

**BURCKHARDT COMPRESSION (UK)  
LIMITED**

**DIRECTORS' REPORT  
AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2012**

**Registered Number: 3966507**

THURSDAY



A29 \*A1FFID8R\* #162  
16/08/2012  
COMPANIES HOUSE

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**COMPANY INFORMATION**

---

<b>DIRECTORS</b>	Mr C Webb Mr R C Zust
<b>COMPANY SECRETARY</b>	Mr C Webb
<b>COMPANY NUMBER</b>	3966507
<b>REGISTERED OFFICE</b>	Units 1 & 2 Arena 14 Bicester Park Charbridge Lane Bicester Oxfordshire OX26 4SS
<b>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

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	1 - 2
<b>Independent auditors' report</b>	3 - 4
<b>Profit and loss account</b>	5
<b>Balance sheet</b>	6
<b>Cash flow statement</b>	7
<b>Notes to the financial statements</b>	8 - 19
The following pages do not form part of the statutory financial statements	
<b>Detailed profit and loss account and summaries</b>	20 - 22

---

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

---

### **DIRECTORS' REPORT for the year ended 31 March 2012**

---

The directors present their report and the financial statements for the year ended 31 March 2012

#### **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 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, 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 improvement in sales of spare parts and services for Burckhardt compressors, the commencement of a large value revamp project on two Burckhardt compressors, plus the significant inroads the Company has made into obtaining new business from end-users with other brands of reciprocating compressors. Gross margins have improved even in this competitive market, although there were some negative effects on the Income Statement such as foreign exchange losses and a one-off additional provision for the bonus scheme.

Going forward for the next financial year we expect our aftermarket business results to improve further based on the completion of the aforementioned revamp project, maintenance agreements and forecasts for both Burckhardt and Other Brand compressors. We expect the business result to be bettered as we have adjusted our service rates again and also mitigated our exposure to foreign exchange risks.

Our received commissions for new machines were as expected. New machine orders were similar to 2010-2011 meaning that new machine commissions received for next year will be similar to 2011-2012. New machine orders, however, are expected to be slightly improved in the forthcoming year.

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**DIRECTORS' REPORT**  
**for the year ended 31 March 2012**

---

**RESULTS**

The loss for the year, after taxation, amounted to £19,799 (2011 - loss £378,987)

**DIRECTORS**

The directors who served during the year were

Mr C Webb  
Mr R C Zust

**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

08 MAY 2012

---

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

---

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

---

We have audited the financial statements of Burckhardt Compression (UK) Limited for the year ended 31 March 2012, 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 2012 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.

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

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

---

**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

*Turner*

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 *11 May 2012*

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

---

**PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 2012**

---

	Note	2012 £	2011 £
<b>TURNOVER</b>	1,2	<b>3,276,659</b>	<b>1,951,971</b>
Cost of sales		<u>(2,520,267)</u>	<u>(1,622,511)</u>
<b>GROSS PROFIT</b>		<b>756,392</b>	<b>329,460</b>
Administrative expenses		<u>(726,881)</u>	<u>(755,641)</u>
<b>OPERATING PROFIT/(LOSS)</b>	3	<b>29,511</b>	<b>(426,181)</b>
Interest receivable and similar income		<b>425</b>	<b>792</b>
Interest payable and similar charges	7	<u>(36,725)</u>	<u>(61,200)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(6,789)</b>	<b>(486,589)</b>
Tax on loss on ordinary activities	8	<u>(13,010)</u>	<u>107,602</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	17	<u><b>(19,799)</b></u>	<u><b>(378,987)</b></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 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 2012

