% straight line
Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Office equipment	-	33 33% straight line
Computer equipment	-	33 33% straight line

##### 1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.6 STOCKS AND WORK IN PROGRESS

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

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## BURCKHARDT COMPRESSION (UK) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2013

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#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 DEFERRED TAXATION

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

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

##### 1.8 FOREIGN CURRENCIES

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

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

Exchange gains and losses are recognised in the Profit and loss account

##### 1.9 PENSIONS

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

##### 1.10 SHARE BASED PAYMENTS

The company has applied the requirements of FRS 20 Share-based payments for the current year

The ultimate parent company issues equity-settled share-based payments to certain key personnel

#### 2. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company

A geographical analysis of turnover is as follows

	2013 £	2012 £
United Kingdom	4,105,184	2,951,659
Rest of Europe	591,550	60,000
Rest of world	-	265,000
	<u>4,696,734</u>	<u>3,276,659</u>

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

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**3. OTHER OPERATING INCOME**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Other operating income	<b>65,346</b>	<b>-</b>

**4 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets		
- owned by the company	<b>70,686</b>	<b>79,210</b>
Difference on foreign exchange	<b>(30,534)</b>	<b>25,094</b>
Operating lease rentals - other operating leases	<b>76,068</b>	<b>51,972</b>

**5 AUDITORS' REMUNERATION**

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<b>11,483</b>	<b>13,264</b>
Fees payable to the company's auditor and its associates in respect of		
All taxation services not included above	<b>2,724</b>	<b>-</b>
All other non-audit services not included above	<b>41,567</b>	<b>46,226</b>

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

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**6. STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	1,019,671	807,361
Social security costs	121,139	90,917
Other pension costs	52,554	43,382
	<u>1,193,364</u>	<u>941,660</u>

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

	2013 No.	2012 No
Administrative	3	3
Marketing, technical and sales	18	14
	<u>21</u>	<u>17</u>

**7 DIRECTORS' REMUNERATION**

	2013 £	2012 £
Emoluments	<u>124,608</u>	<u>244,773</u>
Company pension contributions to defined contribution pension schemes	<u>6,373</u>	<u>5,979</u>

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £124,608 (2012 - £244,773)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,373 (2012 - £5,979)

During the year 215 share options were granted These are due to be exercised in June 2013

**8. INTEREST PAYABLE**

	2013 £	2012 £
On loans from group undertakings	<u>40,500</u>	<u>36,725</u>

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

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**9. TAXATION**

	2013 £	2012 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>DEFERRED TAX</b> (see note 15)		
Origination and reversal of timing differences	17,992	13,010
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<u>17,992</u>	<u>13,010</u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2012 - *higher than*) the standard rate of corporation tax in the UK of 20% (2012 - 26%). The differences are explained below

	2013 £	2012 £
Loss on ordinary activities before tax	<u>(17,346)</u>	<u>(6,789)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 - 26%)	(3,469)	(1,765)
<b>EFFECTS OF</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	811	2,679
Capital allowances for year in excess of depreciation	2,349	4,887
Utilisation of tax losses	-	(5,801)
Changes in provisions leading to an increase (decrease) in the tax charge	(7,210)	-
Unrelieved tax losses carried forward	7,519	-
<b>CURRENT TAX CHARGE FOR THE YEAR</b> (see note above)	<u>-</u>	<u>-</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

The company has trading losses carried forward of £522,836 (2012 £494,842) which can be relieved against future trading profits. The company is forecasting a return to profitability in the near future so a deferred tax asset has been included in these accounts

**BURCKHARDT COMPRESSION (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

**10 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Office equipment £	Computer equipment £
<b>COST</b>						
At 1 April 2012	1,169,343	244,482	-	33,204	29,062	68,791
Additions	-	10,333	15,124	458	1,526	10,278
Disposals	-	-	-	-	-	(2,791)
At 31 March 2013	1,169,343	254,815	15,124	33,662	30,588	76,278
<b>DEPRECIATION</b>						
At 1 April 2012	71,607	159,085	-	22,205	28,337	63,471
Charge for the year	23,691	34,994	-	5,647	1,212	5,142
On disposals	-	-	-	-	-	(2,791)
At 31 March 2013	95,298	194,079	-	27,852	29,549	65,822
<b>NET BOOK VALUE</b>						
At 31 March 2013	1,074,045	60,736	15,124	5,810	1,039	10,456
At 31 March 2012	1,097,736	85,397	-	10,999	725	5,320
						<b>Total £</b>
<b>COST</b>						
At 1 April 2012						1,544,882
Additions						37,719
Disposals						(2,791)
At 31 March 2013						1,579,810
<b>DEPRECIATION</b>						
At 1 April 2012						344,705
Charge for the year						70,686
On disposals						(2,791)
At 31 March 2013						412,600
<b>NET BOOK VALUE</b>						
At 31 March 2013						1,167,210
At 31 March 2012						1,200,177

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

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**11 STOCKS**

	2013 £	2012 £
Work in progress	121,148	200,943
Stock	187,918	164,358
	<u>309,066</u>	<u>365,301</u>

**12. DEBTORS**

	2013 £	2012 £
Trade debtors	929,723	1,207,029
Other debtors	17,517	13,868
Prepayments and accrued income	52,624	44,204
Deferred tax asset (see note 15)	69,679	87,671
	<u>1,069,543</u>	<u>1,352,772</u>

