CompAir UK Limited

Directors' report and financial statements

Registered number 938719

For the period ended 31 December 2008

2V

Contents

Directors' report	1
Statement of directors' responsibilities in respect of the directors' report and the financial statements	4
Independent auditors' report to the members of CompAir UK Limited	5
Profit and loss account	7
Balance sheet	8
Reconciliation of movements in shareholders' funds	9
Notes	10

Directors' report

The directors present their annual report and the audited financial statements for the 9 month period ended 31 December 2008.

Principal activities

The company's principal activity during the period continued to be the manufacture and marketing of industrial air and gas compressors.

On 20 October 2008, the entire issued share capital of CompAir Holdings Limited, the ultimate parent undertaking of the company, was purchased by Gardner Denver, Inc.

On 17 December 2008, the company changed its accounting reference date to 31 December 2008.

On 31 March 2009, the company sold its intellectual property rights in its Quantima brand, to CompAir Drucklufttechnik GmbH, a fellow group company, for £9.18 million.

On 1 April 2009, the business of CompAir UK Limited was sold to Gardner Denver Limited, a fellow group company, for an estimated final consideration of £45.3 million.

Business review

Development, trends and performance of business

Turnover was in line with the previous year in the first six months to September 2008 but declined in the last quarter as trading conditions deteriorated in markets across the world.

Gross profit margins remained constant at 26% as lower material costs resulting from our low cost sourcing programme offset higher import costs of products imported from our manufacturing affiliate in Germany.

Due to the deteriorating trading conditions, decisions were taken to reduce the company's cost base as a result of which exceptional costs of £2,373,000 were charged in the period. Other exceptional costs of £1,593,000 were incurred in the period, relating to management bonuses following exit and prior year professional costs which resulted from the change of control of the company.

Exchange management

The company has arranged hedge contracts to manage currency risks arising from payments made between group companies. Gains or losses may be incurred when inter-company payments are made in a currency that is different from the domestic currency of one or both parties.

The company uses forward foreign exchange and option contracts to reduce exposure to changes in foreign exchange rates to reduce currency losses that might otherwise adversely affect the budgeted profit for the year. These contracts cover periods of up to 15 months expiring at regular monthly intervals throughout the period to 31 March 2009.

As at 31 December 2008, the following contracts were outstanding:

	Notional principal £000	Premium paid £000	Fair value difference £000
Forward contracts	3,478	-	(694)
Option contracts	-	-	-
	3,478	-	(694)

Premium costs of option contracts are amortised evenly over the life of the contract.

Directors' report *(continued)*

Business review *(continued)*

Principal risks and uncertainties

The principal risks and uncertainties affecting the company include:

- exposure to economic downturns and cyclical markets
- large or rapid increases in the costs of raw materials or substantial decreases in their availability could adversely affect operating results
- economic, political and other risks associated with international sales could adversely affect the business (for example, political or economic instability in certain markets, currency fluctuations or import restrictions)
- the nature of the company's products creates the possibility of product liability and warranty claims, which could harm the business

These risks are closely monitored and, where appropriate and practical, the directors take steps to minimise the effects of these risks.

Key performance indicators

Key performance indicators of the company include sales, operating profit, delivery performance, quality, customer satisfaction and accident rates. These indicators are monitored on an ongoing basis.

Results and dividends

The results for the company for the period to 31 December 2008 are set out in the profit and loss account on page 7.

No dividends have been declared or paid *(31 March 2008: £Nil)*.

Research and development

The company carries out research and development in support of its activities (see note 1 and note 3).

