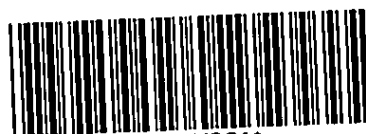


Company Registration No. 1691504 (England and Wales)

PRECISION VALVE UK LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MAY 2008

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PRECISION VALVE UK LIMITED

COMPANY INFORMATION

Directors	Mr J P Abplanalp Mr J C Pizzurro Mr D Evans (Appointed 30 September 2008)
Secretary	Lovells LLP
Company number	1691504
Registered office	21 Holborn Viaduct London EC1A 2DY
Auditors	PricewaterhouseCoopers LLP 10 Bricket Road St Albans AL1 3JX
Business address	Precision House Bakewell Road Orton Southgate Peterborough PE2 6XU

PRECISION VALVE UK LIMITED

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PRECISION VALVE UK LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MAY 2008

The directors present their report and financial statements for the period ended 31 May 2008.

Principal activities and review of the business

Precision Valve UK Limited is a subsidiary of a global corporation and supplies aerosol valves and components to meet the requirements of the supply chain. The results of the company show a net loss of £635,408 (2007: loss £103,475), reflecting the impact of lower volumes achieved since the prior period. The company remains confident that through continued development of process and reduction of costs in line with volumes, the company will return to a positive position in the future.

Future outlook

The market is stable but will continue to be competitive for the foreseeable future. The company will continue to succeed by improving efficiencies, remaining flexible to meet the requirements set by the customers' supply chain and through close working relationships with our customers to develop new products.

Principal risks and uncertainties

From the perspective of the company, the principle risks facing the business are the loss of key customers; fluctuations in exchange rates, credit risk on sales and the impact of interest rates on financing.

Results and dividends

The results for the period are set out on page 5.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

No dividends have been paid or proposed.

Directors

The following directors have held office since 4 June 2007:

Mr J P Abplanalp

Mr P Coutand

Mr J C Pizzurro

Mr D Evans

(Resigned 30 September 2008)

(Appointed 30 September 2008)

Interest in contracts

A family trust created on the death of Mr R H Abplanalp is the recipient of 25% of all royalties paid by Precision Valve UK Limited to Precision Valve Corporation. During the period royalties paid to Precision Valve Corporation totalled £483,703 (2007: £723,346). Directors' interests in the shares of the holding company, Precision Valve Corporation, are disclosed in the accounts of that company.

Charitable donations

The company made no political contributions during the period. Donations to UK charities amounted to £720 (2007: £685).

Employment relations and training

Employees are informed of developments in the company's business activities through formal and informal meetings.

PRECISION VALVE UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

Employment of disabled persons

It is the company's policy to offer equal opportunity to disabled people applying for vacancies having regard to their aptitudes and abilities in relation to the jobs for which they apply.

As far as possible arrangements are made to continue the employment of those employees who have become disabled during the course of their employment with the company. In all instances consideration will be given to arranging appropriate training facilities or providing special aids where necessary. It is the company's policy to provide disabled people with the same opportunities for training, career development and promotion that are available to all employees within the limitation of their aptitude and abilities.

Auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Directors' responsibilities

The directors are responsible for preparing 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). The financial statements are required by law to 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:

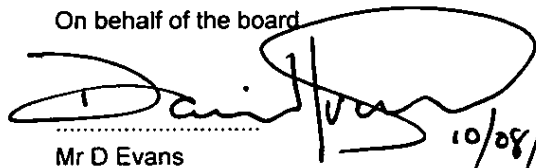
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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 that 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



10/08/2009.

