Registered number 1002684

Durr Limited

Report and Financial Statements

31 December 2019

Corporate information

Directors
D Ashmore
K Cheetham
P Kearns

Secretary
K Cheetham

Auditors
Ernst & Young LLP
No. 1 Colmore Square
Birmingham B4 6HQ

Bankers
Barclays Bank plc
One Snowhill
Snowhill Queensway
Birmingham B4 6GB

Solicitors
Buckles Solicitors LLP
Grant House
101 Bourges Boulevard
Peterborough PE1 1NG

Registered Office
Durr Limited
Broxell Close
Warwick
Warwickshire CV34 5QF

Strategic report

The directors present their strategic report and the financial statements for the year ended 31 December 2019.

Business review

At the beginning of the year, the principal activity of the Company continued to be the design, manufacture and installation of paint finishing systems and associated equipment. However, after investments in two companies we have additional activities in the area of clean technologies systems to enhance our portfolio going forward.

On the 31st May 2019, Durr Limited acquired 100% of the issued share capital of Megtec Environmental Limited (£3,491k) and Durr Universal Europe Limited (£5,322k) for a total consideration of £8,813k. Both acquisitions integrated into Durr Limited business through an asset hive up during 2019.

On the 1st July Megtec integration took place with a deferred consideration of £680k. Durr Universal Europe Limited integrated on the 1st October 2019 for a deferred consideration of £1121k.

The profit for the year after taxation is £1,561k (2018 – restated profit of £28,000).

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

	2019	*2018*
	£000	*£000*
Turnover	33,294	37,025
Profit / (loss) before tax	2,114	(9)
Orders on hand	31,646	26,820
Net working capital	(3,355)	(504)
Net cash position (including group cash pool)	8,704	9,158

Turnover reduced from £37m to £33m, reflecting a reduced level of activity within the business. The Company continues to focus on new customers and markets whilst reinforcing robust project and cost control.

The Company's cash position remains positive and the Company continues to have funds on hand with the group's treasury system. The cash position includes £3,698,000 (2018 – £2,717,000) in bank and £5,006,000 (2018 – £6,441,000) which is part of the amount referred to in note 20 as amounts owed by group undertakings.

The Company continues to have a good backlog of orders for execution during 2020 and beyond. We continue to seek opportunities both domestically and overseas for 2020 and beyond.

Section 172 Statement & Stakeholder Interests

A statement pursuant to Section 172 of the Companies Act 2006 is required content for the first time in these statutory accounts. The primary duty of the directors under Section 172 is to act in the way they consider would be most likely to promote the success of the Company for the benefit of its shareholders as a whole and to do so having regard as appropriate to certain statutory factors and other relevant matters.

All director decisions are made with the Company's long-term success in mind and the directors have regard to a broad range of matters including the voice of stakeholders. Set out below is specific commentary in relation to each of the Section 172 factors:

Strategic report (continued)

The likely consequences of any decision in the long-term

The Company has adopted a five-year business planning period and sets strategy with a view to long-term success. The strategic review process was undertaken during the year with that in mind. Long-term considerations had an influence in assessing which are the most attractive markets for the Company to focus on and how to optimise the businesses' footprint. The directors also review investment decisions with a long-term view, usually 5 or 10 years.

The interests of the Company's employees

The Company depends on its employees for its success and invests considerable time and resources on employee engagement, training and development.

Health and safety of our employees is of paramount importance and receives appropriate director and management attention and investments. Reflecting this importance, the directors measure and track performance closely. As an example, the Company also reports monthly on safety KPIs, has regular meetings during the month and communicates quarterly to all employees through a town hall meeting. In addition, we carry out toolbox talks with employees, where key areas of Health and Safety are discussed with advice given on preventing accidents.

Given how important our people are to our success we maintain an active dialogue with them. Some of the channels we use to facilitate this dialogue include an annual employee survey which is undertaken during the annual, quarterly town hall meetings; supplemented with Managing Director email communications and weekly departmental meetings. The directors use the data generated from this survey to continually improve our organisation. If specific local issues are identified, the directors undertake further work to gather more detail and then implement appropriate measures to drive improvement, this is measured by re-surveying to ensure measures have improved the key areas identified.

The Company forms part of the Durr group of companies. To support the Company the HR manager and HS&E managers (who have been in place since 1 January 2019) assist the Board in relation to employee engagement and safety measures and reports to the Board in respect of employee views presented to them.

In addition to engagement on site visits, the HS&E manager attended the European Communications Forum at which representatives from the Durr Group discussed health and safety, strategic progress and performance and following each meeting minutes are produced and shared with the Board, management team and employees. Views expressed were positive and constructive.

The group has "DurrNet" a company-wide intranet that is available to all employees and this is kept up to date with not only policy and process changes, but financial results and other announcements.

