

Burnfield Limited

Annual report and financial statements

Year ended 31 December 2013

Registered number 1522736

Registered in England

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Directors' report

The directors present their director's report and the financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the company is that of facilitating group funding arrangements.

Results and Dividends

The company made a loss after taxation in the year of £17,618,000 (2012: loss of £7,496,000). This loss arises through the exchange loss on foreign exchange loans held by the company, offset by gains on foreign exchange contracts as disclosed in Note 5.

Dividends paid in the year were £26,189,000 (2012: £Nil).

Directors

The directors who held office during the year were:

J Webster (resigned 8 October 2013)

R J Stephens

A Dumpleton (appointed 17 July 2013)

C Watson (appointed 8 October 2013)

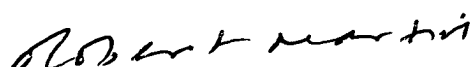
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director 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 Audit Plc will therefore continue in office. However, KPMG Audit Plc has instigated an orderly transfer of its business to its parent company, KPMG LLP. Therefore, during 2014 the Board of Burnfield Limited will appoint KPMG LLP as auditors.

By order of the Board



R Martin
Company Secretary

Registered Office:
Heritage House
Church Road
Egham
Surrey
TW20 9QD

30 June 2014

Statement of Directors' Responsibilities in Respect of the Directors' Report and the Financial Statements

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 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.

Independent Auditor's Report to the Members of Burnfield Limited

We have audited the financial statements of Burnfield Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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 2, 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 31 December 2013 and of its loss 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 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 the requirement to prepare a strategic report.



R Broadbelt (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
30 June 2014

Profit and Loss Account

For the year ended 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Other income	5	13,641	-
Other expenses	5	(38,666)	(10,172)
Interest receivable and similar income	6	9,839	244
Loss on ordinary activities before taxation		(15,186)	(9,928)
Tax on loss on ordinary activities	7	(2,432)	2,432
Loss for the financial year		(17,618)	(7,496)

The results in the Profit and Loss Account above relate entirely to continuing operations.

There were no recognised gains or losses in the year other than those which have been dealt with in the Profit and Loss Account and accordingly a Statement of Total Recognised Gains and Losses is not presented.

The notes on pages 6 to 10 form part of these financial statements.

Balance Sheet

As at 31 December 2013

	<i>Note</i>	2013 £000	2012 £000
Current assets			
Debtors (including £404,753,000 (2012: £ nil) due after more than one year)	8	420,288	30,463
Cash at bank		63	63
		<hr/> 420,351	<hr/> 30,526
Current liabilities			
Creditors: amounts falling due within one year	9	<hr/> (1)	<hr/> (1)
Net assets		<hr/> 420,350 <hr/>	<hr/> 30,525 <hr/>
Capital and reserves			
Called up share capital	10	3,594	3,549
Share premium account	11	217,265	678
Profit and loss account	11	<hr/> 199,491	<hr/> 26,298
Shareholders' funds	12	<hr/> 420,350 <hr/>	<hr/> 30,525 <hr/>

The notes on pages 6 to 10 form part of these financial statements.

The financial statements were approved by the Board of Directors and were signed on its behalf by:



C Watson

Director

Registered Company Number: 1522736

30 June 2014

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

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

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the parent undertaking includes the company in its own published consolidated financial statements.

As the company is a wholly owned subsidiary of Spectris plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

The consolidated financial statements of Spectris plc, within which this company is included, can be obtained from the address given in Note 13.

Foreign Currency Transactions

Transactions in foreign currencies are recorded at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date and the foreign exchange differences arising on retranslation are recognised in the Profit and Loss Account.

Exchange adjustments arising from the retranslation of investments that have been financed by foreign currency borrowings, or where foreign currency borrowings provide a hedge against the exchange risk associated with foreign investments, are taken to reserves.

Exchange movements relating to borrowings that have been used to finance or provide a hedge against foreign equity investments are taken to reserves to the extent that they are matched by exchange movements on those investments, together with the taxation thereon.

Interest

Interest receivable and payable is recognised in the Profit and Loss Account as it accrues using the effective interest method.

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Balance Sheet date, except as otherwise required by FRS 19.

2 Remuneration of directors

The directors received no remuneration for their services to the company in either year. The present directors are employed by, and receive remuneration from the ultimate parent company.

3 Remuneration of auditor

The fee for the audit of these financial statements of £4,300 (2012: £4,100) has been borne by the ultimate parent company, Spectris plc.

4 Remuneration of employees

The company had no employees during the current or previous year.

5 Other income/(expenses)

Other income	2013 £'000	2012 £'000
Exchange gain on foreign currency contracts	13,641	-
	<u>13,641</u>	<u>-</u>
Other expenses	2013 £'000	2012 £'000
Exchange loss on foreign currency contracts	-	(10,172)
Exchange loss on foreign currency borrowings	(38,666)	-
	<u>(38,666)</u>	<u>(10,172)</u>

Other income for the year comprises a gain of £13,641,000 (2012: loss of £10,172,000 shown within other expenses) which relates to the foreign exchange contract described below.

