

**COMPANIES HOUSE**

Registered number: 03346356

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**BRYAN DONKIN VALVES LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**



**BRYAN DONKIN VALVES LIMITED**  
**REGISTERED NUMBER:03346356**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	8	14,175	18,536
Tangible assets	9	515,089	496,304
		<u>529,264</u>	<u>514,840</u>
<b>Current assets</b>			
Stocks	10	1,317,957	1,538,598
Debtors: amounts falling due within one year	11	2,069,801	1,712,533
Cash at bank and in hand	12	945	780
		<u>3,388,703</u>	<u>3,251,911</u>
Creditors: amounts falling due within one year	13	(1,541,177)	(1,752,189)
<b>Net current assets</b>		<u>1,847,526</u>	<u>1,499,722</u>
<b>Total assets less current liabilities</b>		<u>2,376,790</u>	<u>2,014,562</u>
<b>Net assets</b>		<u><u>2,376,790</u></u>	<u><u>2,014,562</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	200,000	200,000
Profit and loss account	16	2,176,790	1,814,562
		<u><u>2,376,790</u></u>	<u><u>2,014,562</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 November 2019.

  
**J F Brody**  
 Director

The notes on pages 2 to 13 form part of these financial statements.

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**BRYAN DONKIN VALVES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**1. General information**

Bryan Donkin Valves Limited is a private company limited by shares and incorporated in England and Wales. Registered number 03346356. Its registered head office is located at Colliery Close Ireland Industrial Estate, Staveley, Chesterfield, Derbyshire, S43 3FH.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

The Company has good relationships with its customers and suppliers. The Company operates as part of the Group cash pooling arrangement and arising from this has access to cash balances to continue operations under the normal course of business. AVK Holdings A/S, also provide a suretyship to cover the Company's facilities. As a result of the above and having reviewed forecasts for the next 12 months the directors do not believe that there are any material uncertainties which cast significant doubt on the ability of the Company to continue as a going concern.

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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue is measured based on the consideration specified in a contract with a customer. The company recognises revenue when it transfers control of a product or service to a customer and is shown net of value-added tax, returns, rebates and discounts. Revenue from the sale of valves and fittings products is recognised in the income statement when control of goods has transferred in accordance with the contracted terms.

All of the revenue through Bryan Donkin is to its sister company AVK UK.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the possible return of goods or continuing management involvement with the goods.

##### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the company is expected to benefit. This period is between three and five years. Provision is made for any impairment.

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- 50 years
Motor Vehicles	- 5 years
Plant and machinery	- 5 - 10 years
Other equipment	- 3 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected

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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.9 Financial instruments (continued)

to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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**BRYAN DONKIN VALVES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**2. Accounting policies (continued)**

**2.11 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

**2.12 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**2.14 Operating leases: the Company as lessee**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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## 2. Accounting policies (continued)

### 2.15 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.16 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

### 2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.



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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about carrying amounts of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. There are no critical accounting judgements.

Stock provisioning is an estimation uncertainty. When calculating the stock provision the Company adheres to the group accounting policy of 50% write down if stock days exceed two years.

#### 4. Turnover

Turnover entirely arises from the Company's principal activity and all related to operations in the UK.

#### 5. Finance costs

	2019 £	2018 £
Interest payable and similar expenses	<u>11,193</u>	<u>13,227</u>

#### 6. Auditor's remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £8,500 (2018 - 8,500).

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**BRYAN DONKIN VALVES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**7. Employees**

The average monthly number of employees, including directors, during the year was 39 (2018 - 39).

