

**GAS MEASUREMENT INSTRUMENTS LIMITED**

Registered No. SC025020

**REPORT AND ACCOUNTS**

**2009**

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THURSDAY



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19/08/2010  
COMPANIES HOUSE

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

<b>Directors</b>	David S Hunter George McGregor Martin Rennie	Financial Engineering Sales
<b>Secretary</b>	David S Hunter	
<b>Registered Office</b>	Inchinnan Business Park Renfrew Strathclyde PA4 9RG	
<b>Registration Number</b>	SC025020	
<b>Bankers</b>	Clydesdale Bank plc St. Vincent Place Glasgow G1	
<b>Auditors</b>	Ernst & Young LLP George House 50 George Square Glasgow G2 1RR	
<b>Solicitors</b>	Biggart Baillie Dalmore House 310 St Vincent Street Glasgow G2 5QR	

# **GAS MEASUREMENT INSTRUMENTS LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report and accounts for the year ended 31 December 2009, to be submitted to the sixty-third Annual General Meeting to be held at the Registered Office on 21 May 2010 at 2.00pm.

### **Results and dividends :**

The trading profit for the year, after taxation, amounted to £592,292. 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:

	2009 £'000	2008 £'000
Turnover	8,432	7,209
Profit on ordinary activities before taxation	790	591
Shareholders' funds	5,444	4,851

Turnover increased by 17%, which in the current challenging market and economic conditions, was considered a significant achievement.

The company built on the solid foundations laid during 2008, with business improvements continuing to contribute towards significantly increased profitability.

Shareholders' funds increased by 12% due to retained earnings.

The directors believe that the growth in turnover and improvement in profitability in 2009 can continue into 2010, although it is recognised that market conditions remain difficult.

**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.

**Research and development:**

Research and development activities were focused on extending the range of specialist products for the gas distribution and marine markets.

**Directors :**

The directors at 31 December 2009 were as follows:

M S Robinson  
D S Hunter  
G McGregor  
M Rennie

Mr D C Manson was a director until his retirement on 3 April 2009.

Mr M S Robinson was a director until his resignation on 19 February 2010.

The Articles of Association adopted on 22 January 2009 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)

**Disclosure of information to the auditors:**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is 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

A handwritten signature in dark ink, appearing to read 'D S Hunter', written in a cursive style.

D S Hunter  
Director and Secretary

**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 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Gas Measurement Instruments Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 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 the directors; and the overall presentation of the financial statements.

### **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 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**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.

*Ernst & Young LLP*

*Walter Campbell (Senior statutory auditor)*

*for and on behalf of Ernst & Young LLP, Statutory Auditor*

*Glasgow*

*19 / 5 / 2010*



## GAS MEASUREMENT INSTRUMENTS LIMITED

**PROFIT AND LOSS ACCOUNT**  
 for the year ended 31 December 2009

	notes	2009 £	2008 £
<b>Turnover</b>	2	<b>8,432,337</b>	7,208,526
Cost of sales		<b>(4,228,448)</b>	(3,802,654)
<b>Gross profit</b>		<b>4,203,889</b>	3,405,872
Distribution costs		<b>(95,923)</b>	(100,873)
Administrative expenses		<b>(3,300,586)</b>	(2,732,219)
<b>Operating profit</b>	3	<b>807,380</b>	572,780
Interest receivable	6	<b>1,150</b>	34,981
Interest payable	7	<b>(18,295)</b>	(17,190)
<b>Profit on ordinary activities before taxation</b>		<b>790,235</b>	590,571
Tax on profit on ordinary activities	8	<b>(197,943)</b>	(159,624)
<b>Profit for the Financial Year</b>	17	<b>592,292</b>	430,947

All of the above operations are continuing.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
 for the year ended 31 December 2009

	2009 £	2008 £
<b>Profit for the financial year</b>	<b>592,292</b>	430,947
<b>Total Recognised gains and losses relating to the year</b>	<b>592,292</b>	430,947

The notes on pages 11 to 21 form part of these accounts.

