

BETABITE HYDRAULICS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
30TH APRIL 2000



HARGREAVES, BROWN & BENSON
Chartered Accountants & Registered Auditors
2 Derby Street
Colne
Lancashire
BB8 9AD

BETABITE HYDRAULICS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

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BETABITE HYDRAULICS LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 30th April 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

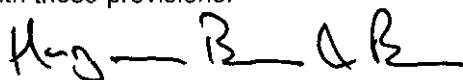
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

2 Derby Street
Colne
Lancashire
BB8 9AD

27th February 2001



HARGREAVES, BROWN & BENSON
Chartered Accountants
& Registered Auditors

BETABITE HYDRAULICS LIMITED

ABBREVIATED BALANCE SHEET

30TH APRIL 2000

| | Note | 2000 | 1999 |
|---|----------|------------------|------------------|
| | | £ | £ |
| FIXED ASSETS | 2 | | |
| Tangible assets | | 546,118 | 515,688 |
| CURRENT ASSETS | | | |
| Stocks | | 435,174 | 391,786 |
| Debtors | | 397,413 | 417,516 |
| Cash at bank and in hand | | 13,325 | 22,339 |
| | | <u>845,912</u> | <u>831,641</u> |
| CREDITORS: Amounts falling | | | |
| Due within one year | | <u>(910,085)</u> | <u>(991,576)</u> |
| NET CURRENT LIABILITIES | | <u>(64,173)</u> | <u>(159,935)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 481,945 | 355,753 |
| PROVISIONS FOR LIABILITIES AND CHARGES | | <u>(45,769)</u> | <u>(43,323)</u> |
| GOVERNMENT GRANTS | 3 | <u>(45,500)</u> | <u>(32,000)</u> |
| | | <u>390,676</u> | <u>280,430</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 5 | 100 | 100 |
| Profit and Loss Account | | <u>390,576</u> | <u>280,330</u> |
| SHAREHOLDERS' FUNDS | | <u>390,676</u> | <u>280,430</u> |

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 27th February 2001 and are signed on their behalf by:

E.M. Drury

The notes on pages 3 to 6 form part of these financial statements.

BETABITE HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

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 March 2000).

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the year, exclusive of Value Added Tax.

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 | - 25% 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.

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

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

BETABITE HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

1. ACCOUNTING POLICIES *(continued)*

Government grant

Government grants in respect of capital expenditure are credited to the profit and loss account over the estimated useful life of the relevant fixed assets. The grant shown in the balance sheet represents the total grant receivable to date less the amounts so far credited to the profit and loss account.

Deferred government grants

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.

2. FIXED ASSETS

| | Tangible Fixed Assets £ |
|---------------------------|----------------------------------|
| COST | |
| At 1st May 1999 | 771,446 |
| Additions | 124,527 |
| Disposals | (38,401) |
| At 30th April 2000 | <u>857,572</u> |
| DEPRECIATION | |
| At 1st May 1999 | 255,758 |
| Charge for year | 77,518 |
| On disposals | (21,822) |
| At 30th April 2000 | <u>311,454</u> |
| NET BOOK VALUE | |
| At 30th April 2000 | <u>546,118</u> |
| At 30th April 1999 | <u>515,688</u> |

3. GOVERNMENT GRANTS

| | 2000 £ | 1999 £ |
|-------------------------|---------------|---------------|
| Received and receivable | 60,000 | 40,000 |
| Amortisation | (14,500) | (8,000) |
| | <u>45,500</u> | <u>32,000</u> |

BETABITE HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

4. 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:

Fort Vale Engineering Limited
Fort Vale BV
Hartley and Hartley Limited
Atlantic Tool Leasing Limited
Midland Investment Castings

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

| | 2000 £ | 1999 £ |
|---|-----------|-----------|
| During the year the company incurred expenditure with related parties as follows: | | |
| Sales to related parties | 109,914 | 214,439 |
| Cost of sales | 16,239 | 23,113 |
| General administrative expenditure | 12,431 | 8,371 |
| Provision of management services by Fort Vale Engineering Limited | 100,000 | 60,500 |
| Hire of plant and machinery under operating leases | - | 29,642 |
| Purchase of tangible fixed assets | 34,000 | 399 |
| Sale of tangible fixed assets | - | 4,250 |

During the year the company incurred a rental cost of £51,665 (1999 - £50,000) in respect of the company's premises let by Messrs. E.S. Fort and I. Wilson. The company occupies premises, the lease of which has expired. A new lease is yet to be concluded although the company holds over upon the terms of the previous lease, subject to an adjustment, for the year.

Balances with other related parties

| | | |
|------------------------------|---------|---------|
| a) Owing by related parties: | | |
| Trade debtors | 134,902 | 93,414 |
| b) Owing to related parties: | | |
| Trade creditors | 696,919 | 513,995 |

BETABITE HYDRAULICS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2000

5. SHARE CAPITAL

Authorised share capital:

| | 2000 | 1999 |
|-----------------------------------|------------|------------|
| | £ | £ |
| 100 Ordinary shares of £1.00 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |

Allotted, called up and fully paid:

| | 2000 | 1999 |
|------------------------|------------|------------|
| | £ | £ |
| Ordinary share capital | 100 | 100 |
| | <u>100</u> | <u>100</u> |