Mr D Evans
Director

PRECISION VALVE UK LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF PRECISION VALVE UK LIMITED

We have audited the financial statements of Precision Valve UK Limited for the period ended 31 May 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

PRECISION VALVE UK LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF PRECISION VALVE UK LIMITED

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2008 and of its loss and cash flows for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

10/8/09

Chartered Accountants

Registered Auditor

10 Bricket Road
St Albans
AL1 3JX

PRECISION VALVE UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 MAY 2008

	Notes	Period ended 31 May 2008 £	Period ended 3 June 2007 £
Turnover	2	20,946,834	23,691,110
Cost of sales		(18,576,729)	(20,824,745)
Gross profit		2,370,105	2,866,365
Distribution costs		(749,584)	(896,931)
Administrative expenses		(2,286,485)	(1,987,398)
Other operating income		-	153,000
Operating (loss)/profit	3	(665,964)	135,036
Other interest receivable and similar income	4	20,711	63,054
Interest payable and similar charges	5	(410,155)	(306,156)
Loss on ordinary activities before taxation		(1,055,408)	(108,066)
Tax on loss on ordinary activities	6	420,000	4,591
Loss for the period	16	(635,408)	(103,475)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 9 to 20 form part of these financial statements.

PRECISION VALVE UK LIMITED

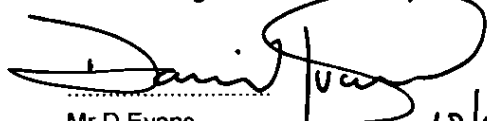
BALANCE SHEET

AS AT 31 MAY 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	8	10,773,973		10,902,836	
Current assets					
Stocks	9	2,062,693		2,629,826	
Debtors	10	5,439,879		5,124,608	
Cash at bank and in hand		804,470		74,755	
		<u>8,307,042</u>		<u>7,829,189</u>	
Creditors: amounts falling due within one year	11	<u>(8,767,001)</u>		<u>(8,654,010)</u>	
Net current liabilities			<u>(459,959)</u>		<u>(824,821)</u>
Total assets less current liabilities		10,314,014		10,078,015	
Creditors: amounts falling due after more than one year	12	(5,887,353)		(4,698,265)	
Deferred tax liability	13	-		(317,681)	
		<u>4,426,661</u>		<u>5,062,069</u>	
Capital and reserves					
Called up share capital	15	5,220,000		5,220,000	
Profit and loss account	16	(793,339)		(157,931)	
Shareholders' funds	17	<u>4,426,661</u>		<u>5,062,069</u>	

The notes on pages 9 to 20 form part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on
and were signed on its behalf by:


Mr D Evans
Director
10/08/2009

6th Aug 2009

PRECISION VALVE UK LIMITED

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MAY 2008

		Period ended 31 May 2008 £	Period ended 3 June 2007 £
Net cash inflow from operating activities	(a)	1,007,765	899,996
Returns on investments and servicing of finance			
Interest received	20,711	63,054	
Interest paid	(410,155)	(306,156)	
Net cash outflow for returns on investments and servicing of finance		(389,444)	(243,102)
Taxation		-	272
Capital expenditure			
Payments to acquire tangible assets	(2,323,874)	(2,329,216)	
Receipts from sales of tangible assets	1,264,242	840,820	
Net cash outflow for capital expenditure		(1,059,632)	(1,488,396)
Net cash outflow before management of liquid (b) resources and financing		(441,311)	(831,230)
Financing			
Other new long term loans	1,190,615	-	
Repayment of long term bank loan	(90,052)	(1,672,045)	
Repayment of other loans	(641,226)	762,107	
Capital element of hire purchase contracts	(121,094)	(237,878)	
Net cash outflow from financing		338,243	(1,147,816)
Decrease in cash in the period	(c)	(103,068)	(1,979,046)

