

HYDRA-CAPSULE LIMITED
(REGISTERED NUMBER 2129607)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 1998



Beard + Company
Burleigh, Old Church Road
Colwall.

HYDRA-CAPSULE LIMITED
YEAR ENDED 31 MARCH 1998

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)

ACCOUNTANTS

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

HYDRA-CAPSULE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

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HYDRA-CAPSULE LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 March 1998.

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	
	31.3.98	31.3.97	31.3.98	31.3.97
C.J. Davies	1400	1400	600	600
M. Hughes	Nil	Nil	Nil	Nil
H.N. Davies	Nil	Nil	Nil	Nil

This report was approved by the board on 26 January 1999, and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

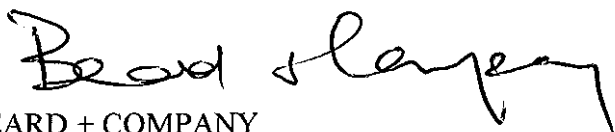
SIGNED ON BEHALF OF THE BOARD OF DIRECTORS



H.N. DAVIES
Director

ACCOUNTANTS' REPORT TO THE DIRECTORS OF
HYDRA-CAPSULE LIMITED
YEAR ENDED 31 MARCH 1998

In accordance with instructions given to us, we have prepared without carrying out an audit, the accounts on pages 4 to 9 from the accounting records of Hydra-Capsule Limited and from information and explanations given to us.



BEARD + COMPANY
Chartered Accountants

Burleigh,
Old Church Road,
Colwall.

26 January 1999

HYDRA-CAPSULE LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 MARCH 1998

	Notes	1998 £	1997 £
TURNOVER - continuing activities		135990	233206
Cost of sales		<u>(63208)</u>	<u>(87240)</u>
GROSS PROFIT		72782	145966
Administration expenses		<u>(67764)</u>	<u>(76210)</u>
OPERATING PROFIT	2	5018	69756
Interest payable		<u>(3983)</u>	<u>(4476)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1035	65280
Taxation	3	<u>449</u>	<u>(15816)</u>
PROFIT FOR THE FINANCIAL YEAR		1484	49464
Dividends		<u>(19500)</u>	<u>-</u>
RETAINED (LOSS) PROFIT FOR THE YEAR	9	<u><u>(18016)</u></u>	<u><u>49464</u></u>

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

The notes on pages 6 to 9 form part of these financial statements.

HYDRA-CAPSULE LIMITED

BALANCE SHEET

AT 31 MARCH 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	4	<u>127779</u>	<u>140429</u>
CURRENT ASSETS			
Stock and work in progress		112349	83116
Debtors	5	<u>21410</u>	<u>54488</u>
		133759	137604
CREDITORS: Amounts falling due within one year	6	<u>(93860)</u>	<u>(91572)</u>
NET CURRENT ASSETS		<u>39899</u>	<u>46032</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		167678	186461
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred tax	7	<u>(5477)</u>	<u>(6244)</u>
NET ASSETS		<u><u>162201</u></u>	<u><u>180217</u></u>
CAPITAL AND RESERVES			
Called-up share capital	8	2000	2000
Profit and loss account	9	<u>160201</u>	<u>178217</u>
Shareholders' funds	10	<u><u>162201</u></u>	<u><u>180217</u></u>

The directors consider that the company is entitled to exemption from the requirements to have an audit under the provisions of Section 249A 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 1998 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.

Approved by the board of directors on 26 January 1999, and signed on its behalf. The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

C.J. DAVIES
Director



The notes on pages 6 to 9 form part of these financial statements.

HYDRA-CAPSULE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1998

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.

1.3 TANGIBLE FIXED ASSETS

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

1.4 DEPRECIATION

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.

1.7 OPERATING LEASES

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.

1.8 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.

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

	1998	1997
	£	£
2. OPERATING PROFIT		
The operating profit is stated after charging:		
Depreciation of tangible fixed assets - owned	12887	15241
Directors remuneration	9025	6625
Pension costs	<u>725</u>	<u>725</u>

There is one director for whom retirement benefits are accruing under a money purchase pension scheme.

3. TAXATION		
	£	£
UK Corporation tax at 21%:		
Current	392	16360
(Over)under provision in prior years	(74)	-
Deferred tax	<u>(767)</u>	<u>(544)</u>
	<u>(449)</u>	<u>15816</u>

4. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and equipment £	Total £
COST			
At 1 April 1997	80832	167020	247852
Additions	<u>-</u>	<u>237</u>	<u>237</u>
At 31 March 1998	<u>80832</u>	<u>167257</u>	<u>248089</u>
DEPRECIATION			
At 1 April 1997	8848	98575	107423
Charge for the year	<u>1440</u>	<u>11447</u>	<u>12887</u>
At 31 March 1998	<u>10288</u>	<u>110022</u>	<u>120310</u>
NET BOOK VALUE			
At 31 March 1998	<u>70544</u>	<u>57235</u>	<u>127779</u>
At 31 March 1997	<u>71984</u>	<u>68445</u>	<u>140429</u>

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

5.	DEBTORS	1998	1997
		£	£
	Amounts falling due within one year:		
	Trade debtors	18154	43562
	Prepayments	2236	2445
	Other debtors (see note 11)	1020	8481
		<u>21410</u>	<u>54488</u>
6.	CREDITORS	£	£
	Amounts falling due within one year:		
	Bank overdraft (secured)	48672	41072
	Trade creditors	10915	15971
	Amounts due to directors- M Hughes	6829	2726
	Corporation tax	16678	16360
	Other taxation and social security	3269	9825
	Accruals	4499	5618
	Directors loans (secured) - CJ & HN Davies	2998	-
		<u>93860</u>	<u>91572</u>
7.	DEFERRED TAXATION		
		Maximum potential	
		liability	
	Provided for	1998	1997
	1998	1997	1998
	£	£	£
	Accelerated capital allowances	<u>5477</u>	<u>6244</u>
8.	CALLED-UP SHARE CAPITAL	1998	1997
		£	£
	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 1997	178217	128753
	Retained (loss) profit for the year	<u>(18016)</u>	<u>49464</u>
	At 31 March 1998	<u>160201</u>	<u>178217</u>

HYDRA-CAPSULE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - (continued)

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	1998 £	1997 £
Profit for the year	1484	49464
Dividends	(19500)	-
Net (reduction)addition in the year	(18016)	49464
Shareholders' funds at 1 April 1997	180217	130753
Shareholders' funds at 31 March 1998	162201	180217

11. TRANSACTIONS WITH DIRECTORS AND 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 £1020. The loan is interest free.

During the year the company bought services from a director, M Hughes, to the value to £8937.

For the whole year, the company was under the control of C.J. Davies, a major shareholder and the managing director of the company.