**8. Intangible assets**

	Development £
<b>Cost</b>	
At 1 October 2018	21,248
At 30 September 2019	<u>21,248</u>
<b>Amortisation</b>	
At 1 October 2018	2,712
Charge for the year	4,361
At 30 September 2019	<u>7,073</u>
<b>Net book value</b>	
At 30 September 2019	<u>14,175</u>
At 30 September 2018	<u>18,536</u>

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

**BRYAN DONKIN VALVES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

**9. Tangible fixed assets**

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<b>Cost</b>					
At 1 October 2018	-	1,711,896	5,250	269,507	1,986,653
Additions	15,831	100,748	-	-	116,579
Disposals	-	-	(5,250)	-	(5,250)
At 30 September 2019	15,831	1,812,644	-	269,507	2,097,982
<b>Depreciation</b>					
At 1 October 2018	-	1,219,397	5,250	265,702	1,490,349
Charge for the year on owned assets	264	93,725	-	3,805	97,794
Disposals	-	-	(5,250)	-	(5,250)
At 30 September 2019	264	1,313,122	-	269,507	1,582,893
<b>Net book value</b>					
At 30 September 2019	15,567	499,522	-	-	515,089
At 30 September 2018	-	492,499	-	3,805	496,304

**10. Stocks**

	2019 £	2018 £
Stocks	1,317,957	1,538,598

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**BRYAN DONKIN VALVES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**11. Debtors**

	2019 £	2018 £
Trade debtors	5,965	1,856
Amounts owed by group undertakings	1,959,506	1,592,843
Other debtors	94,371	99,494
Deferred taxation (see note 14)	9,959	18,340
	<u>2,069,801</u>	<u>1,712,533</u>

**12. Cash and cash equivalents**

	2019 £	2018 £
Cash at bank and in hand	945	780
Less: bank overdrafts	(321,416)	(651,724)
	<u>(320,471)</u>	<u>(650,944)</u>

**13. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank overdrafts	321,416	651,724
Trade creditors	273,165	287,573
Amounts owed to group undertakings	288,103	119,267
Corporation tax	207,260	299,468
Other taxation and social security	330,475	287,589
Other creditors	120,758	106,568
	<u>1,541,177</u>	<u>1,752,189</u>

Bank loans and overdrafts are secured by way of a guarantee from the Company's holding company, AVK Holding A/S.

Amounts owed to group undertakings are interest free and repayable on demand.

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**BRYAN DONKIN VALVES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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**14. Deferred taxation**

	2019 £	2018 £
At beginning of year	18,340	21,750
Charged to profit and loss	(8,381)	(3,410)
<b>At end of year</b>	<b>9,959</b>	<b>18,340</b>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	9,526	16,215
Short term timing difference	433	2,125
	<b>9,959</b>	<b>18,340</b>

**15. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
200,000 Ordinary shares of £1 each	<b>200,000</b>	<b>200,000</b>

The Company has one class of ordinary shares which carry no right to fixed income.

**16. Reserves**

**Profit and loss account**

The profit and loss reserve represents cumulative profits or losses net of dividends paid and other adjustments.

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## BRYAN DONKIN VALVES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

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#### 17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £35,973 (2018: £24,401). Contributions totalling £7,129 (2018: £5,021) were payable to the fund at the balance sheet date and are included in creditors.

#### 18. Guarantee

The Company holds a commercial guarantee of £110,000 (2018: £50,000) with its bank Nordea, which matures on 31 December 2049.

The Company is party to a cash pool agreement. Under the terms of this agreement, the participants (being group companies) in the cash pooling agreement provide cross guarantees in favour of the bank.

AVK Holding A/S, also provide a suretyship to cover Bryan Donkin Valves Limited's facilities.

#### 19. Controlling party

The Company is controlled by AVK Holding A/S, its immediate parent whose registered office is Soendergade 33, 8464 Galten, Denmark.

The parent undertaking of the smallest group for which consolidated accounts are prepared is AVK Holding A/S, a company incorporated in Denmark. Consolidated accounts are available from Erhvervsstyrelsen, Langelinie Allé 17, 2100 København Ø, Denmark.

The parent undertaking of the largest group for which consolidated accounts are prepared is Anpartsselskabet ASX as of 28 August 2014, 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 Anpartsselskabet ASX as of 28 August 2014 is ultimately controlled by N.A. Kjaer.

#### 20. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2019 was unqualified.

The audit report was signed on 28 November 2019 by Michael Redfern FCA (Senior Statutory Auditor) on behalf of Grant Thornton UK LLP.