

Company Registration No. 01029281

HACH LANGE LIMITED

Report and Financial Statements

31 December 2013



HACH LANGE LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

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HACH LANGE LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Keith Ward
Darin Stell
Gert Schaumburg

REGISTERED OFFICE

Suite 31, The Quadrant
99 Parkway Avenue
Parkway Business Park
Sheffield
S9 4WG

BANKERS

HSBC Bank plc
27th Floor
8 Canada Square
London
E14 5HQ

AUDITORS

Ernst & Young LLP
400 Capability Green
Luton
LU1 3LU

DIRECTOR'S REPORT

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the company is the distribution of water monitoring equipment. The company expects to continue current activities.

During the year turnover of £22,873 million was generated. This represents an increase of £2,7 million over the previous year which is largely attributed to the introduction of new, improved products, plus organic growth in other existing products and reagents. The company expects continued success in the future through organic growth.

The group's key financial and other performance indicators during the year were as follows:

	2013 £000	2012 £000	Change %
Turnover	22,873	20,124	+13,66%
Operating profit	950	490	+93,88%
Total assets	7,579	9,298	-18,49%
Employees	73	73	+/-0%

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties are grouped as competitive and financial.

Competitive risks:

The company has identified the following competitive risks;

The intensity of the competition in the global markets and also the cheaper/ low-maintenance/ non test tube measurement principles could lead to increased pricing pressure for the process metrology and also increasingly in the laboratory area. In addition to cost adaptations we will take counter measures, with further technical innovations and Service & Software innovations.

The Public utilities could limit their tight monetary policy on account of the lower budgets and reduced economic expectations. This could influence sales in the waste water market.

The business in the industrial customer sector is also at risk from the impact of the general economic climate.

Financial risks:

Purchases are made in foreign currency (mostly Euro) and subject to exchange rate variations.

Credit is given to customers on the basis of Dunn and Bradstreet credit reports, and debtors are continually reviewed and chased for payments.

Business activity is subject to US parent companies risk mitigation procedures. These include satisfying Danaher's corporate governance principals and Sarbanes Oxley audit controls.

On behalf of the Board



Keith Ward
Director

Date: 28th July 2014

HACH LANGE LIMITED

DIRECTOR'S REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2013.

RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation for the year was £968,000 (2012: £509,000).

DIRECTORS

The directors who served during the year were as follows:

Darin Stell

Keith Ward

Gert Schaumburg

GOING CONCERN

The company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives and its exposure to competitive and financial risks are described in the Business Review and Principal Risks and Uncertainties on page 2.

The company is part of one of the three multi currency Danaher UK group cash pool arrangements. Within these cash pools, each company has entered into unlimited cross guarantees in respect of bank borrowings with fellow participating companies. Each company is also subject to an indemnity offered by Danaher Corporation for all participating companies (for the period during which they remain wholly owned subsidiaries of Danaher Corporation), such that any liability falling on the company as a result of the borrowings from the bank of any other party to the cash pool arrangement will be borne by Danaher Corporation in the event of default.

The company is trading profitably with positive cash flow and strong balance sheet. The group cash pool arrangement in the UK is also available if the company requires immediate access to cash funds to meet its liabilities as they fall due.

The cash position of the UK group as a whole is strong and therefore the company should have access to sufficient operating funds when necessary.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

THIRD PARTY INDEMNITIES

Danaher Corporation has provided to all directors limited indemnities in respect of the cost of defending claims against them and third party liabilities. These are all third party indemnity provisions for the purpose of the Companies Act 2006 and are all currently in force.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

HACH LANGE LIMITED

DIRECTOR'S REPORT

AUDITORS

A resolution to reappoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'KW', with a horizontal line extending to the right.

Keith Ward

Director

Date: 28th July 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HACH LANGE LIMITED

We have audited the financial statements of Hach Lange Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 and express an opinion on 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.

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HACH LANGE LIMITED (CONTINUED)

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.

Ernst & Young LLP

John Dervley (Senior Statutory Auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Luton

Date: 29 July 2014

HACH LANGE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2013

		2013	2012
	Note	£000	£000
TURNOVER	2	22,873	20,124
Raw materials and consumables		(16,903)	(14,544)
Staff costs	4	(4,111)	(3,968)
Depreciation and amortisation of fixed assets		(509)	(511)
Other operating charges		<u>(400)</u>	<u>(611)</u>
OPERATING PROFIT	3	950	490
Interest receivable and similar income	5	<u>20</u>	<u>16</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		970	506
Tax (charge) / credit on profit on ordinary activities	6	<u>(2)</u>	<u>3</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>968</u>	<u>509</u>

There were no recognised gains or losses other than the profit for the period, all of which is derived from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

