

Registered number: 05773576

BUSCH GVT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



BUSCH GVT LIMITED

COMPANY INFORMATION

DIRECTORS

Dr I K Busch
I C Graves (resigned 1 January 2017)

COMPANY SECRETARY

Sami Sinan Busch

REGISTERED NUMBER

05773576

REGISTERED OFFICE

Unit 1a, Westmere Drive
Crewe Business Park
Crewe
Cheshire
CW1 6ZD

INDEPENDENT AUDITORS

Crowe Clark Whitehill LLP
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

BUSCH GVT LIMITED

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BUSCH GVT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

INTRODUCTION

The directors present the strategic report and financial statements for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the manufacture of liquid ring pumps.

BUSINESS REVIEW

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

As for many companies of our size, the business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However we will continue to show flexibility and respond to market conditions and opportunities as they arise.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by long-term intercompany borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any borrowings with the future cash flows expected to arise from the company's trading activities.

The company is a privately owned business and places great emphasis on recruiting and training high quality staff. The directors consider staff resourcing and succession planning issues on a regular basis.

KEY PERFORMANCE INDICATORS

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and profit margins. During the year the company's turnover decreased by 8% compared to the previous year, and gross profit decreased by 30%.

This report was approved by the board on

11/3/2018

and signed on its behalf.


Dr I K Busch
Director

BUSCH GVT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

RESULTS

The loss for the year, after taxation, amounted to £1,613,096 (2016 - loss £1,049,228).

DIRECTORS

The directors who served during the year were:

Dr I K Busch
I C Graves (resigned 1 January 2017)

MATTERS COVERED IN THE STRATEGIC REPORT

The business review, principal activities and future developments of the group are not included in the Directors' Report as they are shown in the strategic report as required under s414C of the Companies Act 2006.

DISCLOSURE 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 the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

BUSCH GVT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

AUDITORS

The auditors, Crowe Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **1/3/2018** and signed on its behalf.



Dr I K Busch
Director

BUSCH GVT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUSCH GVT LIMITED

OPINION

We have audited the financial statements of Busch GVT Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

BUSCH GVT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUSCH GVT LIMITED (CONTINUED)

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 Auditors' 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 this regard.

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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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 material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

BUSCH GVT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BUSCH GVT LIMITED (CONTINUED)

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement 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, 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.

AUDITORS' 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 Auditors' 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 Auditors' report.

Crowe Clark Whitehill LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe Clark Whitehill LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 1 / 3 / 2018

BUSCH GVT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	5,828,945	6,345,647
Cost of sales		(4,653,698)	(4,674,581)
GROSS PROFIT		1,175,247	1,671,066
Administrative expenses		(2,740,144)	(2,867,770)
OPERATING LOSS	5	(1,564,897)	(1,196,704)
Interest receivable and similar income	8	111	1,878
Interest payable and expenses	9	(89,232)	(100,842)
LOSS BEFORE TAX		(1,654,018)	(1,295,668)
Tax on loss	10	40,922	246,440
LOSS FOR THE FINANCIAL YEAR		(1,613,096)	(1,049,228)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,613,096)	(1,049,228)

The notes on pages 10 to 25 form part of these financial statements.

BUSCH GVT LIMITED
REGISTERED NUMBER: 05773576

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
FIXED ASSETS			
Intangible assets	11	358,238	401,660
Tangible assets	12	1,745,506	1,853,029
		<u>2,103,744</u>	<u>2,254,689</u>
CURRENT ASSETS			
Stocks	13	1,839,391	1,229,412
Debtors: amounts falling due within one year	14	1,226,802	1,717,732
Cash at bank and in hand		429,162	561,523
		<u>3,495,355</u>	<u>3,508,667</u>
Creditors: amounts falling due within one year	15	(2,093,773)	(3,986,401)
NET CURRENT ASSETS/(LIABILITIES)		<u>1,401,582</u>	<u>(477,734)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,505,326</u>	<u>1,776,955</u>
Creditors: amounts falling due after more than one year	16	(4,626,360)	(1,284,893)
NET (LIABILITIES)/ASSETS		<u>(1,121,034)</u>	<u>492,062</u>
CAPITAL AND RESERVES			
Called up share capital	18	1	1
Other reserves	19	1,703,314	1,703,314
Profit and loss account	19	(2,824,349)	(1,211,253)
		<u>(1,121,034)</u>	<u>492,062</u>

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


Dr I K Busch
 Director

Date: 01.03.2018

The notes on pages 10 to 25 form part of these financial statements.

