

GAS MEASUREMENT INSTRUMENTS LIMITED

Registered No SC025020

REPORT AND ACCOUNTS

2007

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COMPANIES HOUSE

GAS MEASUREMENT INSTRUMENTS LIMITED**OFFICERS AND PROFESSIONAL ADVISERS**

Directors	Derek C Manson David S Hunter George McGregor Martin Rennie	Chairman Financial Engineering Sales
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Secretary	David S Hunter
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Registered Office	Inchinnan Business Park Renfrew Strathclyde PA4 9RG
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Registration Number	SC025020
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Bankers	Clydesdale Bank plc St Vincent Place Glasgow G1
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Auditors	Ernst & Young LLP George House 50 George Square Glasgow G2 1RR
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Solicitors	Biggart Bailie Dalmore House 310 St Vincent Street Glasgow G2 5QR
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GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 2007, to be submitted to the sixty first Annual General Meeting to be held at the Registered Office on 20 March 2008 at 2 00pm

Results and dividends :

The trading profit for the year, after taxation, amounted to £139,359 No ordinary dividend was paid during the year

Principal activity and review of the business'

The company's principal activities during the year continued to be the development, manufacture, distribution and installation of electronic gas detection instruments and systems Ongoing research and development of micro processor based instrumentation has secured existing markets and offers the opportunity for continued expansion

The company's key financial performance indicators during the year were as follows

	2007 £'000	2006 £'000
Turnover	7,585	6,458
Profit on ordinary activities before taxation	159	346
Shareholders' funds	4,421	4,058

Turnover increased by 17%, which in challenging market conditions was particularly pleasing and confirmed the continued effectiveness of the current marketing strategy

The profit in 2006 was followed in 2007 by a further successful year, although profitability was affected by a number of non recurring factors Taking these factors into account, the level of profitability in 2007 is considered acceptable and the level of ongoing trading continues to be strong

Shareholders' funds increased by 9% due to retained earnings and due to revaluation of the the company's freehold land and buildings at Renfrew

The directors believe that the growth in turnover in 2007 can be sustained during 2008 and hope to see this resulting in increased profitability

GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT

(continued)

Principal risks and uncertainties.

The principal financial risks and uncertainties facing the company are believed to be credit and foreign currency risk

- **Credit risk**

The company aims to mitigate credit risk by continuing to trade with its key customers. In addition, the company performs credit checks on its customers and tailors its credit terms accordingly.

- **Exchange rate risk**

The company buys and sells goods and services denominated in currencies other than sterling. The company manages such receipts and payments through operation of other denominated currency bank accounts. As a result of the value of the company's non sterling revenues, cash flows can be affected significantly by movements in exchange rates.

The company seeks to mitigate its exposure to currency movements by using various currency hedging tools, such as entering into forward currency contracts and currency swaps. With an element of purchases and salaries paid in the same currency as non sterling revenues received, the company takes advantage of a degree of natural hedging.

Directors :

The directors at 31 December 2007 were as follows

D C Manson
D S Hunter
G McGregor
M Rennie

Mr D H C Cunningham was a director until his retirement on 30 September 2007

The Articles of Association adopted on 14 March 1989 state that the Directors shall not be liable to retirement by rotation

All of the Issued Share Capital of the Company is held by GMI Group Limited

GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT

(continued)

Provision of information to auditors:

So far as each of the directors is aware at the time the report is approved

there is no relevant audit information of which the company's auditors are unaware, and

the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors :

A resolution to reappoint Ernst & Young LLP as the company's auditors will be put to the forthcoming annual general meeting

On behalf of the board



D S Hunter
Director and Secretary

19 March 2008

GAS MEASUREMENT INSTRUMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Annual 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). 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 those accounts, the directors are required to

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent,

state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,

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 to enable them to ensure that the financial statements comply with the Companies Act 1985. 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 auditors' report

to the members of Gas Measurement Instruments Limited

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Cash Flow Statement and the related notes 1 to 24. 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 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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 Gas Measurement Instruments Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 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

