

Registration number 05849921

Extract Technology Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2012

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Extract Technology Limited
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Extract Technology Limited
Company Information

Directors	B T Walker R J Giromini M J Weber
Company secretary	E J Roth / Sisec Limited
Registered office	Bradley Junction Industrial Estate Leeds Road Huddersfield West Yorkshire HD2 1UR
Bankers	HSBC plc 2 Cloth Hall Street Huddersfield HD1 2ES
Auditors	Ernst & Young LLP Chartered Accountants, Statutory Auditors 1 Bridgewater Place Water Lane Leeds West Yorkshire LS11 5QR

Extract Technology Limited

Directors' Report for the Year Ended 31 December 2012

The directors present their report and the audited financial statements for the year ended 31 December 2012

Directors of the company

The directors who held office during the year were as follows

V L Vescovo (resigned 8 May 2012)

T W Beneski (resigned 8 May 2012)

B T Walker

D C Chapple (resigned 25 April 2013)

R J Giromini (appointed 8 May 2012)

M J Weber (appointed 8 May 2012)

Principal activity

The principal activity of the company is the manufacture and supply of containment systems for the pharmaceutical, chemical and biotech markets

Business review

Fair review of the business

On 8 May 2012, the company was sold to become part of the Wabash National Corporation group of companies facilitated by a United Kingdom holding company, Wabash UK Holdings Limited. Subsequent to the transfer of ownership and as part of a capital restructuring exercise, the company executed a capital reduction of the Share Premium account. The capital reduction amounting to £3,582,791 was transferred to distributable reserves in accordance with the Companies Act 2006.

Throughout 2012 Extract Technology Limited increased the sales focus with a view to increasing market share. The company opened up its first office in Singapore to manage strategic sales growth in South East Asia. Success was achieved through 2012 with increased capital equipment sales in the company's core UK market despite difficult market conditions and local competition.

In 2012 the general industry trend continued to move towards higher containment classifications as operator exposure control bands became ever tighter, reflected in increased Isolator sales. Additionally the requirement for product protection as well as the need for increased sterility assurance has led to increased sales for Aseptic solutions.

Throughout 2012 Extract has continued to develop its Isolator product range, both containment and aseptic, investing in standardization across the product range aimed at satisfying customer requirements in the changing market and supporting new market opportunities. Additionally the company has also added a number of bespoke flexible and acrylic isolators to its product portfolio.

Extract Technology Limited
Directors' Report for the Year Ended 31 December 2012

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Principal risks and uncertainties

The Company strategy and operation is subject to a number of risks and uncertainties, including exchange rate fluctuations and the stability of the greater macro economic environment under which all companies operate. The Company has a significant Customer base throughout the world including many of the large Global Pharmaceutical Companies and has built a reputation on quality and service. In order to service the requirements and retain the Customer Base the Company invests heavily in Research and Development and market intelligence to develop its product range to meet the changing demands of the Industry. However, the Board and the management of the Company are fully aware of these factors and they are closely monitored for their impact on present and future operations.

Given the straightforward nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for the reader of the accounts to gain an understanding of the development, performance or position of the business.

Results and dividend

The results for the company are set out in the financial statements.

A dividend amounting to £2,729,031 was paid during the period under review.

The directors do not recommend the payment of a final dividend.

Research and development

The company will continue its policy of investment in research and development in order to retain a competitive position in the market.

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above each confirm that

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 20/9/2013 and signed on its behalf by


B T Walker
Director

Extract Technology Limited

Statement of Directors' Responsibilities

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 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 of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 Auditor's Report to the Members of Extract Technology Limited

We have audited the financial statements of Extract Technology Limited for the year ended 31 December 2012, which comprise the profit and loss account, the balance sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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.

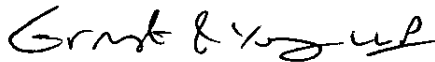
**Independent Auditor's Report to the Members of
Extract Technology Limited**

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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



Eddie Diamond (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor

1 Bridgewater Place
Water Lane
Leeds
West Yorkshire
LS11 5QR

Date *26 September 2013*

Extract Technology Limited
Profit and Loss Account for the Year Ended 31 December 2012

	Note	2012 £	2011 £
Turnover	2	8,355,680	8,893,088
Cost of sales		<u>(6,818,048)</u>	<u>(7,307,612)</u>
Gross profit		1,537,632	1,585,476
Administrative expenses		<u>(1,248,695)</u>	<u>(1,332,763)</u>
Operating profit	3	288,937	252,713
Interest payable and similar charges	5	<u>-</u>	<u>(12)</u>
Profit on ordinary activities before taxation		288,937	252,701
Tax on profit on ordinary activities	6	<u>(51,693)</u>	<u>(50,985)</u>
Profit for the financial year	16	<u><u>237,244</u></u>	<u><u>201,716</u></u>