## GAS MEASUREMENT INSTRUMENTS LIMITED

BALANCE SHEET  
at 31 December 2009

	notes	2009 £	2008 £
<b>Fixed assets :</b>			
Tangible assets	9	<u>1,231,057</u>	<u>1,286,859</u>
<b>Current assets :</b>			
Stocks	10	958,232	940,064
Debtors	11	4,871,200	2,920,849
Cash at bank and in hand		516,034	1,313,667
		<u>6,345,466</u>	<u>5,174,580</u>
<b>Creditors: amounts falling due within one year</b>	12	<u>1,415,649</u>	<u>1,320,870</u>
<b>Net current assets</b>		<u>4,929,817</u>	<u>3,853,710</u>
<b>Total assets less current liabilities</b>		<u>6,160,874</u>	<u>5,140,569</u>
<b>Creditors: amounts falling due after more than one year</b>			
Loans	13	558,235	73,298
<b>Provision for liabilities and charges :</b>			
Deferred taxation	14	18,460	25,318
<b>Accruals and deferred income:</b>			
Government grants	15	140,400	190,466
		<u>5,443,779</u>	<u>4,851,487</u>
<b>Capital and reserves :</b>			
Called up equity share capital	16/17	27,440	27,440
Capital redemption reserve	17	3,500	3,500
Share premium account	17	279,180	279,180
Revaluation reserve	17	779,300	800,900
Profit and loss account	17	4,354,359	3,740,467
<b>Equity shareholders' funds</b>	17	<u>5,443,779</u>	<u>4,851,487</u>

  
G McGregor

Director

The notes on pages 11 to 21 form part of these accounts.

## GAS MEASUREMENT INSTRUMENTS LIMITED

### NOTES TO THE ACCOUNTS at 31 December 2009

#### 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 20 May 2010.

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%
Motor 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.

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

**GAS MEASUREMENT INSTRUMENTS LIMITED****NOTES TO THE ACCOUNTS at 31 December 2009  
(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.

**j) Government grants**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**GAS MEASUREMENT INSTRUMENTS LIMITED****NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)****1 ACCOUNTING POLICIES : (continued)****k) Cash flow statement**

The company is exempt from the requirements of Financial Reporting Standard 1 (Revised) to include a cash flow statement as part of its financial statements as it is a wholly owned subsidiary undertaking of GMI Group Holdings Limited, which will produce a consolidated cash flow statement. The financial statements of this company are publicly available.

**2 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.

An analysis of turnover by market is given below :

	2009 £	2008 £
United Kingdom	4,080,031	3,916,967
Europe	1,441,394	1,310,664
North and South America	2,152,296	1,251,065
Rest of World	758,616	729,830
	<u>8,432,337</u>	<u>7,208,526</u>

**3 OPERATING PROFIT :**

This is stated after charging or crediting :

	2009 £	2008 £
Depreciation of owned fixed assets	158,763	127,412
Development expenditure written off	674,446	757,062
Auditors' remuneration - audit services	12,500	11,500
- non-audit services	-	9,000
Gain on sale of fixed assets	(2,176)	(1,895)
Loss/(gain) on foreign exchange	73,807	(150,959)
Operating lease rentals - land and buildings	32,000	32,000
- plant and machinery	8,283	7,711
	<u>8,283</u>	<u>7,711</u>

## GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)

<b>4 DIRECTORS' EMOLUMENTS :</b>	<b>2009 £</b>	<b>2008 £</b>
Emoluments	<b>420,537</b>	<b>339,068</b>
Company contributions paid to money purchase pension schemes	<b>23,636</b>	<b>28,778</b>
	<b>2009 No.</b>	<b>2008 No.</b>
Members of money purchase pension schemes	<b>3</b>	<b>4</b>
	<b>2009 £</b>	<b>2008 £</b>
The amounts in respect of the highest paid director are as follows:		
Emoluments	<b>99,735</b>	<b>92,940</b>
Compensation for loss of office	<b>61,128</b>	<b>-</b>
Company contributions paid to money purchase pension schemes	<b>-</b>	<b>8,400</b>
<b>5 STAFF COSTS :</b>	<b>2009 £</b>	<b>2008 £</b>
Wages and salaries	<b>2,915,026</b>	<b>2,449,583</b>
Social security costs	<b>284,822</b>	<b>250,683</b>
Other pension costs	<b>65,410</b>	<b>71,677</b>
	<b>3,265,258</b>	<b>2,771,943</b>
The average weekly number of employees during the year was as follows :	<b>No.</b>	<b>No.</b>
Office and management	<b>58</b>	<b>56</b>
Manufacturing	<b>32</b>	<b>31</b>
	<b>90</b>	<b>87</b>
<b>6 INTEREST RECEIVABLE :</b>	<b>2009 £</b>	<b>2008 £</b>
Bank interest and short term deposits	<b>1,150</b>	<b>34,981</b>

## GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)

7 INTEREST PAYABLE :	2009 £	2008 £
Bank loan interest	18,295	17,190

8 TAX ON PROFIT ON ORDINARY ACTIVITIES :	2009 £	2008 £
(a) Based on the profit for the year:		
Corporation tax	224,918	165,742
Group Relief	289	-
Corporation tax overprovided in previous years	(20,406)	(14,935)
Total current tax	204,801	150,807
Deferred taxation (note 14)	(6,858)	8,817
	197,943	159,624

(b) Factors affecting the tax charge for the year:

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

	2009 £	2008 £
Profit on ordinary activities before tax	790,235	590,571
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 : 28.5%)	221,266	168,313
Expenses not deductible for tax purposes	13,197	10,629
Expenses deductible for tax purposes in excess of accounting expenditure	(14,891)	-
Depreciation in excess of capital allowances	5,215	(8,690)
Adjustments in respect of previous periods	(20,406)	(14,935)
Other timing differences	420	(285)
Marginal relief	-	(4,225)
	204,801	150,807

(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 2009  
(continued)

## 9 TANGIBLE FIXED ASSETS:

	Land, Bldgs & Leasehold Improvements £	Plant and Fixtures £	Motor Vehicles £	Total £
<b>Cost or valuation :</b>				
<b>At 1 January 2009</b>	<b>1,131,918</b>	<b>721,237</b>	<b>248,426</b>	<b>2,101,581</b>
Additions	-	20,688	87,927	108,615
Disposals	-	(130,970)	(46,552)	(177,522)
<b>At 31 December 2009</b>	<b>1,131,918</b>	<b>610,955</b>	<b>289,801</b>	<b>2,032,674</b>
Cost	216,918	610,955	289,801	1,117,674
Valuation	915,000	-	-	915,000
	<b>1,131,918</b>	<b>610,955</b>	<b>289,801</b>	<b>2,032,674</b>
<b>Depreciation :</b>				
<b>At 1 January 2009</b>	<b>196,918</b>	<b>488,229</b>	<b>129,575</b>	<b>814,722</b>
Charge for year	39,494	58,464	60,805	158,763
Disposals	-	(129,867)	(42,001)	(171,868)
<b>At 31 December 2009</b>	<b>236,412</b>	<b>416,826</b>	<b>148,379</b>	<b>801,617</b>
<b>Net Book Value :</b>				
<b>At 31 December 2009</b>	<b>895,506</b>	<b>194,129</b>	<b>141,422</b>	<b>1,231,057</b>
<b>At 1 January 2009</b>	<b>935,000</b>	<b>233,008</b>	<b>118,851</b>	<b>1,286,859</b>

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 2009  
(continued)

## 9 TANGIBLE FIXED ASSETS (continued)

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

	£
Cost:	
At 1 January 2009 and 31 December 2009	<u>375,000</u>
Cumulative depreciation based on cost:	
At 1 January 2009	<u>297,500</u>
At 31 December 2009	<u>312,500</u>

## 10 STOCKS :

	2009 £	2008 £
Raw materials and consumables	798,222	842,551
Work-in-progress	129,785	66,499
Finished goods and goods for resale	30,225	31,014
	<u>958,232</u>	<u>940,064</u>

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

## 11 DEBTORS :

	2009 £	2008 £
Trade debtors	1,411,765	1,212,772
Taxes and social security costs	28,827	-
Other debtors	2,200	2,000
Prepayments and accrued income	130,096	187,048
Amounts owed by group undertakings	3,298,312	1,519,029
	<u>4,871,200</u>	<u>2,920,849</u>

