

GAS MEASUREMENT INSTRUMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

Company Registration Number SC025020



GAS MEASUREMENT INSTRUMENTS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 3
Independent auditor's report to the members	4 to 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Notes to the financial statements	9 to 17

GAS MEASUREMENT INSTRUMENTS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2011

The board of directors	D S Hunter G McGregor M Rennie L M Perez-Deisboeck A Markin J Feldman P McGuire
Company secretary	D S Hunter
Business address	Inchinnan Business Park Renfrew Strathclyde PA4 9RG
Auditor	RSM Tenon Audit Limited 48 St Vincent Street Glasgow G2 5TS
Bankers	Clydesdale Bank 30 St Vincent Street Glasgow G1 2HL
Solicitors	Biggart Baillie LLP 310 St Vincent Street Glasgow G2 5QR

GAS MEASUREMENT INSTRUMENTS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements of the company for the year ended 31 December 2011.

Principal activities and business review

The principal activity of the company 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 for continued expansion.

In July 2011 the shares in the parent company, GMI Group Holdings Limited, were sold to Industrial Safety Technologies LLC, a company incorporated in the United States of America.

Results and dividends

The profit for the year, after taxation, amounted to £712,866. The directors have not recommended a dividend.

Financial risk management objectives and policies

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

The company manages its exposure to fluctuations in currency exchange rates by the use of forward exchange contracts to eliminate any uncertainty which would otherwise arise under these arrangements. The company does not utilise any other type of hedging instruments.

Directors

The directors who served the company during the year were as follows:

D S Hunter
G McGregor
M Rennie
L M Perez-Deisboeck
A Markin
J Feldman
P McGuire

L M Perez-Deisboeck was appointed as a director on 29 July 2011.

A Markin was appointed as a director on 29 July 2011.

J Feldman was appointed as a director on 29 July 2011.

P McGuire was appointed as a director on 29 July 2011.

GAS MEASUREMENT INSTRUMENTS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2011

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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

Auditor

Ernst & Young LLP resigned as auditors in January 2012 and RSM Tenon Audit Limited were appointed as the company's new auditors.

A resolution to reappoint RSM Tenon Audit Limited as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Signed on behalf of the directors



.....
A Markin
Director

Approved by the directors on 28/6/12

GAS MEASUREMENT INSTRUMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAS
MEASUREMENT INSTRUMENTS LIMITED

YEAR ENDED 31 DECEMBER 2011

We have audited the financial statements of Gas Measurement Instruments Limited for the year ended 31 December 2011 on pages 6 to 17. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual 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 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 2011 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 matters 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.

GAS MEASUREMENT INSTRUMENTS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GAS
MEASUREMENT INSTRUMENTS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2011

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.

David Holt, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
48 St Vincent Street
Glasgow
G2 5TS

Date:- *2/7/12*

GAS MEASUREMENT INSTRUMENTS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Turnover	2	9,210,485	8,969,002
Cost of sales		(4,375,024)	(4,542,515)
Gross profit		4,835,461	4,426,487
Distribution costs		(110,335)	(106,725)
Administrative expenses		(3,912,520)	(3,152,933)
Operating profit	3	812,606	1,166,829
Attributable to:			
Operating profit before exceptional items		870,606	1,166,829
Exceptional items	3	(58,000)	—
		812,606	1,166,829
Interest receivable		749	810
Interest payable and similar charges	6	(4)	(13,245)
Profit on ordinary activities before taxation		813,351	1,154,394
Tax on profit on ordinary activities	7	(100,485)	(294,251)
Profit for the financial year		<u>712,866</u>	<u>860,143</u>

All of the activities of the company are classed as continuing.

The notes on pages 9 to 17 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Profit for the financial year attributable to the shareholders	712,866	860,143
Unrealised loss on revaluation of certain fixed assets	<u>(57,800)</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>655,066</u>	<u>860,143</u>

The notes on pages 9 to 17 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED

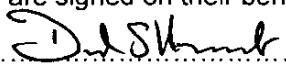
Registered Number SC025020

BALANCE SHEET

31 DECEMBER 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	9	1,076,648	1,157,270
Current assets			
Stocks	10	1,047,431	854,692
Debtors	11	3,891,204	3,050,821
Cash at bank and in hand		585,379	716,846
		<u>5,524,014</u>	<u>4,622,359</u>
Creditors: Amounts falling due within one year	12	<u>(1,537,822)</u>	<u>(1,304,069)</u>
Net current assets		<u>3,986,192</u>	<u>3,318,290</u>
Total assets less current liabilities		<u>5,062,840</u>	<u>4,475,560</u>
Provisions for liabilities			
Deferred taxation	13	(24,652)	(27,006)
Government grants	14	—	(65,432)
		<u>5,038,188</u>	<u>4,383,122</u>
Capital and reserves			
Called-up share capital	17	27,440	27,440
Share premium account	18	279,180	279,180
Revaluation reserve	19	678,300	757,700
Other reserves	20	3,500	3,500
Profit and loss account	21	4,049,768	3,315,302
Shareholders' funds	22	<u>5,038,188</u>	<u>4,383,122</u>

These financial statements were approved by the directors and authorised for issue on 28/6/12, and are signed on their behalf by:


D Hunter

The notes on pages 9 to 17 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax. 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.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any incidental costs of acquisition.