BUSCH GVT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2016	1	1,703,314	(162,025)	1,541,290
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(1,049,228)	(1,049,228)
At 1 January 2017	1	1,703,314	(1,211,253)	492,062
COMPREHENSIVE INCOME FOR THE YEAR				
Loss for the year	-	-	(1,613,096)	(1,613,096)
At 31 December 2017	1	1,703,314	(2,824,349)	(1,121,034)

BUSCH GVT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. COMPANY INFORMATION

The company is a private company limited by shares (registered number 05773576), which is incorporated and domiciled in the UK. The address of the registered office is unit 1a Westmere Drive, Crewe Business Park, Crewe, Cheshire, CW1 6ZD.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The company's business activities, together with the factors likely to affect its future performance are set out in the Strategic Report and Directors Report. The company's forecasts and projections, taking into account reasonably possible changes to the company, should be able to operate within its current facility. However we note that the Company has negative reserves at 31 December 2017 so may require assistance to support their going concern status, therefore they have obtained confirmation from its ultimate parent company that continued financial support will be made available to the company for the next 12 months from date of approval of the financial statements.

The directors have therefore adopted the going concern basis of accounts in preparing the annual financial statements.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Busch SE as at 31 December 2017 and these financial statements may be obtained from Schauinslandstrasse 1, D79689, Maulburg, Germany.

BUSCH GVT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Long term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which turnover exceeds payments on account is classified as "amounts recoverable on contracts" and included in debtors; to the extent that payments on account exceed relevant turnover, the excess is included as a creditor. The amount for long term contracts, at cost net of amounts transferred to cost of sales, less provision for foreseeable losses and payments on account not matched with turnover, is included in stocks.

2.4 Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life being 20 years. It is reviewed for impairment at the end of the first financial year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

BUSCH GVT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following bases:

Long-term Leasehold Property	- 5 - 20% straight line
Plant & machinery	- 10% straight line
Motor vehicles	- 50% straight line
Fixtures & fittings & office equipment	- 5 - 33% straight line
Assets under construction	Assets held under construction are not depreciated until they are brought into use

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the profit and loss account.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a moving average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

BUSCH GVT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

BUSCH GVT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES (CONTINUED)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Stock provisioning - provisions are recognised for slow moving, obsolete or unsaleable stock and reviewed annually. They are calculated on a percentage basis depending on the length of time the stock item has been held. This is determined by the group.

Trade debtor provisioning - in order to monitor potential credit losses, we perform ongoing credit evaluations of our customers' financial condition. An allowance for doubtful accounts is maintained for potential credit losses based upon management's assessment of the expected collectability of all accounts receivable. The allowance for doubtful accounts is reviewed periodically to assess the adequacy of the allowance.

4. ANALYSIS OF TURNOVER

The whole of the turnover is attributable to the manufacture of liquid ring pumps. All turnover relates to the sale of goods.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	814,427	1,779,889
Rest of Europe	2,346,175	1,924,202
Rest of the world	2,668,343	2,641,556
	<u>5,828,945</u>	<u>6,345,647</u>

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. OPERATING LOSS

The operating loss is stated after charging:

	2017	2016
	£	£
Research & development charged as an expense	27,300	286,300
Depreciation of tangible fixed assets	276,246	247,513
Amortisation of intangible assets, including goodwill	43,422	43,423
Exchange differences	23,451	15,119
Other operating lease rentals	170,000	160,000
	<u>170,000</u>	<u>160,000</u>

During the year, no director received any emoluments (2016 - £NIL).

6. AUDITORS' REMUNERATION

	2017	2016
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual accounts	8,800	8,700
Fees payable to the Company's auditor in respect of services relating to taxation	2,160	2,060
	<u>2,160</u>	<u>2,060</u>

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. EMPLOYEES

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,539,908	1,789,062
Social security costs	150,551	159,659
Cost of defined contribution scheme	51,101	51,862
	<u>1,741,560</u>	<u>2,000,583</u>

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

	2017 No.	2016 No.
Production staff	36	36
Administrative staff	28	29
	<u>64</u>	<u>65</u>

8. INTEREST RECEIVABLE

	2017 £	2016 £
Interest receivable from group companies	109	942
Other interest receivable	2	936
	<u>111</u>	<u>1,878</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2017 £	2016 £
Loans from group undertakings	89,232	100,842

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TAXATION

	2017	2016
	£	£
CORPORATION TAX		
Current tax on profits for the year	-	7,747
Adjustments in respect of previous periods	-	(215,682)
TOTAL CURRENT TAX	-	(207,935)
DEFERRED TAX		
Origination and reversal of timing differences	(41,081)	(213,281)
Changes to tax rates	-	(7,642)
Adjustments in respect of prior periods	159	182,418
TOTAL DEFERRED TAX	(40,922)	(38,505)
TAXATION ON LOSS ON ORDINARY ACTIVITIES	(40,922)	(246,440)

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. TAXATION (CONTINUED)**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is lower than *(2016 - higher than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20.00%)*. The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(1,654,018)	(1,295,668)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	(318,327)	(259,134)
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,527	463
Fixed asset differences	-	7,939
Adjustments to tax charge in respect of prior periods	159	(33,209)
Non-taxable income	-	(242)
Effect on change in opening and closing deferred tax rate	36,278	7,747
Deferred tax not recognised	233,441	29,996
TOTAL TAX CHARGE/CREDIT FOR THE YEAR	(40,922)	(246,440)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are trading losses carried forward of £2,423,820 *(2016: £1,051,021)*.