During 2008 the company entered into a foreign exchange contract with Spectris US Holdings Limited by which Burnfield Limited took on the risk of translation gains and losses over a USD 280 million receivable. The company entered into this contract for the benefit of the wider group to minimise the risk of a substantial foreign exchange loss arising in a significant holding company of the group. Such a loss would prevent profits being repatriated to Spectris plc.

The original contract matured on 31 December 2008 and since then the company has entered into further contracts each year to maintain the arrangement. During 2013 the total amount was increased to USD 422 million and the total value of the forward contracts has remained at this value, with the most recent contract entered into on 31 December 2012 and matured 31 December 2013. On 17 July 2013 the company entered into an equal and opposite swap contract maturing 31 December 2013 and hence after 17 July 2013 there were no further net exchange gains and losses on these swap contracts. The company has not entered into any further swap contracts after 31 December 2013.

In 2013 in addition to the exchange gain on the contracts referred to above, Burnfield made exchange losses of £38,665,512 (2012: £ nil) on USD based long term loans receivable from Spectris plc and Spectris Holdings Inc.

6 Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable from group undertakings	9,839	244
	<u>9,839</u>	<u>244</u>

7 Tax on ordinary activities

	2013 £000	2012 £000
Analysis of charge/(credit) in the year		
<i>UK Corporation Tax</i>		
Current tax credit on income for the period	-	(2,432)
Adjustment in respect of prior periods	2,432	-
Total current tax charge /(credit)	<u>2,432</u>	<u>(2,432)</u>

No provision has been made for deferred tax on realised capital losses of £6,236,899 (2012: £6,236,899) on the basis that there is insufficient evidence that suitable taxable profits will arise in the future against which the losses may be offset and the asset recovered.

The tax charge is higher than (2012: same as) the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The difference is explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(15,186)	(9,928)
Current tax (credit)/charge at 23.25% (2012: 24.5%)	(3,531)	(2,432)
Group relief claimed for £Nil consideration	(5,499)	-
Non-deductible foreign exchange loss	8,990	-
Taxable foreign exchange gain	40	-
Adjustment to tax charge in respect of previous periods	2,432	-
Current tax charge/(credit) for the year	<u>2,432</u>	<u>(2,432)</u>

An election was made with effect from 18 July 2013 that the designated currency of the company will be USD for tax purposes. The taxable profit for the period since 18 July 2013 has been computed in USD resulting in foreign exchange differences arising for tax purposes only on non-USD balances from that date.

A reduction in the UK corporation tax rate from 24% (effective from 1 April 2012) to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will affect the company's future current tax charge.

8 Debtors

	2013 £000	2012 £000
Amounts owed by group undertakings	420,288	28,031
Corporation tax	-	2,432
	<u>420,288</u>	<u>30,463</u>

Of the amounts owed by group companies disclosed above, £404,753,000 (2012: £nil) is long term in nature and is due after more than one year.

9 Creditors - amounts falling due within one year

	2013	2012
	£000	£000
Other creditors	1	1
	<u>1</u>	<u>1</u>
	<u><u>1</u></u>	<u><u>1</u></u>

10 Called up share capital

	Number of	£000
	shares	
Authorised		
Ordinary shares of 10p each at 1 January and 31 December 2013	50,000,000	5,000
	<u><u>50,000,000</u></u>	<u><u>5,000</u></u>
Issued and fully paid		
Ordinary shares of 10p each at 1 January 2013	35,492,715	3,549
Shares issued in year	446,107	45
Ordinary shares of 10p each at 31 December 2013	35,938,822	3,594
	<u><u>35,938,822</u></u>	<u><u>3,594</u></u>

On 17 July 2013 the company issued shares to other group companies in return for the transfer of long term receivables totalling USD 555,000,000.

11 Reserves

	Share Premium	Profit and Loss	Total
	Account	Account	£000
	£000	£000	
At 1 January 2013	678	26,298	26,976
Shares issued in year	433,587	-	433,587
Capital reduction	(217,000)	217,000	-
Dividends paid	-	(26,189)	(26,189)
(Loss)/profit for the financial year	-	(17,618)	(17,618)
At 31 December 2013	<u><u>217,265</u></u>	<u><u>199,491</u></u>	<u><u>416,756</u></u>

On 25 October 2013 the company made a capital reduction of £217,000,000.

12 Reconciliation of movements in equity shareholders' funds

	2013	2012
	£000	£000
Opening equity shareholders' funds	30,525	38,021
Shares issued in year	433,632	-
Dividends	(26,189)	-
(Loss)/profit for the financial year	(17,618)	(7,496)
Closing equity shareholders' funds	<u><u>420,350</u></u>	<u><u>30,525</u></u>

13 Ultimate holding company

The company's ultimate holding company is Spectris plc which is incorporated in Great Britain and registered in England. The consolidated accounts of this company are available to the public and may be obtained from:

Spectris plc
Heritage House
Church Road
Egham
Surrey
TW20 9QD