Turnover and operating profit derive wholly from continuing operations

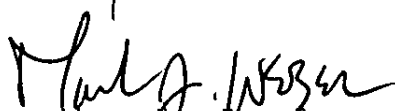
The company has no recognised gains or losses for the year other than the results above

Extract Technology Limited
(Registration number: 05849921)
Balance Sheet at 31 December 2012

	Note	2012 £	2011 £
Fixed assets			
Intangible fixed assets	7	328,194	351,750
Tangible fixed assets	8	1,424,430	1,481,753
Investments	9	1	-
		<u>1,752,625</u>	<u>1,833,503</u>
Current assets			
Stocks	10	228,572	211,773
Debtors	11	2,040,328	4,903,827
Cash at bank and in hand		511,768	337,301
		<u>2,780,668</u>	<u>5,452,901</u>
Creditors Amounts falling due within one year	12	<u>(1,868,847)</u>	<u>(2,130,171)</u>
Net current assets		<u>911,821</u>	<u>3,322,730</u>
Net assets		<u>2,664,446</u>	<u>5,156,233</u>
Capital and reserves			
Called up share capital	14	671	671
Share premium account	16	-	3,582,791
Profit and loss account	16	<u>2,663,775</u>	<u>1,572,771</u>
Shareholders' funds	17	<u>2,664,446</u>	<u>5,156,233</u>

These financial statements were approved and authorised for issue by the Board on **2019113** and signed on its behalf by


B T Walker
Director


M J Weber
Director

Extract Technology Limited
Notes to the Financial Statements for the Year Ended 31 December 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group and those accounts are publicly available

Exemption from preparing group accounts

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are available from Wabash National Corporation, 1000 Sagamore Parkway South, Lafayette, Indiana, 47905, United States of America

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers

Long term contracts are assessed on a contract by contract basis and are reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Where the outcome of each long term contract can be assessed with reasonable certainty before its conclusion, the attributable profit is recognised in the profit and loss account as the difference between reported turnover and related costs for that contract.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. The directors consider the useful economic life to be 20 years. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Long leasehold land and buildings	2% straight line basis
Plant and machinery	10% -20% straight line basis
Fixtures and fittings	10% straight line basis
Office equipment	33% straight line basis

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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Fixed asset investments

Fixed asset investments are stated at historical cost less provision for any diminution in value

Stock and work in progress

Stock and work in progress is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Long-term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined in Stocks above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Deferred tax

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

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 retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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2 Turnover

An analysis of turnover by geographical location is given below

	2012 £	2011 £
Sales - UK	3,369,454	1,992,564
Sales - Europe	3,514,783	4,581,321
Sales - North America	247,507	880,897
Sales - Rest of world	1,223,936	1,438,306
	<u>8,355,680</u>	<u>8,893,088</u>

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Operating leases - plant and machinery	75,442	75,848
Auditor's remuneration - the audit of the company's annual accounts	16,000	7,700
Foreign currency losses	116,811	74,561
Depreciation of tangible fixed assets	72,396	83,190
Amortisation of intangible fixed assets	23,556	23,556
Current year research and development expenditure	<u>7,495</u>	<u>26,093</u>

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows

	2012 No.	2011 No.
Administration and support	7	7
Production	54	49
Sales, marketing and distribution	5	5
	<u>66</u>	<u>61</u>

The aggregate payroll costs were as follows

	2012 £	2011 £
Wages and salaries	2,233,057	2,173,749
Social security costs	257,123	235,064
Staff pensions	16,039	7,822
	<u>2,506,219</u>	<u>2,416,635</u>

The directors are remunerated by another company in the group. The directors received no remuneration in respect of the services they provided to Extract Technology Limited.

5 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	<u>-</u>	<u>12</u>

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

6 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	43,654	52,437
Adjustments in respect of previous years	39	(5,452)
UK Corporation tax	43,693	46,985
Deferred tax		
Origination and reversal of timing differences	8,000	4,000
Total tax on profit on ordinary activities	51,693	50,985

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.49%)

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	288,937	252,701
Corporation tax at standard rate	70,790	66,940
Accelerated capital allowances	12,116	3,159
Short term timing differences	(3,787)	3,454
Expenses not deductible for tax purposes	(6,236)	(10,127)
Adjustments in respect of previous years	39	(5,452)
Utilisation of tax losses	-	(10,989)
Group relief	(29,229)	-
Total current tax	43,693	46,985

Factors that may affect future tax charges

The Chancellor announced in the 2012 budget on 21 March 2012 that the standard rate of tax would be reduced from the expected rate of 25% to 24% with effect from 1 April 2012. Further reductions of 1% per annum will take place in 2013 and 2014 to bring the tax rate down to 22% from 1 April 2014. The rate enacted with effect from 1 April 2013 is 23% and accordingly closing deferred tax has been provided at 23%.

