

GAS MEASUREMENT INSTRUMENTS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

Company Registration Number SC025020

FRIDAY



S3GPYE3C

SCT

19/09/2014

#204

COMPANIES HOUSE

GAS MEASUREMENT INSTRUMENTS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Independent auditor's report to the member	6 to 7
Profit and loss account	8
Note of historical cost profits and losses	9
Balance sheet	10
Notes to the financial statements	11 to 19

GAS MEASUREMENT INSTRUMENTS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2013

The board of directors	D S Hunter L M Perez-Deisboeck A Markin J Feldman
Company secretary	D S Hunter
Business address	Inchinnan Business Park Renfrew Strathclyde PA4 9RG
Auditor	Baker Tilly UK Audit LLP Chartered Accountants 2 Wellington Place Leeds LS1 4AP
Bankers	Clydesdale Bank 30 St Vincent Place Glasgow G1 2HL HSBC plc 60 Queen Victoria Street London EC4N 4TR
Solicitors	DWF LLP 310 St Vincent Street Glasgow G2 5QR

GAS MEASUREMENT INSTRUMENTS LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

Introduction

Gas Measurement Instruments Limited ("GMI") is one of the world's leading manufacturers of gas detection equipment with particular strengths in the gas distribution, industrial safety and marine industries. Since its formation in 1947, the business has been built on a reputation for technological development and the evolution of a rugged and reliable product range. The company has developed particular expertise in working within the gas distribution industry and many of the world's largest gas utilities use portable gas detection equipment manufactured in Scotland by GMI. Our success has been based on working with customers to fully understand their requirements and developing products that meet their specific needs.

In July 2011, GMI was acquired by Industrial Safety Technologies LLC, a group committed to developing the newest innovations in industrial safety solutions.

Review of the business

During 2013, the company continued its recent sales growth, recording turnover of £12.6 million compared with £10.3 million in 2012 - an increase of 22%. The business infrastructure, which had supported the level of turnover in 2012, was maintained at the 2012 level during 2013, resulting in a significant increase in Operating Profit (20.1% of turnover compared with 17.1% in 2012). Growth in turnover together with Operating Profit % were the Company's key financial performance indicators.

The profit in 2013 generated sufficient cash flow to continue the programme of research and new product development, with several new products being worked on. The company continues to monitor worldwide technological advancements to identify opportunities to further develop and enhance our product range. Investment in the business infrastructure also continued, with planned updating of computer and manufacturing equipment taking place, as well as ongoing training and employee development.

The company's strategy is to continue the growth in turnover and maintain the current operating profit percentage through controlled entry into new geographical territories and through extending our distribution network. We will continue to work with end user customers to understand new gas detection challenges facing them and will work to develop new products and associated calibration and instrument management solutions.

At the end of 2013, the Company is well placed to build market share and consolidate an already solid position in its principal markets through its strong relationships with key customers and distributors and the desire to extend its technical capabilities. Sufficient liquid funds were generated through the year to support the Company's ongoing business activities, with a significant surplus being made available for group purposes.

Principal risks and uncertainties

Risk management is taken into consideration when setting the Company's long term goals. The competitive environment is likely to remain challenging with price influencing procurement decisions in certain market sectors. In spite of general economic pressures, however, our key markets have proved resilient and we have seen continued investment in gas detection equipment.

Currency markets remain volatile and uncertain and the Company manages its exposure to fluctuations in currency exchange rates through the use of natural hedging and the use of forward contracts, where appropriate.

GAS MEASUREMENT INSTRUMENTS LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

Signed on behalf of the directors



.....
A Markin

Director

Approved by the directors on 5.30.14
.....

GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements of the company for the year ended 31 December 2013.

Results and dividends

The profit for the year, after taxation, amounted to £2,121,204. Particulars of dividends paid are detailed in note 8 to the financial statements.

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.

Research and development

The company aims to retain and enhance its market position through the design and sale of specialist gas detection equipment and associated maintenance and management systems. The company's research and development department continued to investigate new materials, sensors and electronic components. Where appropriate, these have been incorporated within existing products and have been used in the design and development of new products.

Directors

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

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

G McGregor resigned as a director on 28 June 2013.

