

Matcon Group Limited

Annual Report and Financial Statements

For the year ended 31 December 2016

Registration number 2939693



MATCON GROUP LIMITED

Annual Report and Financial Statements for the year ended 31 December 2016

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MATCON GROUP LIMITED

Annual Report and Financial Statements for the year ended 31 December 2016

OFFICERS AND PROFESSIONAL ADVISERS

Directors

S Ball
K Fields
B Manning

Registered Office

Unit 410 Bramley Drive
Vale Park
Evesham
Worcestershire
WR11 1JH

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Solicitors

Baker & McKenzie LLP
100 New Bridge Street
London
EC4V 6JA

Auditor

Deloitte LLP
Statutory Auditor
Leeds, United Kingdom

MATCON GROUP LIMITED

STRATEGIC REPORT

For the year ended 31 December 2016

Principal activities and review of the business

The company is the holding company of the Matcon group of companies. The company does not trade and accordingly it has no direct KPIs. The main risk it faces is the potential diminution in the carrying value of its investments.

The principal activity of the company is that of a holding company and those of the group continued to be that of the design, engineering, manufacture and supply of powder handling systems incorporating our own unique range of Intermediate Bulk Container (BC) technology. These systems are delivered to a wide range of industries with major applications in food, pharmaceuticals, plastics, chemicals, metal powders and a host of other industries, around the globe.

There have not been any significant changes in the group's principal activities in the year under review. The Directors are not aware, at the date of this annual report, of any likely major changes in the group's activities in the next year.

Key performance indicators

A detailed review of the performance of the principal trading subsidiary, Matcon Limited, is provided in that company's financial statements, which reflects the underlying trading of the group. In line with the exemption allowed under section 401 of the Companies Act 2006, the group does not prepare consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent company.

The company did not trade in the year. The balance sheet on page 9 of the financial statements shows that the Company has net assets of £2,501,986 (2015: £2,501,986).

Principal risks and uncertainties

As a holding company the company has few direct risks. The principal risk is the potential diminution in the carrying value of its investments. Accordingly, the principal risks of its subsidiaries, which indirectly impact upon the carrying value of the company's investments, are presented:

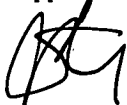
Order levels: As a supplier of powder handling systems within larger capital projects, the group can be affected by levels of confidence and capital spend trends within its key target markets. To mitigate this risk the directors have continued a policy of broadening our market offering in terms of product range, industry, customer and geographical spread. The directors consider that the worldwide marketplace for our products and solutions is more than sufficient for the safe and continued development of the group.

Foreign exchange risk: The group operations in the global marketplace and is exposed to foreign exchange risks through both sales and purchases made in foreign currencies principally the Euro and US Dollar. There is a degree of natural hedging provided where we make both purchases and sales in the same currencies. The group operate as part of a global group who have a central treasury function who monitor exchange risk exposure across the group.

Credit risk: The group's customer base largely comprises established, reputable companies, many of whom are regarded as "blue chip". Thorough credit checks are carried out before accepting orders from new companies. Payment terms always involve stage payments which are taken as the job progresses. The group sometimes has high concentrations of debtors from a small number of customers but given the customer profile this is not considered to be a significant risk.

Cash flow and interest rate risk: The group has agreed facility levels with its bank that are considered adequate for current trading levels. The bank balance fluctuates depending on the timing of receipts from major projects. There is some exposure to a risk of increasing interest rates but the directors do not consider this to be significant to the overall results and have not entered into any formal hedging strategies.

Approved by the Board of Directors on 28 September 2017 and signed on its behalf by



S Bajl
Director

MATCON GROUP LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2016

The Directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Principal activities

The principal activity of the company is that of an investment holding company.

Results and dividends

The company has not traded in the year. The company received a dividend from Matcon Limited of £9.3m (2015: £nil) and the profit and loss account therefore shows a profit of £9.3m (2015: £nil result). The directors paid a dividend of £9.3m (£9.30 per share) in the year (2015: £nil).

