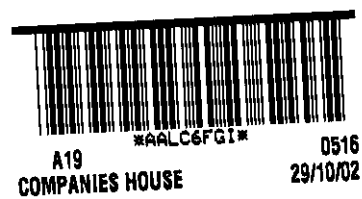


Whessoe plc
Annual report
for the year ended 31 December 2001

Registered Number 166242



Whessoe plc
Annual report
for the year ended 31 December 2001
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Directors' report for the year ended 31 December 2001

The directors present their annual report together with the audited financial statements for the year ended 31 December 2001.

Principal activities and business review

The company's principal activity is that of an investment holding company. The company is in the process of liquidating its investments.

Results and dividend

The results for the year are set out on page 4. The directors recommend payment of a dividend of £9,620,000 (2000: £5,595,000).

Directors and directors' interests

The directors who held office during the year were as follows:

Fernando Fuenzalida

Dr Frank Braun

Gary Copeland

None of the directors held an interest in the ordinary share capital of the company. The interests of the directors in the share capital of the ultimate parent company, Endress + Hauser Holding AG, are shown in that company's financial statements.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss of the group for that period. In preparing those 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 accounting standards have been followed, subject to any material departure 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 group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Whessoe plc

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'F Fuenzalida', is written over a horizontal line.

F Fuenzalida

Director

12 July 2002

Whessoe plc

Independent auditors' report to the members of Whessoe plc

We have audited the financial statements which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

12 July 2002

Whessoe plc

Profit and loss account for the year ended 31 December 2001

	Note	2001 £'000	2000 £'000
Operating expenses		(559)	(581)
Operating loss	1	(559)	(581)
Net interest payable	4	(212)	(150)
Exceptional items	2	-	(5,759)
Loss on ordinary activities before taxation		(771)	(6,490)
Taxation	5	-	-
Loss on ordinary activities after taxation		(771)	(6,490)
Dividends	18	(9,620)	(5,595)
Loss for the year	13	(10,391)	(12,085)

All of the above results relate to continuing operations.

The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year transferred from reserves stated above and their historical cost equivalents.

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Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2001

	2001	2000
	£'000	£'000
Loss for the financial year	(771)	(6,490)
Dividends	(9,620)	(5,595)
Net reduction in shareholders' funds	(10,391)	(12,085)
Opening shareholders' funds	37,157	49,242
Closing shareholders' funds	26,766	37,157

Whessoe plc

Balance sheet as at 31 December 2001

	Note	2001 £'000	2000 £'000
Fixed assets			
Tangible assets	6	-	17
Investment	7	-	47,782
		-	47,799
Current assets			
Debtors	8	40,329	32,297
Cash at bank and in hand		349	84
		40,678	32,381
Creditors: amounts falling due within one year	9	(13,156)	(37,203)
Net current assets /(liabilities)		27,522	(4,822)
Total assets less current liabilities		27,522	42,977
Creditors: amounts falling due after more than one year	10	-	(4,000)
Provisions for liabilities and charges	11	(756)	(1,820)
Net assets		26,766	37,157
Capital and reserves			
Called up share capital	12	7,573	7,573
Share premium account	13	20,879	20,879
Other reserves	13	(1,686)	(1,686)
Profit and loss account	13	-	10,391
Equity shareholders' funds		26,766	37,157

The financial statements on pages 4 to 15 were approved by the Board on 12 July 2002 and signed on its behalf by:



F Fuenzalida
Director

Whessoe plc

Accounting policies

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

Basis of preparation

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

The company has taken advantage of provisions within FRS 1 (Revised) and therefore has not included a cash flow statement for the period on the basis that a cash flow statement is produced in their ultimate parent company's accounts, copies of which can be obtained from the parent company.

Fixed assets and depreciation

Depreciation is provided to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and machinery	-	10% per annum
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Fixed asset investments

Fixed asset investments are stated at cost less any provision for diminution in value.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Pensions

Retirement benefits are funded by contributions made by the company and its employees which are held in trustee administered funds. Contribution rates are calculated periodically by actuaries and the cost charged against profits over the employees' estimated working lives. As described in note 15, the Whessoe Group Pension Scheme is in the process of being wound up and the directors anticipate making payments to satisfy the transfer values of the scheme's remaining members.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Whessoe plc

Notes to the financial statements for the year ended 31 December 2001

1 Operating loss

Operating loss is stated after charging	2001 £'000	2000 £'000
Staff costs (note 3)	19	256
Auditors' remuneration - audit services	10	21
Depreciation – owned assets	-	20
Amounts written off loans in group companies	442	-

GJ Copeland received total emoluments of £74,363 (2000: £58,893) from a fellow group company for his services as a director of Whessoe plc. One director (2000: one) had emoluments accruing under a group defined benefit pension scheme. None of the other directors received any emoluments from Whessoe plc (2000: £Nil).

2 Exceptional items

	2001 £'000	2000 £'000
Profit on sale of investment	-	(5,123)
Provision for reorganisation of Whessoe plc group companies	-	766
Amounts written off investments in group companies	-	10,116
	-	5,759

As part of the restructuring of the Whessoe plc group in 2000, the company provided for irrecoverable intra group balances payable, an onerous lease provision and related costs.

