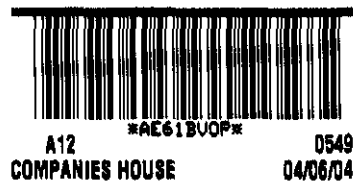


Whessoe plc
Annual report
for the year ended 31 December 2003

Registered Number 166242



Whessoe plc
Annual report
for the year ended 31 December 2003
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Whesoe plc

Directors' report for the year ended 31 December 2003

The directors present their annual report together with the audited financial statements for the year ended 31 December 2003.

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 (2002: £Nil).

Directors and directors' interests

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

Fernando Fuenzalida

Dr Frank Braun

Gary Copeland

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

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. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2003 and that applicable accounting standards have been followed.

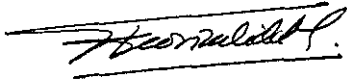
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

Whessoe plc

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

F Fuenzalida

Director

10 May 2004

Whessoe plc

Independent auditors' report to the members of Whessoe plc

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

Respective responsibilities of directors and auditors

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. 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 in to 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 transactions is not disclosed.

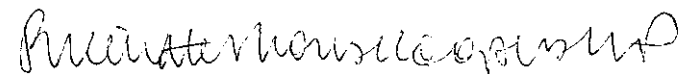
Basis of audit opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its profit 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

10 May 2004

Whessoe plc

Profit and loss account for the year ended 31 December 2003

	Note	2003 £'000	2002 £'000
Operating expenses		(189)	(448)
Operating loss	1	(189)	(448)
Net interest payable	3	(5)	(162)
Loss on ordinary activities before taxation		(194)	(610)
Taxation	4	241	18
Profit/(loss) on ordinary activities after taxation		47	(592)
Dividends		-	-
Profit/(loss) for the year	9	47	(592)

All of the above results relate to discontinued operations.

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

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

Whessoe plc

Reconciliation of movements in equity shareholders' funds for the year ended 31 December 2003

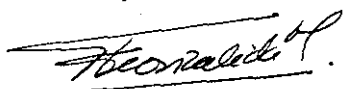
	2003 £'000	2002 £'000
Profit/(loss) for the financial year	47	(592)
Dividends	-	-
Net increase/(reduction) in equity shareholders' funds	47	(592)
Opening equity shareholders' funds	26,174	26,766
Closing equity shareholders' funds	26,221	26,174

Whessoe plc

Balance sheet as at 31 December 2003

	Note	2003 £'000	2002 £'000
Current assets			
Debtors	5	26,958	26,970
Cash at bank and in hand		63	82
		27,021	27,052
Creditors: amounts falling due within one year	6	(44)	(122)
Net current assets		26,977	26,930
Total assets less current liabilities		26,977	26,930
Provisions for liabilities and charges	7	(756)	(756)
Net assets		26,221	26,174
Capital and reserves			
Called up share capital	8	7,573	7,573
Share premium account	9	20,879	20,879
Other reserves	9	(1,686)	(1,686)
Profit and loss account	9	(545)	(592)
Equity shareholders' funds		26,221	26,174

The financial statements on pages 4 to 15 were approved by the Board on 10 May 2004 and signed on its behalf by:



F Fuenzalida
Director

Whessoe plc

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

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. Contribution rates are calculated periodically by actuaries and the cost charged against profits over the employees' estimated service lives.

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 2003

1 Operating loss

Operating loss is stated after charging	2003 £'000	2002 £'000
Staff costs (note 2)	146	133
Auditors' remuneration – audit services	2	9

GJ Copeland received total emoluments of £Nil (2002: £58,960) from a fellow group company for his services as a director of Whessoe plc. One director (2002: one) had emoluments accruing under a group defined benefit pension scheme. None of the other directors received any emoluments from Whessoe plc (2002: £Nil).

2 Staff numbers and costs

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

	2003 Number	2002 Number
Administration	3	5

The aggregate payroll costs of these persons were as follows:

	2003 £'000	2002 £'000
Wages and salaries	-	30
Social security costs	-	-
Other pension costs	146	103
	146	133

Whessoe plc

3 Net interest payable

	2003	2002
	£'000	£'000
Interest payable on bank loans and overdrafts	5	162

4 Taxation

(a) Analysis of credit in the year

	2003	2002
	£'000	£'000
Current tax:		
Group relief receivable	(58)	-
Adjustments in respect of prior years	(183)	(18)
Total current tax	(241)	(18)
Deferred tax:		
Origination and reversal of timing differences	-	-
	(241)	(18)

(b) Factors affecting tax charge for the year

	2003	2002
	£'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 tax	(194)	(610)
Loss on ordinary activities multiplied by standard rate in the UK 30% (2002: 30%)	(58)	(183)
Effects of:		
Expenses not deductible for tax purposes	-	-
Deferred tax not recognised	-	183
Adjustments in respect of prior years	(183)	(18)
Current tax credit for the year	(241)	(18)

(c) Factors affecting tax charge for the year

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

Whessoe plc

5 Debtors

	2003	2002
	£'000	£'000
Amounts owed by group undertakings	26,950	26,923
Prepayments and accrued income	8	47
	26,958	26,970

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

6 Creditors: amounts falling due within one year

	2003	2002
	£'000	£'000
Bank loans and overdrafts	-	97
Amounts owed to group undertakings	41	25
Other creditors	3	-
	44	122

7 Provisions for liabilities and charges

	Other provisions £'000
At 1 January 2003 and 31 December 2003	756
Utilised during year	-
At end of year	756

The "other" provision relates to the costs associated with the proposed winding up of the Whessoe Group pension scheme (see note 12).