Training and development of employees is important to the directors with management and leadership training courses available alongside training programmes for specific qualifications being available to employees.

Pension scheme participants benefit from Durr Limited's approach to pension provision by way of a defined contribution pension scheme.

Strategic report (continued)

The need to foster business relationships with suppliers, customers and others

Customer service and value are at the core of our business model and strategy. The directors monitor indicators of the customer experience and welcomes the increased emphasis on the customer which management is building.

The Company works closely with partners including suppliers, distributors and agents who are closely managed from a commercial and compliance perspective. During 2019 we have been working with our suppliers on validation assessments and maintaining closer ties, through the introduction of review meetings.

The impact of operations on the community and the environment

The Company has a positive contribution to the local community as employers, employee training and supporting employees with charitable activity (e.g. charity bike rides) and making charitable donations.

The Company monitors minimising our impact on the environment with energy and waste initiatives. Continued progress depends upon the directors driving such initiatives and channelling investment to projects with due regard for the environment.

The desirability of maintaining a reputation for high standards of business conduct

The Company is careful of its reputation and decisions reflect this and the great importance attached to the reputation by all key stakeholders. The Company demands high standards of conduct from all directors and employees and expects management to be mindful of how and with whom business is conducted. The Company will decline to have dealings with third parties who display poor business conduct.

The need to act fairly between shareholders of the Company

The directors understand the importance of treating shareholders fairly. The Company has only one class of share in issue and one shareholder in Durr Systems AG.

Approved by the Board and signed on its behalf by:

Keith Cheetham

Financial Director
Date: 8th January 2021

Registered No. 1002684

Directors' report

The directors present their report and financial statements for the year ended 31 December 2019.

Directors of the Company

The directors who served the company during the year and up to the date of approval of these financial statements were as follows:

D Ashmore
K Cheetham
P Kearns (appointed 1st May 2020)

Dividends

The directors paid a dividend of £1,000,000 (2018: the directors did not pay dividend).

Future developments

The Company intends to continue operating in the area of paint finishing systems and associated equipment.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. The company has completed future forecasts of Sales, P&L, Balance Sheet and liquidity that cover the whole of 2021 in detail.

The Directors of the company have during the latter part of the year obtained information on future market positions and financial forecasts to assess Going Concern including an evolving assessment of the impact of COVID-19 and Brexit

Based on the inquiries made the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the approval of these financial statements. In addition to the company resources, Durr AG have provided a letter of support in meeting financial obligations for the coming 12 months from the date of approval of these financial statements. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Subsequent events

Covid-19

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The company considers that these events do not require an adjustment in the annual accounts for the year ended 31 December 2019. However, during 2020 they could have an impact on the wider Durr group's operations and on its results and future cash flows. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approving these financial statements to reliably make an estimate of its potential impact on the company. The company, and wider Durr group, are taking the necessary steps in order to face the situation and minimise its impact.

Schenck Acquisition

On the 1st May 2020 Durr Limited acquired the shares of Schenck Limited for a consideration of £5,707,820 (based on future EBITDA). The Schenck Limited assets were hived up into the Durr Limited operation as of the 1st May 2020 for a deferred consideration of £88,201 representing book value of assets transferred and will continue to trade as a separate division of the Company.

Research and Development

Research and development is supported by the parent undertaking and details of their research and development program is available in their annual financial statements.

Accreditation

The Company attained ISO 9001 in 1994 (transitioned to the 2015 standards in 2017), ISO14001 in 2002 (transitioned to 2015 standards in 2017) and EN1090 in 2015 (reviewed in April 2017). The Company continues to promote environmental awareness amongst necessary stakeholders.

Employee involvement

The Company operates a framework for employee information and consultation through several different formats, including a quarterly communications meeting to discuss financial related topics, current and future projects and any personnel news. All presentations are then provided by means of visual communication at the employee relaxation points. In addition a newsletter, employee surveys and employee forums are provided regularly to encourage employees to present their suggestions and views on the Company's performance along with any other relevant topics.

Directors' liabilities

A directors' and officers' liability policy was in force during the year.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Directors statement as to disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' report are detailed on page 4. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- To the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and

- Each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Keith Cheetham
Financial Director

Date: 8th January 2021

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable UK 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 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 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 auditors' report

to the members of Durr Limited

Opinion

We have audited the financial statements of Durr Limited for the year ended 31 December 2019 which comprise the Statement of total comprehensive income, the Statement of changes in equity, the Balance Sheet and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101, "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – impact of COVID-19

We draw attention to notes 2 and 3 of the financial statements which cover the social and economic impacts of COVID-19 and the impact this could have on the financial performance of the Company. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report (continued)

to the members of Durr Limited

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report (continued)

to the members of Durr Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Ernst & Young LLP

Stephen Kirk (Senior statutory auditor)

