Reg

Registered number: SC 220455

GLENFIELD VALVES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2011

GLENFIELD VALVES LIMITED

COMPANY INFORMATION

Directors	Hans Bo Johansen Niels Aage Kjaer Jon Badrock John Paul Hubbard Lars Kudsk Hans Bo Stubkier
Company secretary	E Stewart
Company number	SC 220455
Registered office	Glenfield Works Queens Drive Kilmarnock Ayrshire KA1 3XF
Auditor	PKF (UK) LLP 78 Carlton Place Glasgow G5 9TH
Bankers	Bank of Scotland 46 Bank Street Kilmarnock KA1 1EX
	Nordea Bank Finland plc City Place House 55 Basinghall Street London EC2V 5NB
Solicitors	Biggart Baillie LLP Dalmore House 310 St Vincent Street Glasgow G2 5QR
	Pincent Masons LLP 123 St Vincent Street Glasgow G2 5EA

GLENFIELD VALVES LIMITED

CONTENTS

GLENFIELD VALVES LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and the financial statements for the year ended 30 September 2011.

Principal activities

The principal activity of the company during the year was that of the manufacture of valves.

Business review

Glenfield Valves Ltd utilise a variety of KPIs to manage the business. The top level KPIs show the following:

EBIT	Decreased by £1,478,711 to loss of £1,387,077
Stock	Decreased by £533,783 to £1,469,702

The EBIT decrease was in the main a result of the reduction in turnover as described below.

The stock decrease was a result of a planned stock reduction plan. £157k of free stock reduction with fellow subsidiary companies was achieved in the last financial year. This is the second year of the three year stock reduction plan.

Cash flow continues to be managed by overdraft and parent company support.

Turnover was down £3.23m at £3.79m from 2010. In prior years turnover included sales to group companies for two large orders for the Doha North Project in Qatar, which totalled £4.2m in sales value.

Exceptional overheads comprising redundancy costs of £59,294 (2010 - £nil) were incurred in the year.

Results

The loss for the year, after taxation, amounted to £1,103,625 (2010 - profit £58,738).

Directors

The directors who served during the year were:

Hans Bo Johansen
Niels Aage Kjaer
Hans Bo Stubkier
John Paul Hubbard
Lars Kudsk
Jon Badrock

Principal risks and uncertainties

The principal risk facing Glenfield Valves Ltd is the global economic downturn. Going forward, it is possible that large capital projects (GVL's main business) will continue to be significantly affected by the current economic downturn. However, a realistic view of the prospectshas been taken during the budget process to mitigate this effect. The business is sensitive to exchange rates, each project is reviewed prior to quotation and contract acceptance and where appropriate forward rates are secured

Future developments

The breakeven point of Glenfield has been reduced from £6.7m to £5.3m in the last two years. The directors feel confident that this progress along with all the other improvement programmes can be capitalised upon during the next financial period. The budget assumption for gross margin is 40.7% (for internal reporting purposes), which will be achieved by pricing, cost reductions generated by sub-contracting and productivity improvement programmes.

GVL proposes to grow sales over the next three years by -

2011/12 - £5.697m
2012/13 - £6.100m
2013/14 - £6.800m

From the base line in one year sales will be grown incrementally in year two by £403k, which is built upwith contributions from the appointment of the International Sales Manager of £200k, £100k from pressure reducing valves (PRV) sales and £103k from the inclusion of Nencini needle valves into the product range. In year three there is a £700k addition made from £300k from PRV sales and £200k from needle valves with additional organic growth achieved by the International Sales Manager of £200k.

The key success factors are to introduce existing products to new markets using the new resource afforded by the International Sales Manager, distributor appointment and the adoption of new standards into the GVL product range. There are also many opportunities to introduce new products and resurrected GVL products such as needle valves, higher pressure valves and pressure reducing valves to both new and existing markets.

In addition to the above mentioned products air valves and ball float valves will be actively promoted via the GVL price lists, web-site and updated marketing literature. In certain international markets such as the Middle East only GVL approved product or UKI certificate of origin items are acceptable and this requirement will be promoted amd supported by a supply chain and production facility to cater for these customer requirments.

Financial instruments

The company is principally funded through overdraft facilities fully guaranteed and negotiated by the parent company, AVK Holdings. Due to these financial arrangements the directors of the company are not required to review interest rates or participate in hedging activities.