Directors and directors' interests

The directors who held office during the period were as follows:

NIB Sanders	(resigned 26 November 2008)
RL Cheshire	(resigned 31 March 2009)
NF Keegan	(resigned 26 November 2008)
JT Peussa	(resigned 26 November 2008)
M Blackwell	(resigned 26 November 2008)
HR Parsons	(resigned 31 October 2008)
ST Roberts	(resigned 30 April 2009)
A Sime	(resigned 26 November 2008)
JAL Sykes	(resigned 12 December 2008)
HW Cornell	(appointed 26 November 2008)
JD Shull	(appointed 26 November 2008)
J Steele	(appointed 26 November 2008, resigned 2 September 2009)
B Walters	(appointed 2 September 2009)

RM Saunders resigned as company secretary and was replaced by M Grummett on 26 November 2008.

The directors had no interest in the shares of the company.

Directors' report *(continued)*

Employees

Information concerning employees and their remuneration is given in note 5. It is company policy to ensure continued employment, where possible, to employees who become temporarily or permanently disabled. To satisfy that need, consultative procedures enable management and other employees to discuss matters of mutual interest, including health and safety. Through these procedures, departmental channels and the publication of financial and economic information, employees are kept informed about company and group affairs.

In order to safeguard its employees, the company pursues a policy designed to provide secure working environments and training standards at all operating locations. The company also recognises the need to provide information on matters of concern to employees.

During the first quarter of 2009, all employees were consulted on the company's proposal to change their employer from the company to Gardner Denver Group Services Limited. The change duly came into effect on 1 April 2009.

Environmental issues

New products are designed with the knowledge that customers want equipment which is efficient and environmentally friendly. The company is committed to disposing of waste materials within the guidance of current legislation. The company believes that efficient use of resources and reduction in waste will lead to increased future profits and the long term sustainability of the company.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to re-appoint its auditor annually and KPMG LLP will, therefore, continue in office.

By order of the board

23 December 2009

M Grummett
Company Secretary

Springmill Street
Bradford
West Yorkshire
BD5 7HW

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

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

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 these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP
2 Cornwall Street
Birmingham
B3 2DL

Independent auditors' report to the members of CompAir UK Limited

We have audited the financial statements of CompAir UK Limited for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders' funds and the related notes. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 4.

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 CompAir UK Limited *(continued)*

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the period 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.

KPMG LLP

23.12.09

KPMG LLP
Chartered Accountants
Registered Auditor

Profit and loss account
for the period ended 31 December 2008

	Note	31 December 2008 Trading £000	Exceptional items £000	Total £000	31 March 2008 Trading £000	Exceptional items £000	Total £000
Turnover	2	50,116	-	50,116	71,881	-	71,881
Cost of sales		(37,074)	-	(37,074)	(53,272)	-	(53,272)
Gross profit		13,042	-	13,042	18,609	-	18,609
Distribution costs		(8,238)	-	(8,238)	(11,401)	-	(11,401)
Administrative expenses		(2,668)	(3,966)	(6,634)	(3,871)	(897)	(4,768)
Operating (loss)/profit	3	2,136	(3,966)	(1,830)	3,337	(897)	2,440
Interest receivable and similar income	8			637			594
Interest payable and similar charges	9			(1,249)			(1,261)
(Loss)/profit on ordinary activities before taxation				(2,442)			1,773
Tax on (loss)/profit on ordinary activities	10			(3,141)			2,432
(Loss)/profit for the financial year	19			(5,583)			4,205

There were no acquisitions or discontinued operations within the company in either the current period or preceding years. The operations became discontinued following the transfer of the trade and assets of the company to another group company on 1 April 2009.

There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

There are no recognised gains or losses other than the loss *(year ended 31 March 2008: profit)* for the financial period.

