

Webster Drives Limited

**Directors' report and financial
statements**

Registered number 553051

31 December 2008

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Directors' report

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

Principal activities

The company is principally engaged in the development, manufacture and merchandising of power take-off equipment, ancillary drives and transmissions for commercial vehicles, vehicle hydraulics and hydraulic tipping rams.

Financial position and performance

In the year to December 2008 the company traded satisfactorily and in line with expectations. The company achieved profits before taxation of £1,901,780 (2007 - £1,556,173) on turnover of £6,948,414 (2007 - £6,259,462).

The directors do not recommend the payment of a final dividend (2007: £nil).

Principal risks and uncertainties

The principal risks and uncertainties affecting the company include:

- Exposure to economic downturns and cyclical markets.
- Large or rapid increases in the costs of raw materials or substantial decreases in their availability could adversely affect operating results.
- Economic, political and other risks associated with international sales could adversely affect the business (for example political or economic instability in certain markets, currency fluctuations or import restrictions).
- The nature of the company's products creates the possibility of product liability and warranty claims, which could harm the business.

These risks are closely monitored and, where appropriate and practical, the directors take steps to minimise the effects of these risks.

Key performance indicators

Key performance indicators of the company include Sales, Operating Profit, Delivery Performance, Quality, Customer Satisfaction and Accident rates. These indicators are monitored on an ongoing basis.

The company is also audited on its quality procedures and performance by Lloyds Institute under ISO 9001.

Directors

The directors of the company are as follows:

M L Brown (resigned 31 December 2008)
H Cornell (USA)
T Pagliara (USA) (resigned 25 August 2008)
S Mawson
W Beese
J Steele (USA) (appointed 25 August 2008)

Directors' report *(continued)*

Research and development

The company continues an active programme of research and development and actively seeks opportunities within new market sectors.

Fixed assets

In the opinion of the directors the market value of the freehold land and buildings is not significantly different from the book value recorded in these financial statements.

Political and charitable contributions

The group made no political or charitable contributions during the year (2007: £nil).

Employees

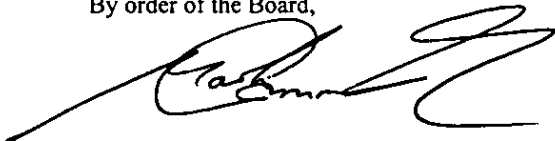
It is the company's policy to employ the most suitably qualified people, regardless of sex, ethnic origin or religion. The company encourages the employment and career development of disabled people. The company regularly reviews its responsibilities for the health, safety and welfare of its employees. It recognises the benefit of keeping employees informed of the performance of the business and updates employees by regular communicative reports.

Auditors

The directors who held office at the date of approval of this 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 a member to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Pursuant to s.487 of the Companies Act 2006, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the Board,



M E Grummett
Secretary

Springmill Street
Bradford
West Yorkshire
BD5 7HW

26 May 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 the directors 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 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its 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.



KPMG Audit Plc

1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditors' report to the members of Webster Drives Limited

We have audited the financial statements of Webster Drives Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, 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 3.

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 other transactions 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 judgments 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.

Independent auditors' report to the members of Webster Drives Limited *(continued)*

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 profit 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

26 May 2009

Profit and loss account

For the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	6,948,414	6,259,462
Change in stocks of finished goods and work in progress		4,866	(12,932)
Raw materials and consumables		(2,204,458)	(2,164,397)
Other external charges		(2,703,122)	(1,181,415)
Staff costs	3,4	-	(1,200,360)
Depreciation		(189,994)	(169,922)
Operating profit		1,855,706	1,530,436
Interest receivable	5	66,923	36,633
Interest payable	6	(20,849)	(10,896)
Profit on ordinary activities before taxation	7	1,901,780	1,556,173
Taxation on profit on ordinary activities	8	(540,063)	(504,965)
Profit for the financial year	15	1,361,717	1,051,208

A reconciliation of movements in shareholders' funds and statement of total recognised gains and losses is given on page 8.

