

Whessoe plc
Annual report and accounts
for the year ended 31 December 2006

Registered Number 166242



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Directors' report for the year ended 31 December 2006

The directors present their annual report together with the audited financial statements for the year ended 31 December 2006

Principal activities, business review and future developments

The company's principal activity is that of a holding company. The company has no overseas branches within the European Union. The directors expect the company's performance in the future to be comparable with the current year subject to movements in the pension valuation and the notification of employee claims.

Results and dividend

The results for the year are set out on page 4. The directors do not recommend payment of a dividend (2005 £Nil). The company made no charitable or political donations greater than £200 during the period.

Directors and directors' interests

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

Fernando Fuenzalida
Gary Copeland

Directors' liability insurance

The company has taken out insurance for directors' liability as permitted by Section 310(3)(a) of the Companies Act 1985.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications as necessary.

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 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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Disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Reappointment of 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



G Copeland
Director

31 July 2007

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 2006 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, the statement of accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 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 whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 2006 and of its loss and cash flows for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

31 July 2007

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Profit and loss account for the year ended 31 December 2006

	Note	2006 £'000	2005 £'000
Operating expenses		(279)	(120)
Operating loss	1	(279)	(120)
Other finance costs	9	(123)	(124)
Loss on ordinary activities before taxation		(402)	(244)
Taxation on loss on ordinary activities	3	358	(717)
Loss for the financial year	8	(44)	(961)

All of the above results relate to discontinued operations

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

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Statement of total recognised gains and losses for the year ended 31 December 2006

	Note	2006	2005
		£'000	£'000
Loss for the financial year		(44)	(961)
Actuarial loss on the pension scheme	9	(698)	(172)
Total recognised losses relating to the year		(742)	(1,133)

Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2006

	Note	2006	2005
		£'000	£'000
Opening equity shareholders' funds		23,056	24,189
Loss for the financial year		(44)	(961)
Actuarial loss on pension scheme	9	(698)	(172)
Net deduction to equity shareholders' funds		(742)	(1,133)
Closing equity shareholders' funds		22,314	23,056

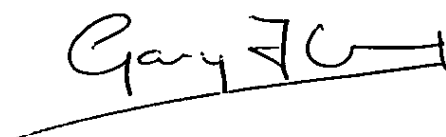
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Balance sheet as at 31 December 2006

	Note	2006 £'000	2005 £'000
Current assets			
Debtors	4	26,347	26,620
		26,347	26,620
Creditors: amounts falling due within one year	5	(854)	(289)
Net current assets		25,493	26,331
Total assets less current liabilities		25,493	26,331
Net assets excluding pension liability		25,493	26,331
Pension liability	9	(3,179)	(3,275)
Net assets including pension liability		22,314	23,056
Capital and reserves			
Called up equity share capital	7	7,573	7,573
Share premium account	8	20,879	20,879
Other reserves	8	(1,686)	(1,686)
Profit and loss account	8	(4,452)	(3,710)
Equity shareholders' funds		22,314	23,056

The financial statements on pages 4 to 14 were approved by the Board on 31 July 2007 and signed on its behalf by

G Copeland
Director



Statement of accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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

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.

Accounting for industrial disease claims

The company receives claims against it in respect of industrial diseases. Provision is made for the uninsured element of such claims when it is probable that there will be a transfer of economic benefits required to settle the claim.

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 are 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.

Deferred tax

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 2006

1 Operating loss

The operating loss is stated after charges of £239,000 (2005 £81,000) in relation to the settlement of industrial disease claims

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 (2005 £Nil) and no director (2005 none) had benefits accruing under a group defined benefit pension scheme

3 Taxation on loss on ordinary activities

(a) Analysis of (credit)/charge in the year

	2006 £'000	2005 £'000
Current tax:		
Group relief receivable	(249)	-
Adjustments in respect of prior years	-	-
Total current tax	(249)	-
Deferred tax		
Origination and reversal of timing differences	(109)	717
Taxation on loss on ordinary activities	(358)	717

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The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%) The differences are explained below

(b) Factors affecting tax (credit)/charge for the year

	2006 £'000	2005 £'000
Loss on ordinary activities before taxation	(402)	(244)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 30%)	(121)	(73)
Effects of		
Accelerated capital allowances/other timing differences	(128)	-
Group relief not paid/(surrendered)	-	86
Pension cost relief in excess of net pension cost charge	-	(13)
Current tax (credit)/charge for the year	(249)	-

(c) Factors affecting tax (credit)/charge for the year

There is an unprovided deferred tax asset of £262,000 This has not been provided because of the uncertainty over whether the losses it relates to will be utilised (see note 6) There is also an unprovided deferred tax asset of £954,000 in relation to the defined benefit pension scheme which has not been recognised due to the uncertainty over whether it will be utilised

4 Debtors

	2006 £'000	2005 £'000
Amounts owed by group undertakings	26,236	26,618
Deferred tax	109	-
Prepayments and accrued income	2	2
	26,347	26,620

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

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5 Creditors: amounts falling due within one year

	2006	2005
	£'000	£'000
Amounts owed to group undertakings	643	289
Other creditors	211	-
	854	289