Balance sheet
at 31 December 2008

	Note	31 December 2008 £000	31 December 2008 £000	31 March 2008 £000	31 March 2008 £000
Fixed assets					
Intangible assets	11		1,576		1,611
Tangible assets	12		2,735		2,807
			4,311		4,418
Current assets					
Stocks	13	7,061		6,675	
Debtors: amounts falling due within one year	14	25,883		22,208	
Debtors: amounts falling due after more than one year	14	-		1,831	
Cash and short term deposits		2,737		969	
		35,681		31,683	
Creditors: amounts falling due within one year	15				
Borrowings		(67)		(9,664)	
Other		(31,961)		(14,913)	
		(32,028)		(24,577)	
Net current assets			3,653		7,106
Total assets less current liabilities			7,964		11,524
Creditors: amounts falling due after more than one year	16				
Borrowings			(50)		(100)
Provision for liabilities	17		(2,879)		(806)
Net assets			5,035		10,618
Capital and reserves					
Called up share capital	18		6,493		6,493
Share premium account	19		35,477		35,477
Profit and loss account	19		(36,935)		(31,352)
Shareholders' funds - equity			5,035		10,618

The notes on pages 10 to 21 form part of these financial statements.

These financial statements were approved by the board of directors on 23 December 2009 and were signed on its behalf by:

Helen HW Cornell

HW Cornell
Director

Company registered number: 938719

Reconciliation of movements in shareholders' funds
for the period ended 31 December 2008

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
(Loss)/profit for the financial period	**(5,583)**	4,205
Opening shareholders' funds	**10,618**	6,413
Closing shareholders' funds	**5,035**	10,618

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Basis of preparation

Under Financial Reporting Standard No.1 "Cash Flow Statements" (revised 1996), the company is exempt from the requirement to prepare a cash flow statement, on the grounds that, at 31 December 2008, it was a wholly owned subsidiary undertaking of Gardner Denver, Inc., incorporated in the USA which prepares a consolidated cash flow statement in its own published consolidated financial statements.

Retirement benefits

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable in respect of the scheme are charged to the profit and loss account as incurred.

Until March 2004, the company's employees were entitled to remain in the Invensys Pension Scheme, a defined benefit scheme. All liabilities in respect of this scheme are the responsibility of Invensys plc and have no financial impact on the company. Further details on the transitional arrangements in respect of this scheme are given in note 6 to the financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the period end. Exchange differences arising from the re-translation of foreign currency denominated assets and liabilities together with other exchange differences arising in the period are included in the profit and loss account.

Turnover

Turnover represents the invoiced value of goods and services supplied by the company, to third parties, excluding value added tax. Turnover relating to long term contracts represents the value of work performed during the year.

Research and development

The company follows the requirements of SSAP 13 and FRS 5, modified to reflect the more stringent requirements of the Department of Trade and Industry defining Research and Development expenditure for tax credit purposes in the UK.

Research expenditure is written off in the period in which it is incurred.

Internally generated intangible assets arising from the company's development activities are recognised only if all of the following conditions are met:

(a) There is a clearly defined project;
(b) The related expenditure is separately identifiable;
(c) The project is technically feasible;
(d) The project is commercially viable;
(e) The development costs will be exceeded by related revenues; and
(f) Adequate resources exist for the project to be completed.

Notes *(continued)*

1 Accounting policies *(continued)*

Related party transactions

The company is exempt from the requirements of FRS 8 "Related party disclosures" to disclose transactions with other group undertakings as it is a wholly owned subsidiary of Gardner Denver, Inc. and the consolidated financial statements of Gardner Denver Inc., in which the company is included, are publicly available. Further details are provided in note 24.

Fixed assets and depreciation

Tangible fixed assets are depreciated to their residual values on a straight line basis over their estimated useful lives at the following rates applied to original cost:

Leasehold land and buildings	-	life of lease
Plant and machinery	-	4 to 15 years
Computer equipment and software	-	3 to 5 years
Vehicles, equipment , fixtures and fittings	-	4 to 10 years

Intangible fixed assets are amortised on a straight line basis over five years. The directors believe this to be a prudent period of time.

Impairment of fixed assets

Impairment reviews are undertaken if there are indications that the carrying values may not be recoverable.

Leased assets

Assets held under finance leases are capitalised and included in tangible fixed assets at fair value. Each asset is depreciated over the shorter of the lease term or its useful life. Obligations related to finance leases, net of finance charges in respect of future periods, are included, as appropriate within creditors. The interest element of the rental obligation is allocated to accounting periods during the lease term to reflect a constant rate of interest on the remaining balance of the obligation for each accounting period. Rentals under operating lease are charged to profit and loss account on a straight line basis.

