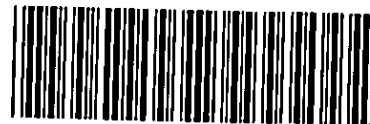


Victory Hydraulics & Engineering Limited

Director's Report and Unaudited Financial Statements
for the Year Ended 30 June 2006

Mike Fell - Aims Accountants for Business
30 Beechwood Terrace
Thornhill
Sunderland
SR2 7LY

TL FRIDAY



A44	*AGSACOA2*	30/03/2007	185
	COMPANIES HOUSE		
A16	*APTQ0006*	20/03/2007	398
	COMPANIES HOUSE		

Victory Hydraulics & Engineering Limited
Contents Page

Officers and advisers	1
Director's report	2 to 3
Accountants' report	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 10

The following pages do not form part of the statutory financial statements

Detailed profit and loss account	11 to 12
--	----------

Victory Hydraulics & Engineering Limited
Officers and Advisers

Director	Adrian Cundey
Secretary	Linda Cundey
Registered office	4C Rivergreen Industry Centre Pallion Sunderland SR4 6AD
Accountants	Mike Fell - Aims Accountants for Business 30 Beechwood Terrace Thornhill Sunderland SR2 7LY

Victory Hydraulics & Engineering Limited
Director's Report for the Year Ended 30 June 2006

The director presents his report and the financial statements for the year ended 30 June 2006

Director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the period ending on that date. In preparing those financial statements, 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 a going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure the financial statements comply with the Companies Act 1985. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Victory Hydraulics & Engineering Limited
Director's Report for the Year Ended 30 June 2006

continued

Principal activity

The principal activity of the company is Engineering Services

Director and his interests

The director who held office during the year and his beneficial interest in the shares of the company was as follows

Ordinary shares of £1 each

	As at 30 June 2006 No.	As at 1 July 2005 No.
Adrian Cundey	70	70

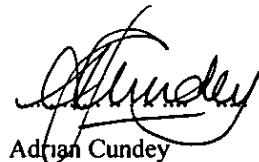
Election to dispense laying accounts

In accordance with s 252, Companies Act 1985, the company has elected to dispense with laying accounts before the members in general meeting. Members, however, may by notice in writing to the company at its registered office require that accounts are laid before the members in general meeting.

Small company provisions

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

Approved by the Board on 20 January 2007 and signed on its behalf by



Adrian Cundey
Director

**Accountants' Report to the Director on the Unaudited Financial Statements of
Victory Hydraulics & Engineering Limited**

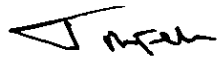
In accordance with the engagement letter dated 14 September 2006 , and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 June 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



Mike Fell - Aims Accountants for Business

30 Beechwood Terrace
Thornhill
Sunderland
SR2 7LY

20 January 2007

Victory Hydraulics & Engineering Limited
Profit and Loss Account for the Year Ended 30 June 2006

	Note	2006 £
Turnover	2	113,299
Cost of sales		(119,839)
Gross loss		<u>(6,540)</u>
Administrative expenses		(61,013)
Operating loss	3	<u>(67,553)</u>
Other interest receivable and similar income		16
Loss on ordinary activities before taxation		<u>(67,537)</u>
Loss for the financial year		<u><u>(67,537)</u></u>

The notes on pages 7 to 10 form an integral part of these financial statements

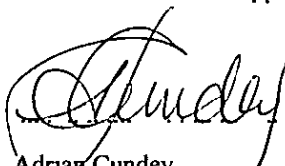
Victory Hydraulics & Engineering Limited
Balance Sheet as at 30 June 2006

		2006	
	Note	£	£
Fixed assets			
Tangible assets	6		24,847
Current assets			
Stocks		12,000	
Debtors	7	14,728	
Cash at bank and in hand		4,654	
		<u>31,382</u>	
Creditors: Amounts falling due within one year	8	<u>(74,766)</u>	
Net current liabilities			<u>(43,384)</u>
Total assets less current liabilities			(18,537)
Creditors: Amounts falling due after more than one year	9		<u>(48,900)</u>
Net liabilities			<u><u>(67,437)</u></u>
Capital and reserves			
Called up share capital	10		100
Profit and loss reserve	11		<u>(67,537)</u>
Equity shareholders' deficit			<u><u>(67,437)</u></u>

For the financial year ended 30 June 2006, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2) requesting an audit. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the 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 Companies Act 1985, so far as applicable to the company.

The financial statements have been 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 (effective January 2005).