The directors do not consider any other risks attaching to the use of financial instruments to be material to the assessment of its financial position or profit.

Research and development activities

During the year, the company completed work in conjunction with the parent company's technical team to develop an upgraded product range. This project will facilitate a more flexible approach to the customers needs, and rationalise our manufacturing processes. In 2011/12 a new range of pressure reducing valves (PRV) will be introduced to enhance the Glenfield product portfolio and generate organic growth in sales.

Provision of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditors is aware of that information.

This report was approved by the board on 29/11/11 and signed on its behalf.

Jon Badrock
Director

GLENFIELD VALVES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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 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 period.

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;
- 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, to disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENFIELD VALVES LIMITED

We have audited the financial statements of Glenfield Valves Limited for the year ended 30 September 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 30 September 2011 and of its loss 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENFIELD VALVES LIMITED

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.1 to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £1,103,625 during the year ended 30 September 2011 and, at that date, the company's current liabilities exceeded its total assets by £590,142 and it had net current liabilities of £1,759,202. The company is therefore dependent on the continued financial support of its bankers, the parent company and other group companies. These conditions, along with the other matters explained in note 1.1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

PKF (UK) LLP

Martin Gill (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
Glasgow, UK
Date 1 December 2011

GLENFIELD VALVES LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 £	2010 £
TURNOVER	1,2	**3,788,763**	7,019,887
Cost of sales		**(3,611,429)**	(5,225,825)
GROSS PROFIT		**177,334**	1,794,062
Selling and distribution costs		**(231,287)**	(265,533)
Administrative expenses		**(1,361,924)**	(1,470,495)
Other operating income	3	**28,800**	33,600
OPERATING (LOSS)/PROFIT	4	**(1,387,077)**	91,634
Interest receivable and similar income	7	**(769)**	21,058
Interest payable and similar charges	8	**(64,737)**	(65,030)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(1,452,583)**	47,662
Tax on (loss)/profit on ordinary activities	9	**348,958**	11,076
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	17	**(1,103,625)**	58,738

All amounts relate to continuing operations.

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

GLENFIELD VALVES LIMITED
REGISTERED NUMBER: SC 220455

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Intangible assets	10		**313,373**		386,044
Tangible assets	11		**943,782**		1,107,067
			1,257,155		1,493,111
CURRENT ASSETS					
Stocks	12	**1,469,702**		2,003,485	
Debtors	13	**1,127,954**		2,700,096	
Cash at bank		**238,938**		109,090	
		2,836,594		4,812,671	
CREDITORS: amounts falling due within one year	14	**(4,595,796)**		(5,742,149)	
NET CURRENT LIABILITIES			**(1,759,202)**		(929,478)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(502,047)**		563,633
PROVISIONS FOR LIABILITIES					
Other provisions	15		**(88,095)**		(50,150)
NET (LIABILITIES)/ASSETS			**(590,142)**		513,483
CAPITAL AND RESERVES					
Called up share capital	16		**7,200,000**		7,200,000
Profit and loss account	17		**(7,790,142)**		(6,686,517)
SHAREHOLDERS' (DEFICIT)/FUNDS	18		**(590,142)**		513,483

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
29/11/11.

Jon Badrock
Director

The notes on pages 8 to 16 form part of these financial statements.

GLENFIELD VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1. ACCOUNTING POLICIES

1.1 Fundamental accounting concept and basis of preparation of financial statements

Going concern

At the balance sheet date the company's liabilities exceeded its assets by £590,142 (2010 - net assets £513,483) and it had net current liabilities of £1,759,202 (2010 - £929,479) and owed £3,900,124 (2010 - £4,464,430) to its bankers and £390,333 (2010 - £772,074) to the parent undertaking and other group companies. The company's ability to continue normal trading operations is dependant on the continued financial support of its bankers, the parent company and other group companies which allow the company to meet its obligations as they fall due. The directors of the parent company review their position on an annual basis and have indicated their willingness to provide ongoing financial support for a period of at least twelve months from the date of approval of these financial statements. The bankers have also indicated that they expect to renew the company's overdraft facility when it expires in May 2012. The directors have considered the material uncertainty concerning the availability of ongoing financial support required from the company's bankers, the parent company and other group companies, which could cast significant doubt over the entity's ability to continue as a going concern. They are satisfied over the validity of this financial support and accordingly believe that the going concern basis continues to be appropriate. These financial statements have therefore been prepared on the going concern basis and do not include any adjustments that would arise from the withdrawal of this financial support.

