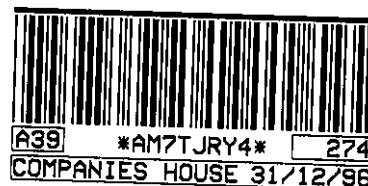


HYDRA-CAPSULE LIMITED
(REGISTERED NUMBER 2129607)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1996



· HYDRA-CAPSULE LIMITED
YEAR ENDED 31 MARCH 1996

DIRECTORS

C.J. Davies
M. Hughes
H.N. Davies

COMPANY SECRETARY

C.J. Davies

REGISTERED OFFICE

Hydra House,
Bishops Frome,
Worcestershire.

REGISTERED NUMBER

2129607 (England and Wales)

REPORTING ACCOUNTANTS

Beard + Company,
Burleigh,
Old Church Road,
Colwall,
Worcestershire.
WR13 6EZ

· HYDRA-CAPSULE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996

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HYDRA-CAPSULE LIMITED
DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 1996.

PRINCIPAL ACTIVITIES

The Company's principal activities continue to be the provision of hydraulic jacking and lifting apparatus and temporary support work in the field of mechanical engineering.

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of ordinary shares of £1 each			
	Beneficial		Non Beneficial	
	31.3.96	31.3.95	31.3.96	31.3.95
C.J. Davies	1400	1400	600	600
M. Hughes	Nil	Nil	Nil	Nil
H.N. Davies (appointed 22.4.96)	Nil	Nil	Nil	Nil

This report was approved by the board of directors on 26 November 1996, taking advantage of special exemptions available to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

C.J. DAVIES
Director



ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF
HYDRA-CAPSULE LIMITED

We report on the accounts for the year ended 31 March 1996 set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249 C (6) of the act; and
 - (ii) the company satisfies the conditions for exemption from an audit of the accounts for the year specified in Section 249 A (4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249 B (1).



BEARD + COMPANY

Reporting Accountants

Burleigh,
Old Church Road,
Colwall.

26 November 1996

HYDRA-CAPSULE LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 1996

	Notes	1996 £	1995 £
TURNOVER - continuing activities		186854	142086
Cost of sales		<u>(77498)</u>	<u>(46821)</u>
GROSS PROFIT		109356	95265
Administration expenses		<u>(80356)</u>	<u>(74092)</u>
OPERATING PROFIT	2	29000	21173
(Loss)profit on disposal of fixed assets		<u>(2297)</u>	<u>30</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		26703	21203
Interest payable		<u>(5938)</u>	<u>(8351)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		20765	12852
Taxation	3	<u>(5292)</u>	<u>(4096)</u>
RETAINED PROFIT FOR THE YEAR	9	<u><u>15473</u></u>	<u><u>8756</u></u>

There were no recognised gains or losses other than those included in the profit and loss account.

HYDRA-CAPSULE LIMITED

BALANCE SHEET

AT 31 MARCH 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible assets	4	151956	160526
CURRENT ASSETS			
Stock and work in progress		65718	64848
Debtors	5	30117	57551
Cash at bank and in hand		36	36
		95871	122435
CREDITORS: Amounts falling due within one year	6	(110286)	(160647)
NET CURRENT (LIABILITIES)		(14415)	(38212)
TOTAL ASSETS LESS CURRENT LIABILITIES		137541	122314
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	7	(6788)	(7034)
NET ASSETS		130753	115280
CAPITAL AND RESERVES			
Called-up share capital	8	2000	2000
Profit and loss account	9	128753	113280
Shareholders' funds	10	130753	115280

The directors consider that the company is entitled to exemption from the requirements to have an audit under the provisions of Section 249A(2) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 1996 and of its profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements were approved by the board of directors on 26 November 1996 and signed on its behalf. In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part 1 of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

C.J. DAVIES
Director



· HYDRA-CAPSULE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption in FRS1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 TURNOVER

Turnover comprises the invoiced value of goods and services supplied by the company net of value added tax.

