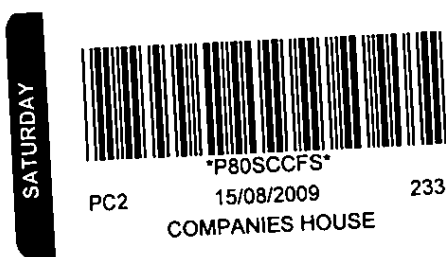


**Airfoil Technologies International UK Limited**

**Annual report and financial statements  
for the year ended 31 December 2007**

Registered number: 2032921



# **Airfoil Technologies International UK Limited**

## **Annual report and financial statements for the year ended 31 December 2007**

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# **Airfoil Technologies International UK Limited**

## **Directors' report for the year ended 31 December 2007**

The directors submit their report and audited financial statements for the year ended 31 December 2007.

### **Principal activity**

Airfoil Technologies International UK Limited ("the company") operates a repair and overhaul business for the commercial airline industry. The company is a joint venture, co-owned by two American companies, Teleflex Inc (51%) and General Electric Inc (49%). The company provides repair services for Fan blades, Compressor blades and Compressor vanes to engine manufacturers and to airlines.

### **Results for the year**

The company made a loss after tax of £164,000 during the year (2006: profit of £1,041,000). A dividend of £nil (2006: £nil) was paid during the year.

On 5 September 2007, HM Revenue and Customs in the United Kingdom issued an assessment on the company for payment of £2.785 million in respect of customs duties and £18.542 million for value-added tax (VAT), based on the company's alleged failure to meet the requirements for duty-free treatment of imports under Inward Processing Relief. This was subsequently settled for £35,000 plus VAT. Accordingly a total provision for customs duty of £35,000 has been recorded in the accounts. Additionally a creditor for VAT totalling £217,000 has been recorded in the accounts, with a corresponding debtor of £217,000 reflecting the ability to recover the VAT incurred.

### **Subsequent events**

On 20 March 2009 General Electric Inc assumed management control of the company, although the company's ultimate parent undertaking and controlling party remains Teleflex Inc. General Electric Inc has the option to purchase the remaining shares in the company in November 2009.

On 19 March 2009 the company declared and paid a dividend totalling £2,452,000.

On 11 August 2009 the company announced that its facility in Ripley will close before the end of 2009, and the company will cease trading. As a result of this announcement the going concern assumption is no longer appropriate for the accounts and the accounts have been prepared on the break up basis. This has resulted in impairments to goodwill and tangible fixed assets totalling £150,000 and £795,000 respectively being charged. No other adjustments were necessary to the accounts.

### **Research & development**

The company continues to develop engine repairs to broaden its portfolio of services on offer. These new repairs can only be developed under strict adherence to CAA/FAA rules and must be ratified by the relevant engine manufacturer and the company approved as an authorised repair shop.

# **Airfoil Technologies International UK Limited**

## **Directors' report for the year ended 31 December 2007 (continued)**

### **Principal risks and uncertainties**

Being in a service industry the company is always subject to the fluctuating demands of customers and is not in a position to be able to fully protect against these fluctuations through the use of inventory.

This uncertainty is being managed by training the workforce to be flexible so that they may move around the company's operations as the need arises and by trying to work more closely with the customer base to give better visibility of forthcoming demand and to smooth the inputs into the company.

The principal risk to the company is if a key customer decides to undertake the repair work in their own internal facility instead of contracting out the work to the company. This is mitigated by the fact that the company has several long term agreements in place with customers and seeks to tie customers in to long term agreements for the benefit of both parties.

### **Donations**

During the year ended 31 December 2007 the company made charitable donations amounting to £480 (2006: £692), which were made to a variety of local and national charities. No political donations were made in either year.

### **Directors**

The Directors who held office during the year and up to the date of this report are given below:

F Mocilnikar	(resigned 20 March 2009)
J Moss	(appointed 7 November 2006, resigned 20 March 2009)
Q Hughes	(appointed 20 March 2009)
R McEwan	(appointed 20 March 2009)

### **Directors' interests**

None of the directors had any interest in the shares of the company during the year (2006: nil). There are no other directors' interests requiring disclosure under the Companies Act 1985.

