Sulzer Pumps WasteWater UK Limited
(formerly ABS Wastewater Technology Limited)

Directors' report and financial statements for the year ended 31 December 2012

Registered number 2447926

SULZER PUMPS WASTEWATER UK LIMITED
(formerly ABS Wastewater Technology Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the year ended 31 December 2012

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COMPANY INFORMATION

DIRECTORS	C Patten M Streicher (German) N James
SECRETARY	C Patten
REGISTERED OFFICE	5th Floor Astral Towers Betts Way Crawley West Sussex RH10 9UY
REGISTERED NUMBER	2447926
AUDITORS	Ernst & Young Chartered Accountants Annaville House Newtown Waterford Ireland
BANKERS	HSBC Bank Plc Thames Valley Corporate Banking Centre 5th Floor, Apex Plaza Reading RG1 1AX
SOLICITORS	Rawlison Butler Griffen House 135 High Street Crawley RH10 1DQ

DIRECTORS' REPORT
for the year ended 31 December 2012

The directors present their report and financial statements for the year ended 31 December 2012

RESULTS FOR THE YEAR, DIVIDENDS AND STATE OF AFFAIRS

The profit and loss account, balance sheet and notes thereon for the year ended 31 December 2012 are set out on pages 8 to 22 Profits before tax have increased from Stg£194k to Stg£336k

The directors do not propose the payment of a dividend and an amount of Stg£336k is credited to reserves

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activities of the company continued to be the sale, manufacture, installation and repair of pumping and mixing machinery

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

	2012	*2011*	*Change*
	Stg£'000	*Stg£'000*	*%*
Turnover	10,376	9,411	10 25%
EBITDA	456	313	45 7%
Operating profit	355	214	65 9%
Profit before taxation	336	194	73 2%

Our continual work with our key customers has resulted in an increased market share and consequent increase in sales of 10%

EBITDA increased by 46% during the year and operating profit by 66% primarily due to decrease in the purchase prices of the direct materials and also due to increase in sales related to the large framework contracts

Profit before taxation increased by 73% Increase in profit before taxation was mainly a result of the decreased direct materials prices and administrative costs as well die to increase in sales and large framework contracts

The increase in shareholders' funds is due entirely to the results for the year

PRINCIPAL RISKS AND UNCERTAINTIES

Under U K Company Law (Section 417 - Companies Act, 2006) the company is required to give a description of the principal risks and uncertainties faced The principal risks and uncertainties that the business faces include

Business continuity and acts of terrorism
A major incident or act of terrorism could impact on the Company's ability to trade

The most likely event would be the loss of one of our facilities, however, because our IT infrastructure is hosted in Switzerland and our logistics centre in Luxembourg we could quickly reinstate our operations from a temporary location and continue our business with the minimum of disruption

DIRECTORS' REPORT
for the year ended 31 December 2012 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Economic and market risks
Our business is in two main areas with the water companies and via distributors to the commercial market The water company business is to some extent protected from the general economic climate as the industry is strongly regulated through the Water Services Regulation Authority (OFWAT), who ensures that quality and investment levels are maintained The commercial market is less protected, this therefore does pose a risk, however, our market share is relatively small and shortfalls can be offset by the increased activity

Environmental
The company is certified to ISO14001 and has an internal Environmental Policy which is enforced through internal auditing The main risk to the business would be caused by a pollution incident reported to the Environment Agency To mitigate this we take every precaution including employee training and therefore believe the risk is low

Health and safety
Our external staff are working in potentially hazardous locations and therefore there is a risk to them and to the business We do have a strong Health & Safety culture driven from the parent company in the business and we have rolled out "Safe Behaviour Programme", combined with internal and external audits from which we continuing to score highly

EVENTS SINCE THE BALANCE SHEET DATE

There are no events requiring comment

FUTURE DEVELOPMENTS

There are no developments requiring comment

GOING CONCERN

The company's business activities, together with factors likely to affect its future development, its financial position and its exposure to its principal risks and uncertainties are described above