All income and expenditure arose from continuing activities.

Balance sheet

As at 31 December 2008

	Note	£	2008 £	£	2007 £
Fixed assets					
Tangible assets	9		1,595,357		1,143,620
Current assets					
Stocks	10	532,094		469,180	
Debtors	11	1,281,336		1,526,170	
Cash at bank and in hand		1,732,437		564,349	
		3,545,867		2,559,699	
Creditors: amounts falling due within one year	12	(1,478,969)		(1,447,699)	
Net current assets			2,066,898		1,112,000
Total assets less current liabilities			3,662,255		2,255,620
Provisions for liabilities and charges	13		(44,918)		-
Net assets			3,617,337		2,255,620
Capital and reserves					
Called up share capital	14		16,950		16,950
Profit and loss account	15		3,600,387		2,238,670
Shareholders' funds			3,617,337		2,255,620
Shareholders' funds					
Equity			3,606,037		2,244,320
Non-equity			11,300		11,300
			3,617,337		2,255,620

These financial statements were approved by the board of directors on 26 MAR 2009 and were signed on its behalf by:



S Mawson
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2008

	2008 £	2007 £
Profit for the financial year	1,361,717	1,051,208
Pension fund actuarial gains	-	714,799
Deferred tax on pension fund actuarial gains	-	(199,024)
	<hr/>	<hr/>
Net increase in shareholders' funds	1,361,717	1,566,983
Opening shareholders' funds	2,255,620	688,637
	<hr/>	<hr/>
Closing shareholders' funds	3,617,337	2,255,620
	<hr/>	<hr/>

Statement of total recognised gains and losses
for the year ended 31 December 2008

	2008 £	2007 £
Profit for the financial year	1,361,717	1,051,208
Pension fund actuarial gains	-	714,799
Deferred tax on pension fund actuarial gains	-	(199,024)
	<hr/>	<hr/>
Total recognised gains relating to the financial year	1,361,717	1,566,983
	<hr/>	<hr/>

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 have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its Group.

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Gardner Denver, Inc., a company incorporated in the USA, which prepares publicly available consolidated financial statements which include a cash flow statement.

As the Company is a wholly owned subsidiary of Gardner Denver Inc., the Company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the Group. The consolidated financial statements of Gardner Denver Inc, within which this company is included, can be obtained from the address given in note 19.

Research and development

Expenditure on research and development is written off to the profit and loss account as incurred.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Depreciation

Depreciation is provided by the company to write off the cost less the estimated residual values of tangible fixed assets by equal instalments over their estimated useful economic lives, as follows:

Freehold and long leasehold buildings	-	up to 50 years
Short leasehold improvements	-	over the residue of the lease
Plant, equipment and vehicles	-	2-10 years

No depreciation is provided on freehold land.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated 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.

Warranty

Provision for warranty costs are raised in respect of certain products and are revised annually in accordance with the actual warranty costs incurred and the unexpired periods of warranty given. Warranty costs are charged against these provisions.

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.

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

The taxation liabilities of group companies are reduced wholly or in part by the surrender of losses by other group companies.

Notes (continued)

Deferred taxation 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 FRS19.

Pension costs and other post retirement benefits

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlement and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Turnover

Turnover is recognised at the point of despatch of goods. Revenue from service contracts is recognised when the services are performed and earned. Rental income receivable is recognised on an accruals basis.

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract.

Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Notes (continued)

2 Turnover

In the opinion of the directors, the disclosure of geographical analysis of turnover would be prejudicial to the interests of the group.

3 Staff numbers and costs

The employees of the company transferred employment contracts on 1 August 2007 to Gardner Denver Group Services Limited. Consequently, both the average number of employees and payroll costs disclosed below for 2007 relate to the period 1 January 2007 to 31 July 2007.