Directors

The directors, who served throughout the year and to the date of this report except as noted, were as follows:

P Taylor (resigned 29 July 2017)

J Fielding (appointed 15 August 2016, resigned 1 March 2017)

S Ball

K Fields

B Manning

Going concern

After making enquiries, the Board of Directors has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future even after considering the uncertainties that exist in the current economic environment. The Directors have considered the availability of financing, the fact the wider group is profitable, generates positive cashflows and the forecast trading of the business. Additionally sales orders levels at the company's subsidiaries are expected to remain strong going forward. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Auditor

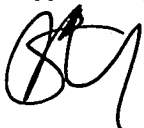
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 28 September 2017 and signed on behalf of the Board.



S Ball
Director

MATCON GROUP LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 31 December 2016

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland). 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 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 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.

Independent auditor's report to the members of Matcon Group Limited

We have audited the financial statements of Matcon Group Limited for the year ended 31 December 2016 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 9. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2016 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 matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.


In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Directors' report.

Independent auditor's report to the members of Matcon Group 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.



**Matthew Hughes BSc (Hons), ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP**

Statutory Auditor
Leeds, United Kingdom

19 September 2017

MATCON GROUP LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2016

	Note	2016 £	2015 £
Result/(loss) on liquidation of subsidiary company	5	-	(55,556)
Operating result/(loss) and result/(loss)s on ordinary activities		-	(55,556)
Dividend received from subsidiary undertaking		9,300,000	-
Profit/(loss) for the financial year		9,300,000	(55,556)
Tax on profit/(loss) on ordinary activities	4	-	-
Retained profit/(loss) for the financial year		9,300,000	(55,556)

The company's results in the current and prior year were derived from continuing operations.

There are no sources of comprehensive income other than the result/(loss) as shown in the profit and loss account. Accordingly, no separate statement of comprehensive income has been prepared.

The notes on pages 10 to 14 form an integral part of these financial statements.

MATCON GROUP LIMITED

BALANCE SHEET As at 31 December 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	5	2,283,627	2,283,627
Current assets			
Debtors	6	218,359	218,359
Net current assets		218,359	218,359
Total assets less current liabilities		2,501,986	2,501,986
Net assets		2,501,986	2,501,986
Capital and reserves			
Called-up share capital	7	1,000,000	1,000,000
Capital redemption reserve		1,000,000	1,000,000
Profit and loss account		501,986	501,986
Total equity shareholder's funds		2,501,986	2,501,986

The financial statements of Matcon Group Limited, registered number 2939693 were approved by the Board of Directors and authorised for issue on 28 September 2017.

Signed on behalf of the Board of Directors



S. Ball
Director

MATCON GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY **For the year ended 31 December 2016**

	Called- up share capital £	Capital redemption reserve £	Profit and loss account	Total £
At 1 January 2015	1,000,000	1,000,000	557,542	2,501,986
Loss for the financial year and total comprehensive expense	-	-	(55,556)	(55,556)
At 31 December 2015	1,000,000	1,000,000	501,986	2,501,986
Profit for the financial year and total comprehensive income	-	-	9,300,000	9,300,000
Dividend paid (note 7)	-	-	(9,300,000)	(9,300,000)
At 31 December 2016	1,000,000	1,000,000	501,986	2,501,986

Matcon Group Limited

Notes to the Financial statements For the year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

General information and basis of accounting

Matcon Group Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the Company Information page. The nature of the Company's operations and its principal activities are set out in the Strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Matcon Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Matcon Group Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Matcon Group Limited is consolidated in the financial statements of its parent, IDEX Corporation, which may be obtained at 1925 West Field Court, Suite 200, Lake Forest, Illinois 60045, USA. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

After making enquiries, the Board of Directors has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future even after considering the uncertainties that exist in the current economic environment. The Directors have considered the availability of financing, the fact the wider group is profitable, generates positive cashflows and the forecast trading of the business. Additionally sales orders levels at the company's subsidiaries are expected to remain strong going forward. Thus the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemption from preparing consolidated financial statements

The company has taken advantage of the exemption allowed under Section 401 of The Companies Act 2006 from preparing consolidated financial statements as it is included in consolidated financial statements for a larger group. See note 9 for more details.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Matcon Group Limited

Notes to the Financial statements For the year ended 31 December 2016

1. Accounting policies (continued)

Financial instruments (continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

ii) Investments

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty – impairment of investments

Determining whether investment assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value. The directors do not believe there is any impairment present at the balance sheet date.

