Burnfield Limited

Annual Report and Financial Statements

Year ended 31 December 2017

Registered number: 1522736

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Directors' report for the year ended 31 December 2017

The Directors present their report and the audited Financial Statements for Burnfield Limited (the "Company") for the year ended 31 December 2017. The Company has taken advantage of the small companies' exemptions available under Sections 415A and 414B of the Companies Act 2006 and has not prepared a strategic report, nor given certain disclosures in the Directors' report from which it is exempt.

The Company is a wholly owned subsidiary of Spectris US Holdings Limited and acts to facilitate group funding arrangements. There have not been any changes in the Company's activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

Results
The Company made a loss after tax in the year of £11,831,000 (2016: profit of £29,484,000).

Directors
The following served as Directors during the year and up to the date of this report, unless otherwise shown:
A W Dumpleton
R J Stephens (resigned 4 January 2018)
C G Watson

Company Secretary
The following served as Company Secretary during the year and up to the date of this report, unless otherwise shown:
R L Dunn (appointed 2 May 2017)
R S Martin (resigned 2 May 2017)

Statement as to disclosure of information to auditors
The Directors who held office at the date of approval of the 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.

Auditors
Following an audit tender in 2016 and pursuant to Section 485 of the Companies Act 2006, Deloitte LLP were appointed to replace KPMG LLP as auditor of the Company for the year ended 31 December 2017.

By order of the Board

C G Watson
Director

Registered Office:
Heritage House
Church Road
Egham
Surrey
TW20 9QD
17 May 2018

Statement of Directors' responsibilities

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), including *FRS 101 Reduced Disclosure Framework.*

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

Report on the audit of the Financial Statements

Opinion

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Burnfield Limited (the 'Company') which comprise the income statement, the balance sheet, the statement of changes in equity and the related notes 1 to 9.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in preparation of the Financial Statements is not appropriate; or
- the Directors have not disclosed in the Financial Statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the Financial Statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Burnfield Limited continued

Responsibilities of Directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements. A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

James Hunter (FCA) (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Reading, United Kingdom
17 May 2018

Income statement

For the year ended 31 December 2017

	Note	2017 £000	2016 £000
Other operating income		**1**	12
Interest receivable and similar income	4	**3,264**	29,096
Interest payable and similar charges	5	**(14,468)**	-
(Loss)/profit before taxation		**(11,203)**	29,108
Taxation (charge)/credit	6	**(628)**	376
(Loss)/profit for the year		**(11,831)**	29,484

The results for the year are derived solely from continuing operations.

There was no other comprehensive income and therefore the total comprehensive income is the same as that presented in the income statement.

The notes on pages 9 to 13 form part of these Financial Statements.

Balance sheet

As at 31 December 2017

	Note	2017 £000	2016 £000
Non-current assets			
Loans owed by Group undertakings	7	-	157,629
Current assets			
Loans owed by Group undertakings	7	**146,432**	-
Cash and cash equivalents		**68**	75
		146,500	75
Current liabilities			
Other payables		-	(1)
Current tax liability		**(628)**	-
		(628)	(1)
Net current assets		**145,872**	74
Net assets		**145,872**	157,703
Equity			
Share capital	8	**3,594**	3,594
Share premium		**17,265**	17,265
Retained earnings		**125,013**	136,844
Total equity		**145,872**	157,703

The notes on pages 9 to 13 form part of these Financial Statements.

The Financial Statements were approved by the board of Directors and were signed on 17 May 2018 on its behalf by:

C G Watson
Director

Company Registration No. 1522736

Statement of changes in equity

For the year ended 31 December 2017

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2017	**3,594**	**17,265**	**136,844**	**157,703**
Loss for the year	-	-	**(11,831)**	**(11,831)**
Total comprehensive loss for the year	-	-	**(11,831)**	**(11,831)**
At 31 December 2017	**3,594**	**17,265**	**125,013**	**145,872**

	Share capital	Share premium	Retained earnings	Total equity
	£000	£000	£000	£000
At 1 January 2016	3,594	17,265	107,360	128,219
Profit for the year	-	-	29,484	29,484
Total comprehensive income for the year	-	-	29,484	29,484
At 31 December 2016	3,594	17,265	136,844	157,703

Notes to the accounts

1. Basis of preparation and summary of significant accounting policies

Burnfield Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 1522736.

a) Basis of preparation

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of the compensation of Key Management Personnel.

As the consolidated Financial Statements of Spectris plc, available to the public as set out in note 9, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments Disclosures.

The Financial Statements have been prepared on the historical cost basis, except for revaluation of financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies are set out below.

Going concern

The Company is expected to generate positive cash flows on its own account for the foreseeable future.

On the basis of their assessment of the Company's financial position the Directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

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

Significant accounting judgements and estimates

In determining and applying accounting policies, judgement is often required where the choice of specific policy, assumption or accounting estimate to be followed could materially affect the reported amounts of assets, liabilities, income and expenses, should it later be determined that a different choice be more appropriate. Estimates and assumptions are reviewed on an on-going basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

In the course of preparing these Financial Statements in accordance with the Company's accounting policies, no judgements or estimates that have a significant effect on the amounts recognised in the Financial Statements have been made.

