

Whessoe plc

Annual report and accounts

for the year ended 31 December 2005

Registered Number 166242



Whessoe plc
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for the year ended 31 December 2005
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Directors' report for the year ended 31 December 2005

The directors present their annual report together with the audited financial statements for the year ended 31 December 2005.

Principal activities and business review

The company's principal activity is that of a holding company.

Results and dividend

The results for the year are set out on page 4. The directors recommend payment of a dividend of £Nil (2004: £Nil).

Directors and directors' interests

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

Fernando Fuenzalida

Gary Copeland

None of the directors held an interest in the ordinary share capital of the company.

The company is exempted from disclosing interests (if any) of the directors and their families in the share capital of the ultimate parent undertaking, Endress + Hauser Holding AG, by virtue of the Companies (Disclosure of Directors Interests) (Exceptions) Regulations 1985 (SI 1985/802).

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently, with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

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Auditors

The auditors, PricewaterhouseCoopers LLP have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board

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

F Fuenzalida
Director

17 July 2006

Whessoe plc

Independent auditors' report to the members of Whessoe plc

We have audited the financial statements of Whessoe plc for the year ended 31 December 2005 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in equity shareholders' funds, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

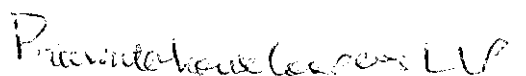
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

27 July 2006

Whessoe plc

Profit and loss account for the year ended 31 December 2005

	Note	2005 £'000	As restated 2004 £'000
Operating expenses		(120)	(66)
Operating loss	1	(120)	(66)
Net interest payable	3	-	-
Other finance costs	4	(124)	(84)
Loss on ordinary activities before taxation		(244)	(150)
Taxation on loss on ordinary activities	5	(717)	717
(Loss)/profit on ordinary activities after taxation		(961)	567
Dividends		-	-
(Loss)/profit for the financial year	10	(961)	567

All of the above results relate to discontinued operations.

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the year stated above and their historical cost equivalents.

**Statement of total recognised gains and losses
for the year ended 31 December 2005**

	Note	2005 £'000	As restated 2004 £'000
(Loss)/profit for the financial year		(961)	567
Actuarial loss on the pension scheme	11	(172)	(1,212)
Total recognised gains and losses relating to the year		(1,133)	(645)
Prior year adjustment – Reversal of SSAP 24 adjustment	8	3,149	
Prior year adjustment – FRS 17	11	(3,149)	
Total gains and losses since last annual report		(1,133)	

**Reconciliation of movements in equity shareholders' funds
for the year ended 31 December 2005**

	2005 £'000	As restated 2004 £'000
Opening equity shareholders' funds as previously reported	24,189	26,221
Prior year adjustment – Reversal of SSAP 24 adjustment	3,149	758
Prior year adjustment – FRS 17	(3,149)	(2,145)
Opening equity shareholders' funds as restated	24,189	24,834
(Loss)/profit for the financial year	(961)	567
Actuarial loss on pension scheme	(172)	(1,212)
Net deduction to equity shareholders' funds	(1,133)	(645)
Closing equity shareholders' funds	23,056	24,189

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Balance sheet as at 31 December 2005

	Note	2005 £'000	As restated 2004 £'000
Current assets			
Debtors	6	26,620	27,639
Cash at bank and in hand		-	-
		26,620	27,639
Creditors: amounts falling due within one year	7	(289)	(301)
Net current assets		26,331	27,338
Total assets less current liabilities		26,331	27,338
Provisions for liabilities and charges	8	-	-
Net assets before pension liability		26,331	27,338
Pension liability	11	(3,275)	(3,149)
Net assets after pension liability		23,056	24,189
Capital and reserves			
Called up share capital	9	7,573	7,573
Share premium account	10	20,879	20,879
Other reserves	10	(1,686)	(1,686)
Profit and loss account	10	(3,710)	(2,577)
Equity shareholders' funds		23,056	24,189

The financial statements on pages 4 to 16 were approved by the Board on 17 July 2006 and signed on its behalf by:



F Fuenzalida
Director

Statement of 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 the Companies Act 1985 and applicable accounting standards, and under the historical cost accounting rules.

The company is a wholly owned subsidiary of Endress + Hauser Holding AG and is included in the consolidated financial statements of Endress + Hauser Holding AG, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cashflow statement under the terms of FRS 1 (Revised) 1996.

Change in accounting policy

The company has adopted FRS 17 "Employee benefits" in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly.

The effect of this change in accounting policy is a decrease in staff costs of £298,000 (2004: £288,000), an increase in other financial costs of £124,000 (2004: £84,000) and a decrease in the loss for the year of £172,000 (2004: £1,465,000). The adoption has not impacted net assets (2004: £Nil).