The directors believe that the company is well placed to manage its business risks successfully despite the current economic climate

After making enquiries the directors are confident 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 accounts

DIRECTORS

The directors are noted on page 1

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The interests of the directors in the share capital of the company are set out in Note 14 to the financial statements

DIRECTORS' REPORT
for the year ended 31 December 2012 (continued)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no contributions to political parties during the year Charitable contributions were insignificant

DISCLOSURE OF INFORMATION TO THE AUDITORS

Having made the requisite enquiries, so far as the directors are aware, there is no relevant audit information (as defined by Section 419 of the Companies Act 2006) of which the company's auditors are unaware, and the directors have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

RE-APPOINTMENT OF AUDITORS

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office as auditors and in accordance with S 485 of the Companies Act, 2006, a resolution proposing their re-appointment will be submitted at the Annual General Meeting

On behalf of the Board

CLIVE PATTEN

Director

Date

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and 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 these 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper 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

On behalf of the Board

Director CLIVE PATTEN

Date

ERNST & YOUNG

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SULZER PUMPS WASTEWATER UK LIMITED (formerly ABS Wastewater Technology Limited)

We have audited the financial statements of Sulzer Pumps Wastewater UK Limited for the year ended 31 December 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, and the related notes 1 to 19 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 (APB'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 2012 and of its profit or 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

Ernst & Young

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SULZER PUMPS WASTEWATER UK LIMITED (continued)

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

William Galloway
(Senior statutory auditor)

for and on behalf of Ernst & Young
Waterford
Republic of Ireland

13 May 2013

SULZER PUMPS WASTEWATER UK LIMITED
(formerly ABS Wastewater Technology Limited)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Note	*2012* *£'000*	*2011* *£'000*
Turnover – continuing operations	2	10,376	9,411
Cost of sales		(6,488)	(5,852)
Gross profit		3,888	3,559
Selling and distribution costs		(2,543)	(2,376)
Administrative expenses		(990)	(969)
Operating profit – continuing operations	4	355	214
Interest payable and similar charges	5	(9)	(10)
Pension financing costs		(10)	(10)
Profit on ordinary activities before taxation		336	194
Tax on profit on ordinary activities	6	–	(46)
Profit for the year		336	148

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2012

	2012 *£'000*	*2011* *£'000*
Profit for the year	336	148
Pension scheme actuarial (losses)/gains		
Actual return on scheme assets greater/(less) than expected return	11	(35)
Effect of changes in assumptions	(43)	25
	(32)	(10)
Deferred tax charge	1	(5)
Total recognised gains and losses for year	305	133

SULZER PUMPS WASTEWATER UK LIMITED
(formerly ABS Wastewater Technology Limited)

BALANCE SHEET
at 31 December 2012

ASSETS EMPLOYED	*Note*	*2012* *£'000*	*2011* *£'000*
FIXED ASSETS			
Tangible	7	208	271
CURRENT ASSETS			
Stocks	8	1,163	1,006
Debtors	9	2,845	3,020
Cash at bank and in hand		34	506
		4,042	4,532
CREDITORS (amounts falling due within one year)	10	(1,496)	(2,362)
NET CURRENT ASSETS		2,546	2,170
TOTAL ASSETS LESS CURRENT LIABILITIES		2,754	2,441
PROVISION FOR LIABILITIES AND CHARGES	11	(46)	(58)
DEFINED BENEFIT PENSION LIABILITY	12	(195)	(175)
		(241)	(233)
		2,513	2,208
FINANCED BY			
CAPITAL AND RESERVES			
Called up share capital	13	6,000	6,000
Profit and loss account	15	(3,487)	(3,792)
Shareholders' funds	15	2,513	2,208

Approved by the Board on

Director CLIVE PATTEN

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012

1 ACCOUNTING POLICIES

(a) *Basis of preparation and change in accounting policy*
The financial statements are prepared under the historical cost convention

The financial statements are prepared in accordance with applicable accounting standards

