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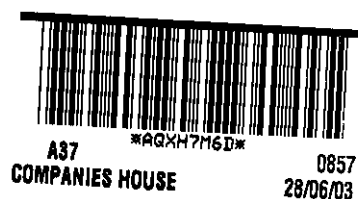
Registrar's Copy

Company No: 3346356

BRYAN DONKIN VALVES LIMITED

Abbreviated Accounts

Year ended 30 September 2002



PKF
PANNELL HOUSE
159 CHARLES STREET
LEICESTER LE1 1LD
PKF

BRYAN DONKIN VALVES LIMITED

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BRYAN DONKIN VALVES LIMITED
DIRECTORS' REPORT
YEAR ENDED 30 SEPTEMBER 2002

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

Results and dividends

The profit for the year, after taxation, amounted to **£1,383,940** (2001 - £1,256,203).

The directors recommend a dividend of £500,000 leaving a balance of £883,940 which is transferred to retained reserves.

Principal activity and review of the business

The company's principal activity was the manufacture of gas valves.

The directors consider that the result for the year and the company's financial position at 30 September 2002 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 the shares of the company or in any other group undertakings incorporated in Great Britain, were as follows:

N A Kjaer
V Hojberg
G M Carson
B J Sims
E Finch (resigned 18 December 2001)
B Michaelsen (appointed 18 December 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.

By order of the board



M J Rhodes
Secretary

5 December 2002

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

We have examined the abbreviated accounts, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, together with the financial statements of the company for the year ended 30 September 2002 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 of companies and whether the accounts to be delivered 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 to be delivered 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 are properly prepared in accordance with that provision.



Leicester, UK
5 December 2002

PKF
Registered Auditors

BRYAN DONKIN VALVES LIMITED
ABBREVIATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
GROSS PROFIT		3,813,856	3,377,281
Administrative expenses		<u>(1,812,905)</u>	<u>(1,547,130)</u>
OPERATING PROFIT	2	2,000,951	1,830,151
Interest receivable and similar income	5	20,038	31,705
Interest payable and similar charges	6	<u>(45,850)</u>	<u>(67,121)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,975,139	1,794,735
TAXATION	7	<u>(591,199)</u>	<u>(538,532)</u>
PROFIT FOR THE FINANCIAL YEAR		1,383,940	1,256,203
DIVIDENDS	8	<u>(500,000)</u>	<u>(550,000)</u>
		<u>883,940</u>	<u>706,203</u>

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

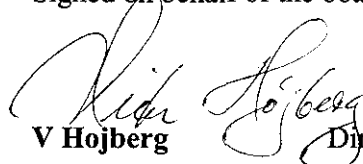
BALANCE SHEET 30 SEPTEMBER 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible	9	613,302	586,542
CURRENT ASSETS			
Stocks	10	719,121	774,078
Debtors	11	2,051,671	1,540,705
Cash at bank and in hand		980,567	705,488
		<u>3,751,359</u>	<u>3,020,271</u>
CREDITORS: amounts falling due within one year	12	<u>(1,642,049)</u>	<u>(1,064,828)</u>
NET CURRENT ASSETS		<u>2,109,310</u>	<u>1,955,443</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,722,612</u>	<u>2,541,985</u>
CREDITORS: amounts falling due after more than one year	13	-	(700,000)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(52,326)</u>	<u>(55,639)</u>
NET ASSETS		<u><u>2,670,286</u></u>	<u><u>1,786,346</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	200,000	200,000
Profit and loss account	17	2,470,286	1,586,346
SHAREHOLDERS' FUNDS	18	<u><u>2,670,286</u></u>	<u><u>1,786,346</u></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 5 December 2002

Signed on behalf of the board of directors


V Hojberg Director

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR 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.

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

(d) 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.

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

(e) 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 based on estimated selling price allowing for all further costs of completion and disposal.

(f) 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.

(g) Deferred taxation

The charge for 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.

Deferred tax assets are only recognised where they arise from timing differences where their recoverability in the short term is regarded as more likely than not.

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

1 ACCOUNTING POLICIES (continued)

(h) Pensions

The company contributes to individual personal money purchase pension schemes and the pension charge in the profit and loss account represents the amounts payable by the company to these funds in respect of the year.

(i) Research and development

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

2 OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	116,234	90,942
Audit fees	7,100	6,900
Operating lease rentals:		
plant & machinery	17,128	17,128
land and buildings	92,000	106,000
	<u> </u>	<u> </u>

3 DIRECTORS' EMOLUMENTS AND BENEFITS

	2002	2001
	£	£
Directors' emoluments	64,486	60,109
Contributions to money purchase pension schemes	2,630	2,547
	<u> </u>	<u> </u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

4 STAFF COSTS

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

	2002	2001
	£	£
Wages and salaries	1,820,118	1,644,388
Social security costs	166,290	154,822
Other pension costs	76,489	69,468
	<u>2,062,897</u>	<u>1,868,678</u>