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

6 Provisions for liabilities and charges

The unprovided deferred taxation asset at 31 December 2006 is summarised below

Deferred taxation	2006	2005
	£'000	£'000
Losses	262	262

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

7 Called up equity share capital

	2006	2005
	£'000	£'000
Authorised		
48,000 ordinary shares of 25p each	12,000	12,000
Allotted, called up and fully paid		
30,292 ordinary shares of 25p each	7,573	7,573

8 Share premium and reserves

	Note	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
At 1 January 2006		20,879	(1,686)	(3,710)
Loss for the financial year		-	-	(44)
Actuarial loss on pension scheme	9	-	-	(698)
At 31 December 2006		20,879	(1,686)	(4,452)
Pension liability	9	-	-	(3,179)
Profit and loss account excluding pension liability		20,879	(1,686)	(1,273)

9 Pension scheme

The company operates a defined benefit pension scheme, the Whessoe 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 2006. The valuation used the projected unit method. Scheme assets are stated at their market value at 31 December 2006.

The contributions made to the scheme for the year ended 31 December 2006 were £917,000 (2005 £170,000). 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 1,007 pensioners and 216 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 and therefore included in the FRS 17 disclosure. The present value of the insured pension liability and the related annuities in the company's name is estimated at £53 million. The overall FRS 17 balance sheet deficit is not affected.

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

	2006	2005	2004
Discount rate	5.10%	4.80%	5.25%
Inflation assumption	2.80%	2.70%	2.50%
Rate of increase in salaries	3.50%	3.50%	3.50%
Rate of increase in pensions in payment	3.30%	3.0%	2.50%
Rate of increase in deferred benefits during deferment	2.80%	2.70%	2.50%

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 2006 %	Value at 31 December 2006 £'000	Long term rate of return expected at 31 December 2005 %	Value at 31 December 2005 £'000
Equities (fund manager portfolios)	6.50	5,063	6.50	3,569
Bonds	5.00	377	5.00	1,529
Other assets	4.50	805	4.50	81
Total market value of assets		6,245		5,179
Present value of scheme liabilities		(9,424)		(8,454)
Deficit in the scheme		(3,179)		(3,275)
Related deferred tax asset		-		-
Net pension liability		(3,179)		(3,275)

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	Long term rate of return expected at 31 December 2004	Value at 31 December 2004
	%	£'000
Equities (fund manager portfolios)	7.00	2,927
Bonds	5.25	1,254
Other assets	4.00	66
Total market value of assets		4,247
Present value of scheme liabilities		(7,396)
Deficit in the scheme		(3,149)
Related deferred tax asset		-
Net pension liability		(3,149)

The related deferred tax asset has not been provided because of the uncertainty over whether profits will be generated to offset it

Analysis of the amount charged to operating loss

	2006	2005
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Total operating charge	-	-

Analysis of the amount charged to other finance costs

	2006	2005
	£'000	£'000
Expected return on pension scheme assets	275	260
Interest on pension scheme liabilities	(398)	(384)
Net cost	(123)	(124)

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

	2006 £'000	2005 £'000
Actual return less expected return on pension scheme assets	188	665
Experience gains and losses arising on the scheme liabilities	(242)	(44)
Changes in assumptions underlying the present value of the scheme liabilities	(644)	(793)
Actuarial loss recognised in the STRGL	(698)	(172)

Movement in deficit during the year

	2006 £'000	2005 £'000
Deficit in scheme at start of year	(3,275)	(3,149)
Movement in the year:		
Contributions	917	170
Net finance cost	(123)	(124)
Actuarial loss	(698)	(172)
Deficit in scheme at year end	(3,179)	(3,275)

History of experience gains and losses

	2006 £'000	2005 £'000	2004 £'000	2003 £'000	2002 £'000
Difference between the expected and actual return on pension scheme assets					
- Amount	188	665	155	732	(1,016)
- Percentage of the pension scheme	3.0%	12.8%	3.6%	19.3%	(32.1%)
Experience gains and losses arising on the pension scheme liabilities					
- Amount	(242)	(44)	(402)	(360)	(801)
- Percentage of the present value of the pension scheme liabilities	(2.6%)	(0.5%)	(5.4%)	(9.6%)	(25.3%)
Total amount recognised in the statement of total recognised gains and losses					
- Amount	(698)	(172)	(1,212)	405	(1,908)
- Percentage of the present value of the pension scheme liabilities	(7.4%)	(2.0%)	(16.4%)	10.7%	(60.3%)

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10 Contingent liabilities

The company has a history of industrial disease claims being lodged against it. Settlement has been made for such claims where appropriate and it is likely that similar claims will be received for the foreseeable future. Most of these claims are covered by insurance policies, however there is uncertainty over the extent to which uninsured claims may arise.

11 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 AG Group.

12 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 AG, a company incorporated in Switzerland.

Copies of Endress and Hauser AG consolidated financial statements are available upon request from Endress and Hauser AG, Kägenstrasse 2, CH-4153 Reinach/BL Switzerland.

The ultimate controlling parties are the Endress Family Trusts.