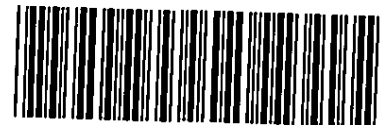


COMPANY REGISTRATION NUMBER 2877457

BETABITE HYDRAULICS LIMITED
FINANCIAL STATEMENTS
FOR
30 APRIL 2007

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COMPANIES HOUSE

HARGREAVES, BROWN & BENSON

Chartered Accountants
1 Bond Street
Colne
Lancashire
BB8 9DG

BETABITE HYDRAULICS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2007

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BETABITE HYDRAULICS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2007

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 April 2007

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was the manufacture of hydraulic fittings

THE DIRECTORS AND THEIR INTERESTS IN THE SHARES OF THE COMPANY

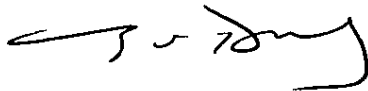
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows

	Ordinary Shares of £1 each	
	At 30 April 2007	At 1 May 2006
E S Fort OBE	85	85
I Wilson	15	15
M P Dobson	-	-

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed by order of the directors



E M DRURY
Company Secretary

Approved by the directors on

5.11.07

BETABITE HYDRAULICS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 2007**

	Note	2007 £	2006 £
TURNOVER		1,560,735	1,527,389
Cost of sales		<u>779,320</u>	<u>774,365</u>
GROSS PROFIT		781,415	753,024
Distribution Costs		<u>30,335</u>	<u>29,502</u>
Administrative expenses		<u>732,367</u>	<u>725,752</u>
OPERATING PROFIT/(LOSS)	2	18,713	(2,230)
Interest receivable		<u>9</u>	<u>4</u>
Interest payable and similar charges		<u>(6)</u>	<u>-</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		18,716	(2,226)
Tax on profit/(loss) on ordinary activities	4	<u>4,212</u>	<u>(423)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		14,504	(1,803)
Balance brought forward		<u>396,514</u>	<u>398,317</u>
Balance carried forward		<u>411,018</u>	<u>396,514</u>

The notes on pages 4 to 12 form part of these financial statements

BETABITE HYDRAULICS LIMITED

BALANCE SHEET

30 APRIL 2007

	Note	2007 £	2006 £
FIXED ASSETS			
Tangible assets	5	171,321	173,587
CURRENT ASSETS			
Stocks		333,261	337,340
Debtors	6	338,787	373,035
Cash at bank and in hand		4,271	9,405
		676,319	719,780
CREDITORS: Amounts falling due within one year	7	423,736	477,738
NET CURRENT ASSETS		252,583	242,042
TOTAL ASSETS LESS CURRENT LIABILITIES		423,904	415,629
PROVISIONS FOR LIABILITIES			
Deferred taxation	8	12,786	12,515
Government grants	9	—	6,500
		411,118	396,614
CAPITAL AND RESERVES			
Called-up equity share capital	12	100	100
Profit and loss account		411,018	396,514
SHAREHOLDERS' FUNDS		411,118	396,614

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act

The directors acknowledge their responsibilities for

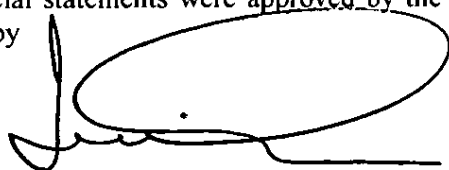
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

These financial statements were approved by the directors on the

9.11.07 and are signed on

I Wilson



The notes on pages 4 to 12 form part of these financial statements

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Turnover

The company recognises revenue from the sale of product on delivery to the customer. The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10 - 20% straight line per annum
Motor Vehicles	- 33 33% reducing balance per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

1. ACCOUNTING POLICIES *(continued)*

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Deferred government grants

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting)

	2007	2006
	£	£
Staff pension contributions	50,821	44,586
Amortisation of government grants re fixed assets	(6,500)	(6,500)
Depreciation of owned fixed assets	64,111	76,408
Depreciation of assets held under finance lease agreements	<u>—</u>	<u>4,583</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2007	2006
	£	£
Aggregate emoluments	—	160,867
Value of company pension contributions to money purchase schemes	<u>—</u>	<u>18,791</u>
	<u>—</u>	<u>179,658</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2007	2006
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2007	2006
	£	£
Current tax		
In respect of the year		
UK Corporation tax based on the results for the year at 19% (2006 - 19%)	3,942	4,372
Total current tax	3,942	4,372
Deferred tax		
Origination and reversal of timing differences	270	(4,795)
Total deferred tax (note 8)	270	(4,795)
Tax on profit/(loss) on ordinary activities	<u>4,212</u>	<u>(423)</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

5. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Total £
COST			
At 1 May 2006	863,155	16,865	880,020
Additions	61,844	–	61,844
Disposals	(63,894)	–	(63,894)
At 30 April 2007	<u>861,105</u>	<u>16,865</u>	<u>877,970</u>
DEPRECIATION			
At 1 May 2006	699,578	6,854	706,432
Charge for the year	60,777	3,334	64,111
On disposals	(63,894)	–	(63,894)
At 30 April 2007	<u>696,461</u>	<u>10,188</u>	<u>706,649</u>
NET BOOK VALUE			
At 30 April 2007	<u>164,644</u>	<u>6,677</u>	<u>171,321</u>
At 30 April 2006	<u>163,577</u>	<u>10,011</u>	<u>173,588</u>

Finance lease agreements

Included within the net book value of £171,321 is NIL (2006 - NIL) relating to assets acquired under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to NIL (2006 - £4,583).

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

6 DEBTORS

	2007	2006
	£	£
Trade debtors	310,016	345,828
Prepayments and accrued income	28,771	27,207
	<u>338,787</u>	<u>373,035</u>

7. CREDITORS: Amounts falling due within one year

	2007	2006
	£	£
Trade creditors	319,831	398,489
Other creditors including taxation and social security		
Corporation tax	3,942	4,372
PAYE and social security	13,223	14,332
VAT	40,476	31,618
Other creditors	8,008	6,872
Accruals and deferred income	38,256	22,055
	<u>103,905</u>	<u>79,249</u>
	<u>423,736</u>	<u>477,738</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

8. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was

	2007	2006
	£	£
Provision brought forward	12,515	17,310
Profit and loss account movement arising during the year	271	(4,795)
Provision carried forward	<u>12,786</u>	<u>12,515</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Excess of taxation allowances over depreciation on fixed assets	13,414	13,169
Other timing differences	(628)	(654)
	<u>12,786</u>	<u>12,515</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

9. GOVERNMENT GRANTS

	2007 £	2006 £
Received and receivable:		
At 1 May 2006	60,000	60,000
Fully amortised	(60,000)	-
At 30 April 2007	<u>-</u>	<u>60,000</u>
Amortisation:		
At 1 May 2006	53,500	47,000
Release to profit and loss account	6,500	6,500
Fully amortised	(60,000)	-
At 30 April 2007	<u>-</u>	<u>53,500</u>
Net balance at 30 April 2007	<u>-</u>	<u>6,500</u>

The company has received a Department of Trade and Industry capital expenditure grant of up to £60,000 to assist in the safeguarding of existing jobs and creation of new jobs within the company

10. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2007 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2007 £	2006 £
Operating leases which expire		
Within 2 to 5 years	<u>77,000</u>	<u>77,000</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

11. RELATED PARTY TRANSACTIONS

Controlling Parties

The ultimate controlling party is identified as Mr E S Fort

Other related parties

The following are all identified as being under the ultimate control of Mr E S Fort

Atlantic Tool Leasing UK Limited
Fort Vale Engineering Limited
Francis Searchlights Limited

Messrs E S Fort and I Wilson are trustees of The Fort Vale Engineering Limited Pension Plan which includes the company's employees amongst its members

Transactions with other related parties

	2007 £	2006 £
During the year the company incurred expenditure with related parties as follows		
Sales to related parties	159,795	173,682
General administrative expenditure	4,173	4,371
Provision of management services by Fort Vale Engineering Limited	<u>166,000</u>	<u>158,000</u>

In addition to the above general administrative expenditure are rentals payable to the directors, Messrs E S Fort and I Wilson of £75,243 (2006 - £69,996)

Balances with other related parties

a) Owing by related parties		
Trade debtors	<u>-</u>	<u>53,814</u>
b) Owing to related parties		
Trade creditors	<u>239,058</u>	<u>311,178</u>

Commitments under operating leases

At 30th April 2007 included in annual commitments under non-cancellable operating leases (note 10) were the following,

	2007 £	2006 £
Contracts in respect of commitments in respect of land and buildings,		
expiring within 2 to 5 years	<u>77,000</u>	<u>77,000</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2007

12. SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>