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Registrar's Copy

Company No: 3346356

BRYAN DONKIN VALVES LIMITED

Abbreviated Annual Report

Year ended 30 September 1999



PKF

PAANNEL KERR FORSTER
CHARTERED ACCOUNTANTS
Pannell House
159 Charles Street
LEICESTER LE1 1LD

BRYAN DONKIN VALVES LIMITED

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BRYAN DONKIN VALVES LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 1999

The directors submit their report and the financial statements for the year ended 30 September 1999.

Results and dividends

The profit for the year, after taxation, amounted to £572,900.

A dividend of £100,000 was paid in September 1999. The directors do not recommend the payment of a further dividend.

Principal activity and review of business

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

The directors consider that the result for the period and the company's financial position at 30 September 1999 are both satisfactory.

The outlook for the current year remains encouraging.

Directors

The directors who served during the year, none of whom had any interest in other group undertakings incorporated in Great Britain, were as follows:

N A Kjaer
V Hojberg
K Pederson
G M Carson
B J Sims
E Finch

K Pederson resigned as a director on 18 October 1999.

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

Fixed assets

Details of tangible fixed assets are shown in note 8 to the financial statements.

Year 2000

The directors have assessed the risks and uncertainties associated with the Year 2000 and completed the changes to make the company's computer systems Year 2000 compliant. The cost of compliance is not expected to be material in the context of other normal operating costs.

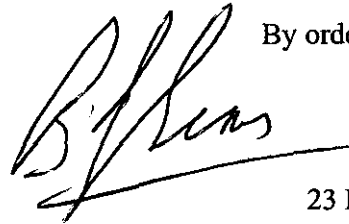
Post Balance Sheet Event

On 18 October 1999, the company increased its authorised share capital to £500,000 and on the same day issued 199,998 ordinary shares of £1 each at par out of reserves as a bonus issue to its parent company, Aage V Kjaers Maskinfabrik A/S.

BRYAN DONKIN VALVES LIMITED
DIRECTORS' REPORT (continued)
YEAR ENDED 30 SEPTEMBER 1999

Auditors

The auditors, Pannell Kerr Forster, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

A handwritten signature in dark ink, appearing to read 'B J Sims', with a long horizontal line extending from the end of the signature.

By order of the board

B J Sims
Secretary

23 February 2000

**AUDITORS' REPORT TO
BRYAN DONKIN VALVES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 13 together with the financial statements of the company for the year ended 30 September 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

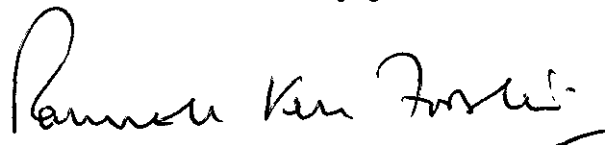
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with that provision.



PANNELL KERR FORSTER
Chartered Accountants
Registered Auditors

LEICESTER
23 February 2000

BRYAN DONKIN VALVES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 1999

	Notes	Year to 30 September 1999 £	15 months to 30 September 1998 £
GROSS PROFIT		2,242,295	2,573,664
Administrative expenses		(1,327,332)	(1,761,164)
OPERATING PROFIT	2	914,963	812,500
Interest receivable		9,415	22,252
Interest payable and similar charges	5	(101,493)	(193,332)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		822,885	641,420
TAXATION	6	(249,985)	(199,256)
PROFIT FOR THE FINANCIAL YEAR		572,900	442,164
DIVIDENDS	7	(100,000)	-
		472,900	442,164

All amounts relate to continuing operations.

