

Webster Drives Limited

**Directors' report and financial
statements**

Registered number 553051

For the year ended 31 December 2010

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2010

Principal activities and business review

The company did not trade throughout the year. On 31 December 2009 the company transferred all its assets and liabilities to Gardner Denver Ltd, an affiliated company, for consideration of £12,045,287 in the form of an interest bearing promissory note and the company ceased to trade from this date.

No Interim dividend was paid during the year (2009 - £nil) and the directors do not recommend the payment of a final dividend (2009 £nil).

Directors

The directors of the company who held office during the year and up to the date of signing were as follows

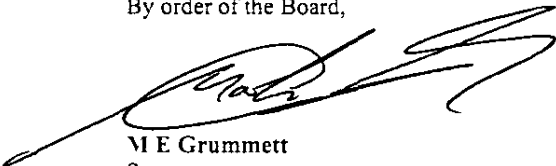
H Cornell (USA) (resigned 1 November 2010)
M Larsen (USA) (appointed 1 November 2010)
W Beese (resigned 30 April 2010)
S Mawson
B Walters (USA)

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

15 March 2011

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

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

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

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG 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 2010 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 Directors' Responsibilities Statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope_private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of the company's profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us, or
- the company 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

Jeremy Gledhill (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

15 March 2011

Profit and loss account

For the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover		-	7,280,993
Change in stocks of finished goods and work in progress		-	141,414
Raw materials and consumables		-	(2,989,386)
Other external charges		-	(2,994,792)
Depreciation		-	(198,074)
Operating profit		-	1,240,155
Profit on sale of business	12	-	7,510,053
Interest receivable	2	635,265	41,609
Profit on ordinary activities before taxation	3	635,265	8,791,817
Taxation on profit on ordinary activities	4	(177,875)	(363,867)
Profit for the financial year	9	457,390	8,427,950

There are no recognised gains or losses other than those included in the profit and loss account above

The notes on pages 8 to 13 form part of these financial statements

Balance sheet
As at 31 December 2010

	<i>Note</i>	2010	2009
		£	£
Current assets			
Debtors	6	12,680,552	12,045,287
		<u>12,680,552</u>	<u>12,045,287</u>
Creditors amounts falling due within one year	7	(177,875)	-
		<u></u>	<u></u>
Net assets		<u>12,502,677</u>	<u>12,045,287</u>
Capital and reserves			
Called up share capital	8	16,950	16,950
Profit and loss account	9	12,485,727	12,028,337
		<u></u>	<u></u>
Shareholders' funds		<u>12,502,677</u>	<u>12,045,287</u>
Shareholders' funds			
Equity		12,491,377	12,033,987
Non-equity		11,300	11,300
		<u>12,502,677</u>	<u>12,045,287</u>

The notes on pages 8 to 13 form part of these financial statements

These financial statements were approved by the board of directors on 15 March 2011 and were signed on its behalf by



B Walters
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 December 2010

	2010 £	2009 £
Profit for the financial year	457,390	8,427,950
Opening shareholders' funds	12,045,287	3,617,337
	<hr/>	<hr/>
Closing shareholders' funds	12,502,677	12,045,287
	<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 the Companies Act 2006 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 10.

Research and development

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

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

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 Interest receivable

	2010 £	2009 £
Interest receivable on group loans	635,265	41,609

3 Profit on ordinary activities before taxation

	2010 £	2009 £
<i>Profit on ordinary activities before taxation is stated after charging</i>		
Operating lease rentals	-	23,562
Plant and machinery	-	47,500
Other	-	
Auditors' remuneration	-	14,996
Audit – pursuant to legislation	-	3,504
Taxation	-	198,074
Depreciation of owned fixed assets	-	

None of the directors received any remuneration in respect of services to the company. There were no other employees of the company. Auditors' remuneration has been borne by a fellow group undertaking.

4 Taxation on profit on ordinary activities

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on income in the year	177,875	336,897
Adjustments in respect of prior years	-	72,577
Total current tax	177,875	409,474
<i>Deferred tax</i>		
Origination of timing differences	-	25,702
Adjustments in respect of prior years	-	(71,309)
Total deferred tax	-	(45,607)
Tax on profit on ordinary activities	177,875	363,867

Notes (continued)

5 Taxation on profit on ordinary activities (continued)

	2010 £	2009 £
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	635,265	8,791,817
	<u> </u>	<u> </u>
Current tax at 28% (2009: 28%)	177,875	2,461,709
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	6,050
Fixed asset timing differences	-	(21,967)
Short term timing differences	-	(3,735)
Industrial buildings allowance	-	(2,345)
Adjustments to tax charge in respect of previous periods	-	72,577
Profit on sale of business not taxable	-	(2,102,815)
	<u> </u>	<u> </u>
Total current tax charge (see above)	<u>177,875</u>	<u>409,474</u>

6 Debtors

	2010 £	2009 £
Amounts owed by group undertakings	12,680,552	12,045,287
	<u> </u>	<u> </u>

7 Creditors' amounts falling due within one year

	2010 £	2009 £
Corporation tax	177,875	-
	<u> </u>	<u> </u>

Notes (continued)

8 Called up share capital

	2010 £	2009 £
<i>Authorised</i>		
<i>Equity</i> 17,400 ordinary shares of 50p each	8,700	8,700
<i>Non-equity</i> 11,300 deferred shares of £1 each	11,300	11,300
	<hr/> 20,000 <hr/>	<hr/> 20,000 <hr/>
<i>Allotted, called up and fully paid</i>		
<i>Equity</i> 11,300 ordinary shares of 50p each	5,650	5,650
<i>Non-equity</i> 11,300 deferred shares of £1 each	11,300	11,300
	<hr/> 16,950 <hr/>	<hr/> 16,950 <hr/>

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.

9 Profit and loss account

	2010 £
At beginning of year	12,028,337
Profit for the financial year	457,390
	<hr/>
At end of year	12,485,727 <hr/>

10 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.

11 Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other members of the Gardner Denver Inc group.

Notes (continued)

12 Sale of business

The following table details the profit on sale of the assets and liabilities to Gardner Denver Ltd on 31 December 2009

	£
Tangible fixed assets	1,514,784
Stocks	939,447
Debtors and prepayments	962,083
Cash at bank and in hand	2,871,460
Trade creditors, accruals and other creditors	(732,409)
Deferred taxation	689
Current taxation	(860,392)
Amounts owed to group undertakings	(160,428)
	<hr/>
Net assets transferred	4,535,234
Consideration	12,045,287
	<hr/>
Profit on sale of assets and liabilities	<u>7,510,053</u>