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Glasgow

12/3/08

GAS MEASUREMENT INSTRUMENTS LIMITED

PROFIT AND LOSS ACCOUNT
 for the year ended 31 December 2007

	notes	2007 £	2006 £
Turnover	2	7,585,067	6,457,922
Cost of sales		(4,051,832)	(3,394,559)
Gross profit		3,533,235	3,063,363
Distribution costs		(98,755)	(121,294)
Administrative expenses		(3,273,173)	(2,587,153)
Operating profit	3	161,307	354,916
Interest receivable	6	23,519	20,917
Interest payable	7	(26,176)	(29,967)
Profit on ordinary activities before taxation		158,650	345,866
Tax on profit on ordinary activities	8	(19,291)	(90,217)
Profit for the Financial Year	17	139,359	255,649

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
 for the year ended 31 December 2007

	2007 £	2006 £
Profit for the financial year	139,359	255,649
Surplus on revaluation of land and buildings	223,000	
Total Recognised gains and losses relating to the year	362,359	255,649

The notes on pages 12 to 22 form part of these accounts

GAS MEASUREMENT INSTRUMENTS LIMITED

BALANCE SHEET
at 31 December 2007

	notes	2007 £	2006 £
Fixed assets :			
Tangible assets	10	<u>1,205,373</u>	<u>1,027,666</u>
Current assets :			
Stocks	11	1,044,954	858,144
Debtors	12	3,071,629	2,979,754
Cash at bank and in hand		<u>278,627</u>	<u>575,562</u>
		<u>4,395,210</u>	<u>4,413,460</u>
Creditors' amounts falling due within one year	13	<u>969,851</u>	<u>1,072,714</u>
Net current assets		<u>3,425,359</u>	<u>3,340,746</u>
Total assets less current liabilities		<u>4,630,732</u>	<u>4,368,412</u>
Creditors: amounts falling due after more than one year			
Loans	14	193,691	293,110
Provision for liabilities and charges			
Deferred taxation	15	<u>16,501</u>	<u>17,121</u>
		<u>4,420,540</u>	<u>4,058,181</u>
Capital and reserves .			
Called up share capital	16	27,440	27,440
Capital redemption reserve		3,500	3,500
Share premium account		279,180	279,180
Revaluation reserve		822,500	672,500
Profit and loss account		<u>3,287,920</u>	<u>3,075,561</u>
Equity shareholders' funds	17	<u>4,420,540</u>	<u>4,058,181</u>

D C Manson



Director

19 March 2008

The notes on pages 12 to 22 form part of these accounts

GAS MEASUREMENT INSTRUMENTS LIMITED

CASH FLOW STATEMENT
for the year ended 31 December 2007

	notes	2007 £	2006 £
Net cash (outflow)/inflow from operating activities	18	(128,678)	645,868
Returns on investments and servicing of finance			
Interest received	6	23,519	20,917
Interest paid	7	(26,176)	(29,967)
		(2,657)	(9,050)
Taxation :			
Corporation tax paid		(76,574)	(1,032)
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		(80,694)	(153,933)
Receipts from sales of tangible fixed assets		11,633	19,489
		(69,061)	(134,444)
Equity dividends paid :			
Dividend to Group Company		-	(200,000)
		(276,970)	301,342
Financing			
Repayment of loan		(91,622)	(87,480)
(Decrease)/increase in cash		(368,592)	213,862
Reconciliation of net cash flow to movement in net (debt)/funds			
(Decrease)/increase in cash		(368,592)	213,862
Repayment of loan		91,622	87,480
Movement in net (debt)/funds	18	(276,970)	301,342
Net funds at 1 January	18	188,042	(113,300)
Net (debt)/funds at 31 December	18	(88,928)	188,042

GAS MEASUREMENT INSTRUMENTS LIMITED
NOTES TO THE ACCOUNTS at 31 December 2007

1 ACCOUNTING POLICIES .

a) Basis of preparation

The financial statements of Gas Measurement Instruments Ltd were approved for issue by the Board of Directors on 19 March 2008

