

Whessoe Public Limited Company
Report and financial statements
for the year ended 31 December 2007

Registered number 166242

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Whessoe Public Limited Company
Annual report and accounts
for the year ended 31 December 2007
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Whesoe Public Limited Company

Directors' report for the year ended 31 December 2007

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2007.

Principal activities, business review and future developments

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

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are those surrounding the performance and funding of the pension scheme for which the full details are set out in Note 9.

Key performance indicators ('KPIs')

Given the straightforward nature of the business, as defined as a holding company, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Results and dividend

The results for the year are set out on page 6. The directors do not recommend payment of a dividend (2006 £Nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

F Fuenzalida
G Copeland

Directors' indemnities

The company maintains liability insurance for its directors and officers. The company has also provided an indemnity for its directors and the secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 1985.

Financial risk management

The company's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. The directors monitor the risks in order to limit the adverse effects on the financial performance by reviewing levels of debt finance and the related finance costs.

Liquidity risk

The company manages and uses its working capital to ensure that it has sufficient funds for ongoing operations and future investments.

Foreign exchange risk

The company is exposed to foreign exchange risk as a result of its operation, however these are limited. The directors do not believe this constitutes a significant risk to the business.

Whessoe Public Limited Company

Interest rate risk

The company is exposed to interest rate risk on its bank overdraft. The directors do not believe this constitutes a significant risk to the business.

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.

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.

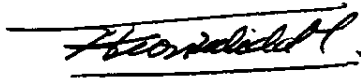
This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Independent 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

Whessoe Public Limited Company

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

F Fuenzalida
Director

7 July 2008

Whessoe Public Limited Company

Independent auditors' report to the members of Whessoe Public Limited Company

We have audited the financial statements of Whessoe Public Limited Company for the year ended 31 December 2007 which comprise the profit and loss account, the statement of total recognised gains and losses, the reconciliation of movements in 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.

Whessoe Public Limited Company

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 2007 and of its profit 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

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers' followed by a stylized 'UP' or similar mark.

PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

Newcastle upon Tyne

21 July 2008

Whessoe Public Limited Company

Profit and loss account for the year ended 31 December 2007

Discontinued operations	Note	2007 £'000	2006 £'000
Operating income		51	-
Administrative expenses		(88)	(279)
Operating loss	1	(37)	(279)
Other finance costs	9	(107)	(123)
Loss on ordinary activities before taxation		(144)	(402)
Taxation on loss on ordinary activities	3	195	358
Profit/(loss) for the financial year	8	51	(44)

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

Whessoe Public Limited Company

Statement of total recognised gains and losses for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Profit/(loss) for the financial year		51	(44)
Actuarial gain/(loss) on the pension scheme	9	774	(698)
Total recognised gains and losses relating to the year		825	(742)

Reconciliation of movements in shareholders' funds for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Profit/(loss) for the financial year		51	(44)
Actuarial gain/(loss) on pension scheme	9	774	(698)
Net increase to/(deduction from) shareholders' funds		825	(742)
Opening shareholders' funds		22,314	23,056
Closing shareholders' funds		23,139	22,314

Whessoe Public Limited Company

Balance sheet as at 31 December 2007

	Note	2007 £'000	2006 £'000
Current assets			
Debtors	4	25,400	26,347
Creditors amounts falling due within one year		(366)	(854)
Net current assets		25,034	25,493
Net assets excluding pension liability		25,034	25,493
Pension liability	9	(1,895)	(3,179)
Net assets including pension liability		23,139	22,314
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	(3,627)	(4,452)
Total shareholders' funds		23,139	22,314

The financial statements on pages 6 to 17 were approved by the Board on 7 July 2008 and signed on its behalf by



F Fuenzalida
Director

Whessoe Public Limited Company

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.

Cash flow statement

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 Cash Flow Statements (revised 1996).

Foreign currency translation

Monetary assets, and liabilities have been translated to sterling at rates of exchange ruling at the balance sheet date or rates of exchange committed under forward contracts. Revenue and expenses in foreign currencies are recorded in sterling at the rates ruling at the dates of the transactions.

Gains and losses on forward contracts are recognised in the profit and loss account when the contract matures.

All other exchange differences are reflected in the profit and loss account in arriving at the result for the year.

Accounting for industrial disease claims

The company receives claims against it in respect of industrial diseases. Accruals are 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. These accruals are held within other creditors.

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 and the effect of the unwinding of the discounted value of the scheme's liabilities is treated as part of other 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.

Whessoe Public Limited Company

Deferred 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 tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

Whessoe Public Limited Company

Notes to the financial statements for the year ended 31 December 2007

1 Operating loss

The operating loss is stated after charges of £66,000 (2006 £239,000) in relation to the settlement of industrial disease claims

Auditors' remuneration was borne by fellow group companies for the current year and prior year

2 Directors and employees

The company has no employees (2006 . none) other than the directors. None of the directors received any emoluments from Whessoe Public Limited Company (2006 £Nil) and no director (2006 none) had benefits accruing under a group defined benefit pension scheme

3 Taxation on loss on ordinary activities

(a) Analysis of credit in the year

	2007	2006
	£'000	£'000
Current tax:		
Group relief receivable	(304)	(249)
Total current tax	(304)	(249)
Deferred tax		
Origination and reversal of timing differences	102	(109)
Change in tax rates or laws	7	-
Total deferred tax charge/(credit) (note 6)	109	(109)
Taxation on loss on ordinary activities	(195)	(358)