2. Auditor's remuneration

Auditor's remuneration of £2,000 (2015: £2,000) was settled by a fellow subsidiary undertaking in both the current and prior year.

Matcon Group Limited

Notes to the Financial statements For the year ended 31 December 2016

3. Information regarding directors and employees

The company has no employees (2015: nil). Accordingly it has no staff costs (2015: £nil). The directors received no remuneration from the company during the current and prior year. The directors are remunerated by fellow Group companies and it is not practicable to apportion their costs between companies (2015: same).

4. Tax on profit/(loss) on ordinary activities

Current tax	2016 £	2015 £
United Kingdom corporation tax at 20.0 % (2015: 20.25%) based on the profit/(loss) for the year	-	-

Factors affecting tax position for the year

Tax on profit/(loss) on ordinary activities differs from the average standard rate of corporation tax in the UK of 20% (2015: 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before taxation	9,300,000	(55,556)
Tax on profit/(loss) on ordinary activities at average standard UK corporation tax rate of 20.0% (2015: 20.25%)	1,860,000	(11,250)
Effects of:		
Expenses not deductible	-	11,250
Non-taxable income	(1,860,000)	-
Total current tax and total tax for the year	-	-

The company has no deferred tax (provided or unprovided) in the current or prior year.

Matcon Group Limited

Notes to the Financial statements For the year ended 31 December 2016

5. Investments

Investments in subsidiary undertakings

Total
£

At 1 January 2016 and at 31 December 2016

2,283,627

Shares in group undertakings and participating interests are stated at cost. There is nil (2015: £nil) provision for impairment.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of Subsidiary Undertaking	Holding	Rights and shares held proportion of voting	Principal activity
Matcon Limited Registered office: As Matcon Group Limited	Ordinary	100%	Design, engineering and supply of power handling systems
Matcon (R&D) Limited Registered office: As Matcon Group Limited	Ordinary	100%	Management of patents and royalties, research and development
Matcon Pacific Pty Registered office: Unit 4, 181 McCredie Road, Guildford, NSW 2161, Australia	Ordinary	100%	Design, engineering and supply of powder handling systems

Matcon Japan KK, incorporated in Japan, was liquidated in the prior year. Accordingly, its carrying value (at cost) of £55,556 has been written off through the profit and loss account in the prior year.

All holdings are direct shareholdings.

Matcon Group Limited

Notes to the Financial statements For the year ended 31 December 2016

6. Debtors

	2016 £	2015 £
Amounts due within one year:		
Amounts owed by group undertakings	<u>218,359</u>	<u>218,359</u>

Amounts owed by group undertakings are repayable on demand, unsecured and do not attract interest (2015: same).

7. Called-up share capital and reserves

Authorised, allotted, called up and fully paid shares;

	2016 No.	2016 £	2015 No.	2015 £
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The capital redemption reserve is a result of a reduction in share capital in 2012 and the reserve is non-distributable.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

The directors paid a dividend of £9.3m (£9.30 per share) in the year (2015: £nil).

8. Related party transactions

The company has taken advantage of the exemption in FRS102 (33.1A) from disclosing transactions with other wholly owned subsidiaries of the IDEX Corporation Group.

9. Ultimate parent company

The company's immediate parent undertaking is IDEX Investment UK Limited, a company registered in England and Wales.

IDEX Corporation is the ultimate controlling party, and is the smallest and largest group that prepares consolidated group financial statements which include the results of Matcon Group Limited, copies of which may be obtained from 1925 West Field Court, Suite 200, Lake Forest, Illinois 60045, USA.