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Whessoe Limited (formerly Whessoe Public  
Limited Company)  
Report and financial statements  
for the year ended 31 December 2009



# Whessoe Limited (formerly Whessoe Public Limited Company)

## Report and financial statements for the year ended 31 December 2009

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# **Whessoe Limited (formerly Whessoe Public Limited Company)**

## **Directors' report for the year ended 31 December 2009**

The directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2009

### **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 the notification of employee claims. On 29 January 2009, the Whessoe Group Pension Scheme liabilities were transferred to AIG for a consideration of £10.8m. This was financed by a loan from a group undertaking and the disposal of the pension scheme assets.

On 22 December 2009 the company reduced its called up share capital to £1 and transferred the balance to distributable reserves.

### **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 dividends**

The results for the year are set out on page 4. The directors do not recommend payment of a dividend (2008 £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 company secretary, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

### **Financial risk management**

As the company does not trade, it is not exposed to many financial risks, however it is exposed to issues around liquidity 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.

# **Whessoe Limited (formerly Whessoe Public Limited Company)**

## **Statement of directors' responsibilities**

The directors are responsible for preparing 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 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **Independent auditors**

The independent 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



F Fuenzalida  
Director

3 September 2010

# **Whessoe Limited (formerly Whessoe Public Limited Company)**

## **Independent auditors' report to the members of Whessoe Limited (formerly Whessoe Public Limited Company)**

We have audited the financial statements of Whessoe Limited (formerly Whessoe Public Limited Company) for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

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



Mark Webster (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle upon Tyne

3 September 2010

## **Whessoe Limited (formerly Whessoe Public Limited Company)**

### **Profit and loss account for the year ended 31 December 2009**

<b>Discontinued operations</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>
		<b>£'000</b>	<b>£'000</b>
Administrative expenses		(14)	(121)
Write off inter company balance		(39)	-
Other operating income		171	10
<b>Operating profit/(loss)</b>	<b>1</b>	<b>118</b>	<b>(111)</b>
Cost of disposal of group pension scheme	9	(3,463)	-
Other finance income / (costs)	9	-	(93)
<b>Loss on ordinary activities before taxation</b>		<b>(3,345)</b>	<b>(204)</b>
Taxation on loss on ordinary activities	3	(369)	684
<b>(Loss)/profit for the financial year</b>	<b>8</b>	<b>(3,714)</b>	<b>480</b>

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

## **Whessoe Limited (formerly Whessoe Public Limited Company)**

### **Statement of total recognised gains and losses for the year ended 31 December 2009**

	Note	2009 £'000	2008 £'000
(Loss)/profit for the financial year		(3,714)	480
Actuarial loss on the pension scheme	9	-	(805)
<b>Total recognised gains and losses relating to the year</b>		<b>(3,714)</b>	<b>(325)</b>

### **Reconciliation of movements in shareholders' funds for the year ended 31 December 2009**

	Note	2009 £'000	2008 £'000
(Loss)/profit for the financial year		(3,714)	480
Actuarial loss on the pension scheme	9	-	(805)
Net deduction in shareholders' funds		(3,714)	(325)
Opening shareholders' funds		22,814	23,139
<b>Closing shareholders' funds</b>		<b>19,100</b>	<b>22,814</b>

# Whessoe Limited (formerly Whessoe Public Limited Company)

## Balance sheet as at 31 December 2009

	Note	2009 £'000	2008 £'000
<b>Current assets</b>			
Debtors	4	19,985	23,382
Creditors' amounts falling due within one year	5	(885)	(432)
<b>Net current assets</b>		<b>19,100</b>	<b>22,950</b>
<b>Net assets excluding pension liability</b>		<b>19,100</b>	<b>22,950</b>
Pension liability	9	-	(136)
<b>Net assets including pension liability</b>		<b>19,100</b>	<b>22,814</b>
 <b>Capital and reserves</b>			
Called up share capital	7	-	7,573
Share premium account	8	-	20,879
Other reserves	8	-	(1,686)
Profit and loss account	8	19,100	(3,952)
<b>Total shareholders' funds</b>		<b>19,100</b>	<b>22,814</b>

The financial statements on pages 4 to 13 were approved by the Board on 3 September 2010 and signed on its behalf by



F Fuenzalida  
Director

Registered number 166242



# **Whessoe Limited (formerly 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 2006 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 and related party disclosure**

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). The company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the Endress + Hauser AG group.

### **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 and a reliable estimate of the amount of the claim can be made. These accruals are held within other creditors. Employee liability claims which cover a period of employment post 1972 are 95% protected by the Financial Services Compensation Scheme (FSCS). Refunds from the FSCS are credited to other operating income when received.