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,200,177		1,241,758
<b>CURRENT ASSETS</b>					
Stocks	10	365,301		182,037	
Debtors	11	1,352,772		654,196	
Cash at bank and in hand		142,062		174,088	
			<u>1,860,135</u>	<u>1,010,321</u>	
<b>CREDITORS</b> amounts falling due within one year	12	(1,279,723)		(1,061,691)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>580,412</u>		<u>(51,370)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,780,589</u>		<u>1,190,388</u>
<b>CREDITORS</b> amounts falling due after more than one year	13		(1,500,000)		(900,000)
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	15		(30,000)		(20,000)
<b>NET ASSETS</b>			<u>250,589</u>		<u>270,388</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		250,000		250,000
Profit and loss account	17		589		20,388
<b>SHAREHOLDERS' FUNDS</b>	18		<u>250,589</u>		<u>270,388</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
08 May 2012

  
Mr C Webb  
Director

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

**BURCKHARDT COMPRESSION (UK) LIMITED**

**CASH FLOW STATEMENT**  
for the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	20	(558,098)	86,438
Returns on investments and servicing of finance	21	(36,300)	(60,408)
Taxation		-	15,000
Capital expenditure and financial investment	21	(37,628)	(30,099)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(632,026)</b>	<b>10,931</b>
Financing	21	600,000	-
<b>(DECREASE)/INCREASE IN CASH IN THE YEAR</b>		<b>(32,026)</b>	<b>10,931</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**  
for the year ended 31 March 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(32,026)	10,931
Cash inflow from increase in debt and lease financing	(600,000)	-
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(632,026)</b>	<b>10,931</b>
Net debt at 1 April 2011	(725,912)	(736,843)
<b>NET DEBT AT 31 MARCH 2012</b>	<b>(1,357,938)</b>	<b>(725,912)</b>

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

---

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

---

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012**

---

#### **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 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

##### **1.3 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
Fixtures & fittings	-	20% straight line
Office equipment	-	33 33% straight line
Computer equipment	-	33 33% straight line

##### **1.4 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

##### **1.5 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

##### **1.6 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

---

## BURCKHARDT COMPRESSION (UK) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

---

#### 1 ACCOUNTING POLICIES (continued)

##### 1.7 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

##### 1.8 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

##### 1.9 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

	2012 £	2011 £
United Kingdom	2,951,659	1,493,963
Rest of European Union	60,000	59,055
Rest of world	265,000	398,953
	<u>3,276,659</u>	<u>1,951,971</u>

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

---

**3 OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	79,209	77,979
Difference on foreign exchange	25,094	88,037
Operating lease rentals - other operating leases	51,972	43,840
Fees payable to the group auditor (disclosed within legal and professional)	-	6,433
	<u>          </u>	<u>          </u>

**4 AUDITORS' REMUNERATION**

	2012 £	2011 £
Fees payable to the company's auditor for the audit of the company's annual accounts	13,264	10,000
Fees payable to the company's auditor and its associates in respect of		
All other services	46,226	36,505
	<u>          </u>	<u>          </u>

**5 STAFF COSTS**

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	807,361	722,138
Social security costs	90,917	81,036
Other pension costs	43,382	46,004
	<u>          </u>	<u>          </u>
	941,660	849,178
	<u>          </u>	<u>          </u>

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

	2012 No.	2011 No
Administrative	3	3
Marketing, technical and sales	14	13
	<u>          </u>	<u>          </u>
	17	16
	<u>          </u>	<u>          </u>

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2012**

---

**6. DIRECTORS' REMUNERATION**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Emoluments	<b>244,773</b>	<b>103,574</b>
Company pension contributions to defined contribution pension schemes	<b>5,979</b>	<b>5,818</b>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £244,773 (2011 - £103,574)

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,979 (2011 - £5,818)

At the beginning of the year the director had 573 share options in place, a further 94 were granted but the full amount were exercised during the year when the market value per share was £204 14 (CHF 274)

**7 INTEREST PAYABLE**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
On loans from group undertakings	<b>36,725</b>	<b>61,200</b>

