

Registration Number SC172313

HYDROTECHNICS LTD
Directors' Report and Financial Statements
for the year ended 31 March 2000

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HYDROTECHNICS LTD

Company Information

Directors	Mr A K Laurenson Mrs I D Laurenson
Secretary	Mrs I D Laurenson
Company Number	SC172313
Registered Office	22 Forth Crescent Riverside Stirling FK8 1LG
Reporting Accountants	Gray & Company Wester House 8 Osborne Terrace Edinburgh EH12 5HG
Business Address	18 Woodfield Avenue Colinton Edinburgh EH13 0HX
Bankers	Royal Bank of Scotland Plc

HYDROTECHNICS LTD

Directors' Report for the year ended 31 March 2000

The directors present their report and the financial statements for the year ended 31 March 2000.

Principal Activity

The principal activity of the company was that of Water Treatment Engineering Services.

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2000	1999 or date of appointment
Mr A K Laurenson	51	51
Mrs I D Laurenson	49	49

Directors' Responsibilities

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

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Reporting Accountants

The directors recommend that Gray & Company remain in office until further notice.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 18 December 2000 and signed on its behalf by



Mrs I D Laurenson
Secretary

HYDROTECHNICS LTD

Accountants' Report to the Shareholders on the Unaudited Financial Statements of HYDROTECHNICS LTD

We report on the financial statements for the year ended 31 March 2000 set out on pages 3 to 8.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of financial statements, and they consider 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 financial statements with the accounting records kept by the company, 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 financial statements are in agreement with the 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 financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)



Gray & Company

**Chartered Accountants and
Reporting Accountants**

**Wester House
8 Osborne Terrace
Edinburgh
EH12 5HG**

18 December 2000

HYDROTECHNICS LTD

Profit and Loss Account for the year ended 31 March 2000

		2000	1999
	Notes	£	£
Turnover	2	131,937	122,479
Cost of sales		(67,548)	(66,709)
Gross profit		64,389	55,770
Administrative expenses		(8,711)	(4,816)
Operating profit	3	55,678	50,954
Interest receivable and similar income		87	102
Interest payable and similar charges	4	(159)	(232)
Profit on ordinary activities before taxation		55,606	50,824
Tax on profit on ordinary activities	5	(11,361)	(10,664)
Profit on ordinary activities after taxation		44,245	40,160
Dividends		(47,000)	(38,400)
(Loss)/retained profit for the year		(2,755)	1,760
Retained profit brought forward		5,342	3,582
Retained profit carried forward		2,587	5,342

The notes on pages 6 to 8 form an integral part of these financial statements.

HYDROTECHNICS LTD

Balance Sheet as at 31 March 2000

		2000		1999	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	6		5,868		4,717
Current Assets					
Debtors	7	35,231		24,071	
Cash at bank and in hand		46		31,859	
		<u>35,277</u>		<u>55,930</u>	
Creditors: amounts falling due within one year	8	<u>(38,458)</u>		<u>(55,205)</u>	
Net Current (Liabilities)/Assets			<u>(3,181)</u>		<u>725</u>
Total Assets Less Current Liabilities			<u>2,687</u>		<u>5,442</u>
Capital and Reserves					
Called up share capital	9		100		100
Profit and loss account			2,587		5,342
Shareholders' Funds			<u>2,687</u>		<u>5,442</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

HYDROTECHNICS LTD

Balance Sheet (continued)

Directors' statements required by Section 249B(4) for the year ended 31 March 2000

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 March 2000 and

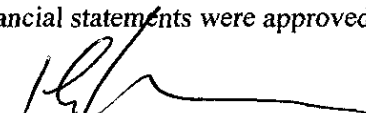
(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 18 December 2000 and signed on its behalf by


Mr A K Laurensen
Director

The notes on pages 6 to 8 form an integral part of these financial statements.

HYDROTECHNICS LTD

Notes to the Financial Statements for the year ended 31 March 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 20% Reducing Balance Method
Motor vehicles	- 25% Reducing Balance Method

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	1,849	1,435

4. Interest payable and similar charges

	2000	1999
	£	£
Included in this category is the following:		
On loans and overdrafts	31	106
On overdue tax	128	126
	159	232

HYDROTECHNICS LTD

Notes to the Financial Statements for the year ended 31 March 2000

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5. Taxation

	2000	1999
	£	£
UK current year taxation		
UK Corporation Tax at 20% (1999 - 21%)	11,361	10,664

6. Tangible fixed assets

	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£
Cost			
At 1 April 1999	2,383	5,500	7,883
Additions	-	3,000	3,000
At 31 March 2000	2,383	8,500	10,883
Depreciation			
At 1 April 1999	761	2,405	3,166
Charge for the year	324	1,525	1,849
At 31 March 2000	1,085	3,930	5,015
Net book values			
At 31 March 2000	1,298	4,570	5,868
At 31 March 1999	1,622	3,095	4,717

7. Debtors

	2000	1999
	£	£
Trade debtors	7,897	14,167
Other debtors	27,000	9,600
Prepayments and accrued income	334	304
	35,231	24,071

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Notes to the Financial Statements for the year ended 31 March 2000

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8. Creditors: amounts falling due within one year	2000 £	1999 £
Bank overdraft	19,715	2,314
Other Loan	-	30,000
Trade creditors	4,954	6,068
Corporation tax	11,362	12,664
Other taxes and social security costs	1,182	2,967
Directors' accounts	40	40
Accruals and deferred income	1,205	1,152
	<u>38,458</u>	<u>55,205</u>

9. Share capital	2000 £	1999 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. Transactions with directors

The following directors had interest free loans during the year. The movements on these loans are as follows:

	Amount Owing		Maximum
	2000	1999	in year
	£	£	£
Mr A K Laurenson	<u>25,000</u>	<u>-</u>	<u>25,000</u>

11. Post Balance Sheet events

The loan to one of the Directors of £25,000 (1999 - £ Nil) advanced on 20th March 2000 was repaid to the company on 26th April 2000.