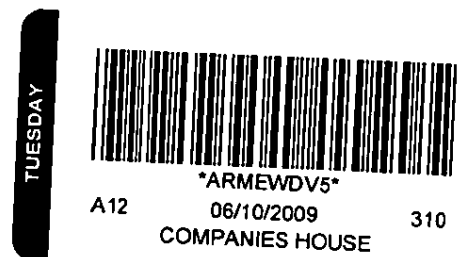


BETABITE HYDRAULICS LIMITED
FINANCIAL STATEMENTS
FOR
30 APRIL 2009



HARGREAVES BROWN & BENSON
Chartered Accountants
Colne
Lancashire
United Kingdom
BB8 9DG

BETABITE HYDRAULICS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2009

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BETABITE HYDRAULICS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 APRIL 2009

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 30 April 2009.

PRINCIPAL ACTIVITIES

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

DIRECTORS

The directors who served the company during the year were as follows:

E.S. Fort OBE

I. Wilson

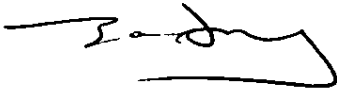
M.P. Dobson

During the year the company held an insurance policy providing indemnity cover for the benefit of the directors in connection with the performance of their duties as officers of the company.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the directors



E.M. DRURY
Company Secretary

Approved by the directors on 22.09.2009

BETABITE HYDRAULICS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2009

	Note	2009 £	2008 £
TURNOVER		1,755,604	1,704,460
Cost of sales		<u>1,026,587</u>	<u>864,802</u>
GROSS PROFIT		729,017	839,658
Distribution Costs		33,243	32,365
Administrative expenses		674,903	757,773
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>20,871</u>	<u>49,520</u>
Tax on profit on ordinary activities	4	4,429	10,842
PROFIT FOR THE FINANCIAL YEAR		<u>16,442</u>	<u>38,678</u>
Balance brought forward		449,696	411,018
Balance carried forward		<u>466,138</u>	<u>449,696</u>

The notes on pages 4 to 10 form part of these financial statements.

BETABITE HYDRAULICS LIMITED

BALANCE SHEET

30 APRIL 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Tangible assets	5	192,794	217,073
CURRENT ASSETS			
Stocks		357,189	350,250
Debtors	6	244,465	439,853
Cash at bank and in hand		9,844	1,056
		<u>611,498</u>	<u>791,159</u>
CREDITORS: Amounts falling due within one year	7	<u>317,017</u>	<u>535,853</u>
NET CURRENT ASSETS		<u>294,481</u>	<u>255,306</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>487,275</u>	<u>472,379</u>
CREDITORS: Amounts falling due after more than one year	8	1,395	3,255
PROVISIONS FOR LIABILITIES			
Deferred taxation	9	19,642	19,328
		<u>466,238</u>	<u>449,796</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	100	100
Profit and loss account		466,138	449,696
SHAREHOLDERS' FUNDS		<u>466,238</u>	<u>449,796</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 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 sections 394 and 395, 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 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were approved by the directors and authorised for issue on 22/07/09, and are signed on their behalf by:

I. Wilson

The notes on pages 4 to 10 form part of these financial statements.

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

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 April 2008).

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.

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

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:

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

1. ACCOUNTING POLICIES *(continued)*

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.

2. OPERATING PROFIT

Operating profit is stated after charging:

	2009	2008
	£	£
Depreciation of owned fixed assets	37,783	39,847
Loss on disposal of fixed assets	<u>513</u>	<u>—</u>

3. DIRECTORS' PENSION SCHEMES

The number of directors who are accruing benefits under company pension schemes was as follows:

	2009	2008
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

4. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2009 £	£	2008 £
Current tax:			
In respect of the year:			
UK Corporation tax based on the results for the year at 21% (2008 - 20%)		3,980	4,300
Over/under provision in prior year		135	-
Total current tax		<u>4,115</u>	<u>4,300</u>
Deferred tax:			
Origination and reversal of timing differences (note 9)			
Capital allowances	(89)		6,763
Other	<u>403</u>		<u>(221)</u>
Total deferred tax (note 9)		<u>314</u>	<u>6,542</u>
Tax on profit on ordinary activities		<u>4,429</u>	<u>10,842</u>

5. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Motor Vehicles £	Total £
COST			
At 1 May 2008	946,705	16,865	963,570
Additions	9,495	4,521	14,016
Disposals	(44,909)	(512)	(45,421)
At 30 April 2009	<u>911,291</u>	<u>20,874</u>	<u>932,165</u>
DEPRECIATION			
At 1 May 2008	734,085	12,412	746,497
Charge for the year	35,206	2,577	37,783
On disposals	(44,909)	-	(44,909)
At 30 April 2009	<u>724,382</u>	<u>14,989</u>	<u>739,371</u>
NET BOOK VALUE			
At 30 April 2009	<u>186,909</u>	<u>5,885</u>	<u>192,794</u>
At 30 April 2008	<u>212,620</u>	<u>4,453</u>	<u>217,073</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

6. DEBTORS

	2009 £	2008 £
Trade debtors	212,345	409,187
Other debtors	201	—
Prepayments and accrued income	31,919	30,666
	<u>244,465</u>	<u>439,853</u>

7. CREDITORS: Amounts falling due within one year

	2009 £	2008 £
Trade creditors	269,352	430,710
Other creditors including taxation and social security:		
Corporation tax	3,980	4,300
PAYE and social security	9,271	14,068
VAT	18,279	34,261
Other creditors	2,020	8,714
Accruals and deferred income	14,115	43,800
	<u>47,665</u>	<u>105,143</u>
	<u>317,017</u>	<u>535,853</u>

8. CREDITORS: Amounts falling due after more than one year

	2009 £	2008 £
Other creditors	<u>1,395</u>	<u>3,255</u>

9. DEFERRED TAXATION

The movement in the deferred taxation provision during the year was:

	2009 £	2008 £
Provision brought forward	19,328	12,786
Profit and loss account movement arising during the year	314	6,542
Provision carried forward	<u>19,642</u>	<u>19,328</u>

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

	2009 £	2008 £
Excess of taxation allowances over depreciation on fixed assets	20,088	20,177
Other timing differences	(446)	(849)
	<u>19,642</u>	<u>19,328</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

10. GOVERNMENT GRANTS

2009	2008
£	£

11. COMMITMENTS UNDER OPERATING LEASES

At 30 April 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2009	2008
	£	£
Operating leases which expire:		
Within 1 year	<u>-</u>	<u>77,000</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

12. 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
Francis Searchlights Limited

Transactions with other related parties

	2009 £	2008 £
During the year the company incurred expenditure with related parties as follows:		
Sales to related parties	80,400	140,959
Cost of sales	—	600
General administrative expenditure	2,632	3,317
Provision of management services by Fort Vale Engineering Limited	<u>124,000</u>	<u>199,000</u>

In addition to the above general administrative expenditure are rentals payable to the directors, Messrs. E.S. Fort and I. Wilson of £76,992 (2008 - £76,992).

Balances with other related parties

Owing to related parties:		
Trade creditors	<u>215,291</u>	<u>320,428</u>

Commitments under operating leases

At 30th April 2009 included in annual commitments under non-cancellable operating leases(note 10) were the following;

	2009 £	2008 £
Contracts in respect of commitments in respect of land and buildings;		
expiring within the next year	<u>—</u>	<u>77,000</u>
	<u>422,323</u>	<u>741,304</u>

BETABITE HYDRAULICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 2009

13. SHARE CAPITAL

Authorised share capital:

	2009	2008
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2009		2008
	No	£	No
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>