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

	No	No
Production	58	51
Administration	8	6
Technical	16	16
	<u>82</u>	<u>73</u>

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2002	2001
	£	£
Interest receivable from group companies	7,500	20,708
Other interest receivable	12,538	10,997
	<u>20,038</u>	<u>31,705</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank loans and overdrafts	45,850	67,121

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

7 TAXATION

(a) Analysis of charge in year	2002	2001
	£	£
UK corporation tax		
Current tax on income for the year	594,512	534,940
Deferred tax		
Current tax on income for the year	(3,313)	3,592
	<u>591,199</u>	<u>538,532</u>

(b) Factors affecting tax charge for year

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

Profit on ordinary activities before tax	1,975,139	1,794,735
	<u>1,975,139</u>	<u>1,794,735</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%)	592,542	538,421
Effects of:		
Expenses disallowed	7,232	5,165
Movement in general provisions	215	1,736
Capital allowances in excess of depreciation	(5,477)	(10,382)
	<u>594,512</u>	<u>534,940</u>

8 DIVIDENDS

	2002	2001
	£	£
Ordinary shares		
Interim paid	500,000	550,000
	<u>500,000</u>	<u>550,000</u>
of which:		
Dividends on equity shares	500,000	550,000
	<u>500,000</u>	<u>550,000</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

9 TANGIBLE FIXED ASSETS

	Plant and machinery £	Office and computer equipment £	Motor vehicles £	Total £
Cost				
At 1 October 2001	760,019	131,301	33,108	924,428
Additions	121,938	-	21,056	142,994
At 30 September 2002	<u>881,957</u>	<u>131,301</u>	<u>54,164</u>	<u>1,067,422</u>
Depreciation				
At 1 October 2001	247,729	67,057	23,100	337,886
Charge for year	84,131	23,748	8,355	116,234
At 30 September 2002	<u>331,860</u>	<u>90,805</u>	<u>31,455</u>	<u>454,120</u>
Net book amount				
At 30 September 2002	<u>550,097</u>	<u>40,496</u>	<u>22,709</u>	<u>613,302</u>
At 30 September 2001	<u>512,290</u>	<u>64,244</u>	<u>10,008</u>	<u>586,542</u>

10 STOCKS

	2002 £	2001 £
Raw materials	572,391	677,929
Work in progress	136,844	43,459
Finished goods	9,886	52,690
	<u>719,121</u>	<u>774,078</u>

11 DEBTORS

	2002 £	2001 £
Due within one year		
Trade debtors	1,808	3,156
Amounts due from group undertakings	1,954,068	1,504,080
Prepayments & accrued income	95,795	33,469
	<u>2,051,671</u>	<u>1,540,705</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

12 CREDITORS

	2002 £	2001 £
Amounts falling due within one year		
Bank loans and overdrafts (note 14)	500,000	100,000
Trade creditors	402,226	386,800
Amounts owed to group undertakings	63,663	24,474
Corporation tax	327,052	317,835
Other tax and social security	315,725	199,707
Accruals and deferred income	33,383	36,012
	<u>1,642,049</u>	<u>1,064,828</u>

13 CREDITORS

	2002 £	2001 £
Amounts falling due after more than one year		
Bank loans (note 14)	-	700,000
	<u>-</u>	<u>700,000</u>

14 LOANS

Loans fall due for payment as follows:

	2002 £	2001 £
Bank loans		
Within one year	500,000	100,000
Between one and two years	-	100,000
Between two and five years	-	600,000
	<u>500,000</u>	<u>800,000</u>

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
At 1 October 2001	55,639
Credited to profit and loss	(3,313)
At 30 September 2002	52,326

Deferred tax is analysed as follows:

	2002 £	2001 £
Capital allowances	52,326	55,639

16 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 October 2001 and 30 September 2002			
Ordinary shares of £1 each	500,000	200,000	200,000

17 RESERVES

	£
Profit and loss account	
At 1 October 2001	1,586,346
Profit for the year	1,383,940
Dividends	(500,000)
At 30 September 2002	2,470,286

18 SHAREHOLDERS' FUNDS

	2002 £	2001 £
Shareholders' funds at 1 October 2001	1,786,346	1,080,143
Profit for the year	1,383,940	1,256,203
Dividends	(500,000)	(550,000)
Shareholders' funds at 30 September 2002	2,670,286	1,786,346

BRYAN DONKIN VALVES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 30 SEPTEMBER 2002

19 OTHER COMMITMENTS

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

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>-</u>

20 TRANSACTIONS WITH RELATED PARTIES

N A Kjaer is a director and major shareholder of AVK Gummi A/S. Bryan Donkin Valves Limited bought goods and services amounting to **£30,981** (2001 £29,236) from this company during the year.

At the year end **£NIL** (2001 £32) was payable to the company. All transactions were made on terms negotiated between N A Kjaer and Mr Madsen, the General Manager of and other shareholder in AVK Gummi A/S.

As Bryan Donkin Values 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 Kobenhavn
Denmark

21 PENSION COSTS

The company contributes to individual personal money purchase schemes.

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

22 PARENT UNDERTAKINGS

The ultimate controlling 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.