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3 Staff numbers and costs

The average number of persons employed by the Group (including directors) during the year was as follows:

	2001 Number	2000 Number
Administration	5	5

The aggregate payroll costs of these persons were as follows:

	2001 £'000	2000 £'000
Wages and salaries	14	190
Social security costs	4	57
Other pension costs	1	9
	19	256

4 Net interest payable

	2001 £'000	2000 £'000
On bank loans and overdrafts	212	151
Interest receivable	-	(1)
	212	150

5 Taxation

	2001 £'000	2000 £'000
UK corporation tax at 30% (2000: 30%)	-	-

Whessoe plc

6 Tangible fixed assets

	Plant and machinery £'000
Cost	
At 1 January 2001	40
Disposals	(40)
At 31 December 2001	-
Depreciation	
At 1 January 2001	23
Charge for the year	-
Disposals	(23)
At 31 December 2001	-
Net book amount	
At 31 December 2001	-
At 31 December 2000	17

7 Fixed asset investments

Shares in group undertakings:	2001 £'000	2000 £'000
At 1 January	47,782	65,871
Provision against carrying values	-	(10,116)
Disposals	(47,782)	(7,973)
At 31 December	-	47,782

During the year the company entered into voluntary liquidation agreements for all of its subsidiary undertakings.

The company is exempt under section 228 of the Companies Act 1985, from preparing consolidated accounts.

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8 Debtors

	2001	2000
	£'000	£'000
Amounts owed by group undertakings	40,323	32,108
Prepayments and accrued income	6	189
	40,329	32,297

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

9 Creditors: amounts falling due within one year

	2001	2000
	£'000	£'000
Bank loans and overdrafts	3,536	3,181
Trade creditors	-	70
Amounts owed to group undertakings	9,620	33,952
	13,156	37,203

The overdraft is secured by unlimited cross guarantees between companies within the Endress + Hauser Investments Limited group companies.

10 Creditors: amounts falling due after more than one year

	2001	2000
	£'000	£'000
Amounts due to group undertakings	-	4,000

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11 Provisions for liabilities and charges

	Deferred taxation £'000	Other provisions £'000	Total £'000
At beginning of year	-	1,820	1,820
Utilised during year	-	(1,064)	(1,064)
At end of year	-	756	756

The provision raised in the previous year and utilised in the current year relates to the onerous lease provision for a property in Newton Aycliffe, County Durham, and related costs.

At 31 December 2001 the remaining provision relates to the winding up of the Whessoe Group pension scheme (see note 15).

12 Called up equity share capital

	2001 £'000	2000 £'000
Authorised		
Ordinary shares of 25p each	12,000	12,000
Allotted, called up and fully paid		
Ordinary shares of 25p each	7,573	7,573

13 Share premium and reserves

	Share premium account	Other reserves	Profit and loss account
	£'000	£'000	£'000
At 1 January 2001	20,879	(1,686)	10,391
Loss for year	-	-	(10,391)
At 31 December 2001	20,879	(1,686)	-

14 Contingent liabilities

At 31 December 1998 notification of a possible claim concerning the non supply of flame arresters had been received by AG Marvac Limited. The amounts which may be claimed are understood to be significant. The validity or otherwise of the possible claim is being investigated and the directors intend to defend the claim vigorously. Their view, based on information currently available, is that the claim will not result in a material liability to the company.

15 Pension scheme

Contributions to the company's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified independent actuary. At 31 December 2001 the pension trustees are in the process of winding up the pension scheme and the directors are anticipating making payments to the scheme in order to satisfy the remaining members transfer values. As at 31 December 2001 there is a provision of £756,000 (2000: £756,000) in order to meet these liabilities (see note 11).

The pension charge for the year was £1,000 (2000: £9,000).

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,272,145 at 1 April 2001 and that the actuarial value of those assets represented 92.8% of the benefits that had accrued to members. Given that there are no longer any active members of the scheme contributions are no longer required.

Financial Reporting Standard 17 – Retirement Benefits ("FRS 17")

The valuation used for Financial Reporting Standard 17 - Retirement Benefits ("FRS17") disclosures has been based on the most recent actuarial valuation at 1 April 2001 and updated by Foden Boyes to take account of FRS17 in order to assess the liabilities of the scheme at 31 December 2001. The valuation used the projected unit method. Scheme assets are stated at their market value at 31 December 2001.

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The financial assumptions used to calculate scheme liabilities under FRS17 are:

Discount rate	5.7%
Inflation assumption	2.2%
Rate of increase in salaries	3.7%
Rate of increase in pension in payment	2.2%
Rate of increase in deferred benefits during deferment	2.2%

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 December 2001 %	Value at 31 December 2001 £'000
Equities (Fund Manager Portfolios)	6.7	3,835
Other assets		234
Total market value of assets		4,069
Present value of scheme liabilities		(4,717)
Deficit in scheme		(648)
Pension provision		756
Net pension asset		108

If the above amounts had been recognised in the financial statements, the company's net assets and profit and loss reserve at 31 December 2001 would be as follows:

	2001 £'000
Net assets	
Net assets excluding pension asset	26,766
Pension asset	108
Net assets including pension asset	26,874

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	2001
	£'000
Reserves	
Profit and loss reserve excluding pension asset	-
Pension asset	108
Profit and loss reserve	108

16 Related party disclosures

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions which are eliminated on consolidation into the Endress + Hauser Holding AG Group.

17 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Endress + Hauser Investments Limited, a company incorporated in England which is the smallest group to consolidate these financial statements.

The company's ultimate parent company is Endress + Hauser Holding AG, a company incorporated in Switzerland, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of Endress and Hauser Holding AG consolidated financial statements are available upon request from Endress and Hauser Holding AG, Kägenstrasse 7, CH-4153 Reinach/BL Switzerland.

The ultimate controlling party is Endress family trusts.

18 Dividend

A dividend of 31.7p per ordinary 25p share was proposed during the year (2000: 18.5p per ordinary 25p share).