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

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7 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2012	475,420
At 31 December 2012	475,420
Amortisation	
At 1 January 2012	123,670
Charge for the year	23,556
At 31 December 2012	147,226
Net book value	
At 31 December 2012	328,194
At 31 December 2011	351,750

8 Tangible fixed assets

	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2012	1,525,000	152,780	142,145	371,844	2,191,769
Additions	-	6,868	-	8,205	15,073
At 31 December 2012	1,525,000	159,648	142,145	380,049	2,206,842
Depreciation					
At 1 January 2012	159,545	114,448	92,354	343,669	710,016
Charge for the year	30,504	17,800	7,248	16,844	72,396
At 31 December 2012	190,049	132,248	99,602	360,513	782,412
Net book value					
At 31 December 2012	1,334,951	27,400	42,543	19,536	1,424,430
At 31 December 2011	1,365,455	38,332	49,791	28,175	1,481,753

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

9 Investments held as fixed assets

	2012 £	2011 £
Shares in group undertakings and participating interests	<u>1</u>	<u>-</u>
Shares in group undertakings and participating interests		
		Subsidiary undertakings £
Cost		
Additions		<u>1</u>
At 31 December 2012		<u>1</u>
Net book value		
At 31 December 2012		<u>1</u>

During the year the Company acquired 100% of the ordinary share capital of Extract Technology PTE Ltd, a company incorporated in Singapore. Extract Technology PTE Ltd did not trade during the period.

10 Stocks and work in progress

	2012 £	2011 £
Raw materials	201,554	168,649
Work in progress	7,018	3,124
Finished goods	<u>20,000</u>	<u>40,000</u>
	<u>228,572</u>	<u>211,773</u>

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

11 Debtors

	2012 £	2011 £
Trade debtors	1,161,675	1,286,717
Amounts owed by group undertakings	37,684	2,726,866
Amounts recoverable on long term contracts	707,767	670,597
Other debtors	19,075	99,267
Deferred tax	18,000	26,000
Prepayments and accrued income	96,127	94,380
	<u>2,040,328</u>	<u>4,903,827</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 January 2012	26,000
Deferred tax charged to the profit and loss account	<u>(8,000)</u>
At 31 December 2012	<u>18,000</u>

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	11,278	13,946
Other timing differences	<u>6,722</u>	<u>12,054</u>
	<u>18,000</u>	<u>26,000</u>

12 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	1,104,341	1,228,366
Payments received on account	435,108	402,773
Corporation tax	-	46,985
Other taxes and social security	79,316	57,245
Other creditors	170,009	262,025
Accruals and deferred income	<u>80,073</u>	<u>132,777</u>
	<u>1,868,847</u>	<u>2,130,171</u>

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... continued

13 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £16,039 (2011 - £7,822)

Contributions totalling £1,111 (2011 - £3,354) were payable to the scheme at the end of the year and are included in creditors

14 Share capital

Allotted, called up and fully paid shares

	No.	2012 £	No.	2011 £
Ordinary shares of £1 each	<u>671</u>	<u>671</u>	<u>671</u>	<u>671</u>

15 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>2,729,031</u>	<u>-</u>

16 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 January 2012	3,582,791	1,572,771	5,155,562
Profit for the year	-	237,244	237,244
Dividends	-	(2,729,031)	(2,729,031)
Capital reduction	<u>(3,582,791)</u>	<u>3,582,791</u>	<u>-</u>
At 31 December 2012	<u>-</u>	<u>2,663,775</u>	<u>2,663,775</u>

During the period the company executed a capital reduction of the Share Premium account. The capital reduction amounting to £3,582,791 was transferred to distributable reserves in accordance with the Companies Act 2006

Extract Technology Limited

Notes to the Financial Statements for the Year Ended 31 December 2012

..... *continued*

17 Reconciliation of movement in shareholders' funds

	2012 £	2011 £
Profit attributable to the members of the company	237,244	201,716
Dividends	(2,729,031)	-
Net (reduction)/addition to shareholders' funds	(2,491,787)	201,716
Shareholders' funds at 1 January	5,156,233	4,954,517
Shareholders' funds at 31 December	<u>2,664,446</u>	<u>5,156,233</u>

18 Contingent liabilities

The company had bank guarantees amounting to £282,358 (2011 £590,909) in place at the balance sheet date

19 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Other		
Within one year	4,180	25,561
Within two and five years	57,241	18,321
	<u>61,421</u>	<u>43,882</u>

20 Related party transactions

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group

21 Control

The company is controlled by Wabash UK Holdings Limited. The company is a wholly owned subsidiary of Wabash UK Holdings Limited, a company incorporated in England and Wales. The ultimate parent company is Wabash National Corporation, a company incorporated in the United States of America. The only group of undertakings of which the Company is a member is the Wabash National Corporation Group. Copies of the financial statements of this Group can be obtained from 1000 Sagamore Parkway South, Lafayette, Indiana, 47905, United States of America.