PRECISION VALVE UK LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 MAY 2008

a) Reconciliation of operating (loss)/profit to net cash inflow from operating activities	2008		2007	
	£		£	
Operating (loss)/profit	(665,964)		135,036	
Depreciation of tangible assets	1,212,803		1,148,380	
Profit on disposal of tangible assets	(24,308)		(29,820)	
Decrease/(increase) in stocks	567,133		(978,826)	
Increase in debtors	(212,952)		(204,608)	
Increase in creditors within one year	131,053		829,834	
Net cash inflow from operating activities	1,007,765		899,996	

b) Analysis of net debt	4 June 2007	Cash flow	Other non-cash changes	31 May 2008
	£	£	£	£
Net cash:				
Cash at bank and in hand	74,755	729,715	-	804,470
Bank overdrafts	(1,272,801)	(832,783)	-	(2,105,584)
	<u>(1,198,046)</u>	<u>(103,068)</u>	<u>-</u>	<u>(1,301,114)</u>
Debt:				
Finance leases	(139,122)	(278,906)	-	(418,028)
Debts falling due within one year	(925,797)	824,821	-	(100,976)
Debts falling due after one year	(4,695,265)	(884,158)	-	(5,579,423)
	<u>(5,760,184)</u>	<u>(338,243)</u>	<u>-</u>	<u>(6,098,427)</u>
Net debt	(6,958,230)	(441,311)	-	(7,399,541)

c) Reconciliation of net cash flow to movement in net debt	2008		2007	
	£		£	
Decrease in cash in the period	(103,068)		(1,979,046)	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(338,243)		1,147,816	
Movement in net debt in the period	(441,311)		(831,230)	
Opening net debt	(6,958,230)		(6,127,000)	
Closing net debt	(7,399,541)		(6,958,230)	

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MAY 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the period and is recognised on delivery to the customer. All turnover relates to the sale of aerosol valves and actuators.

1.4 Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period of three years or the contract period, if shorter, commencing in the year sales of the product are first made.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	5%
Plant and machinery	10% - 20%
Fixtures, fittings, tools & equipment	10% - 33%
Assets in the course of construction	nil

No depreciation is provided on freehold land.

1.6 Leasing

Assets obtained under hire purchase contracts are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the actual purchase price is used. For work in progress and finished goods manufactured by the company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

1 Accounting policies (continued)

1.8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

1.9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

Geographical market

	Turnover	
	2008	2007
	£	£
United Kingdom	14,675,142	17,154,110
Europe	4,633,900	5,030,000
Africa	670,594	455,000
North America	295,095	659,000
South America	364,654	206,000
Far East	196,731	39,000
Australia	110,718	148,000
	<u>20,946,834</u>	<u>23,691,110</u>

3 Operating (loss)/profit	2008	2007
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	1,212,803	1,148,380
Loss on foreign exchange transactions	294,021	-
Operating lease rentals	47,356	14,959
Fees payable to the company's auditor for the audit of the company's annual accounts	38,402	32,004
Other services by the auditor	7,627	7,795
and after crediting:		
Profit on disposal of tangible assets	(24,308)	(29,820)
Profit on foreign exchange transactions	-	(28,185)

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

4	Investment income	2008	2007
		£	£
	Bank interest	20,711	63,054
		<u>20,711</u>	<u>63,054</u>
		<u>20,711</u>	<u>63,054</u>
5	Interest payable	2008	2007
		£	£
	On amounts owed to group companies	183,248	125,980
	On bank loans and overdrafts	89,576	37,697
	On other loans wholly repayable within five years	20,605	30,640
	On loans repayable after five years	116,726	111,839
		<u>410,155</u>	<u>306,156</u>
		<u>410,155</u>	<u>306,156</u>

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

6	Taxation	2008 £	2007 £
	Deferred tax		
	Origination and reversal of timing differences	(420,000)	(4,591)
	Factors affecting the tax charge for the period		
	The tax assessed for the period is higher (2007: higher) than the standard rate of corporation tax in the UK. The differences are explained below:		
	Loss on ordinary activities before taxation	(1,055,408)	(108,066)
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2007 - 30.00%)	(295,514)	(32,420)
	Effects of:		
	Non deductible expenses	27,000	27,420
	Capital allowances	5,000	5,000
	Tax losses	263,514	-
		295,514	32,420
	Current tax charge	-	-

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. There are no other factors affecting the future tax charge.