**13. CREDITORS:  
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade creditors	127,060	232,106
Amounts owed to group undertakings	629,902	794,213
Social security and other taxes (see below)	145,341	133,666
Other creditors	25,259	17,041
Accruals and deferred income	215,023	102,697
	<u>1,142,585</u>	<u>1,279,723</u>

**SOCIAL SECURITY AND OTHER TAXES**

	2013 £	2012 £
PAYE/NI control	45,029	34,745
VAT control	100,312	98,921
	<u>145,341</u>	<u>133,666</u>



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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

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**14. CREDITORS' AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2013 £	2012 £
Loan owed to parent company	1,500,000	1,500,000

Included within the above are amounts falling due as follows

	2013 £	2012 £
<b>BETWEEN TWO AND FIVE YEARS</b>		
Loan owed to parent company	1,500,000	1,500,000

**15. DEFERRED TAX ASSET**

	2013 £	2012 £
At beginning of year	87,671	100,681
Charged for year	(17,992)	(13,010)
At end of year	69,679	87,671

The deferred tax asset is made up as follows

	2013 £	2012 £
Accelerated capital allowances	(30,473)	(31,091)
Tax losses carried forward	100,152	118,762
	69,679	87,671

**16 PROVISIONS**

	Warranty Provision £
At 1 April 2012 and 31 March 2013	30,000

**WARRANTY PROVISION**

The company provides a 12 month warranty on spare parts, repairs, valve service and field service overhauls as part of its offer to customers. During the financial year ended 31 March 2013 actual warranty claims totalled £12,827 (2012 - £21,050) which was drawn from the 31 March 2012 provision. The warranty provision for the 31 March 2013 is £30,000 (2012 - £30,000).

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

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**17 SHARE BASED PAYMENTS**

The ultimate parent company entered into a long term share award scheme on the 1st April 2008 which entitles Senior management to a Long term bonus based on a set percentage allocated to each individual key member of staff and the estimated profit (after minorities) of the Burckhardt Compression AG Group

Details of this scheme are as follows

Type of arrangement	Senior management share option scheme
Date granted	1 April 2008
Total number of share options granted as at 31 March 2012	-
Granted during the year	215
Exercised during the year	-
Total number of share options granted as at 31 March 2013	215
Contractual life	5 years
Vesting conditions	Minimum of 3 years service and achievement of a Group operating margin of at least 7.5%. If this minimum margin is not met but the Group EBIT margin is equal to or higher than one of the members of the Peers and Competitors Group, the full annual entitlement of the bonus will be available

The estimated fair value of each share option granted is CHF 100 (£61.27). The number of shares granted was calculated by using a best estimate of the Group Profits as the Ultimate Parent Company results are only published in June

	2013 £	2012 £
Expenses arising from share and share option plans	29,411	79,717
Closing balance of liability for share option scheme	38,161	8,750

**18 SHARE CAPITAL**

	2013 £	2012 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
250,000 Ordinary shares of £1 each	250,000	250,000

**BURCKHARDT COMPRESSION (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

**19 RESERVES**

	Profit and loss account £
At 1 April 2012	589
Loss for the year	(35,338)
	<u>          </u>
At 31 March 2013	<u><u>(34,749)</u></u>

**20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2013 £	2012 £
Opening shareholders' funds	250,589	270,388
Loss for the year	(35,338)	(19,799)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<u><u>215,251</u></u>	<u><u>250,589</u></u>

**21. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating profit	21,906	29,511
Depreciation of tangible fixed assets	70,686	79,210
Decrease/(increase) in stocks	56,235	(183,265)
Decrease/(increase) in debtors	265,235	(711,587)
Increase/(decrease) in creditors	27,175	(18,346)
(Decrease)/increase in amounts owed to group undertakings	(164,311)	236,381
Increase in provisions	-	10,000
	<u>          </u>	<u>          </u>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>	<u><u>276,926</u></u>	<u><u>(558,096)</u></u>

**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2013 £	2012 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	1,248	425
Interest paid	(40,500)	(36,725)
	<u>          </u>	<u>          </u>
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<u><u>(39,252)</u></u>	<u><u>(36,300)</u></u>

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2013

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**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT (continued)**

	2013 £	2012 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	<u>(37,719)</u>	<u>(37,628)</u>
	2013 £	2012 £
<b>FINANCING</b>		
New loan from parent company	<u>-</u>	<u>600,000</u>

**23. ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2012 £	Cash flow £	Other non-cash changes £	31 March 2013 £
Cash at bank and in hand	142,062	199,955	-	342,017
<b>DEBT</b>				
Debts falling due after more than one year	(1,500,000)	-	-	(1,500,000)
<b>NET DEBT</b>	<u>(1,357,938)</u>	<u>199,955</u>	<u>-</u>	<u>(1,157,983)</u>

**24. PENSION COMMITMENTS**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £52,555 (2012 - £43,382).

**25. OPERATING LEASE COMMITMENTS**

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
<b>EXPIRY DATE.</b>		
Within 1 year	8,997	-
Between 1 and 5 years	<u>66,226</u>	<u>58,392</u>

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**BURCKHARDT COMPRESSION (UK) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2013**

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**26 RELATED PARTY TRANSACTIONS**

The company has taken exemptions available under FRS 8 not to disclose transactions with related parties as it is a wholly owned subsidiary as their results are included within the consolidated financial statements of the group which are publicly available

**27 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The ultimate parent company and controlling party is Burckhardt Compression AG, a company incorporated in Switzerland. Burckhardt Compression AG prepares group accounts which include the results of the company. Copies of the group accounts are available from Burckhardt Compression AG Winterthur, CH-8401, Switzerland.