GAS MEASUREMENT INSTRUMENTS LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

Directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Baker Tilly Audit Limited (formerly known as RSM Tenon Audit Limited) ceased trading on 31st March 2014. The directors, having been notified of the cessation of trade of Baker Tilly Audit Limited, appointed Baker Tilly UK Audit LLP as Auditor on 1 April 2014 to fill the casual vacancy. In accordance with the Companies Act 2006 a resolution proposing the appointment of Baker Tilly UK Audit LLP as Auditor will be put to the members.

Signed on behalf of the directors


.....
A Markin

Director

Approved by the directors on 5.30.14

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

YEAR ENDED 31 DECEMBER 2013

We have audited the financial statements of Gas Measurement Instruments Limited for the year ended 31 December 2013. 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 member, 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 member 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 member 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 5, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-\(issued-1-December-2010\).aspx](http://www.frc.org.uk/Our-Work/Codes-Standards/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Scope-of-audit/UK-Private-Sector-Entity-(issued-1-December-2010).aspx)

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 2013 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 Strategic Report and 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 MEMBER OF GAS
MEASUREMENT INSTRUMENTS LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2013

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.

Paul Langhorn, Senior Statutory Auditor
For and on behalf of

Baker Tilly UK Audit LLP

Baker Tilly UK Audit LLP, Statutory Auditor
Chartered Accountants
2 Wellington Place
Leeds
LS1 4AP

12/6/14

GAS MEASUREMENT INSTRUMENTS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2013

		2013	2012
	Note	£	£
Turnover	2	12,583,046	10,330,030
Cost of sales		(6,522,781)	(4,946,828)
Gross profit		6,060,265	5,383,202
Distribution costs		(100,450)	(123,629)
Administrative expenses		(3,418,724)	(3,495,493)
Operating profit	3	2,541,091	1,764,080
Interest receivable and similar income		398	326
Interest payable and similar charges	6	–	(47)
Profit on ordinary activities before taxation		2,541,489	1,764,359
Tax on profit on ordinary activities	7	(420,285)	(354,939)
Profit for the financial year		2,121,204	1,409,420

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

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 11 to 19 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED
NOTE OF HISTORICAL COST PROFITS AND LOSSES
YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Reported profit on ordinary activities before taxation	2,541,489	1,764,359
Difference between a historical cost Depreciation charge and the actual Charge calculated on the revalued amount	<u>14,200</u>	<u>14,200</u>
Historical cost profit on ordinary activities before taxation	<u>2,555,689</u>	<u>1,778,559</u>
Historical cost profit for the year After taxation	<u>2,135,404</u>	<u>1,423,620</u>

The notes on pages 11 to 19 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED

Registered Number SC025020

BALANCE SHEET

31 DECEMBER 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	9	1,026,044	1,067,782
Investments	10	1	1
		<u>1,026,045</u>	<u>1,067,783</u>
Current assets			
Stocks	11	1,638,092	1,349,582
Debtors	12	5,392,606	4,553,569
Cash at bank and in hand		1,052,722	877,210
		<u>8,083,420</u>	<u>6,780,361</u>
Creditors: Amounts falling due within one year	13	<u>(1,909,231)</u>	<u>(1,628,150)</u>
Net current assets		6,174,189	5,152,211
Total assets less current liabilities		<u>7,200,234</u>	<u>6,219,994</u>
Provisions for liabilities			
Deferred taxation	14	(6,297)	(22,386)
		<u>7,193,937</u>	<u>6,197,608</u>
Capital and reserves			
Called-up share capital	18	27,440	27,440
Share premium account	19	279,180	279,180
Revaluation reserve	20	649,900	664,100
Other reserves	21	3,500	3,500
Profit and loss account	22	6,233,917	5,223,388
Shareholder's funds	23	<u>7,193,937</u>	<u>6,197,608</u>

These accounts were approved by the directors and authorised for issue on 30/5/14, and are signed on their behalf by:



D S Hunter

The notes on pages 11 to 19 form part of these financial statements.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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.

Consolidation

The company was, at the end of the year, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 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. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer.

Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new products where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Expenditure relating to tooling and certification is capitalised and depreciated over its useful life commencing in the year sales of the product are first made.

Tangible fixed assets

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

Revaluation

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.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

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.

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, and includes the normal cost of bringing stock to its present location and condition.

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.