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

Birmingham

Date: 8th January 2021

Statement of total comprehensive income

for the year ended 31 December 2019

	Notes	*2019* *£000*	*2018* *£000*
Turnover	4	33,294	37,025
Cost of sales		(26,416)	(33,878)
Gross Profit		6,878	3,147
Selling expenses		(1,218)	(867)
Administration expenses		(3,111)	(2,286)
Other operating income	5	121	58
Cost of investment		(494)	-
Operating profit	6	2,176	52
Interest receivable	9	55	36
Interest payable and similar charges	10	(117)	(97)
		(62)	(61)
Profit / (loss) on ordinary activities before taxation		2,114	(9)
Tax on profit / (loss) on ordinary activities	11	(553)	37
Profit for the financial year		1,561	28
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):			
Net (loss) / gain on cash flow hedges		(78)	59
Other comprehensive (loss) / income for the financial year		(78)	59
Total comprehensive income for the financial year		1,483	87

The contribution by the acquired business for the reporting period:

Ongoing activities	2,313
Acquisition	(925)
Total comprehensive income for the financial year	1,483

Statement of changes in equity

for the year ended 31 December 2018

	Called up share capital	*Cashflow hedge reserve*	*Retained earnings*	*Total Equity*
	£000	*£000*	*£000*	*£000*
At 1 January 2018	3,050	(50)	3,167	6,167
Change in accounting policy (IFRS16)	-	-	-	-
Restated total equity at 1 January 2018	**3,050**	**(50)**	**3,167**	**6,167**
Profit for the financial year	-	-	28	28
Other comprehensive income	-	59	-	59
Total profit for the year	-	59	28	87
Equity dividends paid	-	-	-	-
At 31 December 2018	3,050	9	3,195	6,254

Statement of changes in equity

for the year ended 31 December 2019

	Called up share capital £000	*Capital reserve £000*	*Cash flow hedge reserve £000*	*Retained earnings £000*	*Total Equity £000*
At 1 January 2019	3,050	-	9	3,195	6,254
Profit for the financial year	-	-	-	1,561	1,561
Other comprehensive income / (loss)	-	-	(78)	-	(78)
Total income for the year	-	-	(78)	1,561	1,483
Transactions with Shareholders	-	3,000	-	-	3,000
Equity dividends paid	-	-	-	(1,000)	(1,000)
At 31 December 2019	3,050	3,000	(69)	3,756	9,737

Balance sheet

at 31 December 2019

	Notes	2019 £000	2018 restated £000
Fixed assets			
Tangible assets	13	306	289
Intangible assets	14	3,111	6
Rights of Use assets	15	996	652
Investment Affiliates	16	5,210	-
		9,623	947
Current assets			
Stocks	17	219	94
Debtors	18	7,400	8,001
Financial instruments	19	4	18
Amounts owed by group undertakings	20	7,379	8,256
Cash at bank and in hand		3,698	2,717
		18,700	19,086
Creditors: amounts falling due within one year			
Creditors	21	12,990	10,825
Financial instruments	19	69	9
Amounts owed to group undertakings	22	4,084	1,720
Obligations under leases	24	602	375
		17,745	12,929
Net current assets		955	6,157
Total assets less current liabilities		10,578	7,104
Creditors: amounts falling due after more than one year	24	837	835
Provisions for liabilities: deferred taxation	11	4	15
Net assets		9,737	6,254
Capital and reserves			
Called up share capital	25	3,050	3,050
Capital reserve	26	3,000	-
Hedge Reserve	26	(69)	9
Retained earnings		3,756	3,195
Total Equity Shareholder's Funds		9,737	6,254

The financial statements were approved by the Board of Directors on 8th January and were signed on its behalf by:

Keith Cheetham

Financial Director

Date: 8th January 2021

Notes to the financial statements

at 31 December 2019

1. Statement of compliance with FRS101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The Company is a private limited company for which the financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The results of Durr Limited are included in the consolidated financial statements of Durr AG, its ultimate parent undertaking and controlling party, whose principal place of business is at Carl-Benz-Str 34, 74321 Bietigheim-Bissingen, Germany. Group financial statements are available to the public from this address.

2. Subsequent Events

On 11 March 2020, the World Health Organization raised the public health emergency situation caused by the outbreak of the coronavirus (COVID-19) to an international pandemic. The rapid evolution of events, nationally and internationally, represents an unprecedented health crisis, which will impact the macroeconomic environment and the evolution of business. The company considers that these events do not require an adjustment in the annual accounts for the year ended 31 December 2019. However, during 2020 they could have an impact on the wider Durr group's operations and on its results and future cash flows. Given the complexity of the situation and its rapid evolution, it is not practicable as of the date of approving these financial statements to reliably make an estimate of its potential impact on the company. The company, and wider Durr group, are taking the necessary steps in order to face the situation and minimise its impact.