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

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Turnover is recognised when goods have been despatched or a vesting certificate over goods is supplied by the customer, or when a service is rendered.

1.4 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of five years.

1.5 Development expenditure

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project of five years. No amortisation is provided until a project is completed.

Deferred development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related expenditure is written off to the profit and loss account.

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets and depreciation

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:

Tenants improvements	-	25% straight line
Plant & machinery	-	10-20% straight line
Fixtures & fittings	-	20% straight line

1.7 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first in first out basis. Net realisable value is based on estimated selling price allowing for all further costs of completion and disposal. Goods in transit are included in the company's stocks when they leave the suppliers' premises as the risks and benefits of ownership transfer to Glenfield Valves Limited at that time.

1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse and are not discounted.

1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the profit and loss account, within interest.

1.11 Pensions

The company makes payments into personal pension schemes for certain employees. The pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to one class of business.

A geographical analysis of turnover is as follows:

	2011	2010
	£	£
United Kingdom	**1,200,467**	1,456,621
Rest of European Union	**14,075**	2,616,384
Rest of World	**2,574,221**	2,946,882
	3,788,763	7,019,887

3. OTHER OPERATING INCOME

	2011	2010
	£	£
Rents receivable	**28,800**	33,600

4. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging:

	2011	2010
	£	£
Amortisation of intangible assets	**77,616**	-
Depreciation of tangible fixed assets:		
- owned by the company	**306,096**	332,625
Auditor's remuneration	**19,820**	16,554
Operating lease rentals:		
- plant and machinery	**38,447**	33,185
Research and development expenditure	**64,935**	109,556
Profit on sale of tangible assets	**-**	859
Exceptional administrative costs - redundancy	**59,294**	-

5. STAFF COSTS

Staff costs, including executive directors' remuneration, were as follows:

	2011	2010
	£	£
Wages and salaries	1,238,245	1,327,941
Social security costs	107,048	126,074
Other pension costs	18,658	18,775
	1,363,951	1,472,790

The average monthly number of employees, including the executive directors, during the year was as follows:

	2011	2010
	No.	No.
Directors	2	2
Administration	6	8
Production	38	44
	46	54

6. DIRECTORS' REMUNERATION

	2011	2010
	£	£
Emoluments	112,823	99,136
Company pension contributions to defined contribution pension schemes	9,468	9,511

During the year retirement benefits were accruing to 1 director (2010 - 2) in respect of defined contribution pension schemes.

7. INTEREST RECEIVABLE

	2011	2010
	£	£
Foreign exchange (loss)/gain	(1,988)	20,957
Bank interest receivable	1,219	101
	(769)	21,058

8. INTEREST PAYABLE

	2011	2010
	£	£
On bank loans and overdrafts	**57,407**	65,030
On loans from group undertakings	**7,330**	-
	64,737	65,030

9. TAXATION

	2011	2010
	£	£
Analysis of tax credit in the year		
Adjustments in respect of prior periods	-	(11,076)
	-	(11,076)
Group taxation relief	**(348,958)**	-
Tax on (loss)/profit on ordinary activities	**(348,958)**	(11,076)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2010 - lower than) the standard rate of corporation tax in the UK of 27% (2010 - 28%). The differences are explained below:

	2011	2010
	£	£
(Loss)/profit on ordinary activities before tax	**(1,452,583)**	47,662
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 27% (2010 - 28%)	**(392,197)**	13,345
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	**20,956**	12,285
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**861**	-
Capital allowances for year in excess of depreciation	-	(11,472)
Depreciation in excess of capital allowances	**23,241**	5
Losses utilised in year	**(23,191)**	(48,334)
Adjustments to tax charge in respect of prior periods	-	23,095
Non-taxable income	**21,372**	-
Current tax credit for the year (see note above)	**(348,958)**	(11,076)

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

10. INTANGIBLE FIXED ASSETS

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 October 2010	386,044	91,774	477,818
Additions	4,945	-	4,945
At 30 September 2011	390,989	91,774	482,763
Amortisation			
At 1 October 2010	-	91,774	91,774
Charge for the year	77,616	-	77,616
At 30 September 2011	77,616	91,774	169,390
Net book value			
At 30 September 2011	313,373	-	313,373
At 30 September 2010	386,044	-	386,044

The project to which the development expenditure relates was completed during the year and is now being amortised in line with accounting policy.