Stock

Stocks and work in progress are valued at the lower of cost and estimated net realisable value. Cost comprises the cost of raw materials and an appropriate proportion of labour and overheads. Provision is made for obsolete and slow moving items.

The net realisable value of long term contracts has been arrived at having regard to estimated costs to completion. A prudent level of profit attributable to the contract activity is taken up if the final outcome of such contracts can be readily assessed. On all contracts, full provision is made for any losses in the year in which they are first foreseen.

Cash and borrowings

Cash and short term deposits at the balance sheet date are only deducted from bank loans and overdrafts where formal rights of set off exist.

Notes *(continued)*

1 Accounting policies *(continued)*

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 a right to pay less or to recover more tax with the following exceptions:

- Provision is made for tax on gains arising from fixed assets, or gains on disposal of fixed assets, that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;
- Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- Deferred tax assets are recognised only to the extent that it is considered 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 and laws enacted or substantively enacted at the balance sheet date.

2 Turnover

Turnover is all attributable to the same class of business, the manufacture and marketing of industrial air compressors.

An analysis of turnover by geographical destination is as follows:

	Turnover	
	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Europe	**27,938**	39,195
The Americas	**5,568**	8,569
Asia	**13,631**	21,629
Rest of world	**2,979**	2,488
	50,116	71,881

Notes *(continued)*

3 Operating (loss)/profit

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Operating(loss)/profit is stated		
after charging		
Auditors' remuneration:		
Audit fees	54	46
Taxation	64	142
Depreciation of owned fixed assets	573	737
Amortisation of capitalised development expenditure	279	129
Research expenditure:		
Current year	1,012	390
Operating lease rentals:		
Land and buildings	770	993
Other	512	665
Exceptional items (see note 7)	3,966	897

4 Remuneration of directors

The directors earned the following remuneration from the company during the year:

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Remuneration	810	1,088
Bonus	1,210	608
Benefits	84	118
Compensation for loss of office	1,384	-
Pension contributions	107	164
	3,595	1,978

Amounts in respect of the highest paid director were as follows:

Remuneration	182	265
Bonus	418	245
Benefits	13	27
Compensation for loss of office	445	-
Pension contributions	62	103
	1,120	640

Retirement benefits accrued to the following number of directors during the period as follows:

	Number of directors	
Defined contribution schemes	9	9

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the period was as follows:

	Number of employees	
	Period ended 31 December 2008	Year ended 31 March 2008
Marketing and distribution	**128**	135
Production	**176**	186
Technical	**34**	34
Finance and administration	**43**	43
	381	398

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	**10,743**	15,400
Social security costs	**1,125**	1,727
Pension costs	**447**	621
	12,315	17,748

The amounts above exclude redundancy costs of £2.3 million *(31 March 2008: £0.2 million)* and bonuses paid of £1.8 million *(31 March 2008: £nil)* on sale of the business.

6 Pensions

The CompAir UK Limited Group Stakeholder Plan, International Plan and Executive Plan are defined contribution schemes operated through independent insurance companies. The cost to the company of providing these schemes amounted to £447,000 (*year ended 31 March 2008: £621,000*) and £81,000 (*year ended 31 March 2008: £50,000*) was unpaid at 31 December 2008.

Since 5 April 2004, when the company ceased to be a participant in the Invensys plc pension scheme, the company has not been a member of any defined benefit scheme and has received confirmation from the trustees of the Invensys Scheme that, under Section 75 of the Pensions Act 1995, as amended by Occupational Pension Scheme Regulations 1996, no debt was due. The company has no further liability to any defined benefit scheme.

