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ABERDEEN VALVE SUPPLIES LIMITED
(Company Number: SC169981)

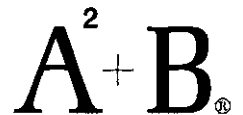
ABBREVIATED ACCOUNTS

31 MARCH 2009



Anderson Anderson & Brown LLP
Chartered Accountants

ABERDEEN VALVE SUPPLIES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

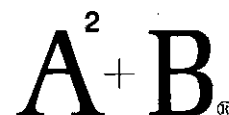


Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts 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 which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the accounts 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.

**INDEPENDENT AUDITORS' REPORT TO ABERDEEN VALVE SUPPLIES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**



We have examined the abbreviated accounts on pages 3 to 6 together with the full accounts of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 2009.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts and whether or not the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion on the abbreviated accounts

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31 March 2009 and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance therewith.

Anderson Anderson & Brown LLP

Anderson Anderson & Brown LLP
Chartered Accountants
Registered Auditors
Aberdeen

30 July 2009

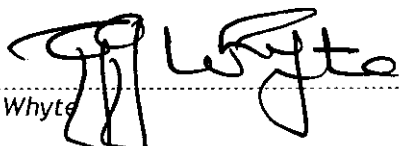
ABERDEEN VALVE SUPPLIES LIMITED
ABBREVIATED BALANCE SHEET - 31 MARCH 2009

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	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	2	<u>199,974</u>	<u>130,972</u>
CURRENT ASSETS			
Stocks		257,186	142,652
Debtors		1,854,342	980,742
Cash at bank and in hand	3	<u>316,106</u>	<u>11,645</u>
		2,427,634	1,135,039
CREDITORS: <i>amounts falling due within one year</i>	4	<u>2,042,057</u>	<u>990,618</u>
NET CURRENT ASSETS		<u>385,577</u>	<u>144,421</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		585,551	275,393
CREDITORS: <i>amounts falling due after more than one year</i>	4	126,191	1,706
PROVISION FOR LIABILITIES AND CHARGES		<u>15,150</u>	<u>10,952</u>
		<u>£ 444,210</u>	<u>£ 262,735</u>
CAPITAL AND RESERVES			
Called up share capital	5	152,599	152,599
Profit and loss account		<u>291,611</u>	<u>110,136</u>
SHAREHOLDERS' FUNDS		<u>£ 444,210</u>	<u>£ 262,735</u>

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

Signed on behalf of the board of directors


Director - G Whyte

30/3/2009.

Date

1. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

The company has taken advantage of the exemption in FRS1 (Revised) from preparing a cash flow statement as it is a small sized company.

(b) *Depreciation*

The cost of fixed assets is written off by equal monthly instalments over their expected useful lives as follows:

Plant and machinery	20% straight line
Computer equipment	33% straight line
Office equipment	25% straight line
Motor vehicles	25% straight line

(c) *Stocks*

Stocks are valued at the lower of cost and net realisable value with due allowance for any obsolete or slow-moving items.

(d) *Taxation*

Current tax, including UK corporation tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have been originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in the period which are different from those recognised in the accounts. Deferred tax has been measured on a non-discounted basis.

(e) *Foreign currencies*

Assets, liabilities, revenues and costs denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions; monetary assets and liabilities at the balance sheet date are translated at the year-end rate of exchange. The resulting profits or losses are dealt with in the profit and loss account.

(f) *Leasing and hire purchase commitments*

Assets obtained under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease.

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES (continued)

(g) *Pensions*

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable.

(h) *Work in progress*

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2. TANGIBLE FIXED ASSETS

	£
COST	
At 1 April 2008	162,282
Additions	97,938
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At 31 March 2009	260,220
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DEPRECIATION	
At 1 April 2008	31,310
Charge for year	28,936
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At 31 March 2009	60,246
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Net book amounts at:	
31 March 2009	£ 199,974
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31 March 2008	£ 130,972
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The net book value of plant, machinery and motor vehicles includes an amount of £169,280 (2008 - £12,910) in respect of assets held under hire purchase contracts and finance leases.

3. CASH AT BANK AND IN HAND

Included within the bank balance is an amount of £185,281 which is held in a separately designated, ring fenced account with the bank. Funds in this account are to be used solely for the satisfaction of any earn out consideration that becomes due by the parent company AVS2 Limited under the terms of the share purchase agreement.

4. SECURITY

Clydesdale Bank plc hold cross guarantees supported by floating charges over the assets of AVS2 Limited, Aberdeen Valve Supplies Limited and LG Ball Valves Limited. The bank has also been assigned the trade debtors relating to the invoice finance facility.

5. CALLED UP SHARE CAPITAL

2009 & 2008

Authorised: Ordinary shares of £1 each

£ 152,599

Allotted, called up and fully paid: Ordinary shares of £1 each

£ 152,599

6. TRANSACTIONS WITH DIRECTORS

Transactions

During the year the company entered into transactions with directors as follows:

Related party	Transaction	£	Balance at year end £
S Aitken (Director)	Loan	(23,221)	-

The maximum amount outstanding on the director's loan was £23,221. No interest has been charged on the loan.

7. ULTIMATE PARENT COMPANY

The parent company is AVS2 Limited, a company registered in Scotland.