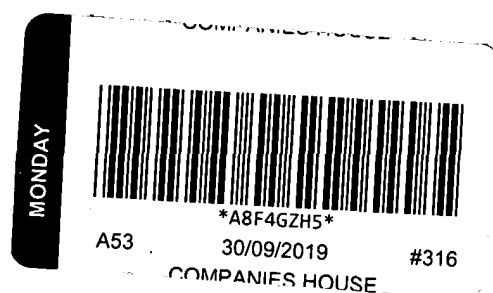

MEGTEC ENVIRONMENTAL LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2018



MEGTEC ENVIRONMENTAL LIMITED
REGISTERED NUMBER: 05661379

BALANCE SHEET
AS AT 31 DECEMBER 2018

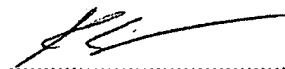
	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	8,240	24,798
		<u>8,240</u>	<u>24,798</u>
Current assets			
Stocks		23,614	31,211
Debtors: amounts falling due within one year	7	1,187,389	983,632
Cash at bank and in hand	8	1,009,658	1,055,584
		<u>2,220,661</u>	<u>2,070,427</u>
Creditors: amounts falling due within one year	9	(782,363)	(814,201)
Net current assets		<u>1,438,298</u>	<u>1,256,226</u>
Total assets less current liabilities		<u>1,446,538</u>	<u>1,281,024</u>
Net assets		<u><u>1,446,538</u></u>	<u><u>1,281,024</u></u>
Capital and reserves			
Called up share capital		50,000	50,000
Profit and loss account		1,396,538	1,231,024
		<u><u>1,446,538</u></u>	<u><u>1,281,024</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



K Cheetham

Director

Date: 27 SEPTEMBER 2019

The notes on pages 2 to 10 form part of these financial statements.

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Megtec Environmental Limited is a company incorporated in the United Kingdom under the Companies Act.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office and principal place of business is Unit 133 Bradley Hall Industrial Estate, Bradley Lane, Standish, Wigan, Lancashire, WN6 0XQ.

The principal activity of the Company is that of the manufacture and sale of solvent recovery equipment and control systems.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

On 1 July 2019, the trade and assets of the Company were transferred to Durr Limited, a fellow group company, upon which the Company ceased to trade. As such the accounts have been prepared on a basis other than that of a going concern. No adjustments were required in order to present the financial statements on a non going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Revenue

Turnover represents the invoiced value of sales of goods and services, excluding value added taxation.

Turnover on installation contracts is recognised based on the stage of completion of the contracts. Stage of completion is determined based on physical completion. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amounts by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

Turnover on maintenance contracts is recognised when all obligations under the contract have been discharged.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.8 Intangible assets

Goodwill, being the amount paid in connection with the acquisition of a business in 2006, is being amortised evenly over its estimated useful life of ten years.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold improvements	- 5 years (term of the lease)
Fixtures and fittings	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.14 Warranty provision

Warranty provision is recognised for all equipment jobs, once completed, until the end of the warranty period.

If there are any warranty costs in relation to a project included in the warranty provision then part of the provision is released against these costs.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The following are the critical judgments that the directors have made in the process of applying the Company's accounting policies which have the most significant effect on the amounts recognised in the financial statements.

Warranty provision

The Company accrues estimated expenses to satisfy contractual warranty requirements when it recognises the associated revenues on the related contracts. In addition, the Company records specific provisions or reductions when it expects the actual warranty costs to significantly differ from the accrued estimates. Factors that impact the estimate of warranty costs include prior history of warranty claims and estimates of future costs of materials and labour.

4. Employees

The average monthly number of employees, including directors, during the year was 24 (2017 - 26).

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Intangible assets

	Goodwill £
Cost	
At 1 January 2018	96,960
At 31 December 2018	<u>96,960</u>
Amortisation	
At 1 January 2018	96,960
At 31 December 2018	<u>96,960</u>
Net book value	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Tangible fixed assets

	Leasehold improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2018	99,536	146,023	-	245,559
Additions	1,045	-	2,250	3,295
Transfers between classes	-	(58,398)	58,398	-
At 31 December 2018	100,581	87,625	60,648	248,854
Depreciation				
At 1 January 2018	85,934	134,827	-	220,761
Charge for the year on owned assets	13,921	4,753	1,179	19,853
Transfers between classes	-	(57,361)	57,361	-
At 31 December 2018	99,855	82,219	58,540	240,614
Net book value				
At 31 December 2018	726	5,406	2,108	8,240
At 31 December 2017	13,602	11,196	-	24,798

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

7. Debtors

	2018 £	2017 £
Trade debtors	796,542	329,652
Amounts owed by group undertakings	125,236	88,788
Other debtors	204,747	265,870
Prepayments and accrued income	41,060	73,251
Amounts recoverable on long term contracts	19,804	226,071
	<u>1,187,389</u>	<u>983,632</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,009,658	1,055,584
	<u>1,009,658</u>	<u>1,055,584</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	71,376	204,542
Trade creditors	50,943	119,349
Amounts owed to group undertakings	221,392	198,090
Corporation tax	19,454	-
Other taxation and social security	171,891	40,810
Other creditors	40,108	186,402
Accruals and deferred income	207,199	65,008
	<u>782,363</u>	<u>814,201</u>

10. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £74,637 (2017 - £79,468). Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

MEGTEC ENVIRONMENTAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

11. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	80,152	214,631
Later than 1 year and not later than 5 years	111,363	73,922
Later than 5 years	-	140,709
	<u>191,515</u>	<u>429,262</u>

12. Post balance sheet events

On 1 July 2019, the trade and assets of the Company were transferred to Durr Limited, a fellow group company.

13. Controlling party

Dürr AG (registered in Germany) is regarded by the directors as being the company's ultimate parent company.

The smallest group in which the results of the company are consolidated is Dürr AG, Carl-Benz-Straße 34, 74321 Bietigheim-Bissingen, Germany.

Copies of the accounts can be obtained from: <https://www.durr-group.com>.

The immediate parent company is Megtec Systems AB, a company incorporated in Sweden. Its principal place of business is Olskroksgatan 30, Box 6106, SE-40060 Göteborg, Sweden.

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.2 to the financial statements which explains that the financial statements have been prepared on basis other than that of a going concern.

The audit report was signed on 27 September 2019 by Anthony Campbell (Senior Statutory Auditor) on behalf of Nortons Assurance Limited.