The company is exempt by virtue of S400 of the Companies Act, 2006 from the requirement to prepare group accounts These financial statements present information about the company as an individual undertaking and not about its group

(b) *Depreciation of fixed assets*
Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives at the following annual rates

Plant, equipment and fixtures	15% to 33 3% per annum
Computer and software	25% to 33 3% per annum
Motor vehicles	25% per annum

(c) *Stocks*
Stocks are stated at the lower of cost and net realisable value as follows

Raw materials, consumables and goods for resale	-Purchase cost on a first in first out basis
Work in progress and finished goods	- Cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on actual or estimated selling price less any further costs to be incurred to completion and disposal

(d) *Foreign currencies*
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 rates of exchange ruling at the balance sheet date All gains or losses are dealt with through the profit and loss account

(e) *Taxation*
Current tax is recognised based on tax rates and laws in effect during the year

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 have occurred that will result in an obligation to pay more, or a right to pay less, tax, with the exception that deferred tax assets are recognised 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

Timing differences are differences between profit as computed for taxation purposes and profit as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different periods for taxation purposes

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012 (continued)

1 ACCOUNTING POLICIES (continued)

(e) Taxation (continued)

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

Deferred tax is discounted at the effective rates of return on government bonds at maturity dates and in currencies similar to those of the deferred tax

(f) Government grants

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profits as follows

Buildings - over ten years
Plant and machinery - over five years

Grants of a revenue nature are credited to income as received

(g) Leasing

Assets held under finance leases, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives

The corresponding lease obligations are capitalised in the balance sheet as liabilities The interest element of the rental obligations is charged to the profit and loss account

(h) Pensions

Defined contribution scheme

Pension benefits in respect of schemes which are funded over the employees' period of service by way of contributions to a defined contribution scheme are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Defined benefit scheme

The company also operates a defined benefit pension scheme which is now closed to new members

Pension scheme assets are measured using market value Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent duration and currency to the liability The increase in the present value of the liabilities of the company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income Actuarial gains and losses are recognised in the statement of total recognised gains and losses The pension scheme's surplus, to the extent that it is considered recoverable, or deficit are recognised in full and presented on the face of the balance sheet, net of the related deferred tax

(i) Warranties

The company estimates the expense related to contractual product warranties Estimates are established using historical information on the nature, frequency and average cost of warranty claims

1 ACCOUNTING POLICIES (continued)

(j) *Cash flow statement*
The company has availed of the concession in FRS No 1 - "Cash Flow Statements", which exempts subsidiary undertakings from the requirement to prepare a cash flow statement where 90% or more of the voting rights are controlled by a group that prepares publicly available consolidated financial statements in which the subsidiary undertaking's results are included

2 TURNOVER

Turnover, all of which arises from continuing operations, represents amounts invoiced by the company in respect of goods and services, excluding value added tax

3 EMPLOYEES AND REMUNERATION

The average weekly number of employees during the year was as follows

	2012 *No*	*2011* *No*
Production	32	28
Administration	18	21
	50	49

Staff costs are comprised of.	*2012* *£'000*	*2011* *£'000*
Wages and salaries	1,708	1,590
Social welfare costs	120	119
Pension costs – defined contribution	58	58
Pension administration costs – defined benefit	30	21
	1,916	1,788

DIRECTORS Remuneration in respect of directors was as follows	*2012* *£'000*	*2011* *£'000*
Emoluments	125	102

The amount set out above includes remuneration in respect of the highest paid director as follows	*2012* *£'000*	*2011* *£'000*
Emoluments	125	102

4	OPERATING PROFIT	*2012* *£'000*	*2011* *£'000*
	This is arrived at after charging		
	Directors' remuneration	125	102
	Auditors' remuneration	17	17
	Depreciation	101	99