The accounts are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings. The accounts are prepared in accordance with applicable accounting standards.

b) Fixed assets

All fixed assets are initially recorded at cost. Freehold land and buildings have subsequently been revalued as at 19 December 2007 with the revaluation surplus being taken to the revaluation reserve.

c) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or valuation, of each asset evenly over its expected useful life as follows:

Freehold Buildings	4%
Leasehold improvements	10%
Plant and fixtures	10 20%
Vehicles	25%

The carrying values of tangible fixed assets are reviewed for impairment in periods, if events or changes in circumstances indicate the carrying value may not be recoverable.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

d) Stocks

Stocks are stated at the lower of cost and net realisable value.

Costs include all costs incurred in bringing each product to its present location and condition as follows:

Raw materials purchase cost on a latest cost basis
 Work in progress and finished goods cost of direct materials

GAS MEASUREMENT INSTRUMENTS LIMITED**NOTES TO THE ACCOUNTS at 31 December 2007
(continued)****1 ACCOUNTING POLICIES : (continued)****e) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the exception that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

f) Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are re- translated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

g) Research and development

All expenditure incurred on research and development is written off in the year of expenditure

h) Leasing commitments

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital payments outstanding

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

i) Pensions

The company operates a defined contribution pension scheme Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme

2 TURNOVER.

The turnover and profit on ordinary activities before taxation is wholly attributable to the continuing activities of manufacture, distribution and installation of electronic gas detection instruments and systems

	2007 £	2006 £
United Kingdom	3,856,359	3,408,631
Europe	1,205,356	953,431
North and South America	1,955,294	1,484,937
Rest of World	568,058	610,923
	<u>7,585,067</u>	<u>6,457,922</u>

This is stated after charging or crediting	2007 £	2006 £
Depreciation of owned fixed assets	118,847	100,670
Development expenditure written off	756,011	756,767
Auditors' remuneration audit services	11,000	11,000
non audit services	7,650	8,252
Gain on sale of fixed assets	(4,493)	(5,682)
Operating lease rentals land and buildings	21,791	19,750
plant and machinery	6,044	7,320

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

4 DIRECTORS' EMOLUMENTS .	2007 £	2006 £
Emoluments	395,721	374,255
<i>Company contributions paid to money purchase pension schemes</i>	72,955	32,074
	2007 No.	2006 No
Members of money purchase pension schemes	5	5
	2007 £	2006 £
The amounts in respect of the highest paid director are as follows		
Emoluments	94,812	115,048
<i>Company contributions paid to money purchase pension schemes</i>	45,607	8,755
5 STAFF COSTS .	2007 £	2006 £
Wages and salaries	2,504,499	2,352,487
Social security costs	242,228	229,906
Other pension costs	118,019	77,225
	2,864,746	2,659,618
The average weekly number of employees during the year was as follows	No.	No
Office and management	52	52
Manufacturing	36	32
	88	84
6 INTEREST RECEIVABLE	2007 £	2006 £
Bank interest and short term deposits	23,519	20,917

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

7 INTEREST PAYABLE :	2007	2006
	£	£
Bank loan interest	26,176	29,967
	<hr/>	<hr/>
8 TAX ON PROFIT ON ORDINARY ACTIVITIES .	2007	2006
	£	£
(a) Based on the profit for the year		
Corporation tax	45,220	88,994
Corporation tax overprovided in previous years	(25,309)	(12,391)
	<hr/>	<hr/>
Total current tax	19,911	76,603
Deferred taxation (note 15)	(620)	13,614
	<hr/>	<hr/>
	19,291	90,217
	<hr/>	<hr/>

(b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK. The differences are explained below