HACH LANGE LIMITED

Registered number 01029281

BALANCE SHEET At 31 December 2013

	Note	2013 £000	2012 £000
FIXED ASSETS			
Intangible assets	7	129	603
Tangible assets	8	<u>51</u>	<u>63</u>
		180	666
CURRENT ASSETS			
Debtors			
- due within one year	9	5,074	6,055
Inventories		13	0
Cash		<u>2,312</u>	<u>2,580</u>
		7,399	8,635
CREDITORS: amounts falling due within one year	10	<u>(4,843)</u>	<u>(4,535)</u>
NET CURRENT ASSETS		<u>2,556</u>	<u>4,100</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,736</u>	<u>4,766</u>
NET ASSETS		<u><u>2,736</u></u>	<u><u>4,766</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	10	10
Profit and loss account	12	<u>2,726</u>	<u>4,756</u>
TOTAL SHAREHOLDERS' FUNDS	12	<u><u>2,736</u></u>	<u><u>4,766</u></u>

These financial statements were approved by the Board of Directors on 28th July 2014

Signed on behalf of the Board of Directors



Keith Ward
Director

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards, which have been applied consistently throughout the current and prior periods. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Under the provisions of Financial Reporting Standard No 1 (revised) Cash Flow Statements, the company has not prepared a cashflow statement because its ultimate parent company, Danaher Corporation, has prepared consolidated financial statements which include the financial statements of the company for the year which are publicly available.

Turnover

Turnover, excluding Value Added Tax, represents the income receivable in the ordinary course of business for goods and services provided.

Goodwill

Goodwill arising on the acquisition of businesses, representing the excess of fair value of the consideration over that of the separable net assets acquired, is capitalized and written off over its useful economic life up to a presumed maximum of 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold improvements	5 to 25 years
Other Equipment	3 to 5 years
Hire equipment	12 months

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Inventories

Inventory is valued at the lower of cost and net realizable value.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013

1. ACCOUNTING POLICIES (CONTINUED)

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year.

Differences between contribution payable in the year and contribution actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The company is not required to provide for Corporation tax due to the availability of group relief for nil payment.

Deferred taxation is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date will result in an obligation to pay more, or right to pay less or to receive more tax.

Deferred tax assets are recognized only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted.

2. TURNOVER

An analysis of turnover by geographical segment is given below:

	2013	2012
	£000	£000
Europe	22,869	20,071
Rest of world	4	53
	<u>22,873</u>	<u>20,124</u>

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013

3. OPERATING PROFIT

Operating profit is stated after charging / (crediting):

	2013	2012
	£000	£000
Depreciation of owned fixed assets	35	37
Amortisation of goodwill	474	474
Operating leases		
-other equipment	315	297
-Land and buildings	127	148
Auditors' remuneration – audit services and tax services	20	19
Foreign currency translation differences	<u>(12)</u>	<u>34</u>

4. STAFF COSTS

	2013	2012
	£000	£000
Wages and salaries	3,395	3,270
Social security costs	531	565
Pension costs	<u>185</u>	<u>133</u>
	<u>4,111</u>	<u>3,968</u>

The monthly average number of employees employed by the company during the year was as follows:

	2013	2012
	£000	£000
Administration	8	8
Marketing	1	1
Sales	41	41
Service	<u>23</u>	<u>23</u>
	<u>73</u>	<u>73</u>

HACH LANGE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) Year ended 31 December 2013

4. STAFF COSTS (CONTINUED)

Directors' emoluments

a) Directors who provide qualifying services to the company

	2013	2012
	£000	£000
Aggregate emoluments in respect of qualifying services	<u>154</u>	<u>153</u>
	<u>154</u>	<u>153</u>

b) Directors who do not provide qualifying services to the company

Gert Schaumburg's services to this company are of a non executive nature and his emoluments are deemed to be wholly attributable to his qualifying services to HACH SA (CH).

Keith Ward's services to this company are of a non executive nature and his emoluments are deemed to be wholly attributable to his qualifying services to Danaher UK Industries Ltd. (UK).

Accordingly, these financial statements include no emoluments in respect of these directors (2012 £nil).

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£000	£000
Bank interest receivable	<u>20</u>	<u>16</u>
	<u>20</u>	<u>16</u>

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax credit / (charge) is based on the results for the year and comprises:

	2013	2012
	£000	£000
The tax charge/(credit) comprises:		
Current tax		
Corporation tax at the standard rate of 24.5% (2012: 24.5%)	0	0
Adjustment in respect of prior periods	0	0
Deferred tax		
Charge / (credit) to the profit and loss account	(9)	(10)
Charge/ (credit) in respect of prior year	0	0
Charge/ (credit) in respect of change in tax rates	11	7
	2	(3)
Taxation charge / (credit) for the year	2	(3)

The differences between the total current tax shown above and the amount calculated by applying the rate of UK corporation tax to the profit before tax are as follows:

	2013	2012
	£000	£000
Profit before tax	970	506
Tax on profit on ordinary activities at standard UK corporation tax rate of 23,25% (2012: 24,5%)	226	124
Effects of:		
(Income)/ expenses not (taxable)/ deductible for tax purposes	(97)	(93)
Group relief surrendered / claimed for nil consideration	(138)	(40)
Fixed asset timing differences	9	10
Other timing differences	0	(1)
Current taxation charge/ (credit) for the year	0	0

HACH LANGE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) Year ended 31 December 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2013	2012
	£000	£000
Deferred tax asset recognised		
Deferred tax (asset) as at 1 January 2013	(79)	(76)
Charge / (credit) to the profit and loss account	<u>2</u>	<u>(3)</u>
Deferred tax (asset) as at 31 December 2013	<u>(77)</u>	<u>(79)</u>
Capital allowances in advance of depreciation	(69)	(69)
Other timing differences	<u>(8)</u>	<u>(10)</u>
Deferred tax (asset) / liability as at 31 December 2013	<u>(77)</u>	<u>(79)</u>

Finance Act 2013 included legislation to reduce the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. The reported deferred tax asset has therefore been reduced to reflect the reduction in rate to 20%. The amount of deferred tax asset expected to reverse in 2014, when the main rate of corporation tax is 21% is not significant.

