

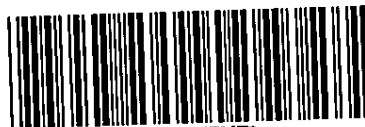
SERVOMEX LIMITED

Directors' report and financial statements

Year ended 31 December 2008

Registered number 1938746
Registered in England

TUESDAY



AZT9HFMT

A10

08/12/2009

241

COMPANIES HOUSE

Contents	Page
Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	2
Independent Auditors' Report to the members of Servomex Limited	3
Profit and loss account	4
Statement of Total Recognised Gains and Losses	5
Balance sheet	6
Notes to the financial statements	7

Directors' report

The directors present their report and the financial statements for the year ended 31 December 2008.

Activities

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

Results and Dividends

The company made a loss in the year of £819,000 (2007: £197,000 loss). The loss in the year relates to a £500,000 charge in the year for property delapidations costs. The directors in the current year, following changes to the business operation have revalued freehold investment property to their market value.

No dividends were paid in the year (2007: £nil).

Directors

The directors who held office during the year were:

Roger Stephens
Stephen Harris (resigned 31/01/08)
Clive Watson (appointed 06/10/08)
John O Higgins (appointed & resigned 07/03/08)

Disclosure of information to auditors

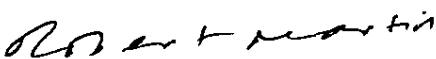
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as directors to make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

Annual general meeting

In accordance with Section 366A of the Companies Act 1985, the Company has elected to dispense with the holding of Annual General Meetings.

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the board



Robert Martin

Company Secretary

27 November 2009

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).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

Independent Auditors' Report to the members of Servomex Limited

We have audited the financial statements of Servomex Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

27 November 2009

8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Profit and Loss Account

For the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Other income	2	50	45
Administration expenses		<u>(549)</u>	<u>(49)</u>
Operating loss	3	(499)	(4)
Interest receivable and similar income	7	-	16
Interest payable and similar charges	8	(560)	(275)
Loss on ordinary activities before taxation		<u>(1,059)</u>	<u>(263)</u>
Tax credit from loss on ordinary activities	9	240	66
Loss for the financial year		<u><u>(819)</u></u>	<u><u>(197)</u></u>

The results in the profit and loss account above relate entirely to continuing operations.

Notes on pages 7 to 13 form part of these financial statements.

Statement of Total Recognised Gains and Losses
For the year ended 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Loss for the financial year		(819)	(197)
Revaluation gain on investment property	<i>10, 16</i>	600	-
Total recognised losses relating to the financial year		<u>(219)</u>	<u>(197)</u>

Notes on pages 7 to 13 form part of these financial statements.

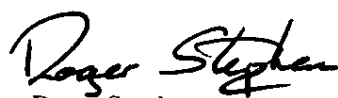
Balance Sheet

As at 31 December 2008

	<i>Note</i>	2008 £000	2007 £000
Fixed assets			
Tangible assets	<i>10</i>	796	3,367
Investments in subsidiary	<i>11</i>	<u>8,152</u>	<u>8,152</u>
		8,948	11,519
Current assets			
Debtors	<i>12</i>	7,990	329
Current liabilities			
Creditors: amounts falling due within one year	<i>13</i>	<u>(11,536)</u>	<u>(6,727)</u>
Net current liabilities		(3,546)	(6,398)
Total assets less net current liabilities		<u>5,402</u>	<u>5,121</u>
Provisions for liabilities and charges	<i>14</i>	<u>(512)</u>	<u>(12)</u>
Net Assets		<u>4,890</u>	<u>5,109</u>
 Capital and reserves			
Called up share capital	<i>15</i>	517	517
Share premium account	<i>16</i>	2,087	2,087
Other reserves	<i>16</i>	2,256	2,256
Revaluation reserve	<i>16</i>	600	-
Profit and loss account	<i>16</i>	<u>(570)</u>	<u>249</u>
Shareholders' funds		<u>4,890</u>	<u>5,109</u>

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

Notes on pages 7 to 13 form part of these financial statements.



Roger Stephens

Director

27th November 2009

Notes to the financial statements

1. Accounting policies

Basis of preparation

The accounts are prepared in accordance with applicable accounting standards and under the historical cost accounting rules, as modified by the revaluation of investment properties and land and properties under development.

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

As the company is a wholly owned subsidiary of Spectris plc, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Spectris plc, within which this company is included, can be obtained from the address given in note 19.

