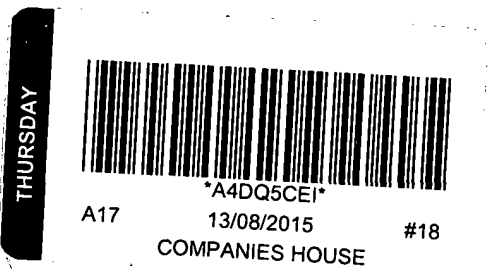


BEL VALVES LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

Registered number: 00167542



BEL VALVES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8 - 19

BEL VALVES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED MAY 2, 2015

OBJECTIVES AND STRATEGY

The company supplies high pressure valves, actuators and controls to the oil and gas industry. The directors do not expect any change in the company's activities during the next financial year.

BUSINESS REVIEW

The directors consider the results of the year to be satisfactory and are cautiously optimistic that the company's key markets will continue to exhibit favourable trading conditions over the coming year.

The development, performance and position of the British Engines Limited group of companies, which include the company, are discussed in the group's annual report

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of British Engines Limited manage the group's risks at a group level, rather than at a subsidiary entity level. The principal risks and uncertainties, including financial risk management of the British Engines Limited group of companies, which include those of the company, are discussed in the group's annual report.

KEY PERFORMANCE INDICATORS

The directors of British Engines Limited manage the group's operations on a divisional basis. For this reason, the company's directors believe that analysis using key performance indicators of the company is not necessary or appropriate for an understanding of BEL Valves Limited.

This report was approved by the board and signed on its behalf.



M K McDermott
Director
Date: June 26, 2015

BEL VALVES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED MAY 2, 2015

The directors present their report and the financial statements for the year ended May 2, 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, the Directors' report and 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £6,189,000 (2014 (restated) - £12,995,000).

An interim dividend of 23.6 pence (2014: 23.6 pence) per share totalling £2,003,000 (2014: £2,003,000) was paid during the year. The directors do not recommend a payment of a final dividend (2014: £Nil).

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

A H Lamb
N Kirkbride
J C Lamb
M K McDermott

BEL VALVES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED MAY 2, 2015

RESEARCH AND DEVELOPMENT ACTIVITIES

A continuous programme of research and development is undertaken to introduce new products and to improve existing products and production processes. The total expenditure during the year, including staff costs and capitalised development expenditure was £2,551,000 (2014 (restated): £1,805,000).

EMPLOYEE INVOLVEMENT

The company is openly and formally committed to the promotion of management-led voluntary employee involvement, especially through communication, consultation and joint problem-solving with the aim of enlisting the constructive participation of employees in promoting the productivity, competitiveness and prosperity of the company.

It is the company's policy that there shall be equal opportunity for employees or applicants for employment with the company regardless of:

- (a) colour, race, nationality or ethnic origins;
- (b) sex or marital status.

DISABLED EMPLOYEES

It is the policy of the company to give full and fair consideration to employment applications made by disabled persons, having regard to their particular aptitudes and abilities, and to continue the employment of, and to arrange appropriate training for employees who become disabled while employed by the company.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with the provisions of s418 of the Companies Act 2006, each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on June 26, 2015 and signed on its behalf.



M K McDermott
Director

BEL VALVES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEL VALVES LIMITED

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, BEL Valves Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 2 May 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

BEL Valves Limited's financial statements comprise:

- the balance sheet as at 2 May 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

BEL VALVES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BEL VALVES LIMITED

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK & Ireland) ("ISAs (UK and Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

What an audit of financial statements involves

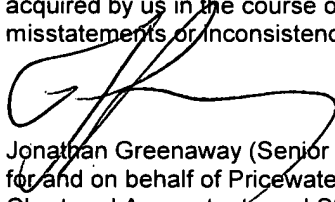
We conducted our audit in accordance with ISAs (UK & Ireland)". An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jonathan Greenaway (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

26 June 2015

BEL VALVES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MAY 2, 2015**

	Note	2015 £000	2014 £000 (restated)
TURNOVER	1,2	70,767	86,117
Cost of sales		(54,254)	(59,224)
GROSS PROFIT		16,513	26,893
Distribution costs		(4,057)	(4,698)
Administrative expenses		(5,315)	(7,161)
OPERATING PROFIT	3	7,141	15,034
Income from other fixed asset investments		38	-
Interest payable and similar charges	6	(106)	(109)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,073	14,925
Tax on profit on ordinary activities	7	(884)	(1,930)
PROFIT FOR THE FINANCIAL YEAR	17	6,189	12,995

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents.