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1. Accounting policies *(continued)*

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.

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.

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:

	2013 £	2012 £
United Kingdom	5,630,862	4,426,217
Europe	1,901,941	1,458,992
North and South America	3,766,988	3,453,851
Rest of World	1,283,255	990,970
	<u>12,583,046</u>	<u>10,330,030</u>

3. Operating profit

Operating profit is stated after charging/(crediting):

	2013 £	2012 £
Depreciation of owned fixed assets	132,360	130,684
Profit on disposal of fixed assets	(7,492)	(11,487)
Auditors remuneration	12,025	12,025
Operating lease costs:		
-Other	32,000	32,000
Net (profit)/loss on foreign currency translation	(38,441)	43,022
Research and development	<u>246,650</u>	<u>171,205</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

4. Particulars of employees

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

	2013	2012
	No	No
Office and management	34	34
Manufacturing	68	61
	<u>102</u>	<u>95</u>

The aggregate payroll costs of the above were:

	2013	2012
	£	£
Wages and salaries	3,585,981	3,296,622
Social security costs	321,970	281,458
Other pension costs	78,842	78,030
	<u>3,986,793</u>	<u>3,656,110</u>

5. Directors' remuneration

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

	2013	2012
	£	£
Remuneration receivable	190,364	300,700
Value of company pension contributions to defined contribution schemes	12,279	21,100
	<u>202,643</u>	<u>321,800</u>

Remuneration of highest paid director:

	2013	2012
	£	£
Total remuneration (excluding pension contributions)	153,143	143,340
Value of company pension contributions to defined contribution schemes	9,000	8,890
	<u>162,143</u>	<u>152,230</u>

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

	2013	2012
	No	No
Defined contribution schemes	<u>2</u>	<u>3</u>

6. Interest payable and similar charges

	2013	2012
	£	£
Interest payable on bank borrowing	<u>—</u>	<u>47</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2013 £	2012 £
In respect of the year:		
UK Corporation tax	545,779	423,820
Over provision in prior year	(109,405)	(66,615)
	<u>436,374</u>	<u>357,205</u>
Deferred tax:		
Origination and reversal of timing differences	(16,089)	(2,266)
Tax on profit on ordinary activities	<u>420,285</u>	<u>354,939</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 23% (2012 - 24%).

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>2,541,489</u>	<u>1,764,359</u>
Profit on ordinary activities by rate of tax	584,542	423,446
Effects of:		
Expenses not deductible for tax purposes	(55,796)	4,180
Capital allowances for period in excess of depreciation	11,322	8,370
Group relief	-	(20,779)
Tax chargeable at higher rates	5,711	8,603
Adjustments to tax charge in respect of previous periods	(109,405)	(66,615)
Total current tax (note 7(a))	<u>436,374</u>	<u>357,205</u>

8. Dividends

Equity dividends

	2013 £	2012 £
Paid during the year:		
Equity dividends on ordinary shares	<u>1,124,875</u>	<u>250,000</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

9. Tangible fixed assets

	Land, Buildings and Leasehold Improvements £	Plant and Fixtures £	Motor Vehicles £	Total £
Cost or valuation				
At 1 January 2013	946,918	806,262	188,230	1,941,410
Additions	20,050	17,823	52,761	90,634
Disposals	(18,379)	(24,100)	(43,216)	(85,695)
At 31 December 2013	<u>948,589</u>	<u>799,985</u>	<u>197,775</u>	<u>1,946,349</u>
Depreciation				
At 1 January 2013	219,825	539,437	114,366	873,628
Charge for the year	30,955	60,274	41,131	132,360
On disposals	(18,375)	(24,095)	(43,213)	(85,683)
At 31 December 2013	<u>232,405</u>	<u>575,616</u>	<u>112,284</u>	<u>920,305</u>
Net book value				
At 31 December 2013	<u>716,184</u>	<u>224,369</u>	<u>85,491</u>	<u>1,026,044</u>
At 31 December 2012	<u>727,093</u>	<u>266,825</u>	<u>73,864</u>	<u>1,067,782</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:

	2013 £	2012 £
Net book value at end of year	<u>561,200</u>	<u>585,600</u>
Historical cost	<u>375,000</u>	<u>375,000</u>
Depreciation:		
At 1 January 2013	357,500	342,500
Charge for year	15,000	15,000
At 31 December 2013	<u>372,500</u>	<u>357,500</u>
Net historical cost value:		
At 31 December 2013	<u>2,500</u>	<u>17,500</u>
At 1 January 2013	<u>17,500</u>	<u>32,500</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

10. Investments

*Investments
in
subsidiary
undertaking
£*

Cost

At 1 January 2013 and 31 December 2013

1

Net book value

At 31 December 2013 and 31 December 2012

1

The company owns 100% of the issued share capital of Gas Performance Testing Services Ltd, a company registered in Scotland. The company was dormant throughout the year and therefore has a profit of £nil and has net assets of £1.

11. Stocks

	2013 £	2012 £
Raw materials	1,410,350	1,164,407
Work in progress	171,583	122,938
Finished goods	56,159	62,237
	<u>1,638,092</u>	<u>1,349,582</u>

12. Debtors

	2013 £	2012 £
Trade debtors	1,364,372	1,295,085
Amounts owed by group undertakings	3,847,684	3,157,042
VAT recoverable	9,746	-
Other debtors	3,424	4,041
Prepayments and accrued income	167,380	97,401
	<u>5,392,606</u>	<u>4,553,569</u>

13. Creditors: Amounts falling due within one year

	2013 £	2012 £
Trade creditors	639,524	383,324
Corporation tax	306,373	357,205
PAYE and social security	80,041	76,059
VAT	-	54,737
Accruals and deferred income	883,293	756,825
	<u>1,909,231</u>	<u>1,628,150</u>

GAS MEASUREMENT INSTRUMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

14. Deferred taxation

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

	2013 £	2012 £
At 1 January 2013	22,386	24,652
Profit and loss account movement arising during the year	(16,089)	(2,266)
At 31 December 2013	<u>6,297</u>	<u>22,386</u>

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

	2013 £	2012 £
Excess of taxation allowances over depreciation on fixed assets	6,297	22,386
	<u>6,297</u>	<u>22,386</u>

15. Commitments under operating leases

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as set out below.

	Land and buildings 2013 £	Land and buildings 2012 £
Operating leases which expire: Within 2 to 5 years	<u>32,000</u>	<u>32,000</u>

16. Contingent liability

The company has provided a cross guarantee to secure amounts owed to HSBC Bank plc by its immediate parent undertaking, GMI Group Holdings Limited. The total amount owed by GMI Group Holdings Limited as at 31 December 2013 was £31,234,072.

17. Related party transactions

There are no transactions with related parties which are required to be disclosed under Financial Reporting Standard 8.

18. Share capital

Allotted, called up and fully paid:

	2013 No	£	2012 No	£
Ordinary shares of £1 each	<u>27,440</u>	<u>27,440</u>	<u>27,440</u>	<u>27,440</u>

19. 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 2013

20. Revaluation reserve

	2013 £	2012 £
Balance brought forward	664,100	678,300
Transfer to the Profit and Loss Account on realisation	(14,200)	(14,200)
Balance carried forward	<u>649,900</u>	<u>664,100</u>

21. Other reserves

	2013 £	2012 £
Capital redemption reserve	<u>3,500</u>	<u>3,500</u>

22. Profit and loss account

	2013 £	2012 £
Balance brought forward	5,223,388	4,049,768
Profit for the financial year	2,121,204	1,409,420
Equity dividends	(1,124,875)	(250,000)
Transfer from revaluation reserve	14,200	14,200
Balance carried forward	<u>6,233,917</u>	<u>5,223,388</u>

23. Reconciliation of movements in shareholder's funds

	2013 £	2012 £
Profit for the financial year	2,121,204	1,409,420
Equity dividends	(1,124,875)	(250,000)
Net addition to shareholder's funds	<u>996,329</u>	<u>1,159,420</u>
Opening shareholder's funds	<u>6,197,608</u>	<u>5,038,188</u>
Closing shareholder's funds	<u>7,193,937</u>	<u>6,197,608</u>

24. 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.

The largest and smallest group of undertakings for which consolidated financial statements have been prepared and are publically available is that headed by Industrial Safety Technologies LLC.

25. Ultimate controlling party

The ultimate controlling party throughout the current and previous year is Battery Investment Partners IX LLC.