3. Accounting policies

3.1 Change in accounting policies

IFRS 16 Leases

The company has adopted IFRS 16 from 1 January 2018. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

The company has taken the full retrospective approach and as such has restated comparative information for 2018. See Note 26.

3.2 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following are the company's key sources of estimation uncertainty:

Project accounting

The company's projects are taken to revenue based on percentage of completion, derived from a cost to complete estimation, which is sensitive to the project programme. The cost to complete estimates are reassessed each month by the leader of the project and reviewed by management at a project review meeting focused on the project financials.

Notes to the financial statements (continued)

at 31 December 2019

3. Accounting policies (continued)

Goodwill impairment review

An annual assessment of goodwill is performed, at time of the assessment the future value was in excess of the carrying value. The assessment is performed based off the 4 years of future forecasts plus an ongoing annuity element, the post-tax discount rate used (based off the weighted average cost of capital) was 7.058% and the future growth rate was assumed at 1% p.a..

Valuation of intangible assets on acquisition

The intangible assets were valued at fair value as determined at the acquisition date into the Durr Group (October 2018), hence these were the carrying values in each business at the time of the Durr Limited purchase..

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Warranty provisioning

The company makes an estimate of the amount required to settle future warranty claims. Reference is made to contractual considerations, historical data and any other relevant factors such as specific events with an underlying product. The majority of warranty provisions relate to specific customer issues and are based upon open negotiations and past customer claims experience.

Intangible assets

Intangible assets are initially recognised at cost. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

3.4 Significant accounting policies

Tangible and intangible fixed assets

Tangible fixed assets are stated at cost or deemed cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows;

Leasehold buildings	–	over 20 years
Plant and machinery	–	over 1 to 10 years
Software	–	over 3 to 8 years
Customer Relationships	–	over 0.5 to 4 years (post acquisition)

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

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. Should an impairment be identified the

Notes to the financial statements (continued)

at 31 December 2019

asset is written down to its recoverable amount, which is the lower of the value in use or fair value less cost to sell.

Goodwill

The carrying value of goodwill is subject to an annual assessment for impairment, to ensure the carrying value if recoverable based on changes or events during the year. Should an impairment be identified the asset is written down to its recoverable amount, which is the lower of the value in use or fair value less cost to sell.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw material comprises purchases cost on a first-in, first-out basis, including transport.

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Research and development

Research costs are expensed as incurred. Development expenditure on an individual project is recognised as an intangible asset when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Revenue recognition

Revenue from the principle activities is recognised in accordance with the percentage of completion method and applied to a contract over the performance period. The criteria for this is that the asset does not have any other alternative usage and that the Company has an enforceable right to payment for work already performed. The percentage of completion is calculated on the basis of the costs incurred relative to the total estimated costs. This ensures that both sales revenues and the associated costs are systematically recorded and therefore the profit or loss from the contract is recognised in the period incurred over which the control over the goods or services is transferred. Customer payments are contractually agreed and based on the progress of projects and set milestones.

Revenue from spare parts is recognised at the date on which the customer obtains control over the parts which is usually when they are delivered to the customer. The customer makes payment upon receiving the invoice depending on the contractual arrangements.

Notes to the financial statements (continued)

at 31 December 2019

3. Accounting policies (continued)

Deferred taxation

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exception:

- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related assets are realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currency translation

The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

Leases

A lease is a contract that transfers the right to use an asset (the leased asset) for a period of time in exchange for consideration. Durr Limited as lessee has generally accounted for these leases as right-of-use assets and the corresponding payment obligations over the lease term as lease liabilities from the commencement date. The right-of-use assets are recognised under property, plant and equipment while the lease liabilities are recognised as part of financial liabilities.

Lease liabilities correspond to the present value of the lease payments made over the lease term. For discounting, the interest rate implicit in the lease is used if this can be determined. Otherwise, the incremental borrowing rate is used. Right-of-use assets are measured at acquisition cost, lease liabilities and right-of-use assets are subsequently measured at amortised cost.

The lease liability is reassessed if the lease agreement is modified or changes are made to the lease payments, lease term or estimates regarding the exercise of purchase options. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and their estimated useful lives and adjusted for any reassessment of the lease liability.

Derivative financial instruments and hedge accounting

The Company uses derivative financial instruments such as forward currency contracts to hedge its risks associated with foreign currency fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Derivative financial instruments and hedge accounting (continued)

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is formally designated and documented at its inception. This documentation identifies the risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in fair value or

Notes to the financial statements (continued)

at 31 December 2019

cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement. The treatment of gains and losses arising from revaluing derivatives designated as hedging instruments depends on the nature of the hedging relationship.

Pensions

The Company operates a defined contribution scheme and contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report. The company has completed future forecasts of Sales, P&L, Balance Sheet and liquidity that cover the whole of 2021 in detail.

