

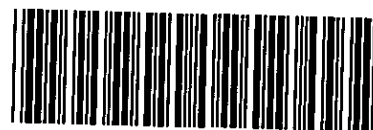
Wellman Process Engineering Limited

**Directors' report and financial
statements**

Registered number 01235902

For the year ended 31 March 2013

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Directors' report

The directors present their report and the audited financial statements for the year ended 31 March 2013

The company was dormant until 31 December 2010 and commenced trading on 1 January 2011

Principal activity

The principal activity of the company is the design and supply of capital and process plant, specialising in the field of evaporation and crystallisation

Results and dividend

The loss on ordinary activities before tax for the year was £(62,000) (*period ended 31 March 2012 profit £14,000*)

The directors do not recommend the payment of a dividend (*period ended 31 March 2012 £Nil*)

Directors

The directors who served during the year and to the date of this report were as follows

GS Lucking

TS Stream

C Brecknell (resigned 31 May 2013)

Employment policies

The company places considerable value on the involvement of its employees and continues to keep them informed on matters affecting them as employees and the performance of the company. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Full consideration is given to employment applications from disabled persons who have the necessary aptitudes and abilities. Where an employee becomes disabled while employed, arrangements are made wherever practicable to maintain employment. The company seeks to develop the skills of disabled persons by providing applicable training, taking into account their particular needs.

Donations

The company made no charitable or political donations during the year (*period ended 31 March 2012 £Nil*)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office

Approved by the board of directors and signed on its behalf by

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a horizontal line and a downward-pointing 'V' shape.

G S Lucking
Director

Newfield Road
Oldbury
West Midlands
B69 3ET

12 September 2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Independent auditor's report to the members of Wellman Process Engineering Limited

We have audited the financial statements of Wellman Process Engineering Limited for the year ended 31 March 2013 set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 March 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Wellman Process Engineering 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

A handwritten signature in black ink, appearing to read 'D. Turner', with a long horizontal stroke extending to the right.

Darren Turner (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

12 September 2013

Profit and loss account
for the year ended 31 March 2013

	<i>Note</i>	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Turnover	2	3,739	4,069
Cost of sales		(2,818)	(3,575)
		<hr/>	<hr/>
Gross profit		921	494
Sales and distribution costs		(234)	(177)
Administration expenses		(732)	(303)
		<hr/>	<hr/>
Operating (loss)/profit	3	(45)	14
Interest payable and similar charges		(17)	-
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(62)	14
Tax on profit on ordinary activities	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial period	14	(62)	14
		<hr/>	<hr/>

There are no recognised gains or losses other than the loss for the year and the profit in the prior period. All operating results were derived from continuing operations.

The notes on pages 8 to 15 form part of the financial statements.

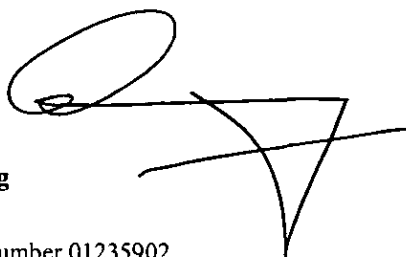
Balance sheet
at 31 March 2013

	<i>Note</i>	2013 £000	2012 £000	£000
Fixed assets				
Intangible assets	7	450		500
Current assets				
Stocks	8	-	4	
Debtors	9	1,232	761	
Cash at bank		293	269	
		1,525	1,034	
Creditors Amounts falling due within one year	10	(835)	(439)	
Net current assets		690	595	
Total assets less current liabilities		1,140	1,095	
Creditors Amounts falling due after one year	11	(100)	(51)	
Provisions for liabilities	12	(88)	(30)	
Net assets		952	1,014	
Capital and reserves				
Called up share capital	13	1,000	8,314	
Share premium account	14	-	28	
Profit and loss account	14	(48)	(7,328)	
Equity shareholder's funds	15	952	1,014	

These financial statements were approved by the board of directors on 12 September 2013 and were signed on its behalf by

GS Lucking
Director

Company number 01235902



Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

These financial statements have been prepared on the basis that the company is a going concern, the directors have reviewed liquidity projections for the company and are satisfied that this is a reasonable basis to use for preparation of the financial statements

Foreign currencies

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

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the period

Intangible fixed assets – technical know how

Amortisation is provided evenly on the costs of technical know how, to write it down to its estimated residual value over its expected useful life of 10 years