5	INTEREST PAYABLE AND SIMILAR CHARGES	*2012* *£'000*	*2011* *£'000*
	On bank loans and overdrafts	9	10

6	TAX ON PROFIT ON ORDINARY ACTIVITIES	*2012* *£'000*	*2011* *£'000*
(a)	*Analysis of tax charge for the year*		
	Current tax		
	Corporation tax	-	-
	Current tax (Note 6 (b))	-	-
	Deferred tax		
	Origination and reversal of timing differences (Note 11)	-	46
	Tax on profit on ordinary activities	-	46
(b)	*Factors affecting tax charge for the year*		
	The tax assessed for the year is lower than the standard rate of corporation tax in the United Kingdom		
	Profit on ordinary activities before taxation	336	194
	Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 24% (2011 - 26%)	81	50
	Effects of		
	Disallowed expenses and non-taxable income	5	-
	Capital allowances in excess of depreciation	(11)	(23)
	Utilisation of losses forward	(75)	(27)
	Current tax charge for year (Note 6 (a))	-	-

6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

There is an unrecognised deferred tax asset of £341,000 (2011 - £511,000) in respect of a portion of unutilised tax losses

7 TANGIBLE FIXED ASSETS

	Plant, Motor Vehicles and Equipment £'000	*Total £'000*
Cost		
At 1 January 2012	1,870	1,870
Additions at cost	38	38
At 31 December 2012	1,908	1,908
Depreciation		
At 1 January 2012	1,599	1,599
Charge for year	101	101
At 31 December 2012	1,700	1,700
Net book value		
At 31 December 2012	208	208
At 31 December 2011	271	271

8 STOCKS

	2012 £'000	*2011 £'000*
Raw materials and consumables	614	696
Work in progress	239	27
Finished goods and goods for resale	310	283
	1,163	1,006

In the opinion of the directors, the replacement cost of the stocks did not differ significantly from the figures shown

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012 (continued)

9 DEBTORS

(amounts falling due within one year)	*2012* *£'000*	*2011* *£'000*
Trade debtors	2,428	2,573
Prepayments and accrued income	140	170
	2,568	2,743
(amounts falling due after more than one year)		
Deferred tax asset	277	277
	2,845	3,020

10 CREDITORS

(amounts falling due within one year)	*2012* *£'000*	*2011* *£'000*
Trade creditors	283	200
Accruals and deferred income	444	624
Bank loans and overdrafts	254	200
Amounts owed to fellow group companies	266	780
Taxation and social welfare	249	558
	1,496	2,362
Taxation and social welfare comprises		
PAYE/NI	84	74
VAT	165	484
	249	558

11 PROVISIONS FOR LIABILITIES AND CHARGES

Warranty provision	*2012* *£'000*	*2011* *£'000*
Opening balance	58	55
Utilised during the year	(49)	(44)
Charged to profit and loss account	37	47
Closing balance	46	58

12 PENSION COMMITMENTS

Defined contribution schemes:

The company operates defined contribution pension schemes for certain employees The assets of the schemes are held separately from those of the group in independently administered funds The advice of a professionally qualified actuary was taken in the setting up and maintenance of the schemes Total pension costs of the defined contribution schemes for the year ended 31 December 2012 amounted to Stg£58,000 (2011 Stg£58,000)

Defined benefit scheme:

The company operates a funded defined benefit scheme for certain of its employees Contributions to the scheme are based on the advice of an independent qualified actuary The scheme is funded by the payment of contributions to a separately administered fund

The overall expected rate of return on plan assets of 3 6% has been derived from the weighted expected return of each of the major categories of assets In particular

- The expected annual return on the fixed-interest and index-linked gilts portfolios has been taken to be 2 3% which is equal to the annualised yield on the FTSE 15 year fixed interest index at the year end,
- The expected annual return on corporate bonds has been taken to be 4 4% This has been derived from the AA-rated corporate bond,
- The expected annual return on equities has been taken to be 5 8% for UK equities and 6 05% for global equities The outperformance of equities relative to fixed interest securities have varied considerably in the past Expectation is for the return on the UK equities to be the lower of the two with global equities producing slightly higher returns due to added currency risk For that reason, an equity risk premium of 3 50% per annum on UK equities and 3 75% on global equities has been used
- The expected annual return in properties has been taken to be 4 8% This has been derived on the expectation that property will outperform gilts by 2 50% per annum,
- The expected return on cash and net current assets has been taken to be 0 5% which is equal to the bank base rate at the year end