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

	Average number of employees	
	2008	2007
Management and administration	-	13
Manufacturing and development	-	27
	<hr/>	<hr/>
	-	40
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2008	2007
	£	£
Wages and salaries	-	985,136
Social security costs	-	74,853
Other pension costs	-	140,371
	<hr/>	<hr/>
	-	1,200,360
	<hr/>	<hr/>

4 Remuneration of directors

The employees of the company transferred employment contracts on 1 August 2007 to Gardner Denver Group Services Limited. Consequently, the costs disclosed below for 2007 relate to the period 1 January 2007 to 31 July 2007.

	2008	2007
	£	£
Directors' emoluments:		
Remuneration as executives	-	58,622
Pension contributions	-	10,613
	<hr/>	<hr/>
	-	69,235
	<hr/>	<hr/>

Notes (continued)

5 Interest receivable

	2008 £	2007 £
Bank interest receivable	66,923	36,633

6 Interest payable

	2008 £	2007 £
Finance charges payable in respect of finance leases and hire purchase contracts	1,447	3,473
Interest payable on pension scheme liabilities	-	7,423
Interest payable on group loans	19,402	-
	<u>20,849</u>	<u>10,896</u>

7 Profit on ordinary activities before taxation

	2008 £	2007 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Operating lease rentals:		
Plant and machinery	26,332	26,366
Other	47,500	47,500
Auditors' remuneration:		
Audit – pursuant to legislation	5,844	5,844
Taxation	3,504	3,533
Depreciation of owned fixed assets	184,556	156,872
Depreciation of leased fixed assets	5,438	13,050

8 Taxation on profit on ordinary activities

	2008 £	2007 £
<i>UK Corporation tax</i>		
Current tax on income in the year	450,918	403,629
Adjustments in respect of prior years	(1)	10,238
Total current tax	<u>450,917</u>	<u>413,867</u>
<i>Deferred tax (see note 15)</i>		
Origination of timing differences	90,125	60,950
Adjustments in respect of prior years	(979)	-
Effect of decrease in tax rate	-	30,148
Total deferred tax	<u>89,146</u>	<u>91,098</u>
Tax on profit on ordinary activities	<u>540,063</u>	<u>504,965</u>

Notes (continued)

8 Taxation on profit on ordinary activities (continued)

	2008 £	2007 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	1,901,780	1,556,173
	<hr/>	<hr/>
Current tax at 28 % (2007: 30%)	532,498	466,852
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,497	1,230
Fixed asset timing differences	(22,484)	50,084
Short term timing differences	2,639	6,289
Other timing differences	(70,280)	(117,323)
Industrial buildings allowance	(2,820)	(3,503)
UK Tax not at standard rate	7,868	-
Adjustments to tax charge in respect of previous periods	(1)	10,238
	<hr/>	<hr/>
Total current tax charge (see above)	450,917	413,867
	<hr/>	<hr/>

Notes (continued)

9 Tangible fixed assets

	Long leasehold property £	Short leasehold improvements £	Plant, equipment and vehicles £	Total £
Cost				
At beginning of year	241,291	60,798	3,852,406	4,154,495
Additions	311,135	-	330,596	641,731
Disposals	-	-	(113,000)	(113,000)
At end of year	552,426	60,798	4,070,002	4,683,226
Depreciation				
At beginning of year	74,606	57,861	2,878,408	3,010,875
Charge for year	5,047	1,216	183,731	189,994
Disposals	-	-	(113,000)	(113,000)
At end of year	79,653	59,077	2,949,139	3,087,869
Net book value				
At 31 December 2008	472,773	1,721	1,120,863	1,595,357
At 31 December 2007	166,685	2,937	973,998	1,143,620

Included in the net book value of plant, equipment and vehicles is £nil (2007: £69,600) in respect of assets held under finance leases. Depreciation for the year on these assets was £5,438 (2007: £13,050).