Going Concern

Servomex Limited is partly funded by intercompany borrowings from the ultimate parent company, Spectris plc, which amounts to £10,631,000 at 31 December 2008. The financial statements have been prepared on a going concern basis in view of the fact that Spectris plc has formally indicated that it intends to continue to provide adequate financial resources to ensure that the company is able to settle its liabilities as they fall due for at least the next twelve months.

Consolidation

Consolidated accounts have not been prepared for the company by virtue of S228 of the Companies Act 1985, as it is a wholly owned subsidiary of Spectris plc, a parent undertaking registered in England, which has prepared consolidated accounts.

Foreign Currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities recorded in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Foreign exchange differences arising on translation are recognised in the profit and loss

Tangible fixed assets

With the exception of freehold land, tangible fixed assets are depreciated at rates calculated to write off the original cost or subsequent valuation, less the estimated residual value, in equal instalments over the expected useful life of the assets concerned.

Depreciation is provided at the following rates on a straight line basis:

Freehold building	4%
Assets in the course of construction	0%
Freehold land is carried at cost less any impairment.	0%

Fixed Asset Investments

Investments in subsidiaries and other investments are stated at cost, less provision for any impairment.

Freehold Investment Properties

Following changes in the businesses operations certain buildings are now considered to be investment property. In accordance with SSAP 19, investment properties are revalued annually to their open market value at the balance sheet date, and the aggregate surplus or deficit is transferred to the revaluation reserve. No depreciation is provided in respect of investment properties. This treatment is a departure from the Companies Act 1985 which stipulate that all properties should be depreciated. In the opinion of the directors, the treatment adopted is necessary to present a true and fair view.

Notes to the financial statements (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes to the financial statements (continued)

2. Other income

Other income represents rental income, excluding value added tax.

3. Operating loss

Operating loss is stated after charging:

	2008 £000	2007 £000
Property dilapidations provision	500	-
Depreciation	<u>48</u>	<u>49</u>

4. Remuneration of directors

The directors received no remuneration in respect of activities performed for the company during the year (2007: Nil).

5. Remuneration of employees

The company had no employees during the year or the previous year.

6. Remuneration of auditor

The audit fee of £2,000 (2007: £2,000) has been borne by the ultimate parent company, Spectris plc.

7. Interest receivable and similar income

	2008 £000	2007 £000
Interest receivable from group	<u>-</u>	<u>16</u>
	<u>-</u>	<u>16</u>

8. Interest payable and similar charges

	2008 £000	2007 £000
On bank balances	50	2
Interest payable to group undertakings	<u>510</u>	<u>273</u>
	<u>560</u>	<u>275</u>

9. Tax on loss on ordinary activities

	2008 £000	2007 £000
<i>UK Corporation Tax:</i>		
Current tax on loss for the year at 28.5% (2007: 30%)	(211)	(227)
Adjustments in respect of prior periods	-	5
Total current tax credit	<u>(211)</u>	<u>(222)</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(29)	156
Tax credit on loss on ordinary activities	<u>(240)</u>	<u>(66)</u>

The current tax credit is higher (2007: higher) than the tax expected based on the standard rate of corporation tax in the UK. The difference is explained below:

Notes to the financial statements (continued)

9. Tax on loss on ordinary activities (continued)	2008 £000	2007 £000
Loss on ordinary activities before tax	<u>(1,059)</u>	<u>(263)</u>
Current tax credit at 28.5% (2007: 30%)	(302)	(79)
Non-deductible expenditure	77	11
Capital allowances for period in excess of depreciation	14	(3)
Pension payment deduction	-	(156)
Adjustments to tax charge in respect of prior periods	<u>-</u>	<u>5</u>
Current tax credit	<u><u>(211)</u></u>	<u><u>(222)</u></u>

Factors that may affect future tax charges

The UK corporation tax rate fell from 30% to 28% with effect from 1 April 2008.

10. Tangible fixed assets	Land & Buildings	Assets in the course of	Freehold Investment properties	Total
<i>Cost:</i>	£000	£000	£000	£000
At 1 January 2008	2,180	2,923	-	5,103
Additions	-	3,866	-	3,866
Reclassified as Investment Property	(532)	-	532	-
Group transfer	(200)	(6,789)	-	(6,989)
Revaluation	-	-	600	600
At 31 December 2008	<u>1,448</u>	<u>-</u>	<u>1,132</u>	<u>2,580</u>
<i>Depreciation:</i>				
At 1 January 2008	1,736	-	-	1,736
Charge for the year	48	-	-	48
Reclassified as Investment Property	(336)	-	336	-
At 31 December 2008	<u>1,448</u>	<u>-</u>	<u>336</u>	<u>1,784</u>
<i>Net Book Value:</i>				
At 31 December 2008	<u>-</u>	<u>-</u>	<u>796</u>	<u>796</u>
At 31 December 2007	<u>444</u>	<u>2,923</u>	<u>-</u>	<u>3,367</u>

As at 31 December 2008, the properties included under 'Freehold investment properties' above were revalued by Roger Stephens, Director and Company Secretary for Servomex Limited (a qualified chartered company secretary with extensive experience in the construction and property development sector), to their respective fair values. The fair values were determined on the basis of offers received by the potential buyers.