Where there is evidence of impairment, intangible fixed assets are written down to their recoverable amount

Long term contracts

Profit on long term contracts is taken as work progresses and, unless a more conservative approach is necessary, is the margin earned to date based on the cost percentage complete method. Full provision is made for all known or expected losses at completion as soon as such losses are forecast on any individual contract

In determining the attributable profit on contracts to a particular accounting period the company uses estimation techniques. The principal estimation technique used is the preparation of profit forecasts on a contract by contract basis which enables an assessment to be made on the final out-turn on each contract. Profit is then recognised when the outcome of the contract can be foreseen with reasonable certainty

Long term contract work in progress is valued at cost, including appropriate overheads, net of amounts transferred to cost of sales, less provisions for foreseeable losses. Progress payments received and receivable are deducted from the valuation of work in progress to the extent of the valuation of each contract. To the extent that the progress payments exceed the valuation, the excess is included in current liabilities as a creditor

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost incorporates conversion costs incurred, including depreciation and other related fixed and variable production overheads. Progress payments received and receivable in respect of work in progress are deducted from the valuation of work in progress. To the extent that the progress payments exceed the valuation, the excess is included in current liabilities as a creditor

Notes (continued)

1 Accounting policies (continued)

Contract warranties

Provision is made for the estimated liability on all products still under warranty, including claims already received. The provision is based on past experience of claims arising in the warranty periods. As warranty periods are typically less than two years, the expected cash flows are not discounted, since the effect would be immaterial.

Pensions

The company operates a defined contribution scheme. Contributions to this scheme are charged to the profit and loss account as incurred.

Deferred tax

The charge for taxation is based on the result for each period and takes into account deferred taxation calculated in accordance with the requirements of FRS 19 "Deferred tax". Deferred tax assets or liabilities, which arise from timing differences between the recognition of gains and losses in the financial statements and their recognition in the tax computations, are calculated on a non-discounted full provision basis. Deferred tax assets are only recognised where the asset is considered to be recoverable.

2 Turnover by geographical market

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
United Kingdom	3,645	2,346
Rest of world	87	1,723
Europe	7	-
	<u>3,739</u>	<u>4,069</u>

3 Operating (loss)/profit

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
<i>Operating (loss)/profit is stated after charging</i>		
Amortisation of intangible fixed assets		
Technical know-how	50	-
Auditor's fees		
For the audit of these financial statements	20	7
Other services - taxation	5	-
	<u>75</u>	<u>7</u>

Notes (continued)

4 Remuneration of directors

Directors' emoluments (including pension costs and highest paid director)

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
Aggregate emoluments	99	-
Company contributions to pension scheme	6	-
	<u>105</u>	<u>-</u>
	Number	Number
Number of directors accruing retirement benefits under defined contribution scheme	1	-

5 Staff numbers and costs

The average number of persons employed by the company (excluding directors) during the period was as follows

	Number of employees Year ended 31 March 2013	Period ended 31 March 2012
Technical	4	5
Administration	2	1

The aggregate payroll costs of these persons were as follows

	£000	£000
Wages and salaries	209	301
Social security costs	28	39
Other pension costs	2	10
	<u>239</u>	<u>350</u>

Notes (continued)

6 Taxation

Analysis of charge in period

The company incurred no corporation or deferred tax charges in the year

Factors affecting the tax charge for the current period

The current tax charge for the period is higher (*period ended 31 March 2012 lower*) than the standard rate of corporation tax in the UK of 24% (*period ended 31 March 2012 26.5%*). The differences are explained below

	Year ended 31 March 2013 £000	Period ended 31 March 2012 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before tax	(62)	14
	<hr/>	<hr/>
Current tax at 24% (<i>period ended 31 March 2012 26.5%</i>)	(15)	3
<i>Effects of</i>		
Expenses not deductible for tax purposes	12	-
Loss surrendered from group company	-	(3)
Increase in losses carried forward	3	-
	<hr/>	<hr/>
Total current tax charge (see above)	-	-
	<hr/>	<hr/>

Factors affecting future tax charge

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly.

Notes (continued)

7 Fixed assets

	Technical Know How £000
Cost	
At beginning of year	500
Additions	-
	<hr/>
At end of year	500
	<hr/>
Amortisation	
At beginning of year	-
Charge and at end of year	50
	<hr/>
At end of year	50
	<hr/>
Net book value	
At 31 March 2013	450
	<hr/>
At 31 March 2012	500
	<hr/>

Technical know how

The company purchased Technical Know How in March 2012 from Wellman Thermal Systems Limited, the company's immediate parent undertaking for £500,000. The Technical Know How relates to "the business of designing, developing, selling and manufacturing of evaporators and crystallisers on a global basis to numerous industries".