These accounts were approved by the Director on 20 January 2007


Adrian Cundey
Director

The notes on pages 7 to 10 form an integral part of these financial statements

Victory Hydraulics & Engineering Limited
Notes to the Financial Statements for the Year Ended 30 June 2006

1 Accounting policies

Basis of preparation

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)

Cash flow statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement

Going concern

These financial statements have been prepared on a going concern basis

Turnover

Turnover represents the invoiced value of sales of goods , net of value added tax

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Plant and machinery	25% reducing balance basis
Fixtures and fittings	25% reducing balance basis
Motor Vehicles	25% reducing balance basis
Office Equipment	25% reducing balance basis

Hire purchase and finance lease contracts

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Assets acquired under instalment finance agreements are treated as tangible fixed assets and depreciation is provided accordingly. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract.

2 Turnover

The company's turnover represents the value , excluding value added tax, of goods and services supplied to customers during the year

Victory Hydraulics & Engineering Limited
Notes to the Financial Statements for the Year Ended 30 June 2006

continued

3 Operating loss

Operating loss is stated after charging

	2006 £
Depreciation of tangible fixed assets	<u>6,790</u>

4 Director's emoluments

The director's emoluments for the year are as follows

	2006 £
Director's emoluments (including benefits in kind)	<u>24,000</u>

5 Particulars of employees

The aggregate payroll costs of these persons were as follows

	2006 £
Wages and salaries	<u>139,987</u>

6 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost					
Additions	<u>19,431</u>	<u>2,225</u>	<u>8,196</u>	<u>1,785</u>	<u>31,637</u>
Depreciation					
Charge for the year	<u>2,250</u>	<u>2,045</u>	<u>2,049</u>	<u>446</u>	<u>6,790</u>
Net book value					
As at 30 June 2006	<u>17,181</u>	<u>180</u>	<u>6,147</u>	<u>1,339</u>	<u>24,847</u>

Victory Hydraulics & Engineering Limited
Notes to the Financial Statements for the Year Ended 30 June 2006

continued

7 Debtors

	2006 £
Trade debtors	<u>14,728</u>

8 Creditors: Amounts falling due within one year

	2006 £
Bank loans and overdrafts	12,368
Obligations under finance leases and hire purchase contracts	(362)
Trade creditors	47,998
Social security and other taxes	3,779
Other creditors	10,633
Accruals and deferred income	350
	<u>74,766</u>

9 Creditors: Amounts falling due after more than one year

	2006 £
Obligations under finance leases and hire purchase contracts	23,900
Director current accounts	30,000
Other loans due between one and two yrs	(5,000)
	<u>48,900</u>

10 Share capital

	2006 £
Authorised	
Equity	
100 Ordinary shares of £1 each	<u>100</u>
Allotted, called up and fully paid	
Equity	
100 Ordinary shares of £1 each	<u>100</u>

Victory Hydraulics & Engineering Limited
Notes to the Financial Statements for the Year Ended 30 June 2006

continued

11 Reserves

	Profit and loss reserve £
Balance at 1 July 2005	-
Transfer from profit and loss account for the year	<u>(67,537)</u>
Balance at 30 June 2006	<u><u>(67,537)</u></u>

12 Related parties

Controlling entity

The company is controlled by the director who owns 70 % of the called up share capital

Victory Hydraulics & Engineering Limited
Detailed Profit and Loss Account for the Year Ended 30 June 2006

	2006	
	£	£
Turnover		
Sales, UK		113,299
Cost of sales		
Materials	10,701	
Wages and salaries	103,987	
Subcontract cost	5,151	
		<u>(119,839)</u>
Gross loss (5.77)%		(6,540)
Administrative expenses (analysed below)		
Employment costs	37,233	
Establishment costs	13,860	
General administrative expenses	2,862	
Finance charges	268	
Depreciation costs	6,790	
		<u>(61,013)</u>
Operating loss		(67,553)
Other interest receivable and similar income		
Bank interest receivable		<u>16</u>
Loss on ordinary activities before taxation		<u>(67,537)</u>
Loss for the financial year		<u><u>(67,537)</u></u>

This page does not form part of the statutory financial statements

Victory Hydraulics & Engineering Limited
Detailed Profit and Loss Account for the Year Ended 30 June 2006

continued

	2006 £
Employment costs	
Wages and salaries	12,000
Directors remuneration	24,000
Travelling	1,233
	<u>37,233</u>

	2006 £
Establishment costs	
Rent and rates	12,385
Light, heat and power	350
Insurance	64
Repairs and maintenance	1,061
	<u>13,860</u>

	2006 £
General administrative expenses	
Telephone and fax	500
Printing, postage and stationery	605
Sundry expenses	425
Motor expenses	757
Accountancy fees	225
Legal and professional fees	350
	<u>2,862</u>

	2006 £
Finance charges	
Bank charges	268

	2006 £
Depreciation costs	
Depreciation of plant and machinery	1,600
Depreciation of fixtures and fittings	2,695
Depreciation of office equipment	2,495
	<u>6,790</u>

This page does not form part of the statutory financial statements