## 12 CREDITORS : Amounts falling due within one year

	2009 £	2008 £
Trade creditors	653,077	412,649
Corporation tax	224,918	165,742
Other taxes and social security costs	74,963	101,968
Current instalments due on bank loan (note 13)	42,660	119,032
Bank overdraft	-	89,273
Accruals	420,031	432,206
	<u>1,415,649</u>	<u>1,320,870</u>

## GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)

<b>13 LOANS:</b>	<b>2009 £</b>	<b>2008 £</b>
Wholly repayable within five years:		
Bank loan of £500,000	-	192,330
Not wholly repayable within five years:		
Bank loan of £640,000	600,895	-
Less: included in creditors: amounts falling due within one year	(42,660)	(119,032)
	<b>558,235</b>	<b>73,298</b>
Amounts repayable:		
In one year or less	42,660	119,032
In more than one year but not more than two years	42,660	73,298
In more than two years but not more than five years	127,980	-
In more than five years	387,595	-
	<b>600,895</b>	<b>192,330</b>

The £640,000 loan is repayable in 179 monthly instalments of £3,555 and a final instalment of £3,655 commencing February 2009. Interest will be paid at 2% above LIBOR.

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 GMI Group Holdings Limited and cross guarantees without limits.

**14 DEFERRED TAXATION :**

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

	<b>2009 £</b>	<b>2008 £</b>
At 1 January	25,318	16,501
(Release)/charge to profit and loss account	(6,858)	8,817
At 31 December	<b>18,460</b>	<b>25,318</b>
Full provision for deferred taxation has been made as follows:		
Accelerated capital allowances	25,320	31,198
Other timing differences	(6,860)	(5,880)
	<b>18,460</b>	<b>25,318</b>

The deferred tax liability is stated at 28% (2008 : 28%)

## GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)

15 GOVERNMENT GRANTS:	2009 £	2008 £
The movements in government grants during the current year are as follows:		
At 1 January	190,466	-
Received in year	43,252	190,466
Released in year	(93,318)	-
	<hr/>	<hr/>
At 31 December	140,400	190,466
	<hr/>	<hr/>

16 SHARE CAPITAL :	2009 No.	2008 No.
Authorised : Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
	£	£
Issued : Allotted, called up and fully paid	27,440	27,440
	<hr/>	<hr/>

## 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 2008	27,440	3,500	279,180	822,500	3,287,920	4,420,540
Profit for the year	-	-	-	-	430,947	430,947
Transfer in respect of dep'n on revalued assets	-	-	-	(21,600)	21,600	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2009	27,440	3,500	279,180	800,900	3,740,467	4,851,487
Profit for the year	-	-	-	-	592,292	592,292
Transfer in respect of dep'n on revalued assets	-	-	-	(21,600)	21,600	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2009	27,440	3,500	279,180	779,300	4,354,359	5,443,779
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## GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)**18 CAPITAL COMMITMENTS :**

Amounts contracted for but not provided in the financial statements amounted to £Nil (2008 - £Nil).

**19 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:

	2009 £	2008 £
Directors	23,639	28,898
Employees	41,771	42,779
	<hr/>	<hr/>
	65,410	71,677
	<hr/>	<hr/>

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

**20 OTHER FINANCIAL COMMITMENTS :**

## Operating leases

At 31 December 2009, the company had annual commitments under non-cancellable operating leases as set out below:

	2009 £	Land and buildings 2008 £
Operating leases which expire: In over five years	32,000	32,000
	<hr/>	<hr/>

**GAS MEASUREMENT INSTRUMENTS LIMITED**

**NOTES TO THE ACCOUNTS at 31 December 2009  
(continued)**

**21 CONTINGENT LIABILITY :**

Cross guarantees exist between group companies in favour of the group's bank. At 31 December 2009, group companies' combined bank borrowings amounted to £600,895 (gross) and £80,956 (net of credit balances).

**22 RELATED PARTY TRANSACTIONS :**

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

**23 ULTIMATE HOLDING COMPANY :**

In the directors' opinion, following the acquisition by GMI Group Holdings Ltd of GMI Group Ltd, the company's ultimate parent undertaking and controlling party is GMI Group Holdings Limited, a company incorporated in Scotland.