8 Stocks

	2013 £000	2012 £000
Work in progress	-	4
	<hr/>	<hr/>

9 Debtors

	2013 £000	2012 £000
Trade debtors	11	-
Called up share capital not paid	-	500
Amounts owed by group undertakings	253	4
Amounts recoverable on contracts	545	27
Other debtors and prepayments	423	230
	<hr/>	<hr/>
	1,232	761
	<hr/>	<hr/>

Notes (continued)

10 Creditors: Amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	43	237
Amounts owed to group undertakings	229	-
Tax and social security	172	58
Contract accruals	195	113
Accruals and other creditors	196	31
	<u>835</u>	<u>439</u>

11 Creditors: Amounts falling due after one year

	2013 £000	2012 £000
Contract contingencies	100	27
Amounts owed to group undertakings	-	24
	<u>100</u>	<u>51</u>

The creditors falling due after one year recognise future contract costs and contingencies, the majority of which are expected to be incurred in the next one to two years

12 Provisions for liabilities

	Contract provisions £000
At beginning of year	30
Charged to profit and loss account	58
At end of year	<u>88</u>

Provisions for liabilities consist of warranty provisions which are expected to be incurred in the next one to two years

Notes (continued)

13 Share capital

	2013 £	2012 £
<i>Authorised, allotted and fully paid.</i>		
148,550 Ordinary shares of 1p each	-	1,486
148,550 Deferred ordinary shares of £1 each	-	148,550
7,164,000 Ordinary shares of £1 each	-	7,164,000
500,000 Preference shares of £1 each	500,000	500,000
500,000 "A" ordinary shares of £1 each	500,000	-
	<hr/>	<hr/>
	1,000,000	7,814,036
<i>Authorised, allotted and not paid</i>		
500,000 "A" Ordinary shares of £1 each	-	500,000
	<hr/>	<hr/>
	1,000,000	8,314,036
	<hr/>	<hr/>

The deferred ordinary shares and preference shares carry no voting rights. All other shares carry equal voting rights.

Shares issued in the period

500,000 "A" ordinary shares were issued at par on 31 March 2012 to Wellman Thermal Systems Limited and settled in full on 12 April 2012.

14 Reserves

	Profit and loss account £000	Share premium account £000	Total £000
At beginning of year	(7,328)	28	(7,300)
(Loss) for the financial year	(62)	-	(62)
Share capital reduction	7,342	(28)	7,314
	<hr/>	<hr/>	<hr/>
At end of year	(48)	-	(48)
	<hr/>	<hr/>	<hr/>

15 Reconciliation of shareholder's funds

	2013 £000	2012 £000
Opening shareholder's funds	1,014	-
(Loss) for the financial year	(62)	14
Issued share capital 500,000 "A" ordinary shares of £1 each	-	500
Issued share capital 500,000 preference shares of £1 each	-	500
	<hr/>	<hr/>
Closing shareholder's funds	952	1,014
	<hr/>	<hr/>

Notes (continued)

16 Related party transactions

Recharges of management and other costs amounting to £43,000 (2012 £6,000) have been made by Alissa Jebal Alab Joint Venture Company Limited of which GS Lucking is a director £39,000 was settled in the year A balance of £4,000 remained outstanding at the year end

Recharges of costs amounting to £7,000(2012 £7,000) have been made by International Data Media Limited of which GS Lucking is a director This amount was settled during the year

Recharges of costs amounting to £3,500 (2012 £Nil) have been made by Business Performance Appraisal Limited of which GS Lucking is a director £3,000 remained outstanding at the year end

Recharges of costs amounting to £13,000 (2012 £Nil) have been made by International Recovery Solutions Limited of which GS Lucking is a director At the end of the financial year, £4,000 remained outstanding

17 Ultimate and immediate parent undertaking

The company's immediate parent undertaking is currently Wellman Thermal Systems Limited (a company registered in England) The ultimate parent undertaking is Inmed Ventures Limited (a company registered in Gibraltar)

Mr GS Lucking is the ultimate controlling party, by virtue of his controlling interest in the share capital of Inmed Ventures Limited