**8 TAXATION**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>ANALYSIS OF TAX CHARGE/(CREDIT) IN THE YEAR</b>		
<b>CURRENT TAX</b> (see note below)		
Adjustments in respect of prior periods	-	(15,000)
<b>DEFERRED TAX</b> (see note 14)		
Origination and reversal of timing differences	<b>13,010</b>	<b>(92,602)</b>
<b>TAX ON LOSS ON ORDINARY ACTIVITIES</b>	<b>13,010</b>	<b>(107,602)</b>

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

---

**8 TAXATION (continued)**

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is higher than (2011 - *higher than*) the standard rate of corporation tax in the UK of 26% (2011 - 28%). The differences are explained below

	2012 £	2011 £
Loss on ordinary activities before tax	(6,789)	(486,589)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 - 28%)	(1,765)	(136,245)
<b>EFFECTS OF:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,679	14,587
Capital allowances for year in excess of depreciation	4,887	6,569
Utilisation of tax losses	(5,801)	-
Creation of tax losses	-	115,089
Adjustments to tax charge in respect of prior periods	-	(15,000)
<b>CURRENT TAX CHARGE/(CREDIT) FOR THE YEAR</b> (see note above)	-	(15,000)

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

There were no factors that may affect future tax charges

The company has trading losses carried forward in the amount of £494,842 (2011 £517,153)

**BURCKHARDT COMPRESSION (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

**9 TANGIBLE FIXED ASSETS**

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
<b>COST</b>						
At 1 April 2011	1,162,652	216,665	33,204	29,062	65,670	1,507,253
Additions	6,691	27,817	-	-	3,120	37,628
At 31 March 2012	<u>1,169,343</u>	<u>244,482</u>	<u>33,204</u>	<u>29,062</u>	<u>68,790</u>	<u>1,544,881</u>
<b>DEPRECIATION</b>						
At 1 April 2011	47,918	126,339	16,611	19,241	55,386	265,495
Charge for the year	23,689	32,746	5,593	9,096	8,085	79,209
At 31 March 2012	<u>71,607</u>	<u>159,085</u>	<u>22,204</u>	<u>28,337</u>	<u>63,471</u>	<u>344,704</u>
<b>NET BOOK VALUE</b>						
At 31 March 2012	<u>1,097,736</u>	<u>85,397</u>	<u>11,000</u>	<u>725</u>	<u>5,319</u>	<u>1,200,177</u>
At 31 March 2011	<u>1,114,734</u>	<u>90,326</u>	<u>16,593</u>	<u>9,821</u>	<u>10,284</u>	<u>1,241,758</u>

**10 STOCKS**

	2012 £	2011 £
Work in progress	200,943	60,933
Stock	164,358	121,104
	<u>365,301</u>	<u>182,037</u>

**11 DEBTORS**

	2012 £	2011 £
Trade debtors	1,207,029	487,691
Other debtors	13,868	6,500
Prepayments and accrued income	44,204	59,324
Deferred tax asset (see note 14)	87,671	100,681
	<u>1,352,772</u>	<u>654,196</u>



**BURCKHARDT COMPRESSION (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

**12 CREDITORS**  
**AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2012 £	2011 £
Trade creditors	232,106	165,555
Amounts owed to group undertakings	794,213	557,832
Social security and other taxes (see below)	133,666	94,629
Other creditors	17,041	17,643
Accruals and deferred income	102,697	226,032
	<u>1,279,723</u>	<u>1,061,691</u>

**SOCIAL SECURITY AND OTHER TAXES**

	2012 £	2011 £
PAYE/Ni control	34,745	26,973
VAT control	98,921	67,656
	<u>133,666</u>	<u>94,629</u>

**13 CREDITORS**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2012 £	2011 £
Loan owed to parent company	<u>1,500,000</u>	<u>900,000</u>