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 January 2017	868,457
At 31 December 2017	868,457
AMORTISATION	
At 1 January 2017	466,797
Charge for the year	43,422
At 31 December 2017	510,219
NET BOOK VALUE	
At 31 December 2017	358,238
At 31 December 2016	401,660

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Long-term Leasehold Property £	Plant & machinery £	Fixtures, fittings & office equipment £	Assets under construc- tion £	Total £
COST OR VALUATION					
At 1 January 2017	490,514	2,013,922	227,242	166,552	2,898,230
Additions	-	-	-	168,723	168,723
Disposals	-	(1,200)	-	-	(1,200)
Transfers between classes	-	206,836	11,270	(218,106)	-
At 31 December 2017	490,514	2,219,558	238,512	117,169	3,065,753
DEPRECIATION					
At 1 January 2017	155,431	714,913	174,857	-	1,045,201
Charge for the year on owned assets	37,603	205,306	33,337	-	276,246
Disposals	-	(1,200)	-	-	(1,200)
At 31 December 2017	193,034	919,019	208,194	-	1,320,247
NET BOOK VALUE					
At 31 December 2017	297,480	1,300,539	30,318	117,169	1,745,506
At 31 December 2016	335,083	1,299,009	52,385	166,552	1,853,029

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. STOCKS

	2017 £	2016 £
Raw materials and consumables	1,527,406	974,480
Work in progress	207,813	207,863
Finished goods and goods for resale	104,172	47,069
	<u>1,839,391</u>	<u>1,229,412</u>

Stock recognised in cost of sales during the year as an expense was £3,529,558 (2016: £4,299,468).

14. DEBTORS

	2017 £	2016 £
Trade debtors	1,920	1,378
Amounts owed by group undertakings	723,461	1,347,613
Amounts owed by affiliated companies	23,533	-
Other debtors	294,517	227,990
Prepayments and accrued income	59,083	57,385
Deferred taxation (see note 17)	124,288	83,366
	<u>1,226,802</u>	<u>1,717,732</u>

15. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	1,047,202	550,055
Amounts owed to group undertakings	752,021	3,097,046
Other taxation and social security	49,489	50,302
Other creditors	13,950	53,816
Accruals and deferred income	231,111	235,182
	<u>2,093,773</u>	<u>3,986,401</u>

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. CREDITORS: Amounts falling due after more than one year

	2017 £	2016 £
Amounts owed to group undertakings	<u>4,626,360</u>	<u>1,284,893</u>

Secured loans

Amounts owed to group undertakings are not secured. Interest on the group loan of £4,900,000 is charged at 1.8%.

The directors consider the impact of any discount between the interest rates charged and commercial rates of interest to be immaterial..

The maturity of debt repayable in instalments is analysed below:

	2017 £	2016 £
1-2 years	273,640	204,662
2-5 years	1,145,056	905,193
More than 5 years	3,481,304	379,700
	<u>4,900,000</u>	<u>1,489,555</u>

17. DEFERRED TAXATION

	2017 £	2016 £
At beginning of year	83,366	44,861
Charged to the profit or loss	40,922	38,505
AT END OF YEAR	<u>124,288</u>	<u>83,366</u>
	2017 £	2016 £
Accelerated capital allowances	(56,027)	(96,375)
Tax losses carried forward	178,609	178,693
Short term timing differences	1,706	1,048
	<u>124,288</u>	<u>83,366</u>

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. SHARE CAPITAL

	2017	2016
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

19. RESERVES

Other reserves

This reserve relates to a capital contribution.

Profit & loss account

This reserve includes all current and prior periods retained profits and losses.

20. PENSION COMMITMENTS

The company operated a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the scheme to the scheme and amounted to £51,101 (2016 - £51,862).

No contributions were payable by the company to the scheme at the end of the period (2016 - £NIL).

21. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
Not later than 1 year	<u>170,000</u>	<u>170,000</u>
	<u>170,000</u>	<u>170,000</u>

22. RELATED PARTY TRANSACTIONS

Members of Key management are considered to only be the directors. Key management personnel remuneration is £90,912 (2016: £138,584), this is deemed to be the General Manager.

BUSCH GVT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

23. CONTROLLING PARTY

The company's ultimate parent undertaking is Busch SE, a company registered and incorporated in Germany. The largest and smallest group of undertakings for which group accounts are prepared is Busch SE. Copies of the accounts can be obtained from the above company at Schauinslandstrasse 1, D79689, Maulburg, Germany.

The company is controlled by Dr. I. K. Busch and Frau A. Busch through their shareholdings in the Busch SE group.