The amounts recognised in the balance sheet are as follows

	2012 *£'000*	*2011* *£'000*
Present value of funded obligations	(531)	(557)
Fair value of plan assets	274	321
Deficit	(257)	(236)
Related deferred tax asset	62	61
Net liability	(195)	(175)

12 PENSION COMMITMENTS (Continued)

The amounts recognised in the profit and loss are as follows	*2012* *£'000*	*2011* *£'000*
Interest on obligation	(24)	(30)
Expected return on plan assets	14	20
Total	(10)	(10)
Actual return on plan assets	25	(15)

Changes in the present value of the defined benefit obligation are as follows	*2012* *£'000*	*2011* *£'000*
Opening defined benefit obligation	557	552
Actuarial loss/(gain)	43	(25)
Interest cost	24	30
Benefits paid	(93)	-
	531	557

Changes in the fair value of plan assets are as follows	*2012* *£'000*	*2011* *£'000*
Opening fair value of plan assets	321	316
Expected return	14	20
Actuarial gain/(loss)	11	(35)
Benefits paid	(93)	-
Employer contributions	21	20
	274	321

The major categories of plan assets as a percentage of total plan assets are as follows	*2012*	*2011*
Equities	53%	61%
Fixed interest gilts	12%	14%
Corporate bonds	-	-
Cash	34%	24%
Property	1%	1%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012 (continued)

12 PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)	*2012*	*2011*
Discount rate at 31 December	4 4%	4 6%
Inflation	2 85%	2 7%
Salary increases	–	2 5%
Pension increases in payment	2 1%	1 95%
Expected return on assets	3 6%	5 85%
Base mortality table	PA92	PA92
Mortality assumptions	S1 PA CMI 2009 (1 5%)	S1 PA CMI 2009 (1 5%)

Amounts for the current and previous four periods are as follows	*2012* *£'000*	*2011* *£'000*	*2010* *£'000*	*2009* *£'000*	*2008* *£'000*
Fair value of assets	274	321	316	281	232
Defined benefit obligation	(531)	(557)	(552)	(570)	(381)
Deficit	(257)	(236)	(236)	(289)	(149)
Experience adjustments in assets	11	(35)	34	35	(105)
Experience adjustments in liability	(43)	25	12	164	(148)

13 CALLED UP SHARE CAPITAL

	2012 *£'000*	*2011* *£'000*
Authorised		
10,000,000 Ordinary Shares of £1 each	10,000	10,000
10,000,000 Redeemable Ordinary Shares of £1 each	10,000	10,000
	20,000	20,000
Issued and fully paid		
1,000,000 Ordinary Shares of £1 each	1,000	1,000
5,000,000 Redeemable Ordinary Shares of £1 each	5,000	5,000
	6,000	6,000

The 5 million Redeemable Ordinary Shares of £1 each are redeemable by the shareholders upon giving one month's notice to the company The amount payable on redemption is the paid up amount on the shares together with any arrears of dividend declared but not paid thereon The ordinary and redeemable shares otherwise have the same rights and privileges and rank pari passu in all respects

NOTES TO THE FINANCIAL STATEMENTS
31 December 2012 (continued)

14 DIRECTORS' AND SECRETARY'S INTERESTS IN SHARE CAPITAL

None of the directors or secretary who held office at the end of the financial year had any disclosable interest in the shares of the company

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £'000	*Profit and Loss Account £'000*	*Total Shareholders Funds £'000*
At 1 January 2012	6,000	(3,792)	2,208
Profit for the year	–	336	232
Pension scheme actuarial loss	–	(32)	(32)
Deferred tax charge on pension scheme liabilities	–	1	1
At 31 December 2012	6,000	(3,487)	2,513