In accordance with SSAP 19 'Investment Properties' the freehold investment properties are not depreciated and included in the balance sheet at their Market Values.

As at the 31 July 2008 land with the NBV of £200,000 included within Land & Buildings above was transferred to Servomex Group Limited, wholly owned subsidiary of Servomex Limited, at its book value.

As at the 31 July 2008 property with the NBV of £6,789,000 included within 'Assets in the course of construction' above was transferred to Servomex Group Limited, wholly owned subsidiary of Servomex Limited, at its book value.

Notes to the financial statements (continued)

11. Fixed Asset Investments

Shares in Group Undertakings	£000
<i>Cost:</i>	
At 1 January 2008 and 31 December 2008	<u>8,152</u>
<i>Provision:</i>	
At 1 January 2008 and 31 December 2008	<u>-</u>
<i>Net Book Value:</i>	
At 31 December 2008 and 31 December 2007	<u>8,152</u>

The following is the group's principal subsidiary undertaking and it operates in the country of incorporation.
The subsidiary is wholly owned by Servomex Limited.

	Principal activity	Country of incorporation
Servomex Group Ltd	Manufacturing company	England

12. Debtors

	2008	2007
	£000	£000
Amounts owed by group undertakings	7,777	33
Other debtors	-	69
Corporation tax	<u>213</u>	<u>227</u>
	<u>7,990</u>	<u>329</u>

13. Creditors - Amounts falling due within one year

	2008	2007
	£000	£000
Bank loans and overdrafts	905	884
Amounts owed to group undertakings	10,631	5,814
Deferred tax	<u>-</u>	<u>29</u>
	<u>11,536</u>	<u>6,727</u>

	Deferred tax
	£000
Movement in deferred tax	
Deferred tax liability at 1 January 2008	(29)
Credit to the profit and loss account	
- current year	29
Deferred tax liability at 31 December 2008	<u>-</u>

Notes to the financial statements (continued)

14. Provisions for liabilities and charges	2008 £000	2007 £000
At the beginning of the year	12	12
Charge in the year	500	-
At the end of the year	<u>512</u>	<u>12</u>

The increase in the provisions of £500,000 relates to potential dilapidations relating to Crowborough property.

15. Share Capital	Number of shares 000s	£000
Authorised		
Ordinary shares of 5p each	<u>15,000</u>	<u>750</u>
Issued and fully paid		
Balance at 1 January and 31 December 2008	<u>10,339</u>	<u>517</u>

16. Reserves	Share Premium £000	Other Reserves £000	Revaluation Reserve £000	Profit and Loss £000	Total £000
At 1 January 2008	2,087	2,256	-	249	4,592
Total recognised loss for the financial year	-	-	600	(819)	(219)
At 31 December 2008	<u>2,087</u>	<u>2,256</u>	<u>600</u>	<u>(570)</u>	<u>4,373</u>

Other reserves relates to a non- distributable Capital Redemption Reserve.

17. Reconciliation of movements in equity shareholders' funds	2008 £000	2007 £000
Opening equity shareholders' funds	5,109	5,306
Total recognised loss for the financial year	(219)	(197)
Closing equity shareholders' funds	<u>4,890</u>	<u>5,109</u>

18. Pension costs

The company participates in a multi-employer pension scheme (the Spectris plc defined benefit plan) providing benefits based on final pensionable pay. Because the Company is unable to identify its share of the Scheme's assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 "Retirement Benefits" the Scheme is accounted for by the Company as if it were a defined contribution scheme.

Contributions payable by the company amounted to £nil for the year ended 31 December 2008 (2007: £nil).

Further details are given in the accounts of Spectris plc.

Notes to the financial statements (continued)

19. Ultimate Holding Company

The company's ultimate holding company is Spectris plc, which is incorporated in Great Britain and registered in England. Copies of Spectris plc financial statements can be obtained from:

Spectris plc
Station Road
Egham
Surrey
TW20 9NP