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

The retirement defined benefit scheme is funded by contributions made by the company and its employees which are held in trustee administered funds. The assets of the scheme are administered by independent trustees and are held in funds separate from the company.

There is no operating cost of providing pensions as there are no longer any current active members earning any benefits. The financial return expected on the scheme's assets is recognised in the period in which they arise as part of finance income and the effect of the unwinding of the discounted value of the scheme's liabilities is treated as part of finance costs.

The changes in value of the schemes' assets and liabilities are reported as actuarial gains or losses as they arise in the statement of total recognised gains and losses.

The pension scheme's surplus, to the extent it is considered recoverable, or deficit is recognised in full and presented in the balance sheet net of any related deferred tax.

The above reflects a change in accounting policy. A prior year adjustment has therefore been made to reflect the change.

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Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax in the future have occurred at the balance sheet date. Deferred tax assets are recognised only to the extent that they are considered more likely than not to be recoverable in the future. Deferred tax is provided on an undiscounted basis.

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Notes to the financial statements for the year ended 31 December 2005

1 Operating loss

Operating loss is stated after charging

	2005	As restated 2004
	£'000	£'000
Staff costs (Note 2)	-	-
Auditors' remuneration – audit services	-	-

Auditors' remuneration was borne by fellow group companies.

2 Directors and employees

The company has no employees other than the directors. None of the directors received any emoluments from Whessoe plc (2004: £Nil) and no director (2004: none) had benefits accruing under a group defined benefit pension scheme.

The aggregate payroll costs were as follows:

	2005	As restated 2004
	£'000	£'000
Wages and salaries	-	-
Social security costs	-	-
Other pension costs	-	-
	-	-

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3 Net interest payable

	2005	2004
	£'000	£'000
Interest payable on bank loans and overdrafts	-	-

4 Other finance costs

	2005	As restated 2004
	£'000	£'000
Other finance costs (Note 11)	124	84

5 Taxation on loss on ordinary activities

(a) Analysis of charge in the year

	2005	As restated 2004
	£'000	£'000
Current tax:		
Group relief receivable	-	-
Adjustments in respect of prior years	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	717	(717)
Taxation on loss on ordinary activities	717	(717)

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(b) Factors affecting tax charge for the year

	2005	As restated 2004
	£'000	£'000
The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%). The differences are explained below:		
Loss on ordinary activities before taxation	(244)	(150)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004: 30%)	(73)	(45)
Effects of:		
Accelerated capital allowances/other timing differences	-	(78)
Group relief not paid (current year)	86	123
Pension cost relief in excess of net pension cost charge	(13)	-
Current tax charge for the year	-	-

(c) Factors affecting tax charge for the year

There are no factors which are anticipated to materially affect the tax charge in future years.

6 Debtors

	2005	2004
	£'000	£'000
Amounts owed by group undertakings	26,618	26,920
Deferred tax	-	717
Prepayments and accrued income	2	2
	26,620	27,639

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

7 Creditors: amounts falling due within one year

	2005	2004
	£'000	£'000
Amounts owed to group undertakings	289	301

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8 Provisions for liabilities and charges

	As restated Pension provision £'000
At 1 January 2005 as previously reported	3,149
Prior year adjustment – Reversal of SSAP 24 adjustment (FRS 17)	(3,149)
At 1 January 2005 as restated	-
At 31 December 2005	-

Refer to note 11 for the accounting treatment of the Whessoe Group Pension Scheme in accordance with FRS 17.

The unprovided deferred taxation asset at 31 December 2005 is summarised below: -

Deferred taxation	2005 £'000	2004 £'000
Losses	262	247

The deferred taxation asset has not been provided because of the uncertainty over whether the losses it relates to will be utilised.

9 Called up equity share capital

	2005 £'000	2004 £'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

10 Share premium and reserves

	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
At 1 January 2005 as previously reported	20,879	(1,686)	(2,577)
Prior year adjustment – Reversal of SSAP 24 adjustment (FRS 17)	-	-	3,149
Prior year adjustment – FRS 17	-	-	(3,149)
At 1 January 2005 as restated	20,879	(1,686)	(2,577)
Loss for the financial year	-	-	(961)
Actuarial loss on pension scheme (Note 11)	-	-	(172)
At 31 December 2005	20,879	(1,686)	(3,710)
Pension liability (Note 11)			(3,275)
Reserves excluding pension liability	20,879	(1,686)	(435)

11 Pension scheme

The company operates a defined benefit pension scheme, the Whesoe Group Pension Scheme.

This scheme closed to future accrual on 31 December 2001 and so there are no active members in the scheme.