The Directors of the company have during the latter part of the year obtained information on future market positions and financial forecasts to assess Going Concern including an evolving assessment of the impact of COVID-19 and Brexit

Based on the inquiries made the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the approval of these financial statements. In addition to the company resources, Durr AG have provided a letter of support in meeting financial obligations for the coming 12 months from the date of approval of these financial statements. The Directors therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Business Combinations

The acquisition method (IFRS3 "Business Combinations") was used for consolidation of the Megtec and Universal companies. The goodwill is allocated to the Clean Technologies Systems division of Durr Limited. All assets and liabilities acquired are included in the financial position at the acquisition date.

Notes to the financial statements (continued)

at 31 December 2019

4. Turnover

Turnover recognised in the income statement is analysed as follows:

	2019	*2018*
	£000	*£000*
Sales revenue from equipment sales	16,152	20,196
Service including spare parts	17,142	16,829
	33,294	37,025

Turnover by geographical area, based on the customer location:

	2019	*2018*
	£000	*£000*
United Kingdom	30,602	32,523
United States of America	322	-
Africa	62	2,835
Rest of Europe	2,105	1,667
Asia and Australia	203	-
	33,294	37,025

5. Other operating income

Rental income relating to the subletting of property amounted to £121,000 (2018 – £58,000).

6. Operating profit

This is stated after charging / (crediting):

	2019	*2018*
	£000	*£000*
Research and development costs	755	739
Group management fees	648	538
Depreciation of property, plant and equipment	116	114
Depreciation of intangible assets	80	13
Depreciation of right of use assets	418	163
Operating lease payments	41	115
R&D expenditure credits	(145)	(160)
Net foreign currency exchange differences	157	95

Notes to the financial statements (continued)

at 31 December 2019

7. Auditors' remuneration

	2019 £000	2018 £000
Audit of the financial statements	49	41
Taxation services	6	6
	55	47

8. Staff costs and directors' remuneration

(a) Staff costs

	2019 £000	2018 £000
Wages and salaries	6,334	6,246
Social security and pension costs	1,119	1,246
	7,453	7,492

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

	No.	No.
Design and construction	97	84
Sales and marketing	13	10
Administration	19	13
	129	107

(b) Directors' remuneration

	2019 £000	2018 £000
Remuneration	215	209
Company contributions to money purchase pension schemes	18	18
Number of directors accruing benefits under defined contribution schemes	2	2

The amounts in respect of the highest paid director are as follows:

	2019 £000	2018 £000
Remuneration	108	108
Company contributions paid to money purchase pension scheme	9	9

9. Interest receivable

	2019 £000	2018 £000
Interest receivable from group undertakings	52	36
Interest receivable from third party	3	-
Total interest receivable	55	36

Notes to the financial statements (continued)

at 31 December 2019

10. Interest payable

	2019 £000	2018 £000
Interest charges payable under leases	76	97
Interest payable to third party	41	-
Total interest payable	117	97

11. Taxation

(a) Tax charge / (credit) in the income statement:

	2019 £000	2018 £000
Current Income tax:		
UK corporation tax on the profit / (loss) for the year	564	-
Adjustments under provided in previous year	-	(57)
Total current income tax	564	(57)
Deferred tax:		
Origination and reversal of timing differences	(11)	20
Tax expense / (credit) in the income statement	553	(37)

(b) Reconciliation of the total tax expense / (credit)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2019 £000	2018 £000
(Loss) / profit for the period on ordinary activities before tax	2,114	(9)
Tax calculated at UK standard rate of corporation tax of 19% (2018: 19%)	402	(2)
Effects of:		
Tax under provided in previous years	-	(57)
Expenses not deductible for tax purposes	123	6
R&D Credit	28	(30)
Other differences	-	46
Total tax charge / (credit) reported in the income statement	553	(37)

Notes to the financial statements (continued)

at 31 December 2019

(c) Change in Corporation Tax rate

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 17% from 1 April 2020 had already been substantively enacted on 06 September 2016. As of the March 2020 budget the proposed reduction was removed, this has not been substantially enacted at the balance sheet date hence deferred tax is still measured at 17%.

This change is not expected to have a material impact on the financial statements.

(d) Deferred tax liability

	2019	*2018*
	£000	*£000*
Provision at start of year	15	(6)
Deferred tax charge to income statement for the period	(11)	21
Provision at end of year	4	15

The deferred tax relates to timing differences.

12. Dividends

There was a dividend paid during 2019 of 33 pence per share amounting to £1,000,000 which related to 2018 (there was no dividend paid in 2018).