### **Employees**

It is the company's policy that there shall be no discrimination in respect of sex, colour, religion, race, nationality or ethnic origin, and that equal opportunities shall be given to all employees. The company supports the employment of disabled people whenever possible in recruitment, in the retention in the event of becoming disabled during employment, and by encouraging training and career development. A programme of consultation, communication and involvement encourages employees to use their knowledge and skills actively towards influencing the company's success. Employees receive information about the company's performance and development on a regular and systematic basis, via departmental meetings, organised group briefings, open forums and notice boards.

# **Airfoil Technologies International UK Limited**

## **Directors' report for the year ended 31 December 2007 (continued)**

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The directors actively manage these risks by monitoring levels of risk and the related costs. No derivatives are used other than forward exchange contracts which are entered into and used in conjunction with currency accounts in order to protect against foreign exchange movements.

#### **Price risk**

The company is exposed to commodity price risk as a result of its operations. The company seeks the lowest price from its suppliers for all commodities used throughout its operational processes. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

#### **Credit risk**

The company has implemented policies to insure customer debt and carry out appropriate credit checks on potential customers before sales are made.

#### **Liquidity risk**

An overdraft facility is available to ensure that there are sufficient available funds and required levels of working capital. Floating rates of interest apply and the directors assess these in the context of longer term interest rate trends.

#### **Interest rate cash flow risk**

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances which earn interest at a variable rate. The company also had a number of finance leases which bore interest at a fixed rate.

# Airfoil Technologies International UK Limited

## Directors' report for the year ended 31 December 2007 (continued)

### Statement of directors' responsibilities

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 financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which 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 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

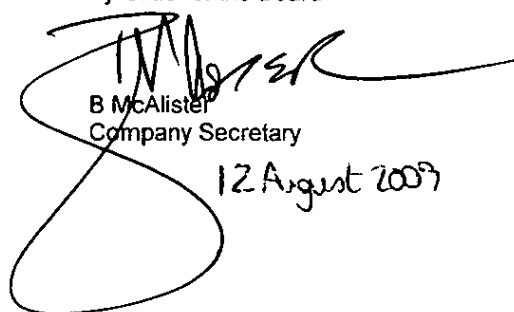
### Disclosure of audit information

So far as the directors are aware, there is no relevant audit information of which PricewaterhouseCoopers LLP are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the next Annual General Meeting.

By Order of the Board

  
B McAlister  
Company Secretary  
12 August 2009

## **Independent auditors' report to the members of Airfoil Technologies International UK Limited**

We have audited the financial statements of Airfoil Technologies International UK Limited for the year ended 31 December 2007 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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

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

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Airfoil Technologies International UK Limited (continued)**

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss and cash flows for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
East Midlands

1<sup>st</sup> August 2009



# Airfoil Technologies International UK Limited

## Profit and loss account for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Turnover - continuing operations</b>	2	<b>20,571</b>	24,720
Cost of sales		<b>(14,110)</b>	(16,558)
<b>Gross profit</b>		<b>6,461</b>	8,162
Selling and distribution costs		<b>(1,639)</b>	(1,517)
Administration expenses		<b>(4,995)</b>	(5,071)
<b>Operating (loss)/profit - continuing operations</b>		<b>(173)</b>	1,574
Interest payable and similar charges	4	-	(175)
Interest receivable and similar income	4	<b>195</b>	105
<b>Profit on ordinary activities before taxation</b>	3	<b>22</b>	1,504
Taxation on profit on ordinary activities	6	<b>(186)</b>	(463)
<b>(Loss)/profit for the year</b>	17	<b>(164)</b>	1,041

The company has no recognised gains or losses other than the (loss)/profit for the year.

There is no difference between the profit on ordinary activities before taxation and the (loss)/profit for the year stated above and their historical cost equivalents.

The notes on pages 10 to 24 form part of these financial statements.