TANGIBLE FIXED ASSETS

1.3 Tangible fixed assets are stated in the balance sheet at cost less depreciation.

DEPRECIATION

1.4 Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	2% reducing balance basis
Plant and equipment	15% reducing balance basis
Office equipment	20% reducing balance basis
Motor vehicles	25% reducing balance basis

1.5 STOCK AND WORK IN PROGRESS

Stock 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.

1.6 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

OPERATING LEASES

1.7 Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

PENSIONS

1.8 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.

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

		1996	1995
		£	£
2.	OPERATING PROFIT		
	The operating profit is stated after charging:		
	Depreciation of tangible fixed assets - owned	17316	18766
	Directors remuneration	725	5898
	Pension costs	725	725
		<u>725</u>	<u>725</u>
3.	TAXATION		
		£	£
	UK Corporation tax at 25%:		
	Current	6665	3897
	(Over)under provision in prior years	(1127)	(324)
	Deferred tax	(246)	523
		<u>(246)</u>	<u>523</u>
		5292	4096
		<u>5292</u>	<u>4096</u>
4.	TANGIBLE FIXED ASSETS		
		Freehold property £	Plant and equipment £
			Total £
	COST		
	At 1 April 1995	80307	157188
	Additions	525	10518
	Disposals	-	(4400)
		<u>-</u>	<u>(4400)</u>
	At 31 March 1996	80832	163306
		<u>80832</u>	<u>163306</u>
	DEPRECIATION		
	At 1 April 1995	5879	71090
	Charge for the year	1500	15816
	Eliminated on disposals	-	(2103)
		<u>-</u>	<u>(2103)</u>
	At 31 March 1996	7379	84803
		<u>7379</u>	<u>84803</u>
	NET BOOK VALUE		
	At 31 March 1996	73453	78503
		<u>73453</u>	<u>78503</u>
	At 31 March 1995	74428	86098
		<u>74428</u>	<u>86098</u>

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

5.	DEBTORS		1996	1995	
			£	£	
	Amounts falling due within one year:				
	Trade debtors		24015	49410	
	Prepayments		5899	6970	
	Other debtors (see note 11)		203	1171	
			<u>30117</u>	<u>57551</u>	
6.	CREDITORS		£	£	
	Amounts falling due within one year:				
	Bank overdraft (secured)		48649	51605	
	Trade creditors		12581	18910	
	Corporation tax		6665	9197	
	Other taxation and social security		2512	2953	
	Accruals		5579	7122	
	Directors loans (secured)		34300	70860	
			<u>110286</u>	<u>160647</u>	
7.	DEFERRED TAXATION				
			Maximum potential		
		Provided for	liability		
		1996	1995	1996	1995
		£	£	£	£
	Accelerated capital allowances	<u>6788</u>	<u>7034</u>	<u>6788</u>	<u>7034</u>
8.	CALLED-UP SHARE CAPITAL			1996	1995
				£	£
	Authorised:				
	2000 ordinary shares of £1 each			<u>2000</u>	<u>2000</u>
	Allotted, called-up and fully paid:				
	2000 ordinary shares of £1 each			<u>2000</u>	<u>2000</u>
9.	PROFIT AND LOSS ACCOUNT			£	£
	At 1 April 1995			113280	104524
	Retained profit for the year			<u>15473</u>	<u>8756</u>
	At 31 March 1996			128753	113280

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1996 £	1995 £
Profit for the year	15473	8756
Shareholders' funds at 1 April 1995	<u>115280</u>	<u>106524</u>
Shareholders' funds at 31 March 1996	<u>130753</u>	<u>115280</u>

11. TRANSACTIONS WITH CONNECTED PERSONS

During the year the company incurred costs on behalf of a company with which C.J. Davies, a director of the company, is connected. The maximum balance during the year, and the year end balance, was £203. The loan is interest free.