Notes *(continued)*

7 Operating exceptional items

Included in operating profit are operating exceptional items of:

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Corporate costs	**(1,593)**	(897)
Restructuring costs	**(2,373)**	-

Corporate costs of £1,593,000 relate to management bonuses following exit and prior year professional costs following the change of control of the company *(year ended 31 March 2008: £897,000 related professional costs incurred in relation to preparing for a potential change of control of the company).* Restructuring costs of £2,373,000 relate to staff re-organisation costs following the change in control of the company and the decline in sales in the last quarter of the period.

8 Interest receivable and similar income

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Interest receivable from parent and fellow subsidiary undertakings	**624**	549
Other interest receivable	**13**	45
	637	594

9 Interest payable and similar charges

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Interest payable on bank and other loans and overdrafts	**(968)**	(1,261)
Interest payable to parent and fellow subsidiary undertakings	**(281)**	-
	(1,249)	(1,261)

Notes *(continued)*

10 Taxation

Analysis of tax charge/(credit) in period

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
UK corporation tax		
Current tax	-	-
Deferred tax		
Deferred tax on losses	3,141	(2,432)
Tax on (loss)/profit on ordinary activities	3,141	(2,432)

Factors affecting the tax charge for the current period

The current tax charge for the period is higher *(year ended 31 March 2008: lower)* than the standard rate of corporation tax in the UK of 28% *(year ended 31 March 2008: 30%)*. The differences are explained below:

	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Current tax reconciliation		
(Loss)/profit on ordinary activities before tax	(2,442)	1,773
Current tax at 28% *(year ended 31 March 2008: 30%)*	(683)	532
Effects of:		
Non-taxable charges	725	167
Timing differences	(17)	135
Excess of capital allowances over depreciation	(97)	(357)
Utilisation of tax losses brought forward	-	(312)
Group relief received	-	(165)
Unrelieved tax losses	72	-
Total current tax credit	-	-

Notes *(continued)*

10 Taxation *(continued)*

Factors that may affect future tax charges

The company is eligible to surrender UK group relief to, or claim UK group relief from, other group companies. These claims and/or surrenders may be made with or without charge.

The company carries forward tax losses of £36.4 million at 31 December 2008. A deferred tax asset has not been recognised in respect of these losses due to the uncertainty of the timing of future taxable profits.

The movement for the year in the net deferred tax provision is as follows:

	Deferred taxation	
	Period ended 31 December 2008 £000	Year ended 31 March 2008 £000
Asset at beginning of period	**3,141**	709
Charge/(credit) in profit and loss account for the period	**(3,141)**	2,432
Deferred tax asset at end of period (note 14)	**-**	3,141

11 Intangible fixed assets

	Development costs £000
Cost or valuation	
At beginning of period	1,740
Additions	244
At end of period	1,984
Amortisation	
At beginning of period	129
Charge for the period	279
At end of period	408
Net book value	
At 31 December 2008	**1,576**
At 31 March 2008	1,611

Notes *(continued)*

12 Tangible fixed assets

	Plant and machinery	Computer hardware and software	Total
	£000	£000	£000
Cost or valuation			
At beginning of period	9,070	3,547	12,617
Additions	427	155	582
Disposals	(112)	(148)	(260)
At end of period	9,385	3,554	12,939
Depreciation			
At beginning of period	6,635	3,175	9,810
Charge for the period	406	167	573
Disposals	(109)	(70)	(179)
At end of period	6,932	3,272	10,204
Net book value			
At 31 December 2008	**2,453**	**282**	**2,735**
At 31 March 2008	2,435	372	2,807

13 Stocks

	31 December 2008	31 March 2008
	£000	£000
Raw materials and consumables	**3,610**	3,698
Work in progress and finished goods	**3,451**	2,977
	7,061	6,675

The current replacement cost of stock does not differ materially from the historical cost stated above.