Notes to the financial statements (continued)

at 31 December 2019

13. Tangible fixed assets

	Land and buildings £000	*Office and technical £000*	*Total £000*
Cost or deemed cost:			
At 1 January 2019 as previously stated	3,484	889	4,373
Change in accounting policy	(3,386)	-	(3,386)
re-stated cost at 1 January 2019	98	889	987
Additions	-	107	107
Transfer from Acquisitions	8	18	26
Disposals	-	(95)	(95)
At 31 December 2019	106	919	1,025
Depreciation and impairment:			
At 1 January 2019 as previously stated	(2,914)	(655)	(3,569)
Change in accounting policy	2,871	-	2,871
re-stated depreciation at 1 January 2019	(43)	(655)	(698)
Provided during the year	(11)	(105)	(116)
Disposals		95	95
At 31 December 2019	(54)	(665)	(719)
Carrying amount:			
At 31 December 2019	52	254	306
At 31 December 2018 re-stated	55	234	289

Notes to the financial statements (continued)

at 31 December 2019

14. Intangible fixed assets

	Software	*Goodwill*	*Customer Relationship*	*Total*
	£000	*£000*	*£000*	*£000*
Cost or deemed cost:				
At 1 January 2019	348	-	-	348
Additions	43	-	-	43
Transfer from Acquisitions	-	2,675	467	3,142
Disposals	(153)	-	-	(153)
At 31 December 2019	238	2,675	467	3,380
Depreciation and impairment:				
At 1 January 2019	(342)	-	-	(342)
Provided during the year	(4)	-	(76)	(80)
Disposals	153	-	-	153
At 31 December 2019	(193)	-	(76)	(269)
Carrying amount:				
At 31 December 2019	45	2,675	391	3,111
At 31 December 2018	6	-	-	6

The customer relationships arose from the purchase of Megtec and Universal by Durr group in October 2018. At that time a value of intangible asset was calculated based off the future value of the customer base at that point. The assets have been depreciated since then at the point of transfer; Universal had c.9 months and Megtec 3.5 years of useful life remaining.

Goodwill derived at the point of the Durr group acquiring Megtec and Universal, and transferred to Durr Limited at book value. An annual assessment of goodwill is performed (in December), at the time of the assessment future value was in excess of the carrying value therefore concluded that no impairment was required at this time; although this is susceptible to a change in future assumptions.

The assessment is performed based off the 4 years of future financial forecasts (which take into account markets, margins, overheads etc) plus an ongoing annuity element, the discount rate used (based off the weighted average cost of capital (WACC)) was 7.058% and the future growth rate was assumed at 1% p.a.. A 1% increase in WACC would reduce future value by c.£900k, however a reduction in the growth rate of 0.25% would reduce future value by c.£200k.

Notes to the financial statements (continued)

at 31 December 2019

15. Rights of Use assets

	Land and buildings *£000*	*Vehicles* *£000*	*Total* *£000*
Cost at 1 January 2019	3,386	217	3,603
Additions	-	118	118
Transfer from Acquisitions	505	148	653
Disposals	-	(34)	(34)
At 31 December 2019	3,891	449	4,340
Depreciation and impairment:			
Cost at 1 January 2019	(2,871)	(80)	(2,951)
Provided during the year	(258)	(160)	(418)
Disposals	-	25	25
At 31 December 2019	(3,129)	(215)	(3,344)
Carrying amount:			
At 31 December 2019	762	234	996
At 31 December 2018	515	137	652

The Company's leasing activities include the lease of buildings which are used as operating premises and cars.

Notes to the financial statements (continued)

at 31 December 2019

16. Investment Affiliates

On the 31st May 2019 the company purchased 100% of the share capital of two companies namely:

Megtec Environmental Limited,

registered address: Unit 133 Bradley Hall Ind Estate, Bradley Lane, Standish, Wigan Lancashire, WN6 0XQ, a private limited company registered in England.

The nature of the business is the manufacture of non-electronic industrial process control equipment.

and

Durr Universal Europe Limited.

Registered address: Unit 24, Barleyfield, Hinckley, Leicestershire, LE10 1YE, a private limited company registered in England.

The nature of the business is the manufacture of other special purpose machinery not elsewhere classified.

	2019	*2018*
	£000	*£000*
Durr Megtec		
Share Purchase	3,491	-
Write down of investment upon hive up	(1,989)	-
Investment value at 31 Dec 2019	1,502	-
Durr Universal		
Share Purchase	5,322	-
Write down of investment upon hive up	(1,614)	-
Investment value at 31 Dec 2019	3,708	-
	5,210	-

During the year Durr integrated through the hive up process both newly acquired businesses. At the time of the individual hive ups (Megtec 1st July & Universal 1st October) gains were realised in the P&L. The initial share purchase investment was written down to the book value of assets remaining in the acquired companies, this write down was also taken to the P&L and offset the gains on hive up (note 28).