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

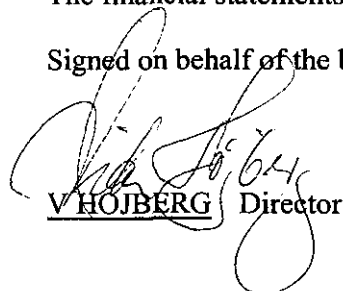
BRYAN DONKIN VALVES LIMITED
BALANCE SHEET
30 SEPTEMBER 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible	8	657,341	691,809
CURRENT ASSETS			
Stocks	9	709,721	649,834
Debtors	10	1,224,249	866,345
Cash at bank and in hand		390,929	309,805
		<u>2,324,899</u>	<u>1,825,984</u>
CREDITORS: amounts falling due within one year	11	(917,382)	(1,337,761)
NET CURRENT ASSETS		<u>1,407,517</u>	<u>488,223</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,064,858</u>	<u>1,180,032</u>
CREDITORS: amounts falling due after more than one year	12	(1,100,000)	(700,000)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(49,822)	(37,866)
NET ASSETS		<u>915,066</u>	<u>442,166</u>
CAPITAL AND RESERVES			
Called up share capital	15	2	2
Profit and loss account		915,064	442,164
SHAREHOLDERS' FUNDS	16	<u>915,066</u>	<u>442,166</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the board on 23 February 2000

Signed on behalf of the board of directors


V HOJBERG Director

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) 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:

Plant and machinery	10 years
Motor vehicles	5 years
Office and computer equipment	5 years

(c) Finance and operating leases

Assets acquired under finance leases or hire purchase are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the capital balance outstanding.

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

(d) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling and distribution.

(e) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise. The provision is calculated at the rate of corporation tax which it is anticipated will apply when the tax becomes payable.

(f) Research and development

All expenditure incurred by research and development is charged to revenue as it falls due.

2 OPERATING PROFIT

	Year to 30 September 1999 £	15 months to 30 September 1998 £
The operating profit is stated after charging:		
Depreciation of tangible fixed assets:		
- owned by the company	91,750	102,027
Audit fees	6,750	6,750
Operating lease rentals:		
- plant & machinery	13,968	25,147
- land and buildings	98,333	89,200
	<u> </u>	<u> </u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

3 DIRECTORS' EMOLUMENTS AND BENEFITS

	£	£
Aggregate emoluments	55,426	62,195
Contributions to money purchase pension schemes	2,285	2,766
	<u>57,711</u>	<u>64,961</u>

The number of directors accruing benefits under a money purchase scheme was one.

4 STAFF COSTS

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

	£	£
Wages and salaries	1,368,142	1,815,929
Social security costs	133,828	178,049
Other pension costs	74,332	74,585
	<u>1,576,302</u>	<u>2,068,563</u>

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

	No.	No.
Production	58	57
Administration	7	7
Technical	15	15
	<u>80</u>	<u>79</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 30 September 1999 £	15 months to 30 September 1998 £
Bank loans and overdrafts	101,493	168,399
Interest payable to group companies	-	24,933
	<u>101,493</u>	<u>193,332</u>

6 TAXATION

	£	£
Current year taxation		
UK corporation tax at 30% (1998 - 31%)	234,000	161,390
Transfer to deferred taxation	11,956	37,866
	<u>245,956</u>	<u>199,256</u>
Total UK taxation	245,956	199,256
Adjustments in respect of prior periods		
Corporation tax	4,029	-
	<u>249,985</u>	<u>199,256</u>

7 DIVIDENDS

	1999 £	1998 £
Ordinary shares		
Interim paid	100,000	-

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

8 TANGIBLE FIXED ASSETS

	Land & buildings £	Plant and machinery £	Office and computer equipment £	Motor vehicles £	Total £
Cost					
At 30 September 1998	-	669,401	91,327	33,108	793,836
Additions	-	33,928	23,354		57,282
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1999	-	703,329	114,681	33,108	851,118
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 30 September 1998	-	93,241	5,486	3,300	102,027
Charge for year	-	68,582	16,568	6,600	91,750
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1999	-	161,823	22,054	9,900	193,777
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book amount					
At 30 September 1999	-	541,506	92,627	23,208	657,341
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 1998	-	576,160	85,841	29,808	691,809
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

9 STOCKS

	1999 £	1998 £
Raw materials	638,021	600,844
Work in progress	49,402	33,189
Finished goods	22,298	15,801
	<hr/>	<hr/>
	709,721	649,834
	<hr/>	<hr/>

10 DEBTORS

	1999 £	1998 £
Due within one year		
Trade debtors	4,322	827,109
Amounts due from group undertakings	1,198,313	9,226
Prepayments & accrued income	21,614	30,010
	<hr/>	<hr/>
	1,224,249	866,345
	<hr/>	<hr/>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