The valuation of the defined benefit scheme used for Financial Reporting Standard 17 - Retirement Benefits ("FRS17") purposes was based on the most recent actuarial valuation at 1 April 2004 and updated by an independent, qualified actuary, Foden Boyes, with an effective date of 31 December 2005. The valuation used the projected unit method. Scheme assets are stated at their market value at 31 December 2005.

The contributions made to the scheme for the year ended 31 December 2005 were £170,000 (2004: £292,000). Future contributions are expected to be paid at a fixed rate of £800,000 per annum for three years from 1 April 2005 followed by a contribution of £165,000 for a further seven years. Within the scheme there are a significant number of fully insured members in relation to the number of uninsured members. There are 1,091 pensioners and 268 deferred members who are fully insured and therefore excluded from the FRS 17 disclosures, compared with 19 pensioners and 75 deferred members who are not insured.

The financial assumptions used by the actuary for the FRS 17 calculations were:

	2005	2004	2003	2002
Discount rate	4.80%	5.25%	5.5%	5.4%
Inflation assumption	2.70%	2.50%	2.0%	1.9%
Rate of increase in salaries	3.50%	3.50%	3.5%	3.4%
Rate of increase in pensions in payment	3.0%	2.50%	2.0%	1.9%
Rate of increase in deferred benefits during deferment	2.70%	2.50%	2.0%	1.9%

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The assets and the liabilities for the members of the scheme, and the expected rates of return were:

	Long term rate of return expected at 31 December 2005 %	Value at 31 December 2005 £'000	Long term rate of return expected at 31 December 2004 %	Value at 31 December 2004 £'000
Equities (Fund Manager Portfolios)	6.50	3,569	7.00	2,927
Bonds	5.00	1,529	5.25	1,254
Other assets	4.50	81	4.00	66
Total market value of assets		5,179		4,247
Present value of scheme liabilities		(8,454)		(7,396)
Deficit in the scheme		(3,275)		(3,149)
Related deferred tax asset		-		-
Net pension liability		(3,275)		(3,149)

	Long term rate of return expected at 31 December 2003 %	Value at 31 December 2003 £'000	Long term rate of return expected at 31 December 2002 %	Value at 31 December 2002 £'000
Equities (Fund Manager Portfolios)	6.5	2,654	6.4	3,099
Bonds	5.5	1,137	-	-
Other assets	4.0	1	4.0	67
Total market value of assets		3,792		3,166
Present value of scheme liabilities		(5,937)		(5,679)
Deficit in the scheme		(2,145)		(2,513)
Related deferred tax asset		-		-
Net pension liability		(2,145)		(2,513)

Deferred tax has been recognised on the pension liability to the extent that it is recoverable.

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Analysis of the amount charged to operating loss

	2005	2004
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Total operating charge	-	-

Analysis of the amount charged to other finance costs

	2005	2004
	£'000	£'000
Expected return on pension scheme assets	260	237
Interest on pension scheme liabilities	(384)	(321)
Net cost	(124)	(84)

Analysis of amount recognised in statement of total recognised gains and losses ("STRGL")

	2005	2004
	£'000	£'000
Actual return less expected return on pension scheme assets	665	155
Experience gains and losses arising on the scheme liabilities	(44)	(402)
Changes in assumptions underlying the present value of the scheme liabilities	(793)	(965)
Actuarial loss recognised in the STRGL	(172)	(1,212)

Movement in deficit during the year

	2005	2004
	£'000	£'000
Deficit in scheme at start of year	(3,149)	(2,145)
Movement in the year:		
Current service cost	-	-
Contributions	170	292
Net finance cost	(124)	(84)
Actuarial loss	(172)	(1,212)
Deficit in scheme at year end	(3,275)	(3,149)

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History of experience gains and losses

	2005	2004	2003	2002
	£'000	£'000	£'000	£'000
Difference between the expected and actual return on pension scheme assets:				
- Amount	665	155	732	(1,016)
- Percentage of the pension scheme assets	12.8%	3.6%	19.3%	(32.1%)
Experience gains and losses arising on the pension scheme liabilities:				
- Amount	(44)	(402)	(360)	(801)
- Percentage of the present value of the pension scheme liabilities	(0.5%)	(5.4%)	(9.6%)	(25.3%)
Total amount recognised in the statement of total recognised gains and losses:				
- Amount	(172)	(1,212)	405	(1,908)
- Percentage of the present value of the pension scheme liabilities	(2.0%)	(16.4%)	10.7%	(60.3%)

Effect of full adoption of FRS 17

The adoption of FRS 17 has resulted in a decrease in staff costs of £298,000 (2004: £288,000), an increase in other financial costs of £124,000 (2004: £84,000) and a decrease in the loss for the year of £172,000 (2004: £1,465,000).

The adoption has not impacted net assets (2004: £Nil).

12 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.

13 Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Endress + Hauser Investments Limited, a company incorporated in England.

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

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 the Endress family trusts.