Depreciation

Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Freehold Buildings	-	4% straight line
Leaseholds Improvements	-	10% straight line
Plant and Fixtures	-	10 - 20% straight line
Motor Vehicles	-	25% straight line

The basis of the valuation is existing use value.

Revaluation surpluses are taken to the revaluation reserve. Deficits on subsequent revaluations are charged to the profit and loss account if they are considered to arise as a result of the consumption of the economic benefits provided by the asset. Other deficits on revaluation are charged to the revaluation reserve up to the amount of the associated revaluation surplus. Any excess deficits are charged to the profit and loss account.

Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer is made from the revaluation reserve to the profit and loss reserve.

Stocks

Stock is valued at the lower of cost and net realisable value after making due allowances for obsolete and slow moving items. Cost consists of the purchase cost on a latest cost basis.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies *(continued)*

Work in progress

Work in progress is valued on the basis of direct material costs based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

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 tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have not been discounted. Deferred tax is measured on a non discounted basis at the average 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.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

1. Accounting policies *(continued)*

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments which are assets are stated at cost less any provision for impairment. Financial liabilities are stated at principal capital amounts outstanding at the period end. Issue costs relating to financial liabilities are deducted from the outstanding balance and are amortised over the period to the due date for repayment of the financial liability.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. A financial liability is any contractual arrangement for an entity to deliver cash to the holder of the associated financial instrument.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2011	2010
	£	£
United Kingdom	3,995,789	3,854,239
Europe	837,103	1,045,969
North and South America	2,662,491	2,676,636
Rest of World	1,715,102	1,392,158
	<u>9,210,485</u>	<u>8,969,002</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2011	2010
	£	£
Amortisation of government grants	(65,432)	(74,968)
Depreciation of owned fixed assets	135,956	141,718
Profit on disposal of fixed assets	(2,473)	(6,602)
Auditors remuneration	15,000	13,500
Operating lease costs:		
- Other	32,000	32,000
Net loss/(profit) on foreign currency translation	62,987	(56,716)
Exceptional item - closure expenses	<u>58,000</u>	<u>-</u>

The exceptional item comprises expenses incurred in the closure of the company's operations in Gainesville, USA.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2011 No	2010 No
Office and management	34	58
Manufacturing	61	33
	<u>95</u>	<u>91</u>

The aggregate payroll costs of the above were:

	2011 £	2010 £
Wages and salaries	3,104,413	2,799,358
Social security costs	288,710	286,235
Other pension costs	522,110	64,828
	<u>3,915,233</u>	<u>3,150,421</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were:

	2011 £	2010 £
Remuneration receivable	293,703	261,894
Value of company pension contributions to defined contribution schemes	469,308	22,193
	<u>763,011</u>	<u>284,087</u>

Remuneration of highest paid director:

	2011 £	2010 £
Total remuneration (excluding pension contributions)	91,362	83,464
Value of company pension contributions to defined contribution schemes	159,620	7,398
	<u>250,982</u>	<u>90,862</u>

The number of directors accruing benefits under company pension schemes was as follows:

	2011 No	2010 No
Defined contribution schemes	<u>3</u>	<u>3</u>

6. Interest payable and similar charges

	2011 £	2010 £
Interest payable on bank borrowing	<u>4</u>	<u>13,245</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2011 £	2010 £
In respect of the year:		
UK Corporation tax	215,084	328,703
Over provision in prior year	(112,245)	(42,998)
	<u>102,839</u>	<u>285,705</u>
Deferred tax:		
Origination and reversal of timing differences	(2,354)	8,546
Tax on profit on ordinary activities	<u>100,485</u>	<u>294,251</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2010 - 28%).

	2011 £	2010 £
Profit on ordinary activities before taxation	<u>813,351</u>	<u>1,154,394</u>
Profit on ordinary activities by rate of tax	211,471	323,230
Effects of:		
Expenses not deductible for tax purposes	2,854	14,107
Capital allowances for period in excess of depreciation	(3,245)	(9,054)
Tax chargeable at lower rates	4,004	-
Adjustments to tax charge in respect of previous periods	(112,245)	(42,998)
Sundry tax adjusting items	-	420
Total current tax (note 7(a))	<u>102,839</u>	<u>285,705</u>

8. Dividends

Equity dividends

	2011 £	2010 £
Paid during the year		
Equity dividends on ordinary shares	<u>-</u>	<u>1,920,800</u>

GAS MEASUREMENT INSTRUMENTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2011