Included within the above are amounts falling due as follows

	2012 £	2011 £
<b>BETWEEN ONE AND TWO YEARS</b>		
Loan owed to parent company	<u>-</u>	<u>100,000</u>
<b>BETWEEN TWO AND FIVE YEARS</b>		
Loan owed to parent company	<u>1,500,000</u>	<u>550,000</u>
<b>OVER FIVE YEARS</b>		
Loan owed to parent company	<u>-</u>	<u>250,000</u>

Creditors include amounts not wholly repayable within 5 years as follows

	2012 £	2011 £
Repayable by instalments	<u>-</u>	<u>250,000</u>

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

---

**14 DEFERRED TAX ASSET**

	2012 £	2011 £
At beginning of year	100,681	8,079
(Charge for)/released during year	(13,010)	92,602
At end of year	<u>87,671</u>	<u>100,681</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	(31,091)	(33,147)
Tax losses carried forward	118,762	133,828
	<u>87,671</u>	<u>100,681</u>

**15 PROVISIONS**

	Warranty Provision £
At 1 April 2011	20,000
Increase in provision	10,000
At 31 March 2012	<u>30,000</u>

**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 2012 actual warranty claims totalled £21,050 (2011 - £8,868) which was drawn from the 31 March 2011 provision. The warranty provision for the 31 March 2012 is £30,000 (2011 - £20,000).

**16 SHARE CAPITAL**

	2012 £	2011 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

---

**17 RESERVES**

	Profit and loss account £
At 1 April 2011	20,388
Loss for the year	(19,799)
	<hr/>
At 31 March 2012	589
	<hr/>

**18 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2012 £	2011 £
Opening shareholders' funds	270,388	649,375
Loss for the year	(19,799)	(378,987)
	<hr/>	<hr/>
Closing shareholders' funds	250,589	270,388
	<hr/>	<hr/>

---

## BURCKHARDT COMPRESSION (UK) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2012

---

#### 19 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 shares granted as at 31 March 2011	573
Granted during the year	94
Exercised during the year	677
Total number of shares granted as at 31 March 2012	0
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

All the share options were exercised during the year when the share price was CHF 274 (£204.14)

	2012 £	2011 £
Expenses arising from share and share option plans	79,717	38,719
Closing balance of liability for share option scheme	8,750	65,191

**BURCKHARDT COMPRESSION (UK) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

**20 NET CASH FLOW FROM OPERATING ACTIVITIES**

	2012 £	2011 £
Operating profit/(loss)	29,511	(426,181)
Depreciation of tangible fixed assets	79,209	77,979
(Increase)/decrease in stocks	(183,265)	38,215
(Increase)/decrease in debtors	(711,587)	14,264
(Decrease)/increase in creditors	(18,347)	115,829
Increase in amounts owed to group undertakings	236,381	251,332
Increase in provisions	10,000	15,000
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES</b>	<b>(558,098)</b>	<b>86,438</b>

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

	2012 £	2011 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	425	792
Interest paid	(36,725)	(61,200)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>(36,300)</b>	<b>(60,408)</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(37,628)	(30,099)
<b>FINANCING</b>		
New loan from parent company	600,000	-

---

**BURCKHARDT COMPRESSION (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 March 2012

---

**22 ANALYSIS OF CHANGES IN NET DEBT**

	1 April 2011 £	Cash flow £	Other non-cash changes £	31 March 2012 £
Cash at bank and in hand	174,088	(32,026)	-	142,062
<b>DEBT:</b>				
Debts due within one year	-	(600,000)	600,000	-
Debts falling due after more than one year	(900,000)	-	(600,000)	(1,500,000)
<b>NET DEBT</b>	<b>(725,912)</b>	<b>(632,026)</b>	<b>-</b>	<b>(1,357,938)</b>

**23 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 £43,382 (2011 - £46,004).

**24 OPERATING LEASE COMMITMENTS**

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
<b>EXPIRY DATE</b>		
Within 1 year	-	4,798
Between 1 and 5 years	58,392	31,768

**25 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.

**26 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.