# Airfoil Technologies International UK Limited

## Balance sheet as at 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Intangible assets	8	218	482
Tangible assets	9	931	2,445
		<b>1,149</b>	<b>2,927</b>
<b>Current assets</b>			
Stocks	10	1,573	1,762
Debtors	11	4,371	3,908
Cash at bank and in hand	19b	3,452	5,075
		<b>9,396</b>	<b>10,745</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(5,429)</b>	<b>(8,293)</b>
<b>Net current assets</b>		<b>3,967</b>	<b>2,452</b>
<b>Total assets less current liabilities</b>		<b>5,116</b>	<b>5,379</b>
Deferred tax	13	-	(99)
<b>Net assets</b>		<b>5,116</b>	<b>5,280</b>
<b>Capital and reserves</b>			
Called up share capital	14	26	26
Other reserves	17	4,490	4,490
Profit and loss account	17	600	764
<b>Total shareholders' funds</b>	18	<b>5,116</b>	<b>5,280</b>

Approved by the Board on

and signed on its behalf by

  
R McEwan  
Director

12 AUG 2009

The notes on pages 10 to 24 form part of these financial statements.

# Airfoil Technologies International UK Limited

## Cash flow statement for the year ended 31 December 2007

	Notes	2007 £'000	2006 £'000
<b>Net cash (outflow)/inflow from operating activities</b>	19a	<b>(626)</b>	<b>922</b>
<b>Returns on investments and servicing of finance</b>			
Interest paid		(83)	(12)
Interest element of finance lease payments		-	(52)
Interest received		168	105
<b>Net cash inflow from returns on investments and servicing of finance</b>		<b>85</b>	<b>41</b>
<b>Taxation</b>		<b>(581)</b>	<b>(56)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(160)	(151)
Proceeds from disposal of tangible fixed assets		10	24
<b>Net cash outflow for capital expenditure and financial investment</b>		<b>(150)</b>	<b>(127)</b>
Equity dividends paid		-	-
<b>Net cash (outflow)/inflow before financing</b>		<b>(1,272)</b>	<b>780</b>
<b>Financing</b>			
Capital element of finance lease payments		(351)	(197)
<b>(Decrease)/increase in cash</b>	19b	<b>(1,623)</b>	<b>583</b>

The notes on pages 10 to 24 form part of these financial statements.

# **Airfoil Technologies International UK Limited**

## **Notes to the financial statements for the year ended 31 December 2007**

### **1 Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK Accounting Standards and the Companies Act 1985.

On 11 August 2009 the company announced that its facility in Ripley will close before the end of 2009, and the company will cease trading. As a result of this announcement the going concern assumption is no longer appropriate for the accounts and the accounts have been prepared on the break up basis. This has resulted in impairments to goodwill and tangible fixed assets totalling £150,000 and £795,000 respectively being charged. No other adjustments were necessary to the accounts.

A summary of the more important accounting policies are set out below:

#### **Turnover**

Turnover represents amounts invoiced to customers in respect of repairs, re-profiling or replacement of turbine blades and is recognised on despatch of goods to the customer.

#### **Foreign currencies**

Monetary assets and liabilities are translated into sterling at year end exchange rates or contracted rates where appropriate. All exchange differences are recorded in the profit and loss account.

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value and cost where appropriate includes a proportion of production related overheads.

#### **Leased assets**

Assets held under finance lease agreements are capitalised as tangible fixed assets. Depreciation is provided over the shorter of the estimated useful life of the assets and the period of the agreement. The interest element of the charges implicit in the finance lease agreement are charged to the profit and loss account. Rentals under operating leases are charged to the profit and loss account as incurred.

# **Airfoil Technologies International UK Limited**

## **Notes to the financial statements for the year ended 31 December 2007 (continued)**

### **1 Accounting policies (continued)**

#### **Tangible fixed assets**

The cost of tangible fixed assets is written off over their estimated useful lives by providing depreciation on a straight-line basis.

The principal estimated useful lives are:

Short leasehold improvements	- over the unexpired term of the lease
Plant and machinery	- 2 to 10 years
Fixtures and fittings	- 8 to 10 years

#### **Goodwill**

When the fair value of consideration for an acquired business exceeds the fair value of its separate net assets, the difference is treated as purchased goodwill and is capitalised and amortised through the profit and loss account over its estimated useful economic life.

#### **Research and development costs**

Research and development costs are written off to the profit and loss account as they are incurred.

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, with the following exceptions;

Deferred taxation assets are only recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted;

Provision is made for gains on disposal of fixed assets that have been rolled over into replacement assets only where, at the balance sheet date, there is a commitment to dispose of the replacement assets; and

Deferred taxation is measured on a non-discounted 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.