The notes on pages 8 to 19 form part of these financial statements.

BEL VALVES LIMITED
REGISTERED NUMBER: 00167542

BALANCE SHEET
AS AT MAY 2, 2015

	Note	£000	2 May 2015 £000	£000 (restated)	3 May 2014 £000 (restated)
FIXED ASSETS					
Intangible assets	8		3,202		1,738
Tangible assets	9		14,570		11,782
Investments	10		855		528
			<u>18,627</u>		<u>14,048</u>
CURRENT ASSETS					
Stocks	11	11,428		10,731	
Debtors	12	42,889		50,260	
Cash at bank and in hand		5,647		5,044	
			<u>59,964</u>	<u>66,035</u>	
CREDITORS: amounts falling due within one year	13	(27,446)		(34,718)	
NET CURRENT ASSETS			<u>32,518</u>		<u>31,317</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>51,145</u>		<u>45,365</u>
CREDITORS: amounts falling due after more than one year	14		(3,693)		(2,647)
PROVISIONS FOR LIABILITIES					
Deferred tax	15		(1,585)		(1,037)
NET ASSETS			<u>45,867</u>		<u>41,681</u>
CAPITAL AND RESERVES					
Called up share capital	16		8,485		8,485
Share premium account	17		781		781
Capital redemption reserve	17		48		48
Revaluation reserve	17		5,156		5,156
Profit and loss account	17		31,397		27,211
SHAREHOLDERS' FUNDS	19		<u>45,867</u>		<u>41,681</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on June 26, 2015.



M K McDermott
 Director

BEL VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 2, 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The accounting policies set out below have been consistently applied, other than the capitalisation of development expenditure as detailed in note 18.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Where turnover has not been invoiced it is held within accrued income.

1.4 Intangible fixed assets and amortisation

Patents and capitalised development costs are held at cost and amortised over 2-5 years on a straight line basis.

1.5 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 & machinery	-	5 to 20 years
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1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

BEL VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 2, 2015

1. ACCOUNTING POLICIES (continued)

1.8 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the Profit and loss account.

1.12 Research and development

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits, and are amortised on the straight line basis over the anticipated life of the benefits arising from the completed product or project.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

1.13 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and loss account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and loss account as the related expenditure is incurred.

BEL VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 2, 2015

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. TURNOVER

The whole of the turnover is attributable to the principal activity.

A geographical analysis of turnover is as follows:

	2015 £000	2014 £000
United Kingdom	19,999	24,975
Rest of world	50,768	61,142
	<u>70,767</u>	<u>86,117</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2015 £000	2014 £000 (restated)
Amortisation - intangible fixed assets	149	149
Depreciation of tangible fixed assets:		
- owned by the company	1,202	1,113
- held under finance leases	578	708
Operating lease rentals:		
- plant and machinery	243	254
- other operating leases	18	18
Difference on foreign exchange	52	(212)
Amortisation of deferred research and development expenditure	216	-
Research and development expenditure written off	496	208
	<u>496</u>	<u>208</u>

No audit remuneration has been charged in these accounts as this has been paid by another group company.

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

4. STAFF COSTS

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

	2015 £000	2014 £000
Wages and salaries	20,406	19,002
Social security costs	2,155	2,011
Other pension costs	1,279	971
	<u>23,840</u>	<u>21,984</u>

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

	2015 No.	2014 No.
Production	501	468
Administration	52	43
	<u>553</u>	<u>511</u>

5. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Remuneration	<u>349</u>	<u>469</u>
Company pension contributions to defined contribution pension schemes	<u>10</u>	<u>57</u>

During the year retirement benefits were accruing to 4 directors (2014 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £169,000 (2014 - £209,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2014 - £45,000).

6. INTEREST PAYABLE

	2015 £000	2014 £000
On bank loans and overdrafts	-	15
On finance leases and hire purchase contracts	106	94
	<u>106</u>	<u>109</u>

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

7. TAXATION

	2015 £000	2014 £000 (restated)
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	621	2,641
Adjustments in respect of prior periods	(284)	(806)
Total current tax	<u>337</u>	<u>1,835</u>
Deferred tax		
Origination and reversal of timing differences	483	216
Effect of decreased tax rate on opening liability	(21)	(111)
Adjustments in respect of prior periods	85	(10)
Total deferred tax (see note 15)	<u>547</u>	<u>95</u>
Tax on profit on ordinary activities	<u><u>884</u></u>	<u><u>1,930</u></u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2014 - lower than) the standard rate of corporation tax in the UK of 20.92% (2014 - 22.83%). The differences are explained below:

	2015 £000	2014 £000 (restated)
Profit on ordinary activities before tax	<u>7,073</u>	<u>14,925</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.92% (2014 - 22.83%)	1,480	3,407
Effects of:		
Expenses not deductible for tax purposes	20	36
Capital allowances for year in excess of depreciation	(557)	(253)
Adjustments to tax charge in respect of prior periods	(284)	(806)
Short term timing difference leading to an increase (decrease) in taxation	74	37
Non-taxable income	(8)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(15)	-
Group relief	(673)	(875)
Transfer pricing adjustments	300	289
Current tax charge for the year (see note above)	<u><u>337</u></u>	<u><u>1,835</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

8. INTANGIBLE FIXED ASSETS

	Patents £000	Develop- ment £000	Total £000
Cost			
At May 4, 2014 (restated)	827	1,401	2,228
Additions	-	1,829	1,829
	<u>827</u>	<u>3,230</u>	<u>4,057</u>
At May 2, 2015	827	3,230	4,057
Amortisation			
At May 4, 2014	490	-	490
Charge for the year	149	216	365
	<u>639</u>	<u>216</u>	<u>855</u>
At May 2, 2015	639	216	855
Net book value			
At May 2, 2015	<u>188</u>	<u>3,014</u>	<u>3,202</u>
At May 3, 2014 (restated)	<u>337</u>	<u>1,401</u>	<u>1,738</u>

9. TANGIBLE FIXED ASSETS

	Plant & machinery £000
Cost	
At May 4, 2014	29,160
Additions	4,902
Transfers intra group	(415)
Disposals	(221)
	<u>33,426</u>
At May 2, 2015	33,426
Depreciation	
At May 4, 2014	17,378
Charge for the year	1,780
Transfers intra group	(86)
On disposals	(216)
	<u>18,856</u>
At May 2, 2015	18,856
Net book value	
At May 2, 2015	<u>14,570</u>
At May 3, 2014	<u>11,782</u>

BEL VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 2, 2015

9. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2 May 2015 £000	3 May 2014 £000
Plant and machinery	8,273	5,634

10. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
Cost or valuation	
At May 4, 2014	528
Additions	855
Disposals	(528)
At May 2, 2015	<u>855</u>
Net book value	
At May 2, 2015	<u>855</u>
At May 3, 2014	<u>528</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
BEL Valves Inc	Ordinary	90 %
BEL Valves Brasil Valvulas Ltda	Ordinary	100 %
Neptune Test Centre Limited	Ordinary	76 %

The directors believe that the carrying values of the investments are supported by their underlying net assets.

The Durham, Gateshead, Newcastle upon Tyne, North Tyneside, Northumberland, South Tyneside and Sunderland Combined Authority hold a fixed charge over the company's shareholding in Neptune Test Centre Limited.

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

11. STOCKS

	2 May 2015 £000	3 May 2014 £000
Raw materials	9,882	8,131
Work in progress	18,045	14,582
Finished goods and goods for resale	1,854	1,611
Less: progress payments on account	(18,353)	(13,593)
	<u>11,428</u>	<u>10,731</u>

12. DEBTORS

	2 May 2015 £000	3 May 2014 £000
Due after more than one year		
Amounts owed by group undertakings	1,150	-
Due within one year		
Trade debtors	11,262	11,387
Amounts owed by group undertakings	25,733	27,277
Other debtors	344	287
Prepayments and accrued income	4,400	11,309
	<u>42,889</u>	<u>50,260</u>

Amounts owed by group undertakings due within one year are unsecured, interest free and have no fixed date of repayment.

Amounts owed by group undertakings due after more than one year are unsecured, interest free and repayable via instalments.

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

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

	2 May 2015 £000	3 May 2014 £000 (restated)
Net obligations under finance leases and hire purchase contracts	1,535	1,251
Trade creditors	5,533	7,638
Amounts owed to group undertakings	321	733
Corporation tax	205	2,339
Other taxation and social security	648	636
Other creditors	6,256	6,094
Accruals and deferred income	12,948	16,027
	<u>27,446</u>	<u>34,718</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment.

