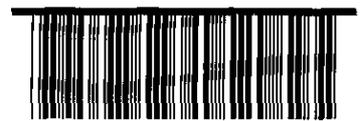


GLENFIELD VALVES LIMITED

ANNUAL REPORT

PERIOD ENDED 30 SEPTEMBER 2002



SCT S7KMJGW0 0439
COMPANIES HOUSE 20/12/02

GLENFIELD VALVES LIMITED

COMPANY INFORMATION

Directors	Graham McKie Carson Vita Hojberg Niels Aage Kjaer Martin McDade Ian Kenneth Betteridge Bjarne Michaelson
Secretary	Martin McDade
Company Number	SC220455
Registered Office	Glenfield Works Queens Drive Kilmarnock Ayrshire KA1 3XF
Auditors	PKF 78 Carlton Place Glasgow G5 9TH
Bankers	Bank of Scotland PO BOX 2 46 Bank Street Kilmarnock KA1 1EX Jyske Bank Ostergade 4 PO BOX 5120 DK-8100 Aarhus C

GLENFIELD VALVES LIMITED

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The following pages do not form part of the statutory accounts:

DETAILED PROFIT AND LOSS ACCOUNT

GLENFIELD VALVES LIMITED
DIRECTORS' REPORT
PERIOD ENDED 30 SEPTEMBER 2002

The directors submit their report and the financial statements for the period ended 30 September 2002.

Results and dividends

The profit for the period, after taxation, amounted to **£51,762**.

Incorporation and change of name

The company was incorporated on 20 June 2001 as Dalglen (No. 784) Limited and changed its name on 1 August 2001 to Glenfield Valves Limited. It commenced trading on 29 August 2001.

Principal activity and review of the business

The principal activity of the company during the period was that of the manufacture of valves and taps.

Both the level of business and the period end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

Directors

The directors who served during the period were:

Graham McKie Carson (appointed 29 August 2001)

Vita Hojberg (appointed 29 August 2001)

Niels Aage Kjaer (appointed 29 August 2001)

Martin McDade (appointed 25 September 2001)

Ian Kenneth Betteridge (appointed 25 September 2001)

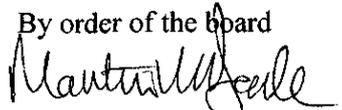
Bjarne Michaelsen (appointed 16 January 2002)

Dalglen Directors Limited (appointed 20 June 2001) resigned 29 August 2001)

As the company is the wholly owned subsidiary of a body incorporated outside Great Britain, it is exempt from the requirement to disclose the interests of the directors in group companies incorporated outside Great Britain.

Auditors

The auditors, PKF, were appointed in the period and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

By order of the board

Martin McDade
Secretary

6/12/02

GLENFIELD VALVES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period which 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;
- 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 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.

The directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
GLENFIELD VALVES LIMITED**

We have audited the financial statements of Glenfield Valves Limited for the period ended 30 September 2002 which comprise the Profit and Loss Account, the Balance Sheet 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 Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom Auditing Standards 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 judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

18 December 2002

Glasgow, UK



PKF
Registered Auditors

GLENFIELD VALVES LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 30 SEPTEMBER 2002

	Notes	2002 £
TURNOVER	2	7,202,922
Cost of sales		<u>(5,520,384)</u>
GROSS PROFIT		1,682,538
Distribution costs		<u>(536,432)</u>
Administrative expenses		<u>(985,723)</u>
OPERATING PROFIT	3	160,383
Interest receivable and similar income	6	2,296
Interest payable and similar charges	7	<u>(75,331)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		87,348
TAXATION	8	<u>(35,586)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>51,762</u></u>

All amounts relate to continuing operations.

There were no recognised gains or losses for the period other than those included in the profit and loss account.

There was no material difference between the reported result and the result calculated on an unmodified historical cost basis.