16 RELATED PARTY TRANSACTIONS

The company has availed of the exemption granted under Financial Reporting Standard 8 - Related Party Disclosures and consequently does not disclose its transactions with members of its group as it is more than a 100% owned member of that group

17 PARENT UNDERTAKING

The company is a wholly owned subsidiary of Sulzer (UK) Holdings Limited The ultimate parent and controlling company is Sulzer AG, a company incorporated in Switzerland Sulzer AG prepares group accounts which include the results of the UK group Copies of the group's accounts are available from Sulzer AG, CH 8401 Winterthur, Switzerland, or can be downloaded from the website at www sulzer.com Sulzer AG is the only company to consolidate the results of this business

18 COMMITMENTS

Annual commitments under non-cancellable operating leases as follows

	2012 Land and Buildings £'000	2012 Other £'000	2011 Land and Buildings £'000	2011 Other £'000
Operating leases which expire				
Within one year	19	-	19	-
Between two and five years	247	152	247	199
	266	152	266	199

19 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 8 May 2013

THE FOLLOWING INFORMATION

DOES NOT FORM PART OF THE

STATUTORY FINANCIAL STATEMENTS

SULZER PUMPS WASTEWATER UK LIMITED
(formerly ABS Wastewater Technology Limited)

TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	SCH	2012 £'000	2012 £'000	2011 £'000	2011 £'000
SALES			10,376		9,411
Less Cost of sales	1		(6,488)		(5,852)
Gross profit			3,888		3,559
LESS OVERHEAD EXPENSES					
Selling and distribution costs	2	2,543		2,376	
Administrative costs	3	990		969	
			(3,533)		(3,345)
Operating profit			355		214

SCHEDULES TO THE TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

1 COST OF SALES

	2012 £'000	2011 £'000
Purchases	6,025	5,456
Freight costs	479	411
Freight revenue	(16)	(15)
	6,488	5,852

2 SELLING AND DISTRIBUTION COSTS

	2012 £'000	2011 £'000
Basic pay	1,474	1,373
Overtime	101	79
Debt collection costs	–	1
Employers NHI	165	156
Employers Pension costs	67	68
External labour	3	4
Gas/Oil	11	12
Packing costs	(14)	16
Advertising	23	21
Payroll costs	1	1
Bad debts	–	4
Plant hire	17	20
Repairs to plant	2	1
Repairs to premises	7	5
Sales literature	7	1
Settlement discount, rebates and commissions	99	65
Small tools	38	26
Travel and subsistence	102	100
Vehicle expenses	39	15
Vehicle fuel	144	139
Vehicle leasing costs	195	196
Warranty costs	37	48
NI	25	25
	2,543	2,376

SCHEDULES TO THE TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012 (continued)

3 ADMINISTRATION	*2012* *£'000*	*2011* *£'000*
Professional fees	41	41
Cleaning	17	17
Cleaning clothes/overalls	9	5
Computer communication costs	1	1
Computer maintenance costs	2	2
Consumables	99	79
Copier costs	21	18
Depreciation	101	99
Electricity	23	19
Entertaining	7	9
Health and safety	33	30
Insurance – general	82	97
Insurance – medical	21	22
Premises insurance charge	5	5
Credit insurance	4	8
Mobile phones	15	13
Postage	3	4
QA/Development costs	14	5
Rates	89	86
Recruitment costs	15	7
Rent	222	224
Premises service charge	83	77
Security	5	5
Stationery	10	7
Subscriptions	7	8
Telephone	19	20
Testing expenses	3	3
Training	23	47
Waste disposal	16	18
Welfare	22	20
Software/hardware – not capitalised	29	29
Temporary staff	(57)	(42)
Professional/consultancy fees	4	6
Maintenance of premises	2	2
Pattern repairs	4	–
Conferences/exhibitions	7	5
Accountancy/tax fees	2	3
Currency gain	11	(23)
Group commission costs	(23)	(19)
Exceptional items	(1)	(15)
Branding	–	27
	990	969