**14. CREDITORS:
Amounts falling due after more than one year**

	2 May 2015 £000	3 May 2014 £000
Net obligations under finance leases and hire purchase contracts	3,693	2,647
	<u>3,693</u>	<u>2,647</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2 May 2015 £000	3 May 2014 £000
Between one and five years	3,693	2,647
	<u>3,693</u>	<u>2,647</u>

On 14 August 2014 the group agreed new banking facilities of £45,000,000 with National Westminster Bank plc and Lloyds Bank plc. The company has access to these facilities, which comprise a revolving credit facility of £25,000,000 and bonding facilities of £20,000,000. The revolving credit facility is committed for five years from the date of the agreement. No amounts were drawn under the revolving credit facility as at 2 May 2015 and 3 May 2014.

Interest rates are payable on a fixed and floating rate basis.

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

15. DEFERRED TAXATION

	2 May 2015 £000	3 May 2014 £000 (restated)
At beginning of year	1,037	942
Charge for year (P&L)	548	95
At end of year	<u>1,585</u>	<u>1,037</u>

The provision for deferred taxation is made up as follows:

	2 May 2015 £000	3 May 2014 £000 (restated)
Accelerated capital allowances	1,690	1,072
Short term timing differences	(105)	(35)
	<u>1,585</u>	<u>1,037</u>

16. SHARE CAPITAL

	2 May 2015 £000	3 May 2014 £000
Authorised		
10,000,000 ordinary shares of £1 each	10,000	10,000
3,000 4.2% ordinary shares of £1 each	3	3
	<u>10,003</u>	<u>10,003</u>
Allotted, called up and fully paid		
8,485,427 ordinary shares of £1 each	<u>8,485</u>	<u>8,485</u>

17. RESERVES

	Share premium account £000	Capital redempt'n reserve £000	Revaluat'n reserve £000	Profit and loss account £000
At May 4, 2014 (restated)	781	48	5,156	27,211
Profit for the year	-	-	-	6,189
Dividends: Equity capital	-	-	-	(2,003)
At May 2, 2015	<u>781</u>	<u>48</u>	<u>5,156</u>	<u>31,397</u>

BEL VALVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 2, 2015

18. PRIOR YEAR ADJUSTMENT

Comparative figures have been restated to reflect a change in accounting policy. Development expenditure that meets the criteria set out in SSAP 13 "Accounting for research and development" are capitalised and amortised over the expected useful economic life. Previously development expenditure was charged to the profit and loss account in the period which it was incurred.

As a result, comparative figures for the year ended 3 May 2014 have been adjusted as follows, the previously reported profit for the financial year of £11,988,000 has increased by £1,007,000 to £12,995,000 and net assets previously reported of £40,674,000 have increased by £1,007,000 to £41,681,000.

19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2 May 2015 £000	3 May 2014 £000 (restated)
Opening shareholders' funds	41,681	30,689
Profit for the financial year	6,189	12,995
Dividends (Note 20)	(2,003)	(2,003)
Closing shareholders' funds	<u>45,867</u>	<u>41,681</u>

20. DIVIDENDS

	2015 £000	2014 £000
Dividends paid on equity capital	<u>2,003</u>	<u>2,003</u>

21. CONTINGENT LIABILITIES

The company is a participant in a group banking arrangement and issues guarantees and bonds in the normal course of business, the amount of which fluctuates from time to time.

22. CAPITAL COMMITMENTS

At May 2, 2015 the company had capital commitments as follows:

	2 May 2015 £000	3 May 2014 £000
Contracted for but not provided in these financial statements	<u>886</u>	<u>2,291</u>

23. PENSION COMMITMENTS

The company participates in a group defined contribution pension scheme. The assets of the pension scheme are held separately in an independently administered fund. The pension cost represents contributions payable by the company to the fund and amounted to £1,279,000 (2014: £971,000).

BEL VALVES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MAY 2, 2015**

24. OPERATING LEASE COMMITMENTS

At May 2, 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2 May	3 May	2 May	3 May
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Within 1 year	18	18	40	95
Between 2 and 5 years	-	-	215	115
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

25. RELATED PARTY TRANSACTIONS

As the company is a wholly owned subsidiary of British Engines Limited it had taken advantage of the exemption under the terms of Financial Reporting Standard 8 'Related party disclosures' from disclosing related party transactions with entities that are part of the British Engines Limited group or investees in the British Engines Limited group.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and ultimate controlling party is British Engines Limited, a company registered in England, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group financial statements may be obtained from the company secretary at the following address: 11 Glasshouse Street, St Peters, Newcastle upon Tyne, NE6 1BS.

The immediate parent undertaking is British Engines (UK) Limited, a company registered in England.