Notes to the accounts continued

1. Basis of preparation and summary of significant accounting policies continued

b) Summary of significant accounting policies

Cash and cash equivalents

Comprises cash at bank and in hand and short-term deposits held on call or with maturities of less than three months at inception.

Taxation

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Income statement except to the extent that it relates to items recognised either in other comprehensive income or directly in equity, in which case tax is recognised in the Statement of comprehensive income or the Statement of changes in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of prior years.

Deferred taxation is provided on taxable temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and their corresponding tax bases. Deferred tax is measured using the tax rates expected to apply when the asset is realised or the liability settled based on tax rates enacted or substantively enacted by the balance sheet date. However, deferred tax is not provided on the initial recognition of goodwill, nor on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Foreign currency translation

The functional currency for the Company is determined with reference to the currency of the primary economic environment in which it operates. Transactions in currencies other than the functional currency are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange gains and losses on settlement of foreign currency transactions are translated at the rate prevailing at the date of the transactions, or the translation of monetary assets and liabilities at period end exchange rates, and are charged/credited to the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to the functional currency at the foreign exchange rate ruling at the date of the transaction.

Financial instruments

Recognition

The Company recognises financial assets and liabilities on its balance sheet when it becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Notes to the accounts continued

1. Basis of preparation and summary of significant accounting policies continued

b) Summary of significant accounting policies continued

Financial instruments continued

Measurement

When financial assets and liabilities are initially recognised, they are measured at fair value, being the consideration given or received plus directly attributable transaction costs.

In determining estimated fair value, investments are valued at quoted bid prices on the trade date. When quoted prices on an active market are not available, fair value is determined by reference to price quotations for similar instruments traded.

Loans and debtors comprise loans and advances other than purchased loans. Originated loans and debtors are initially recognised in accordance with the policy stated above and subsequently re-measured at amortised cost using the effective interest method. Allowance for impairment is estimated on a case-by-case basis.

Derecognition

A financial asset is derecognised when the Company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished. Originated loans and debtors are derecognised on the date they are transferred by the Company.

Impairment of financial assets

The Company assesses at each balance sheet reporting date whether there is any objective evidence that a financial asset, or group of financial assets, is impaired. A financial asset, or group of financial assets, is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Interest payable and similar charges and interest receivable and similar income

Interest payable and similar charges comprises the interest payable on borrowings calculated using the effective interest method. Interest receivable and similar income comprises interest income on cash and funds invested and is recognised in the profit and loss account as it accrues.

2. Auditors remuneration

The fee for the audit of these financial statements has been borne by the ultimate holding company, Spectris plc.

	2017	2016
	£000	£000
Audit of the Company	**4**	5

3. Employee numbers and costs

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

The Directors received no remuneration for their services to the Company in either year. The present Directors are employed by, and receive remuneration for services from, the ultimate holding company, Spectris plc.

Notes to the accounts continued

4. Interest receivable and similar income

	2017	2016
	£000	£000
Interest receivable from group undertakings	**3,264**	2,543
Exchange gains on retranslation of loan balances with group undertakings	-	26,553
	3,264	29,096

5. Interest payable and similar charges

	2017	2016
	£000	£000
Exchange losses on retranslation of loan balances with group undertakings	**14,468**	-

6. Taxation

a) Tax charged/(credited) in the Income statement	2017 £000	2016 £000
Current tax:		
UK corporation tax	**628**	-
Adjustments in respect of prior years	-	(376)
Total current taxation charge/(credit)	**628**	(376)

b) Reconciliation of the total tax charge

The tax charge/(credit) in the income statement for the year is higher (2016: lower) than the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are reconciled below:

	2017	2016
	£000	£000
(Loss)/profit before taxation	**(11,203)**	29,108
Corporation tax at standard rate of 19.25% (2016: 20%)	**(2,157)**	5,822
Non-deductible expenses	**2,785**	-
Non-taxable income and gains	-	(5,822)
Adjustments to prior year current and deferred tax charges	-	(376)
Total tax charge/(credit) reported in the income statement	**628**	(376)

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.

c) Unrecognised tax losses

No provision has been made for deferred tax on realised capital losses of £6,237,000 (2016: £6,237,000) 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.

d) Change in corporation tax rate

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015 and to 17% (effective from 1 April 2020) was substantively enacted on 15 September 2016.

Notes to the accounts continued

7. Loans owed by Group undertakings

Amounts owed by Group undertakings include two loans. One loan of £111,697,000 (2016: £119,427,000) is unsecured, bears interest at three-month LIBOR less 0.25% and is due to be repaid on 17 July 2018. The other loan of £34,735,000 (2016: £38,202,000) is unsecured, bears interest at a fixed rate of 5.82% and was repaid on 11 February 2018.

8. Share capital

Allotted, called up and fully paid Ordinary shares of 10p each	**Number of shares** **thousands**	**£000**
At 1 January 2017 and 31 December 2017	**35,939**	**3,594**

9. Ultimate holding company

The Company's ultimate holding company is Spectris plc, which is incorporated in the United Kingdom. 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.