11. TANGIBLE FIXED ASSETS

	Longterm Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost				
At 1 October 2010	127,341	3,122,066	232,598	3,482,005
Additions	23,982	96,146	22,683	142,811
At 30 September 2011	151,323	3,218,212	255,281	3,624,816
Depreciation				
At 1 October 2010	8,822	2,169,524	196,592	2,374,938
Charge for the year	22,560	267,865	15,671	306,096
At 30 September 2011	31,382	2,437,389	212,263	2,681,034
Net book value				
At 30 September 2011	119,941	780,823	43,018	943,782
At 30 September 2010	118,519	952,542	36,006	1,107,067

12. STOCKS

	2011	2010
	£	£
Raw materials	**614,797**	1,234,387
Work in progress	**77,708**	62,074
Finished goods and goods for resale	**777,197**	707,024
	1,469,702	2,003,485

13. DEBTORS

	2011	2010
	£	£
Trade debtors	**556,395**	566,866
Amounts owed by group undertakings	**171,064**	2,029,100
Other debtors	**348,958**	50,132
Prepayments and accrued income	**51,537**	42,922
Tax recoverable	**-**	11,076
	1,127,954	2,700,096

14. CREDITORS:
Amounts falling due within one year

	2011	2010
	£	£
Bank overdraft	**3,900,124**	4,464,430
Trade creditors	**172,579**	267,811
Amounts owed to group undertakings	**390,333**	772,074
Social security and other taxes	**33,622**	37,369
Other creditors	**99,138**	200,465
	4,595,796	5,742,149

The bank overdraft is guaranteed by AVK Holdings A/S, the company's parent undertaking.

15. OTHER PROVISIONS

	Warranty provision £
At 1 October 2010	**50,150**
Additions	**48,000**
Amounts used	**(10,055)**
At 30 September 2011	**88,095**

Warranty provision

Provisions relate to the cost of work to be carried out under warranties to remedy faulty valves which have been sold. This work is likely to be carried out within 12 months from the balance sheet date.

16. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
7,200,000 Ordinary shares of £1 each	**7,200,000**	7,200,000

17. RESERVES

	Profit and loss account £
At 1 October 2010	**(6,686,517)**
Loss for the year	**(1,103,625)**
At 30 September 2011	**(7,790,142)**

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	**513,483**	454,745
(Loss)/profit for the year	**(1,103,625)**	58,738
Closing shareholders' (deficit)/funds	**(590,142)**	513,483

19. CONTINGENT LIABILITIES

At 30 September 2011 there were contingent liabilities of £100,000 (2010 - £100,000) in respect of a bond relating to HM Revenue & Customs and £41,631 (2010 - £50,592) relating to customer performance bonds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

20. PENSIONS

The company contributes to individual money purchase schemes.

Contributions by the company to the schemes during the year amounted to £18,653 (2010 - £18,775).

21. OPERATING LEASE COMMITMENTS

At 30 September 2011 the company had annual commitments under non-cancellable operating leases as follows:

	2011	2010
	£	£
Expiry date:		
Between 2 and 5 years	**10,109**	8,964

22. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions set out in paragraph 3 of Financial Reporting Standard Number 8: Related Parties. Accordingly, transactions with group companies are not disclosed.

During the year the company made purchases of £7,777 (2010 - £36,879) and sales of £1,988 (2010 - £1,700) with Invicta Valves Limited. Invicta Valves Limited is not wholly owned by the parent company and therefore in line with FRS 8 paragraph 3 it is not fully eliminated on consolidation and requires disclosure. At the year end there was no creditor balance (2010 - £625).

23. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company is controlled by AVK Holdings A/S.

The parent undertaking of the smallest group for which consolidated accounts are prepared is AVK Holdings A/S, a company incorporated in Denmark. Consolidated accounts are available from Erhvervs - og Selskabsstyrelesen, Kampmannsgade1, 1780 Kobenhavn, Denmark.

The parent undertaking of the largest group for which consolidated accounts are prepared is ASX 14, 145 ApS, a company incorporated in Denmark. Consolidated accounts are available from the above address. In the opinion of the directors this is the company's ultimate parent company. ASX 14,145 ApS is ultimately controlled by N A Kjaer.