	2007	2006
	£	£
Profit on ordinary activities before tax	158,650	345,866
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2006 30%)	47,595	103,760
Expenses not deductible for tax purposes	10,786	10,393
Depreciation in excess of capital allowances	3,435	(7,623)
Adjustments in respect of previous periods	(25,309)	(12,391)
Other timing differences	(1,500)	(6,115)
Marginal relief	(15,096)	(11,421)
	<hr/>	<hr/>
	19,911	76,603
	<hr/>	<hr/>

(c) Factors that may affect future tax charges

At the balance sheet date there are no future factors that will significantly affect future tax charges

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

9 DIVIDENDS .	2007 £	2006 £
Equity dividends on ordinary shares		
Interim paid		200,000

10 TANGIBLE FIXED ASSETS.				
	Land, Bldgs & Leasehold Improvements £	Plant and Fixtures £	Motor Vehicles £	Total £
Cost or valuation .				
At 1 January 2007	990,073	562,638	240,054	1,792,765
Additions		20,575	60,119	80,694
Disposals			(80,042)	(80,042)
Revaluations	135,000			135,000
At 31 December 2007	1,125,073	583,213	220,131	1,928,417
Cost	210,073	583,213	220,131	1,013,417
Valuation	915,000			915,000
	1,125,073	583,213	220,131	1,928,417
Depreciation :				
At 1 January 2007	212,143	419,338	133,618	765,099
Charge for year	33,678	33,723	51,446	118,847
Disposals			(72,902)	(72,902)
Revaluations	(88,000)			(88,000)
At 31 December 2007	157,821	453,061	112,162	723,044
Net Book Value :				
At 31 December 2007	967,252	130,152	107,969	1,205,373
At 1 January 2007	777,930	143,300	106,436	1,027,666

The freehold land and buildings situated at Renfrew were valued at their open market value for existing use, in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors, on 19 December 2007 by Graham & Sibbald, Chartered Surveyors, at £915,000

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

10 TANGIBLE FIXED ASSETS (continued)

On the historical cost basis, freehold land and buildings would have been included as follows

	£
Cost	
At 1 January 2007 and 31 December 2007	375,000
<i>Cumulative depreciation based on cost</i>	
At 1 January 2007	267,500
At 31 December 2007	282,500

11 STOCKS :

	2007 £	2006 £
Raw materials and consumables	826,170	736,428
Work in progress	174,584	58,475
Finished goods and goods for resale	44,200	63,241
	1,044,954	858,144

The difference between purchase price or production cost of stocks and their replacement cost is not material

12 DEBTORS .

	2007 £	2006 £
Trade debtors	1,406,359	1,310,987
Taxes and social security costs	19,359	
Other debtors	1,500	1,700
Prepayments and accrued income	132,882	139,910
Amounts owed by parent undertaking	1,511,529	1,527,157
	3,071,629	2,979,754

13 CREDITORS : Amounts falling due within one year

	2007 £	2006 £
Trade creditors	487,911	569,727
Corporation tax	19,911	76,574
Other taxes and social security costs	68,177	73,562
Current instalments due on bank loan (note 14)	102,207	94,410
Bank overdraft	71,657	
Accruals	219,988	258,441
	969,851	1,072,714

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

14 LOANS.

	2007 £	2006 £
Wholly repayable within five years		
Bank loan of £500,000	295,898	387,520
Less included in creditors amounts falling due within one year	(102,207)	(94,410)
	<u>193,691</u>	<u>293,110</u>
Amounts repayable		
In one year or less	102,207	94,410
In more than one year but not more than two years	108,362	100,646
In more than two years but not more than five years	85,329	192,464
	<u>295,898</u>	<u>387,520</u>

The loan has been secured by a standard security on Block 2, Inchinnan Business Park, Renfrew, a floating charge on the assets held by GMI Group Limited and cross guarantees without limits

15 PROVISIONS FOR LIABILITIES AND CHARGES .

The movements in deferred taxation during the current and previous years are as follows