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The unprovided deferred taxation asset at 31 December 2003 is summarised below: -

Deferred taxation	2003 £'000	2002 £'000
Excess of capital allowances over depreciation	-	-
Short term timing differences	-	-
Losses	262	467
	262	467

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

8 Called up equity share capital

	2003 £'000	2002 £'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

9 Share premium and reserves

	Share premium account £'000	Other reserves £'000	Profit and loss account £'000
At 1 January 2003	20,879	(1,686)	(592)
Profit for the year	-	-	47
At 31 December 2003	20,879	(1,686)	(545)

Whessoe plc

10 Contingent liabilities

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

11 Pension scheme

(a) Pension costs under SSAP24

Contributions to the company's defined benefit pension scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified independent actuary. At 31 December 2003 the pension trustees are in the process of considering the wind up of the pension scheme and the directors are anticipating making payments to the scheme in order to satisfy the remaining members transfer values. As at 31 December 2003 there is a provision of £756,000 (2002: £756,000) in order to meet these liabilities (see note 7).

The pension charge for the year was £146,000 (2002: £103,000).

The most recent actuarial valuation showed that the market value of the scheme's assets was £4,272,145 at 1 April 2001 and that the actuarial value of those assets represented 92.8% of the benefits that had accrued to members.

(b) Pension disclosures under FRS17 transitional arrangements

The valuation used for Financial Reporting Standard 17 - Retirement Benefits ("FRS17") disclosures has been based on the most recent actuarial valuation at 1 April 2002 and updated by Foden Boyes to take account of FRS17 in order to assess the liabilities of the scheme at 31 December 2003. The valuation used the projected unit method. Scheme assets are stated at their market value at 31 December 2003.

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

	2003	2002
Discount rate	5.5%	5.4%
Inflation assumption	2.0%	1.9%
Rate of increase in salaries	3.5%	3.4%
Rate of increase in pension in payment	2.0%	1.9%
Rate of increase in deferred benefits during deferment	2.0%	1.9%

Whessoe plc

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

	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)	7.0	2,654	6.4	3,099
Bonds	5.5	1,137	-	-
Other assets	1.0	1	4.0	67
Total market value of assets		3,792		3,166
Present value of scheme liabilities		(5,937)		(5,679)
Deficit in scheme		(2,145)		(2,513)
Pension provision		756		756
Net pension (liability)/asset		(1,389)		(1,757)

If the above amounts had been recognised in the financial statements, the company's net assets and profit and loss reserve at 31 December 2003 would be as follows:

	2003 £'000	2002 £'000
Net assets		
Net assets excluding pension (liability)/asset	26,203	26,174
Pension (liability)/asset	(1,389)	(1,757)
Net assets including pension (liability)/asset	24,814	24,417
	2003 £'000	2002 £'000
Reserves		
Profit and loss reserve excluding pension (liability)/asset	(563)	(592)
Pension (liability)/asset	(1,389)	(1,757)
Profit and loss reserve	(1,952)	(2,349)

Whesoe plc

Analysis of the amount charged to operating profit

	2003	2002
	£'000	£'000
Current service cost	-	-
Past service cost	-	-
Total operating charge	-	-

Analysis of the amount charged to other financial income

	2003	2002
	£'000	£'000
Expected return on pension scheme assets	175	247
Interest on pension scheme liabilities	(302)	(264)
Net charge	(127)	(17)

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

	2003	2002
	£'000	£'000
Actual return less expected return on pension scheme assets	732	(1,016)
Experience gains and losses arising on scheme liabilities	(360)	(801)
Changes in assumptions underlying the present value of the scheme liabilities	33	(91)
Actuarial gain/(loss) recognised in the STRGL	405	(1,908)

Movement in surplus during the year

	2003	2002
	£'000	£'000
Deficit at 1 January	(2,513)	(648)
Movement in the year:		
Current service cost	-	-
Contributions	90	60
Other finance income	(127)	(17)
Actuarial gain	405	(1,908)
Deficit at 31 December	(2,145)	(2,513)

Whessoe plc

Details of experience gains/(losses) for the year to 31 December 2003 and 31 December 2002:

	2003 £'000	2002 £'000
Difference between the expected and actual return on scheme assets:		
Amount	732	(1,016)
Percentage of scheme assets	19.3%	(32.1)%
Experience gains and losses on scheme liabilities:		
Amount	(360)	(801)
Percentage of the present value of the scheme liabilities	(9.6)%	(25.3)%
Total amount recognised in statement of total recognised gains and losses:		
Amount	405	(1,908)
Percentage of the present value of the scheme liabilities	10.7%	(60.3)%

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 which is the smallest group to consolidate these financial statements.

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

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

The ultimate controlling party is the Endress family trusts and the Endress family shareholders.