### **Pensions**

The company has adopted the amendment to FRS17, 'Retirement Benefits'. As a result of this, quoted securities held as fund assets in the defined benefit scheme are now valued at bid price rather than mid-market. The effect of this is immaterial, and hence no prior year restatement has been required.

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 Limited (formerly 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 Limited (formerly Whessoe Public Limited Company)

## Notes to the financial statements for the year ended 31 December 2009

### 1 Operating profit/(loss)

The operating profit is stated after charges of £19,000 (2008 £104,000) in relation to the settlement of industrial disease claims

The operating profit is stated after crediting other operating income of £171,000 (2008 £54,000) This relates to refunds received from the Financial Services Compensation Scheme for employee liability claims previously paid out and which were protected under the FSCS

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

### 2 Directors and employees

The company has no employees (2008 none) other than the directors None of the directors received any emoluments from Whessoe Limited (formerly Whessoe Public Limited Company) (2008 £Nil) and no director (2008 none) had benefits accruing under a group defined benefit pension scheme

### 3 Taxation on loss on ordinary activities

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

	2009 £'000	2008 £'000
<b>Current tax:</b>		
Group relief receivable	-	(300)
Adjustments in respect of prior periods	-	(15)
<b>Total current tax</b>	<b>-</b>	<b>(315)</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	369	(369)
<b>Total deferred tax charge/(credit) (note 6)</b>	<b>369</b>	<b>(369)</b>
<b>Taxation on loss on ordinary activities</b>	<b>369</b>	<b>(684)</b>

# Whessoe Limited (formerly Whessoe Public Limited Company)

## 3 Taxation on loss on ordinary activities (continued)

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

The tax assessed for the year is higher (2008 lower) than the standard rate of corporation tax in the UK (28%)  
The differences are explained below

	2009 £'000	2008 £'000
<b>Loss on ordinary activities before taxation</b>	<b>(3,345)</b>	<b>(204)</b>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 28.5%)	(937)	(58)
Effects of		
Expenses not deductible for tax purposes	253	1
Short term timing differences	56	-
Pension cost relief in excess of net pension cost charge	-	(248)
Group relief surrendered not paid	628	5
Adjustments in respect of prior periods	-	(15)
<b>Current tax credit for the year</b>	<b>-</b>	<b>(315)</b>

### (c) Factors affecting future tax charges

The directors are not aware of any factors that are expected to materially affect future tax charges

There is an unprovided deferred tax asset of £730,000 (2008 £350,000). This has not been provided because of the uncertainty over whether the losses it relates to will be utilised (note 6). There is also an unprovided deferred tax asset of £38,000 (2008 £38,000) 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

	2009 £'000	2008 £'000
Amounts owed by group undertakings	18,985	23,013
Deferred tax (note 6)	-	369
Other debtors	1,000	-
	<b>19,985</b>	<b>23,382</b>

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

# Whessoe Limited (formerly Whessoe Public Limited Company)

## 5 Creditors: amounts falling due within one year

	2009	2008
	£'000	£'000
Amounts owed to group undertakings	-	209
Provision for pension scheme wind up costs	805	-
Other creditors	80	223
	<b>885</b>	<b>432</b>

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

Other creditors relates 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 therefore provision for these claims has not been made. However 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 2009 is summarised below

	Recognised		Unrecognised	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Short term timing differences	-	369	185	-
Losses	-	-	545	350
Pension provision	-	-	-	38
	-	369	730	388

	£'000
At 1 January 2009	369
Charged to profit and loss account (note 3)	(369)
<b>At 31 December 2009</b>	<b>-</b>

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.

# Whessoe Limited (formerly Whessoe Public Limited Company)

## 7 Called up share capital

	2009	2008
	£'000	£'000
<b>Authorised</b>		
48,000,000 ordinary shares of 25p each	12,000	12,000
<b>Allotted and fully paid</b>		
Nil (2008 30,292,000 ordinary shares of 25p each)	-	7,573

On 22 December 2009 the company reduced it's called up share capital to £1 and transferred the balance to distributable reserves

## 8 Reserves

	Share premium account	Other reserves	Profit and loss account
	£'000	£'000	£'000
At 1 January 2009	20,879	(1,686)	(3,952)
Transfer from share capital	-	-	7,573
Transfer to profit and loss reserve	(20,879)	1,686	19,193
Loss for the financial year	-	-	(3,714)
<b>At 31 December 2009</b>	<b>-</b>	<b>-</b>	<b>19,100</b>

## 9 Pension scheme

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

This scheme closed on 31 December 2001 and so there were no active members in the scheme

On 29 January 2009 the Whessoe Group Pension Scheme liabilities were transferred to AIG for a consideration of £10.8 million. This was financed by a loan from a group undertaking and the disposal of the pension scheme assets.

# **Whessoe Limited (formerly Whessoe Public Limited Company)**

## **10 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