17. Stocks

	2019	*2018*
	£000	*£000*
Raw materials and consumables	152	6
Work in progress	67	88
	219	94

Notes to the financial statements (continued)

at 31 December 2019

18. Debtors

	2019	*2018*
	£000	*£000*
Trade debtors	5,429	5,767
Contract assets	1,873	1,971
Prepayments and accrued income	38	183
Corporation Tax	32	76
Other debtors	28	4
	7,400	8,001

In accordance with the requirements of IFRS9 a credit loss allowance has been determined against trade debtors and contract assets as follows:

	2019	*2018*
	£000	*£000*
Expected loss rate on trade debtors	0.06%	0.36%
Gross carrying amount: current trade debtors	5,432	5,788
Loss allowance current trade debtors	3	21
Expected loss rate on contract assets	0.05%	2.09%
Gross carrying amount: contract assets	1,874	2,012
Loss allowance contract assets	1	41

19. Forward currency contracts

The fair value of forward currency exchange contracts was determined using quoted forward exchange rates matching the maturity of the contracts. The cash flow hedges of the expected future sales in 2020 were assessed as effective and an un-realised loss of £78,000(net of tax) was included within other comprehensive income.

20. Amounts owed by group undertakings

	2019	*2018*
	£000	*£000*
Trade debtors	2,373	1,815
Cash pooling	5,006	6,441
	7,379	8,256

Notes to the financial statements (continued)

at 31 December 2019

21. Creditors

	2019 £000	2018 £000
Trade creditors	1,475	3,531
Other taxes and social security costs	231	966
Corporation Tax	251	-
Contract liabilities	8,346	4,811
Accruals and deferred income	2,687	1,517
	12,990	10,825

22. Amounts owed to group undertakings

	2019 £000	2018 £000
Trade creditors	4,080	1,720
Loan	4	-
	4,084	1,720

23. Maturity analysis of lease payments due as at reporting date

Minimum payment due	*Within 1 year*	*1-2 years*	*2-3 years*	*3-4 years*	*Total*
Building	334	367	68	-	769
Building investment	126	133	97	75	431
Vehicles	136	75	16	-	227
Office Equipment	6	6	-	-	12
Lease Payments Due at 31 Dec 2019	602	581	181	75	1,439
Lease Payments Due at 31 Dec 2018	375	385	382	68	1,210

24. Issued share capital

Allotted, called up and fully paid	*No.*	*2019 £000*	*No.*	*2018 £000*
Ordinary shares of £1 each	3,050,000	3,050	3,050,000	3,050

Notes to the financial statements (continued)

at 31 December 2019

25. Movements on other reserves

	Capital reserve £000	*Hedge reserve £000*
2018	-	9
2019	3,000	(78)

Hedge reserve
The fair value of forward currency exchange contracts, determined using quoted forward exchange rates matching the maturity of the contracts is a liability of £69,000 (2018 – an asset of £9,000)

Capital Reserve
Durr AG injected £3m of cash into Durr Limited on the 31st May 2019 to assist with the purchase of Megtec and Universal.

Notes to the financial statements (continued)

at 31 December 2019

26. Changes in accounting policies

Balance sheet at 1 January 2019

	As originally stated	*Impact of IFRS16*	*Restated*
	£000	*£000*	*£000*
Fixed assets			
Intangible assets	6	-	6
Tangible assets	804	(515)	289
Right of Use assets	-	652	652
	810	137	947
Current assets			
Stocks	94	-	94
Debtors	8,001	-	8,001
Financial instruments	18	-	18
Amounts owed by group undertakings	8,256	-	8,256
Cash at bank and in hand	2,717	-	2,717
	19,086	-	19,086
Creditors: amounts falling due within one year			
Creditors	10,825	-	10,825
Financial instruments	9	-	9
Amounts owed to group undertakings	1,720	-	1,720
Obligations under leases	304	71	375
	12,858	71	12,929
Net current assets	6,228	(71)	6,157
Total assets less current liabilities	7,038	66	7,104
Creditors: amounts falling due after more than one year	769	66	835
Provisions for liabilities: deferred taxation	15	-	15
Net assets	6,254	-	6,254
Capital and reserves			
Called up share capital	3,050	-	3,050
Hedge Reserve	9	-	9
Retained earnings	3,195	-	3,195
	6,254	-	6,254

Notes to the financial statements (continued)

at 31 December 2019

26. Changes in accounting policies continued

Balance sheet at 1 January 2018

	As originally stated £000	Impact of IFRS16 £000	Restated £000
Fixed assets			
Intangible assets	15	-	15
Tangible assets	1,036	(677)	359
Right of Use assets	-	841	841
	1,051	164	1,215
Current assets			
Stocks	44	-	44
Debtors	10,247	-	10,247
Financial instruments	10	-	10
Amounts owed by group undertakings	12,998	-	12,998
Cash at bank and in hand	1,589	-	1,589
	24,888	-	24,888
Creditors: amounts falling due within one year			
Creditors	14,637	-	14,637
Financial instruments	60	-	60
Amounts owed to group undertakings	3,567	-	3,567
Obligations under leases	276	94	370
	18,540	94	18,634
Net current assets	6,348	(94)	6,254
Total assets less current liabilities	7,399	70	7,469
Creditors: amounts falling due after more than one year	1,073	70	1,143
Provisions for liabilities: deferred taxation	27	-	27
Net assets	6,299	-	6,299
Capital and reserves			
Called up share capital	3,050	-	3,050
Hedge Reserve	(50)	-	(50)
Retained earnings	3,299	-	3,299
	6,299	-	6,299