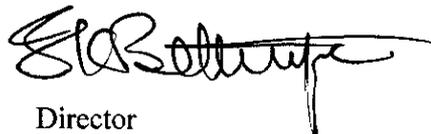
GLENFIELD VALVES LIMITED
BALANCE SHEET
30 SEPTEMBER 2002

	Notes	2002 £
FIXED ASSETS		
Tangible	9	468,232
Investments	10	1
		<u>468,233</u>
CURRENT ASSETS		
Stocks	11	1,154,609
Debtors	12	1,974,711
Cash at bank and in hand		201,432
		<u>3,330,752</u>
CREDITORS: amounts falling due within one year	13	<u>(3,135,332)</u>
NET CURRENT ASSETS		<u>195,420</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>663,653</u>
CREDITORS: amounts falling due after more than one year	14	(375,000)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(36,891)
NET ASSETS		<u><u>251,762</u></u>
CAPITAL AND RESERVES		
Called up share capital	17	200,000
Profit and loss account	18	51,762
SHAREHOLDERS' FUNDS	19	<u><u>251,762</u></u>

The financial statements were approved by the board on

6/12/02

Signed on behalf of the board of directors



Director

IAN K. BETTERIDGE

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	10 - 33 % straight line
Fixtures and computer equipment	20 % straight line

(d) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(e) Fixed asset investments

Fixed assets investments are stated at cost.

(f) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis, and includes all direct costs incurred and attributable production overheads. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal.

(g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(h) Taxation

The charge for corporation taxation is based on the results for the year as adjusted for tax purposes. The company has adopted Financial Reporting Standard 19: Deferred Tax during the year. In accordance with the standard, full provision is made at current rates for taxation deferred in respect of all timing differences. Deferred tax is not discounted.

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

2 TURNOVER

Turnover is attributable to one class of business.

Turnover is analysed by geographical market as follows:

	2002
	£
United Kingdom	3,434,072
Rest of world	3,768,850
	7,202,922
	7,202,922

3 OPERATING PROFIT

The operating profit is stated after charging:

	2002
	£
Depreciation of tangible fixed assets:	
- owned by the company	61,345
Audit fees	10,700
Operating lease rentals:	
- land and buildings	106,400
- plant, machinery, fixtures	31,842
Pension cost	15,310
	154,597

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2002
	£
Directors' emoluments	154,316
Contributions to defined contribution pension schemes	12,310
	166,626

The number of directors accruing benefits under pension schemes were:

	No
Defined contribution schemes	2
	2

A total of £17,900 was paid to a third party in respect of the provision of the services of a director.

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

5 STAFF COSTS

Staff costs, including directors' emoluments, were as follows:

	2002 £
Wages and salaries	1,462,178
Social security costs	143,505
Other pension costs	15,310
	1,620,993
	1,620,993

The average monthly number of employees, including executive directors, during the period was:

	No
Directors	2
Administration	30
Production	48
	80
	80

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2002 £
Other interest receivable	2,296
	2,296

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 £
Bank loan and overdrafts	70,056
Interest payable to group companies	5,275
	75,331
	75,331

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

8 TAXATION

(a) Analysis of charge in period	2002 £
UK corporation tax	
Current tax on income for the period at 30%	8,695
Deferred tax	
Charge for period (note 16)	26,891
	35,586
	35,586

(b) Factors affecting tax charge for period

The tax assessed for the period is greater than the standard rate of corporation tax in the UK (30 per cent). Reconciling items are explained below:

Profit on ordinary activities before tax	87,348
	87,348
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30%	26,204
Effects of:	
Expenses disallowed	9,381
Excess capital allowances over depreciation	(22,957)
Revenue expenditure capitalised	(3,933)
	8,695
	8,695

9 TANGIBLE FIXED ASSETS

	Plant, machinery & equipment £
Cost	
Additions	570,827
Disposals	(41,250)
	529,577
At 30 September 2002	529,577
Depreciation	
Charge for period	61,345
	61,345
At 30 September 2002	61,345
Net book amount	
At 30 September 2002	468,232
	468,232

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

10 FIXED ASSET INVESTMENTS

	Shares in associated undertakings £
Cost	
Additions	1
	1
At 30 September 2002	1

Investments include an investment in Glenfield & Kennedy (Asia) SDN. BHD., a company incorporated in Malaysia, comprising a holding of 37% of its issued ordinary share capital.