Whessoe Public Limited Company

(b) Factors affecting tax credit for the year

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

	2007 £'000	2006 £'000
Loss on ordinary activities before taxation	(144)	(402)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	(43)	(121)
Effects of		
Expenses not deductible for tax purposes	1	
Accelerated capital allowances/other timing differences	(494)	(128)
Pension cost relief in excess of net pension cost charge	232	-
Current tax (credit)/charge for the year	(304)	(249)

(c) Factors affecting tax credit for the year

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008

There is an unprovided deferred tax asset of £245,000 (2006 £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 £531,000 (2006 £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

	2007 £'000	2006 £'000
Amounts owed by group undertakings	25,399	26,236
Deferred tax (note 6)	-	109
Prepayments and accrued income	1	2
	25,400	26,347

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

	2007	2006
	£'000	£'000
Amounts owed to group undertakings	280	643
Other creditors	86	211
	366	854

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

Other creditors related to amounts due in respect of industrial disease claims which the company has a history of 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, the timing over which this may occur and the value of such claims, and as such provision for these claims has not been made, but the directors do not believe these claims to be material in the context of the Company's net assets.

6 Deferred tax

The deferred taxation asset at 31 December 2007 is summarised below

	Provided		Unprovided	
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Short term timing differences	-	109	-	-
Losses	-	-	245	262
Pension provision	-	-	531	954
	-	109	776	1,216

	£'000
Asset at 1 January 2007	109
Charged to profit and loss account (note 3)	(109)
Asset at 31 December 2007	-

The deferred taxation asset in relation to losses and pension provisions has not been provided because of the uncertainty over whether the losses it relates to will be utilised. In the prior year an asset was recognised over allowances to be claimed from excess pension contribution payments, for which relief has been claimed in the current year.

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7 Called up share capital

	2007	2006
	£'000	£'000
Authorised		
48,000 ordinary shares of 25p each	12,000	12,000
Allotted 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 2007		20,879	(1,686)	(4,452)
Profit for the financial year				51
Actuarial gain on pension scheme	9			774
At 31 December 2007		20,879	(1,686)	(3,627)
Pension liability	9			1,895
Profit and loss account excluding pension liability				(1,732)

9 Pension scheme

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

This scheme closed 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 2007 and updated by an independent, qualified actuary, Foden Boyes, with an effective date of 31 December 2007. The valuation used the projected unit method. Scheme assets are stated at their market value at 31 December 2007.

The contributions made to the scheme for the year ended 31 December 2007 were £617,000 (2006 £917,000). 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 22 pensioners and 72 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 £48 million (2007 £53 million). The overall FRS 17 balance sheet deficit is not affected.

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

	2007	2006	2005
Discount rate	5.60%	5 10%	4 80%
Inflation assumption	3.30%	2 80%	2 70%
Rate of increase in salaries	3.50%	3 50%	3 50%
Rate of increase in pensions in payment	3.30%	3 30%	3 0%
Rate of increase in deferred benefits during deferment	3.30%	2 80%	2 70%

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 2007 %	Value at 31 December 2007 £'000	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)	7.10	5,714	6 50	5,063	6 50	3,569
Bonds	5.60	535	5 00	377	5 00	1,529
Other assets	4.50	1,295	4 50	805	4 50	81
Total market value of assets		7,544		6,245		5,179
Present value of scheme liabilities		(9,439)		(9,424)		(8,454)
Deficit in the scheme		(1,895)		(3,179)		(3,275)
Related deferred tax asset		-		-		-
Net pension liability		(1,895)		(3,179)		(3,275)

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

The total operating charge is £nil (2006 : £nil)

Analysis of the amount charged to other finance costs

	2007 £'000	2006 £'000
Expected return on pension scheme assets	367	275
Interest on pension scheme liabilities	(474)	(398)
Net cost	(107)	(123)

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

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	580	188
Experience gains and losses arising on the scheme liabilities	(416)	(242)
Changes in assumptions underlying the present value of the scheme liabilities	610	(644)
Actuarial gain/(loss) recognised in the STRGL	774	(698)

Movement in deficit during the year

	2007 £'000	2006 £'000
Deficit in scheme at start of year	(3,179)	(3,275)
Contributions	617	917
Net finance cost	(107)	(123)
Actuarial loss	774	(698)
Deficit in scheme at year end	(1,895)	(3,179)

History of experience gains and losses

	2007 £'000	2006 £'000	2005 £'000	2004 £'000	2003 £'000
Difference between the expected and actual return on pension scheme assets:					
- Amount	580	188	665	155	732
- Percentage of the pension scheme	7.7%	3.0%	12.8%	3.6%	19.3%
Experience gains and losses arising on the pension scheme liabilities					
- Amount	(416)	(242)	(44)	(402)	(360)
- Percentage of the present value of the pension scheme liabilities	(4.4 %)	(2.6 %)	(0.5 %)	(5.4 %)	(9.6 %)
Total amount recognised in the statement of total recognised gains and losses					
- Amount	774	(698)	(172)	(1,212)	405
- Percentage of the present value of the pension scheme liabilities	8.2%	(7.4 %)	(2.0 %)	(16.4 %)	10.7%

Whessoe Public Limited Company

10 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

11 Ultimate parent undertaking and controlling party

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

The ultimate parent undertaking is Endress + Hauser AG, a company incorporated in Switzerland

Endress + Hauser AG is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements. 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