Notes *(continued)*

14 Debtors

	31 December 2008 £000	31 March 2008 £000
Debtors falling due within one year		
Trade debtors	**8,438**	10,057
Amounts owed by parent and fellow subsidiary undertakings	**16,237**	9,143
Other debtors	**263**	156
Prepayments and accrued income	**945**	1,542
Deferred tax	**-**	1,310
	25,883	22,208
Debtors falling due after more than one year		
Deferred tax	**-**	1,831

15 Creditors: Amounts falling due within one year

	31 December 2008 £000	31 March 2008 £000
Borrowings:		
Bank and other loans and overdrafts	**67**	9,664
Other:		
Payments received on account	**744**	263
Trade creditors	**6,264**	8,113
Amounts owed to fellow subsidiary undertakings	**21,235**	1,418
Other taxes and social security	**477**	507
Other creditors	**704**	781
Accruals and deferred income	**2,537**	3,831
	31,961	14,913

16 Creditors: Amounts falling due after more than one year

	31 December 2008 £000	31 March 2008 £000
Bank loans and overdrafts payable between two and five years	**50**	100

Notes *(continued)*

17 Provision for liabilities

	Restructuring £000	Other £000	Total £000
At beginning of period	341	465	806
Utilised in period	(318)	(1,261)	(1,579)
Charge in period	2,373	1,279	3,652
At end of period	**2,396**	**483**	**2,879**

Restructuring provisions are primarily related to factory reorganisations at Ipswich and Redditch. Other provisions relate primarily to warranty.

18 Called up share capital

	31 December 2008 £000	31 March 2008 £000
Authorised:		
Ordinary shares of £1 each	**6,493**	6,493
Allotted, called up and fully paid		
Ordinary shares of £1 each	**6,493**	6,493

19 Reserves

	Share premium account £000	Profit and loss account £000
At beginning of period	35,477	(31,352)
Loss for the financial period	-	(5,583)
At end of period	**35,477**	**(36,935)**

20 Capital commitments

At the end of December 2008, the company had made commitments to purchase tooling and equipment to the value of £64,000 *(31 March 2008: £178,000 relating to the refurbishment of part of the Redditch site and the purchase of tooling and patterns).*

Notes *(continued)*

21 Other financial commitments

Operating leases

At 31 December 2008, the company had commitments under operating leases to make payments in the year to 31 March 2009 under agreements expiring as below:

	31 December 2008			31 March 2007		
	Land and buildings	**Other**	**Total**	Land and buildings	Other	Total
	£000	**£000**	**£000**	£000	£000	£000
Within one year	**14**	**42**	**56**	45	98	143
Within two to five years	**20**	**402**	**422**	41	392	433
In over five years	**925**	**5**	**930**	925	-	925
	959	**449**	**1,408**	1,011	490	1,501

22 Contingent liabilities

In accordance with provisions contained in the Value Added Tax Act 1983, the company has entered into a joint and several guarantee for group registrations.

The company has entered into a bonds & guarantees facility of £4,250,000 with Barclays Bank plc. As at 31 December 2008, Barclays Bank plc had issued guarantees and bonds amounting to £2,111,264 on behalf of the company and holds cash collateral in a deposit account of £561,496 as security.

The company has entered into a bonds & guarantees facility of £4,000,000 with HSBC Bank plc, together with a related company CompAir Investments Limited. Each party to the Agreement guarantees the other, giving rise to contingent liabilities. As at 31 December 2008, HSBC Bank plc had issued guarantees amounting to £1,387,086.

The company has other contingent liabilities arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

23 Immediate parent undertaking

The immediate parent undertaking of CompAir UK Limited is CompAir Limited, a company registered in England and Wales.

24 Ultimate parent undertaking

The ultimate parent undertaking is Gardner Denver, Inc., a company registered in Delaware USA, whose principal place of business is at 1800 Gardner Expressway, Quincy, Illinois, USA. Copies of the consolidated financial statements can be obtained from this address.

25 Post balance sheet event

On 1 April 2009 the trade and assets of the company were acquired by Gardner Denver Limited for an estimated final consideration of £45.3 million.