11 CREDITORS:

Amounts falling due within one year

	1999	1998
	£	£
Bank loans and overdrafts	100,000	600,000
Trade creditors	409,193	311,831
Amounts owed to group undertakings	6,131	20,091
Corporation tax	157,000	161,390
Net obligations under finance lease and hire purchase contracts (note)	-	3,465
Other creditors	197,117	118,055
Accruals and deferred income	47,941	122,929
	<u>917,382</u>	<u>1,337,761</u>

12 CREDITORS:

Amounts falling due after more than one year

	1999	1998
	£	£
Bank loans (note 13)	<u>1,100,000</u>	<u>700,000</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

13 LOANS

Loans fall due for payment as follows:

	1999 £	1998 £
Bank loans		
Within one year	100,000	600,000
Between one and two years	600,000	100,000
Between two and five years	300,000	300,000
After more than five years	200,000	300,000
	<u>1,200,000</u>	<u>1,300,000</u>

The bank loans are guaranteed by the holding company. The bank loans will be fully repaid by 31 July 2006 and attract interest at variable rates.

14 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 30 September 1998	37,866
Charged to profit and loss	11,956
At 30 September 1999	<u>49,822</u>

Deferred tax is analysed as follows:

	Provided		Not provided	
	1999 £	1998 £	1999 £	1998 £
Accelerated Capital allowances	<u>49,822</u>	<u>37,866</u>	<u>-</u>	<u>-</u>

15 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid	
		No.	£
At 30 September 1998 and 30 September 1999			
Ordinary shares of £1 each	<u>1,000</u>	<u>2</u>	<u>2</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

16 SHAREHOLDERS' FUNDS

	1999 £	1998 £
Shareholders' funds at 30 September 1998	442,166	-
Profit for the year	572,900	442,164
Dividends	(100,000)	-
Other movements:		
New shares issued	-	2
Shareholders' funds at 30 September 1999	<u>915,066</u>	<u>442,166</u>

17 OTHER COMMITMENTS

At 30 September 1999 the company had annual commitments under operating leases as follows:

	Land and buildings		Other	
	1999 £	1998 £	1999 £	1998 £
Expiry date:				
Between 1 and 5 years	33,333	-	-	-

18 TRANSACTIONS WITH RELATED PARTIES

G. M. Carson was a major shareholder of Aqua-Gas (Valves and Fittings) Limited. Both G. M. Carson and N. J. Kjaer are directors of this company. Aqua-Gas (Valves and Fittings) Limited became a wholly owned subsidiary of Aage V Kjaers Maskinfabrik A/S on 11 February 1999. Bryan Donkin Valves Limited undertook the following transactions with this company to February 1999:

Sales	£1,338,962
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All transactions were made on terms negotiated between B. J. Sims as a director of Bryan Donkin Valves Limited and G. M. Carson as a director of Aqua-Gas (Valves and Fittings) Limited.

As Bryan Donkin Valves Limited is wholly owned by Aage V Kjaers Maskinfabrik A/S and the consolidated accounts are publicly available in Denmark, advantage has been taken of the exemption offered by Financial Reporting Standard 8 from the requirement to disclose transactions with other group companies.

The consolidated accounts are available at the following address:
 Erhvervs - og Selskabsstyrelsen
 Kampmannsgade 1
 1780 København V
 Denmark

19 POST BALANCE SHEET EVENTS

On 18 October 1999, the company increased its authorised share capital to £500,000 and on the same day issued 199,998 ordinary shares of £1 each at par out of reserves as a bonus issue to its parent company, Aage V Kjaers Maskinfabrik A/S.

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 1999

20 PENSION COSTS

The company contributes to individual personal money purchase pension schemes.

The contributions made to the Scheme during the year are shown in note 5 to the financial statements.

21 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The ultimate parent undertaking and controlling party is Aage V Kjaers Maskinfabrik A/S, which is registered in Denmark.

The ultimate controlling party is N. A. Kjaer who owns the majority of the shares in Aage V Kjaers Maskinfabrik A/S.