#### **Pensions**

The company operates a pension and life assurance scheme covering the majority of its employees which is financed by a separate trustee administered fund. The scheme is a defined contribution scheme and pension costs are charged to the profit and loss account on the basis of contributions payable.

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 2 Segmental analysis

Turnover, operating (loss)/profit and capital employed are in respect of the company's principal activity, the repair and re-profiling of turbine blades and airfoil performance management.

The geographical split of turnover is as follows:

	2007	2006
	£'000	£'000
Europe	13,820	17,545
Asia and Australasia	2,132	1,500
North America	4,238	5,433
Rest of the world	381	242
	<b>20,571</b>	<b>24,720</b>

### 3 Profit on ordinary activities before taxation

	2007	2006
	£'000	£'000
The profit on ordinary activities before taxation is stated after charging / (crediting):		
Amortisation of goodwill	114	114
Impairment of goodwill and tangible fixed assets	945	-
Depreciation of tangible fixed assets		
- owned assets	646	624
- assets held under finance lease agreements	270	270
Auditors' remuneration - audit fees	41	41
- non audit fees relating to tax services	6	15
Operating lease rentals - property	245	270
- plant and machinery	157	144
Foreign exchange gain	(64)	(25)

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 4 Interest

	2007	2006
	£'000	£'000
Payable:		
On finance lease agreements	-	52
Other interest	-	123
	-	175
Receivable:		
On bank deposits	195	105

### 5 Directors and employees

	2007	2006
	£'000	£'000
Staff costs:		
Wages and salaries	5,200	5,180
Social security costs	534	508
Other pension costs (note 20)	138	147
	5,872	5,835

The average monthly number of persons employed by the company (excluding directors) during the year was 212 (2006: 212).

Directors' emoluments:

	2007	2006
	£'000	£'000
Emoluments	88	11
Contributions to money purchase pension scheme	4	1

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 6 Taxation

	2007	2006
	£'000	£'000
The tax charge comprises:		
Corporation tax at 30% (2006: 30%)		
- Current year	416	618
- Prior year	(8)	(93)
Total current tax	408	525
Deferred taxation (note 13)	(222)	(62)
	186	463

The tax assessed for the year is higher (2006: higher) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2007	2006
	£'000	£'000
Profit on ordinary activities before taxation	22	1,504
Multiplied by the standard rate of corporation taxation in the UK (30%)	7	451
Effects of:		
Expenses not deductible for tax purposes	330	53
Accelerated capital allowances and other timing differences	79	114
Adjustments to tax charge in respect of previous periods	(8)	(93)
Current tax on profit on ordinary activities	408	525



# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 7 Dividends

No dividends were paid or declared during 2007 (2006: £nil). On 19 March 2009 the company declared and paid a dividend totalling £2,452,000.

### 8 Intangible fixed assets

	Goodwill
	£'000
<b>Cost</b>	
At 1 January 2007 and 31 December 2007	891
<b>Accumulated amortisation</b>	
At 1 January 2007	409
Impairment	150
Charge for the year	114
<b>At 31 December 2007</b>	<b>673</b>
<b>Net book amount</b>	
<b>At 31 December 2007</b>	<b>218</b>
At 31 December 2006	482

The goodwill arising on the acquisition of the Honeywell custom from Sermatech International is being amortised on a straight line basis over 8 years, this period being the estimated useful economic life of the goodwill.

The impairment of £150,000 represents the charge made to reduce goodwill to its recoverable amount at 31 December 2007 given the accounts have been prepared on a break up basis:

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 9 Tangible fixed assets

	Short leasehold improve- ments	Plant and machinery	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 January 2007	1,634	7,491	3	9,128
Additions	-	197	-	197
Disposals	-	(28)	-	(28)
<b>At 31 December 2007</b>	<b>1,634</b>	<b>7,660</b>	<b>3</b>	<b>9,297</b>
<b>Depreciation</b>				
At 1 January 2007	1,114	5,566	3	6,683
Disposals	-	(28)	-	(28)
Impairment	313	482	-	795
Charge for the year	88	828	-	916
<b>At 31 December 2007</b>	<b>1,515</b>	<b>6,848</b>	<b>3</b>	<b>8,366</b>
<b>Net book value</b>				
<b>At 31 December 2007</b>	<b>119</b>	<b>812</b>	<b>-</b>	<b>931</b>
At 31 December 2006	520	1,925	-	2,445

Tangible fixed assets held under finance lease agreements had a net book value at 31 December 2007 of £44,000 (2006: £314,000).