	2007 £	2006 £
At 1 January	17,121	3,507
(Release)/charge to profit and loss account	(1,936)	13,738
Adjustment relating to prior year	2,495	(124)
Change in tax rate	(1,179)	
	<u>16,501</u>	<u>17,121</u>
At 31 December		
Full provision for deferred taxation has been made as follows		
Accelerated capital allowances	22,661	25,221
Other timing differences	(6,160)	(8,100)
	<u>16,501</u>	<u>17,121</u>

The deferred tax liability is stated at 28% (2006 30%)

16 SHARE CAPITAL :

		2007 No.	2006 No.
Authorised	Ordinary shares of £1 each	50,000	50,000
Issued	Allotted, called up and fully paid	<u>£ 27,440</u>	<u>£ 27,440</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)

17 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES :

	Share Capital £	Redemp'n Reserve £	Share Premium £	Revalua'n Reserve £	Profit & Loss Account £	Total £
At 1 January 2006	27,440	3,500	279,180	701,800	2,990,612	4,002,532
Profit for the year					255,649	255,649
Dividend paid					(200,000)	(200,000)
Transfer in respect of dep'n on revalued assets				(29,300)	29,300	
At 1 January 2007	27,440	3,500	279,180	672,500	3,075,561	4,058,181
Profit for the year					139,359	139,359
Revaluation surplus				223,000		223,000
Transfer in respect of dep'n on revalued assets				(73,000)	73,000	
At 31 December 2007	27,440	3,500	279,180	822,500	3,287,920	4,420,540

18 NOTES TO THE STATEMENT OF CASH FLOWS

a) Reconciliation of operating profit to net cash inflow from operating activities	2007 £	2006 £
Operating profit	161,307	354,916
Depreciation	118,847	100,670
Gain on sale on disposal of fixed assets	(4,493)	(5,682)
Increase in stocks	(186,810)	(5,448)
(Increase)/decrease in debtors	(91,875)	32,021
(Decrease)/increase in creditors	(125,654)	169,391
Net cash (outflow)/inflow from operating activities	(128,678)	645,868

b) Analysis of changes in net funds

	At 1 Jan 2007 £	Cash Flows £	Non Cash Changes £	At 31 Dec 2007 £
Cash at bank and in hand	575,562	(368,592)		206,970
Debt due within one year	(94,410)	91,622	(99,419)	(102,207)
Debt due after one year	(293,110)		99,419	(193,691)
	188,042	(276,970)		(88,928)

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2007
(continued)**19 CAPITAL COMMITMENTS**

Amounts contracted for but not provided in the financial statements amounted to £Nil (2006 £Nil)

20 PENSION COMMITMENTS :

The company has defined contribution pension schemes for its present directors and employees and for employees this operates on the basis of a group personal pension plan. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge for the year in respect of these schemes amounted to

	2007 £	2006 £
Directors	72,955	32,154
Employees	45,064	45,071
	<hr/> 118,019 <hr/>	<hr/> 77,225 <hr/>

No amounts were outstanding in respect of the above pension schemes at the balance sheet date

21 OTHER FINANCIAL COMMITMENTS .

Operating leases

At 31 December 2007, the company had annual commitments under non cancellable operating leases as set out below

	2007 £	Land and buildings 2006 £
Operating leases which expire		
Within one year		4,938
In over five years	32,000	
	<hr/>	<hr/>

GAS MEASUREMENT INSTRUMENTS LIMITED

**NOTES TO THE ACCOUNTS at 31 December 2007
(continued)**

22 CONTINGENT LIABILITY :

Cross guarantees exist between group companies in favour of the group's bank. At 31 December 2007, group companies' combined bank borrowings amounted to £295,898 (gross) and £88,928 (net of credit balances)

23 ULTIMATE HOLDING COMPANY :

In the directors' opinion, the company's immediate and ultimate parent undertaking and controlling party is GMI Group Limited, a company incorporated in Scotland. Copies of the accounts of GMI Group Limited can be obtained from the registered office of that company.

24 RELATED PARTY TRANSACTIONS :

The directors have taken advantage of the exemptions allowed under FRS 8 relating to subsidiary undertakings.