The principal activity of this investment is the manufacture of valves.

These financial statements present information about the company as an individual undertaking and do not include amounts attributable to its associated undertaking under the exemptions set out in section 228 of the Companies Act 1985.

11 STOCKS

	2002 £
Raw materials	534,036
Work in progress	98,118
Finished goods	522,455
	1,154,609
	1,154,609

12 DEBTORS

	2002 £
Due within one year	
Trade debtors	1,892,805
Amounts due from group undertakings	38,300
Other debtors	8,971
Prepayments & accrued income	34,635
	1,974,711
	1,974,711

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

13 CREDITORS

	2002 £
Amounts falling due within one year	
Bank overdraft	1,010,846
Trade creditors	1,072,298
Amounts owed to group undertakings	616,705
Corporation tax	8,695
Other tax and social security	79,542
Other creditors	124,661
Accruals and deferred income	222,585
	3,135,332

14 CREDITORS

	2002 £
Amounts falling due after more than one year	
Bank loan (note 15)	375,000
	375,000

15 LOAN

Loan fall due for payment as follows:

	2002 £
Bank loan	
Between one and two years	50,000
Between two and five years	150,000
After more than five years	175,000
	375,000

The bank loan from the Jyske Bank in Denmark is repayable at £50,000 per annum commencing 15 October 2003. Interest is charged at 5.1% per annum.

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

16 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Other provisions £	Total £
Charged to profit & loss account	<u>26,891</u>	<u>10,000</u>	<u>36,891</u>
At 30 September 2002	<u><u>26,891</u></u>	<u><u>10,000</u></u>	<u><u>36,891</u></u>

Deferred tax is analysed as follows:

	2002 £
Accelerated capital allowances	<u><u>26,891</u></u>

17 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
Movements in period:			
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
At 30 September 2002			
Ordinary shares of £1 each	<u><u>200,000</u></u>	<u><u>200,000</u></u>	<u><u>200,000</u></u>

On incorporation, 2 ordinary shares were issued with a nominal value of £1 each. During the period an additional 199,998 ordinary shares with a nominal value of £1 each were issued for cash at par value.

18 RESERVES

Profit and loss account	£
Profit for the period	<u>51,762</u>
At 30 September 2002	<u><u>51,762</u></u>

19 SHAREHOLDERS' FUNDS

	2002 £
Profit for the period	51,762
New shares issued	<u>200,000</u>
Shareholders' funds at 30 September 2002	<u><u>251,762</u></u>

GLENFIELD VALVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 2002

20 OTHER COMMITMENTS

At 30 September 2002 the company had annual commitments under operating leases as follows:

	Land and buildings 2002 £	Other 2002 £
Expiry date:		
Within one year	-	1,584
Between one and five years	-	30,258
After more than five years	98,250	-
	<hr/> <hr/>	<hr/> <hr/>

21 CONTINGENT LIABILITIES

At 30 September 2002, there existed contingent liabilities of £100,000 in respect of a bond relating to Customs and Excise and £100,000 relating to The Bank of Scotland.

22 TRANSACTIONS WITH RELATED PARTIES

The company has taken advantage of the exemptions set out in paragraph 3 of Financial Reporting Standard Number 8: Related Parties.

23 PENSION COSTS

The company contributes to individual personal money purchase schemes.

Contributions made by the company to the scheme during the period amounted to **£15,310**.

24 ACCOUNTING PERIOD

The financial statements cover the period from incorporation on 20 June 2001 to 30 September 2002. The company started trading on 29 August 2001.

25 PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by Aage V Kjaers Maskinfabrik A/S.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is Aage V Kjaers Maskinfabrik A/S, a company incorporated in Denmark. Consolidated accounts are available from Erhvervs - og Selskabsstyrelsen, Kampmannsgade 1, 1780 København, Denmark.

In the opinion of the directors this is the company's ultimate parent company.

Aage V Kjaers Maskinfabrik A/S is ultimately controlled by N. A. Kjaer.