The impairment of £795,000 represents the charge made to reduce tangible fixed assets to its recoverable amount at 31 December 2007 given the accounts have been prepared on a break up basis.

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 10 Stocks

	2007	2006
	£'000	£'000
Raw materials and consumables	466	512
Work in progress	223	286
Finished goods	884	964
	1,573	1,762

### 11 Debtors

	2007	2006
	£'000	£'000
Amounts due within one year:		
Trade debtors	3,373	3,267
Deferred tax (note 13)	123	-
Other debtors	289	416
VAT debtor	217	-
Prepayments and accrued income	216	225
Amounts owed by group undertakings	153	-
	4,371	3,908

The amounts owed by group undertakings are unsecured, interest free, and repayable on demand.

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 12 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Trade creditors	1,189	1,811
Amounts owed to group undertakings	230	2,108
Taxation and social security	358	152
Other creditors	967	1,025
Accruals and deferred income	613	579
Dividends payable	1,998	1,998
Corporation tax	74	281
Obligations under finance leases	-	339
	5,429	8,293

The amounts owed to group undertakings are unsecured, interest free, and repayable on demand.

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 13 Deferred tax

The deferred tax asset/(liability) comprises:

	2007	2006
	£'000	£'000
Accelerated capital allowances	117	(112)
Other timing differences	6	13
	123	(99)
		£'000
Deferred tax liability recognised at 1 January 2007		(99)
Profit and loss credit		222
<b>Deferred tax asset recognised at 31 December 2007</b>		<b>123</b>

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 14 Called up share capital

	2007	2006
	£'000	£'000
<b>Authorised:</b>		
25,000 Ordinary Shares of £1 each	25	25
1,000 Cumulative 'B' Preference Shares of £1 each	1	1
	26	26
<b>Allotted, issued and fully paid:</b>		
25,000 Ordinary Shares of £1 each	25	25
1,000 Cumulative 'B' Preference Shares of £1 each	1	1
	26	26

#### Redemption rights

There are no specific redemption rights attached to any class of share.

#### Rights to dividends

The profits available for distribution are to be paid in the following order:

- A cumulative preferential dividend of 1p per share, payable to the 'B' preference shareholders.
- A variable cumulative preferential dividend based on profits after tax for the compressor division, payable to the 'B' preference shareholders.
- The remaining profits to be distributed amongst the ordinary shareholders.

#### Voting rights

The ordinary shareholders are entitled to one vote per share. The 'B' preference shareholders hold nil votes per share, except in respect of resolutions varying their rights, or for a winding up, dissolution or liquidation, in which case the 'B' preference shareholders are entitled to one vote per share.

#### Rights on winding-up

On a winding-up 'B' preference shareholders are entitled to receive £1 per share together with any arrears of dividends. The balance of the remaining assets is to be distributed amongst the ordinary shareholders pari passu.

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 15 Capital commitments

	2007	2006
	£'000	£'000
Authorised and contracted but not provided for	-	-

### 16 Operating lease commitments

The Company had annual commitments under non cancellable operating leases as set out below:

	2007	2006
	£'000	£'000
Land and buildings leases which expire:		
Over five years	244	286
Plant and machinery leases which expire:		
Within one year	30	4
Between two and five years	125	155

### 17 Reserves

	Other reserves	Profit and loss account
	£'000	£'000
At 1 January 2007	4,490	764
Loss for the year	-	(164)
At 31 December 2007	4,490	600

# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 18 Reconciliation of movements in total shareholders' funds

	2007	2006
	£'000	£'000
(Loss)/profit for the financial year	(164)	1,041
Dividends	-	-
<b>Net (decrease)/increase in total shareholders' funds</b>	<b>(164)</b>	<b>1,041</b>
Opening total shareholders' funds	5,280	4,239
<b>Closing total shareholders' funds</b>	<b>5,116</b>	<b>5,280</b>