10 Stocks

	2008 £	2007 £
Raw materials and consumables	445,427	387,379
Work in progress	72,442	55,305
Finished goods and goods for resale	14,225	26,496
	532,094	469,180

Notes (continued)

11 Debtors

	2008 £	2007 £
Trade debtors	1,136,438	1,298,297
Amounts owed by group undertakings	85,860	89,972
Prepayments and accrued income	59,038	93,673
Deferred tax assets (note 13)	-	44,228
	<u>1,281,336</u>	<u>1,526,170</u>

12 Creditors: amounts falling due within one year

	2008 £	2007 £
Trade creditors	276,312	290,286
Amounts owed to group undertakings	379,262	460,183
<i>Other creditors including taxation and social security:</i>		
Corporation tax	450,918	403,629
Other taxes and social security	198,050	167,973
Other creditors	27,700	27,700
Obligations under hire purchase contracts	-	11,745
Accruals and deferred income	146,727	86,183
	<u>1,478,969</u>	<u>1,447,699</u>

Notes (continued)

13 Provisions for liabilities and charges

The deferred tax liability calculated at 28% (2007: 28%) represents the full potential liability, analysed as follows:

	2008 £	2007 £
Deferred tax on pension contributions	-	(70,135)
Other short-term timing differences	(18,589)	(15,950)
	<u>(18,589)</u>	<u>(86,085)</u>
Deferred tax liability assets	<u>(18,589)</u>	<u>(86,085)</u>
Accelerated capital allowances – deferred tax liabilities	<u>63,508</u>	<u>41,857</u>
Net deferred tax assets excluding pension fund deficit	<u><u>44,918</u></u>	<u><u>(44,228)</u></u>

14 Called up share capital

	2008 £	2007 £
<i>Authorised</i>		
Equity : 17,400 ordinary shares of 50p each	8,700	8,700
Non-equity : 11,300 deferred shares of £1 each	11,300	11,300
	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called up and fully paid</i>		
Equity: 11,300 ordinary shares of 50p each	5,650	5,650
Non-equity: 11,300 deferred shares of £1 each	11,300	11,300
	<u>16,950</u>	<u>16,950</u>

The deferred shares have no rights to a dividend and have restricted rights in the return of capital. In the event of a poll, each ordinary share represents 5,000 votes to a deferred share's one vote.

Notes (continued)

15 Profit and loss account

	2008 £
At beginning of year	2,238,670
Profit for the financial year	1,361,717
At end of year	<u>3,600,387</u>

16 Operating lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	2008 £	2007 £
Property rentals on leases which expire: In more than five years	47,500	47,500
Equipment rentals on leases which terminate: Within one year	655	-
In two to five years	22,646	10,563
	<u>70,801</u>	<u>58,063</u>

17 Contingent liabilities

The company has guaranteed the bank borrowings of certain group undertakings which at 31 December 2008 amounted to £3,125,592 (2007: £2,030,708). The company has guaranteed the VAT liability of certain group undertakings which at 31 December 2008 amounted to £117,679 (2007: £nil).

Notes (continued)

18 Pensions

The company sponsors the Gardner Denver British Pension Scheme, a defined benefit pension scheme.

On 31 July 2007, the scheme was frozen in respect of future service accrual. The assets and liabilities of the scheme were subsequently transferred to the Gardner Denver Pension Scheme on 1 August 2007. The scheme is now in the process of being wound up.

An actuarial valuation of this scheme was carried out for accounting purposes by a qualified independent actuary for the period ended 31 July 2007.

Total normal employer contributions in the period were nil (2007: £136,887), equivalent to nil (2007: 14.9%) of pensionable salary for monthly paid members and nil (2007: 12.3%) of pensionable salary for weekly paid members. In addition, a special contribution of nil (2007: £608,595) was paid in advance of the transfer of the scheme assets and liabilities into the Gardner Denver Pension Scheme.