7	Intangible fixed assets	Development & design costs £
	Cost	
	At 4 June 2007 & at 31 May 2008	34,329
	Amortisation	
	At 4 June 2007 & at 31 May 2008	34,329
	Net book value	
	At 31 May 2008	-
	At 3 June 2007	-

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

8 Tangible fixed assets

	Freehold land and buildings	Plant and machinery	Fixtures, fittings, tools & equipment	Assets in the course of construction	Total
	£	£	£	£	£
Cost					
At 4 June 2007	5,325,731	16,617,688	898,794	1,460,904	24,303,117
Additions	-	1,916,299	2,391	405,184	2,323,874
Disposals	-	(296,000)	-	(1,233,934)	(1,529,934)
At 31 May 2008	5,325,731	18,237,987	901,185	632,154	25,097,057
Depreciation					
At 4 June 2007	455,105	12,089,735	855,441	-	13,400,281
On disposals	-	(290,000)	-	-	(290,000)
Charge for the period	209,502	993,289	10,012	-	1,212,803
At 31 May 2008	664,607	12,793,024	865,453	-	14,323,084
Net book value					
At 31 May 2008	4,661,124	5,444,963	35,732	632,154	10,773,973
At 3 June 2007	4,867,895	4,531,000	43,037	1,460,904	10,902,836

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 May 2008	762,365
At 3 June 2007	268,442
Depreciation charge for the period	
At 31 May 2008	124,341
At 3 June 2007	185,775

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

9 Stock and work in progress	2008 £	2007 £
Raw materials and consumables	927,845	887,058
Work in progress	699,192	978,159
Finished goods and goods for resale	435,656	764,609
	<u>2,062,693</u>	<u>2,629,826</u>

10 Debtors	2008 £	2007 £
Trade debtors	2,758,214	2,906,475
Amounts due from group undertakings	2,009,103	1,847,000
Other debtors	301,330	41,310
Prepayments and accrued income	268,913	329,823
Deferred tax asset (see note 13)	102,319	-
	<u>5,439,879</u>	<u>5,124,608</u>

Group balances relate to trading transactions and are subject to normal trading terms.

11 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	2,206,560	1,405,756
Net obligations under finance leases	110,098	136,122
Trade creditors	1,570,752	1,466,000
Amounts owed to parent and fellow subsidiary undertakings	3,665,341	3,026,000
Taxes and social security costs	502,021	299,778
Other creditors	-	792,842
Accruals and deferred income	712,229	1,527,512
	<u>8,767,001</u>	<u>8,654,010</u>

Obligations under finance leases are secured upon the assets to which they relate.

Group balances relate to trading transactions and are subject to normal trading terms. They are unsecured and interest free.

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

12 Creditors: amounts falling due after more than one year	2008 £	2007 £
Bank loans	1,652,927	1,711,000
Other loans	3,926,496	2,984,265
Net obligations under finance leases	307,930	3,000
	<u>5,887,353</u>	<u>4,698,265</u>
Analysis of loans		
Not wholly repayable within five years	5,680,399	5,621,062
Included in current liabilities	(100,976)	(925,797)
	<u>5,579,423</u>	<u>4,695,265</u>

Other loans consist of a mortgage which is secured on the land and buildings of the company from Lloyds TSB. The interest rate payable upon the mortgage is 1% above the Bank of England Base rate. Approximately £571,000 of the bank loan is due within five years.

There are no fixed repayment terms on the other loans. Included in other loans is an amount of £1.2m payable to a group undertaking. The terms of this loan are renewed every 3 months and interest is charged at 3.38% per annum. All other amounts are unsecured and interest free. It is the view of the directors' that the substance of these loans that the amounts will not be repaid within one year.

Obligations under finance leases are secured upon the assets to which they relate.