Notes to the financial statements (continued)

at 31 December 2019

27. Acquisitions

(a) Megtec Environmental Limited

On the 31st May 2019, Durr Limited acquired 100% of the issued share capital of Megtec Environmental Limited.

On the 1st July 2019 Durr Limited hived up the assets of Megtec, at which point a deferred consideration (via an inter-company receivable) was agreed and a gain to the P&L was realised (as outlined below).

Business Combination - Hive Up	*£000s*
Deferred Consideration upon Hive Up	680
P&L Gain upon Hive Up	1932

Assets acquired and liabilities assumed

The NBV and fair values of the assets and liabilities as at the date of transfer were:

	NBV	*Adjustment*	*Fair Value*
	£000	*£000*	*£000*
Goodwill	-	1,522	1,522
Customer Relationships	-	439	439
Tangible assets	3	-	3
Right of Use assets	-	267	267
Inventory	57	-	57
Debtors	817	-	817
Prepayments	55	-	55
Other Receivables	9	-	9
Contract Liabilities	(35)	-	(35)
Creditors	(197)	-	(197)
Financial Liabilities	-	(246)	(246)
Other Liabilities	(29)	-	(29)
Dilapidations	-	(50)	(50)
	680	1,932	2,612

Upon the integrations of Megtec the assets and liabilities transferred were assessed and categorised in line with Durr Limited accounting policies.

The book value of the debtors £817k, it is expected that the full contractual amounts can be collected.

With the acquisition companies being part of the Durr group prior to Durr Limited acquisition the lease liabilities and right of use assets transferred at the carrying value, as these have been accounted for in line with group policy.

Customer relationships intangible asset transferred at the fair value and will be depreciated over the remaining useful life, which is estimated at c3.5 years. Goodwill arose from the transfer and is allocated entirely to the Clean Technology division of Durr Limited. The goodwill is not expected to be deductible for income tax purposes.

Notes to the financial statements (continued)

at 31 December 2019

(a) Megtec Environmental Limited (continued)

From the date of acquisition, Megtec Environmental Limited contributed £906k in turnover and £533k loss before tax from continuing operations. Had the combination taken place from the beginning of the year the contribution would have been £2,372k turnover and £545k loss from the continuing operations.

(b) Durr Universal Europe Limited

On the 31st May 2019, Durr Limited acquired 100% of the issued share capital of Durr Universal Europe Limited.

On the 1st October 2019 Durr Limited hived up the assets of Durr Universal, at which point a deferred consideration (via an inter-company receivable) was agreed and a gain to the P&L was realised.

Business Combination - Hive Up	*£000s*
Deferred Consideration upon Hive Up	1,121
P&L Gain upon Hive Up	1,177

Assets acquired and liabilities assumed
The NBV and fair values of the assets and liabilities as at the date of transfer were:

	NBV *£000*	*Adjustment* *£000*	*Fair Value* *£000*
Goodwill	-	1,153	1,153
Customer Relationships	-	28	28
Tangible assets	24	-	24
Right of Use assets	-	386	386
Inventory	138	-	138
Debtors	857	-	857
Prepayments	62	-	62
Other Receivables	4	-	4
Contract Liabilities	(14)	-	(14)
Creditors	67	-	67
Financial Liabilities	-	(390)	(390)
Other Liabilities	(17)	-	(17)
	1,121	1,177	2,298

Upon the integrations of Universal the assets and liabilities transferred were assessed and categorised in line with Durr Limited accounting policies.

The book value of the debtors £857k, it is expected that the full contractual amounts can be collected.

With the acquisition companies being part of the Durr group prior to Durr Limited acquisition the lease liabilities and right of use assets transferred at the carrying value, as these have been accounted for in line with group policy.

Customer relationships intangible asset transferred at the fair value and will be depreciated over the remaining useful life which is estimated at c.9 months. Goodwill arose from the transfer and is allocated

Notes to the financial statements (continued)

at 31 December 2019

(b) Durr Universal Europe Limited (continued)

entirely to the Clean Technology division of Durr Limited. The goodwill is not expected to be deductible for income tax purposes.

From the date of acquisition, Durr Universal Europe Limited contributed £1,239k in turnover and £103k profit before tax from continuing operations. Had the combination taken place from the beginning of the year the contribution would have been £3,711k turnover and £302k profit from the continuing operations.