### 19 Notes to the cash flow statement

#### a) Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	2007	2006
	£'000	£'000
Operating (loss)/profit	(173)	1,574
Depreciation of tangible fixed assets	916	894
Impairment of goodwill and tangible fixed assets	945	-
(Profit)/loss on disposal of tangible fixed assets	(10)	6
Amortisation of goodwill	114	114
Decrease in stocks	189	1,674
(Increase)/decrease in debtors	(389)	1,504
Decrease in creditors	(2,230)	(4,790)
Foreign exchange movement on finance leases	12	(54)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(626)</b>	<b>922</b>



# Airfoil Technologies International UK Limited

## Notes to the financial statements for the year ended 31 December 2007 (continued)

### 19 Notes to the cash flow statement (continued)

#### b) Analysis of changes in net debt

	At 1 January 2007	Cash flow	Exchange movements	At 31 December 2007
	£'000	£'000	£'000	£'000
Cash at bank and in hand	5,075	(1,623)	-	3,452
Finance leases due within one year	(339)	351	(12)	-
	4,736	(1,272)	(12)	3,452

### 20 Pensions

The company operates a pension and life assurance scheme covering the majority of its employees which is financed by a separate trustee administered fund. The scheme is a defined contribution scheme. The profit and loss charge for the year is £138,000 (2006: £147,000).

### 21 Related party transactions

During the year the company traded with other members of the Teleflex Inc Group. The transactions undertaken were: management charges paid to Airfoil Technologies International LLC of £735,000 (2006: £661,000); and royalty charges paid to Sermatech International UK Limited of £nil (2006: £38,000).

At 31 December 2007 there were aggregate amounts payable to the Teleflex Inc Group companies of £77,000 (2006: £2,108,000).

A significant shareholder in the company's immediate parent undertaking is General Electric Inc. During the year the company also traded with members of the General Electric Inc Group. The transactions undertaken were: net sales made to the General Electric Inc Group of £5,035,479 (2006: £9,255,980); purchases made from the General Electric Inc Group of £430,347 (2006: £210,629); royalty and rebate payments due to the General Electric Inc Group of £66,060 (2006: £74,309). The aggregate outstanding balances due from members of the General Electric Inc Group, at the year-end were £274,866 (2006: £477,951).

# **Airfoil Technologies International UK Limited**

## **Notes to the financial statements for the year ended 31 December 2007 (continued)**

### **22 Parent undertakings and controlling party**

The directors consider that the company's ultimate parent undertaking and ultimate controlling party is Teleflex Inc, a company incorporated in the USA. Teleflex Inc is the largest group of undertakings preparing consolidated accounts to include the results of this company. Its annual report, as filed with the Securities and Exchange Commission, can be obtained from Communications Department, Teleflex Inc, 155 South Limerick Road, Limerick, Pennsylvania 19468-1699, USA.

The company's immediate parent undertaking and the company preparing consolidated accounts representing the smallest group of undertakings to include the results of this company is Airfoil Technologies International LLC, a company incorporated in the USA. Its annual report may be obtained from 5966 Heisley Road, Mentor, Ohio, 44060-1870, USA.

### **23 Contingent liabilities**

On 5 September 2007, HM Revenue and Customs in the United Kingdom issued an assessment on the company for payment of £2.785 million in respect of customs duties and £18.542 million for value-added tax (VAT), based on the company's alleged failure to meet the requirements for duty-free treatment of imports under Inward Processing Relief. This was subsequently settled for £35,000 plus VAT. Accordingly a total provision for customs duty of £35,000 has been recorded in the accounts. Additionally a creditor for VAT totalling £217,000 has been recorded in the accounts, with a corresponding debtor of £217,000 reflecting the ability to recover the VAT incurred.

### **24 Post balance sheet events**

On 20 March 2009 General Electric Inc assumed management control of the company, although the company's ultimate parent undertaking and controlling party remains Teleflex Inc. General Electric Inc has the option to purchase the remaining shares in the company in November 2009.

On 19 March 2009 the company declared and paid a dividend totalling £2,452,000.

On 11 August 2009 the company announced that its facility in Ripley will close before the end of 2009, and the company will cease trading. As a result of this announcement the going concern assumption is no longer appropriate for the accounts and the accounts have been prepared on the break up basis. This has resulted in impairments to goodwill and tangible fixed assets totalling £150,000 and £795,000 respectively being charged. No other adjustments were necessary to the accounts.