Net obligations under finance leases		
Repayable within one year	141,296	149,122
Repayable between one and five years	348,344	4,000
	<u>489,640</u>	<u>153,122</u>
Finance charges and interest allocated to future accounting periods	(71,612)	(14,000)
	<u>418,028</u>	<u>139,122</u>
Included in liabilities falling due within one year	(110,098)	(136,122)
	<u>307,930</u>	<u>3,000</u>

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

13 Deferred taxation

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2008 £
Balance at 4 June 2007	(317,681)
Amounts recognised in relation to available tax losses	420,000
	<u>102,319</u>
Balance at 31 May 2008	<u>102,319</u>

	2008 £	2007 £
Accelerated capital allowances	(767,681)	(797,681)
Other timing differences	870,000	480,000
	<u>102,319</u>	<u>(317,681)</u>
Provision for deferred taxation	<u>102,319</u>	<u>(317,681)</u>

During the year, as a result of the change in UK Corporation Tax rate which was effective from 1 April 2008, deferred tax balances have been remeasured. Deferred tax relating to timing differences which were expected to reverse prior to 1 April 2008 was measured at 30% and deferred tax relating to timing differences expected to reverse after 1 April 2008 was measured at the tax rate of 28% as this is the tax rate that will apply on reversal.

14 Pension and other post-retirement benefit commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £155,486 (2007 - £146,694). Contributions due to the pension scheme and included within creditors at the year end totalled £23,973 (2007 - £24,447).

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

15 Share capital	2008 £	2007 £
Authorised		
5,220,000 Ordinary shares of £1 each	5,220,000	5,220,000

The company's shares are held as follows:

Allotted, called up and fully paid		
Deutsche Prazisions Ventil GMBH	1,000,000	1,000,000
Precision Valve Corporation	1,865,000	1,865,000
Valve Precision France S.A.	2,355,000	2,355,000
	<u>5,220,000</u>	<u>5,220,000</u>

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 4 June 2007	(157,931)
Loss for the period	(635,408)
Balance at 31 May 2008	<u>(793,339)</u>

17 Reconciliation of movements in shareholders' funds	2008 £	2007 £
Loss for the financial period	(635,408)	(103,475)
Opening shareholders' funds	<u>5,062,069</u>	<u>5,165,544</u>
Closing shareholders' funds	<u>4,426,661</u>	<u>5,062,069</u>

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

18 Financial commitments

At 31 May 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 May 2009:

	Other 2008 £	2007 £
Operating leases which expire:		
Within one year	16,254	19,000
Between two and five years	27,341	15,000
	<u>43,595</u>	<u>34,000</u>

19 Capital commitments

At 31 May 2008 the company had capital commitments as follows:

	2008 £	2007 £
Contracted for but not provided in the financial statements	<u>-</u>	<u>88,000</u>

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

20 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2008 Number	2007 Number
Management	9	10
Administration	16	17
Production and sales	121	164
	<u>146</u>	<u>191</u>

Employment costs	2008 £	2007 £
Wages and salaries	3,952,510	4,484,000
Social security costs	374,838	389,000
Other pension costs	155,486	147,000
	<u>4,482,834</u>	<u>5,020,000</u>

No director received any emoluments from the company (2007 - £nil).

21 Control

The intermediate parent under taking is Valve Precision France, a company incorporated in France.

The company's ultimate parent undertaking and controlling party, which is also the parent undertaking of the smallest and largest group to consolidate these financial statements, is Precision Valve Corporation, which is incorporated in the United States of America and is registered at 700 Nepperhan Avenue, Yonkers, New York, 10702.

22 Related party transactions

A family trust created on the death of Mr R H Abplanalp is the recipient of 25% of all royalties paid by Precision Valve UK Limited to Precision Valve Corporation. During the year, royalties paid to Precision Valve Corporation totalled £483,703 (2007 - £723,346), the amount owed to that company at the year end was £117,830 (2007 - £97,086).

PRECISION VALVE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MAY 2008

23 Post balance sheet events

The company increased its authorised share capital to 5,720,000 ordinary shares of £1 each on 10 February 2009. The company issued a further 500,000 ordinary shares of £1 each at par on 11 February 2009 to Deutsche Prazisions Ventil GmbH in consideration for a intercompany loan between Precision Valve UK Limited and Deutsche Prazisions Ventil GmbH.