7. INTANGIBLE FIXED ASSETS

	Goodwill	Total
	£000	£000
Cost		
At 1 January 2013	2,595	2,595
Additions	0	0
Disposals	<u>0</u>	<u>0</u>
At 31 December 2013	<u>2,595</u>	<u>2,595</u>
Amortisation		
At 1 January 2013	1,992	1,992
Charge for the year	474	474
Disposals	<u>0</u>	<u>0</u>
At 31 December 2013	<u>2,466</u>	<u>2,466</u>
Net book value		
At 31 December 2013	<u>129</u>	<u>129</u>
At 1 January 2013	<u>603</u>	<u>603</u>

HACH LANGE LIMITED

NOTES TO THE ACCOUNTS (CONTINUED) Year ended 31 December 2013

8. TANGIBLE FIXED ASSETS

	Leasehold improvements	Other equipment	Hire and demo equipment	Total
	£000	£000	£000	£000
Cost				
At 1 January 2013	10	578	258	846
Additions	0	23	0	23
Disposals	0	-51	0	-51
At 31 December 2013	10	550	258	818
Depreciation				
At 1 January 2013	10	515	258	783
Charge for the year	0	34	0	35
Disposals	0	-51	0	-51
At 31 December 2013	10	499	258	767
Net book value				
At 31 December 2013	0	51	0	51
At 1 January 2013	0	63	0	63

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£000	£000
Trade debtors	3,713	4,045
Amounts owed by other group undertakings	1,192	1,778
Deferred tax (note 6)	77	79
Other debtors	92	153
	<u>5,074</u>	<u>6,055</u>

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£000	£000
Trade creditors	122	149
Amounts owed to other group undertakings	2,802	2,829
Other taxes and social security	1,037	889
Other creditors	66	13
Accruals and deferred income	<u>816</u>	<u>655</u>
	<u>4,843</u>	<u>4,535</u>

11. CALLED UP SHARE CAPITAL

	2013	2012
	£000	£000
Called up. Allotted and fully paid		
10,000 ordinary shares of £1 each (2012: 10,000)	<u>10</u>	<u>10</u>
	<u>10</u>	<u>10</u>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share Capital	Profit and loss account	Total Share- holders' Funds
	£000	£000	£000
At 1 January 2012	10	4,247	4,257
Profit for the year	<u>0</u>	<u>509</u>	<u>509</u>
At 1 January 2013	10	4,756	4,766
Profit for the year	0	970	970
Dividends paid in the year	<u>0</u>	<u>(3,000)</u>	<u>(3,000)</u>
At 31 December 2013	<u>10</u>	<u>2,726</u>	<u>2,736</u>

NOTES TO THE ACCOUNTS (CONTINUED)
Year ended 31 December 2013**13. PENSION COMMITMENTS**

A Company Personal Pension scheme (The Bühler Montec Group Personal Pension Plan) was set up in the year 2000 with Norwich Union (formerly known as CGU Life). The Scheme commenced with effect from 1st May 2000 for members previously in the Servomex scheme and 1 June 2000 for new entrants. The scheme operates on a money purchase basis.

The pension cost for the period was £185,032 (2012: £133,045).

14. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

An unlimited multi-lateral guarantee exists between all members of the cash pool in which the company participates and HSBC Bank plc.

Annual payments under non-cancellable operating leases are as follows:

	Land and Buildings 2013 £000	Land and Buildings 2012 £000	Other 2013 £000	Other 2012 £000
Operating leases which expire:				
Within one year	8	28	41	36
Between two and five years	111	109	210	248
In more than five years	0	0	0	0
	<u>119</u>	<u>137</u>	<u>251</u>	<u>284</u>

15. CONTINGENT LIABILITY

On 23 October 2012, the company provided a bank guarantee of £84,154 in favour of the Environment Agency.

16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent undertaking is Danaher UK Industries Limited, a company registered in England and Wales. The ultimate parent undertaking and controlling party is Danaher Corporation, a company incorporated in the United States of America.

The largest and smallest group in which the results of the company are consolidated is Danaher Corporation, a company incorporated in the USA. The consolidated accounts of this group are available to the public and may be obtained from 2200 Pennsylvania Avenue, Suite 800 West, Washington DC 20037, USA.

17. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS 8, paragraph 3c not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to the transactions are wholly owned by the ultimate controlling parent.