9. Tangible fixed assets

	Land, Buildings and Leasehold Improvements £	Plant and Fixtures £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2011	1,131,918	636,235	221,075	1,989,228
Additions	–	97,273	37,410	134,683
Disposals	–	–	(47,697)	(47,697)
Revaluation	(185,000)	–	–	(185,000)
At 31 December 2011	<u>946,918</u>	<u>733,508</u>	<u>210,788</u>	<u>1,891,214</u>
Depreciation				
At 1 January 2011	275,846	433,129	122,983	831,958
Charge for the year	39,325	50,967	45,664	135,956
On disposals	–	–	(26,148)	(26,148)
Revaluation	(127,200)	–	–	(127,200)
At 31 December 2011	<u>187,971</u>	<u>484,096</u>	<u>142,499</u>	<u>814,566</u>
Net book value				
At 31 December 2011	<u>758,947</u>	<u>249,412</u>	<u>68,289</u>	<u>1,076,648</u>
At 31 December 2010	<u>856,072</u>	<u>203,106</u>	<u>98,092</u>	<u>1,157,270</u>

The factory and office buildings were valued on an open market basis in February 2012 by Graham + Sibbald, Chartered Surveyors. The directors are not aware of any other material change in the valuation.

In respect of certain fixed assets stated at valuations, the comparable historical cost and depreciation values are as follows:

	2011 £	2010 £
Net book value at end of year	<u>667,800</u>	<u>699,600</u>
Historical cost	<u>375,000</u>	<u>375,000</u>
Depreciation:		
At 1 January 2011	327,500	312,500
Charge for year	15,000	15,000
At 31 December 2011	<u>342,500</u>	<u>327,500</u>
Net historical cost value:		
At 31 December 2011	<u>32,500</u>	<u>47,500</u>
At 1 January 2011	<u>47,500</u>	<u>62,500</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

10. Stocks

	2011 £	2010 £
Raw materials	834,430	724,118
Work in progress	92,556	73,610
Finished goods	120,445	56,964
	<u>1,047,431</u>	<u>854,692</u>

11. Debtors

	2011 £	2010 £
Trade debtors	1,671,019	1,546,181
Amounts owed by group undertakings	2,084,352	1,362,619
VAT recoverable	–	1,904
Other debtors	6,437	2,200
Prepayments and accrued income	129,396	137,917
	<u>3,891,204</u>	<u>3,050,821</u>

12. Creditors: Amounts falling due within one year

	2011 £	2010 £
Trade creditors	660,810	582,564
Amounts owed to group undertakings	2,911	283
Corporation tax	117,084	118,105
PAYE and social security	78,654	71,934
VAT	21,334	–
Accruals and deferred income	657,029	531,183
	<u>1,537,822</u>	<u>1,304,069</u>

13. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2011 £	2010 £
At 1 January 2011	27,006	18,460
Profit and loss account movement arising during the year	(2,354)	8,546
At 31 December 2011	<u>24,652</u>	<u>27,006</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2011 £	2010 £
Excess of taxation allowances over depreciation on fixed assets	<u>24,652</u>	<u>27,006</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

14. Government grants

	2011 £	2010 £
Received:		
At 1 January 2011	140,400	233,718
Fully amortised	-	(93,318)
At 31 December 2011	<u>140,400</u>	<u>140,400</u>
Amortisation:		
At 1 January 2011	74,968	93,318
Grants fully amortised	-	(93,318)
Credit to profit and loss account	65,432	74,968
At 31 December 2011	<u>140,400</u>	<u>74,968</u>
Net balance at 31 December 2011	<u>-</u>	<u>65,432</u>

15. Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2011 £	Land and buildings 2010 £
Operating leases which expire:		
After more than 5 years	<u>32,000</u>	<u>32,000</u>

16. Related party transactions

There are no transactions with related parties which are required to be disclosed under FRS 8.

17. Share capital

Allotted, called up and fully paid:

	2011 No	£	2010 No	£
Ordinary shares of £1 each	<u>27,440</u>	<u>27,440</u>	<u>27,440</u>	<u>27,440</u>

18. Share premium account

There was no movement on the share premium account during the financial year.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2011

19. Revaluation reserve

	2011 £	2010 £
Balance brought forward	757,700	779,300
Revaluation of fixed assets	(57,800)	–
Transfer to the Profit and Loss Account on realisation	(21,600)	(21,600)
Balance carried forward	<u>678,300</u>	<u>757,700</u>

20. Other reserves

	2011 £	2010 £
Capital redemption reserve	<u>3,500</u>	<u>3,500</u>

21. Profit and loss account

	2011 £	2010 £
Balance brought forward	3,315,302	4,354,359
Profit for the financial year	712,866	860,143
Equity dividends	–	(1,920,800)
Transfer from revaluation reserve	21,600	21,600
Balance carried forward	<u>4,049,768</u>	<u>3,315,302</u>

22. Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	712,866	860,143
Other net recognised gains and losses	(57,800)	–
Equity dividends	–	(1,920,800)
Net addition/(reduction) to shareholders' funds	655,066	(1,060,657)
Opening shareholders' funds	4,383,122	5,443,779
Closing shareholders' funds	<u>5,038,188</u>	<u>4,383,122</u>

23. Immediate and ultimate parent company

The immediate parent company is GMI Group Holdings Limited, a company incorporated in Scotland, and the ultimate parent company is Industrial Safety Technologies LLC, a company incorporated in the United States of America.

24. Ultimate controlling party

The ultimate controlling party is Battery Ventures, a private equity group based in the United States of America.