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principal actuarial assumptions:

	2008	2007	2006
Rate of increase in salaries	-	4.25%	4.0%
Rate of increase in pensions in payment (inflation with a 5% cap)	-	3.1%	3.0%
Discount rate	-	5.8%	5.1%
Revaluation rate for deferred pensioners	-	3.25%	3.0%
Inflation assumption	-	3.25%	3.0%
Allowance for commutation of pension for cash at retirement	-	Included	Included

The mortality assumptions adopted at 31 July 2007 imply the following life expectancies:

Male currently age 40	45 years
Female currently age 40	48 years
Male currently age 65	20 years
Female currently age 65	23 years

Notes (continued)

18 Pensions (continued)

Scheme assets

The fair value of the total scheme's assets and liabilities on the date of transfer into the Gardner Denver Pension Scheme were:

	Expected long term rate of return	Market value	Expected long term rate of return	Market value	Expected long term rate of return	Market value
	31 July 2007	31 July 2007	31 December 2006	31 December 2006	31 December 2005	31 December 2005
	%	£	%	£	%	£
Equities	7.50%	28,161,000	7.50%	26,344,000	7.10%	23,027,000
Bonds	7.50%	12,479,000	4.70%	12,464,000	4.30%	13,094,000
Property	5.40%	1,237,000	7.50%	1,082,000	7.10%	1,079,000
Cash	5.50%	5,146,000	-	-	-	-
Market value of scheme assets	7.23%	47,023,000	6.63%	39,890,000	6.11%	37,200,000
Present value of scheme liabilities		(51,200,000)		(53,965,000)		(51,882,000)
Deficit in the scheme – Pension liability		(4,177,000)		(14,075,000)		(14,682,000)
Related deferred tax asset		1,170,000		4,223,000		4,405,000
Net pension liability		(3,007,000)		(9,852,000)		(10,277,000)

Movement in the company's proportion of deficit during the year:

	2008 £	2007 £
Deficit in scheme at beginning of year	-	(1,935,000)
Current service cost	-	(96,498)
Contributions paid	-	745,482
Other finance expenditure	-	(7,423)
Actuarial gain	-	714,799
Transferred to Gardner Denver Group Services Ltd	-	578,640
Deficit in the scheme at end of year	-	-

Notes (continued)

18 Pension Scheme (continued)

Analysis of amounts included in interest payable

	2008 £	2007 £
Expected return on pension scheme assets	-	212,930
Interest on pension scheme liabilities	-	(220,353)
	<u>-</u>	<u>(7,423)</u>

Analysis of amount recognised in statement of total recognised gains and losses

	2008 £	2007 £
Actual return less expected return on assets	-	116,430
Changes in assumptions	-	738,442
Experience gains and losses arising on liabilities	-	(140,073)
	<u>-</u>	<u>-</u>
Actuarial gains recognised in statement of total recognised gains and losses	<u>-</u>	<u>714,799</u>

History of experience gains and losses

	2007	2006	2005
Difference between the expected and actual return on scheme assets:			
Amount (£)	933,000	308,000	3,078,000
Percentage of scheme assets	2.0%	0.8%	8.2%
Experience gains and losses on scheme liabilities:			
Amount (£)	(1,019,000)	2,667,000	(1,291,000)
Percentage of present value of scheme liabilities	(2.0%)	4.9%	(2.5%)
Total amount recognised in statement of total recognised gains and losses:			
Amount (£)	5,286,000	406,000	(3,456,000)
Percentage of present value of scheme liabilities	10.3%	0.8%	(6.7%)

19 Ultimate parent company

The company is a 100% owned subsidiary undertaking of Powered Access Platforms Limited, registered in England and Wales. The ultimate parent undertaking in the UK is GD First (UK) Limited.

The company's ultimate parent undertaking and controlling related party is Gardner Denver Inc. incorporated in the USA and its results are included in the consolidated financial statements of that company. The consolidated financial statements of Gardner Denver Inc are available to the public and may be obtained from: Gardner Denver Inc, 1800 Gardner Expressway, Quincy, USA, IL62301.