

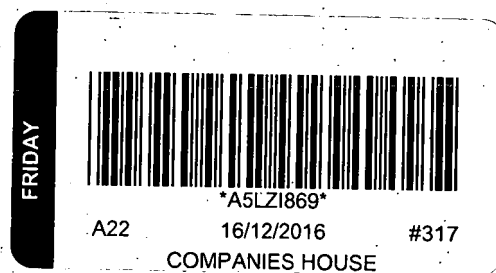
Registered number: 07364156

HYDRO INDUSTRIES LIMITED

UNAUDITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2016



HYDRO INDUSTRIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and the unaudited financial statements of Hydro Industries Limited (the "company") for the year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activity of the company is the making of electro-based products for water purification.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements were:

Mr W Preece
Mr RN Lovering
Mr D Pickering

GOING CONCERN

The company has prepared forecasts to assess its cash flows and funding requirements for the foreseeable future making assumptions on trading and working capital. In formulating the assumptions the company has included the impact of recently secured orders which will provide a significant cash contribution and also performed sensitivity analysis to assess the impact on cash flows. Based on the assessments undertaken the directors consider the company has adequate resources to continue to trade for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

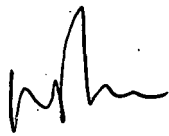
SMALL COMPANIES EXEMPTION

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board on

and signed on its behalf by:

Mr W Preece
Director



HYDRO INDUSTRIES LIMITED
REGISTERED NUMBER: 07364156

ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2016

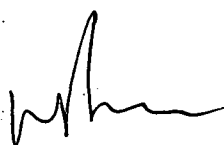
	Note	£	2016 £	2015 £
FIXED ASSETS				
Tangible assets	2		528,607	515,664
CURRENT ASSETS				
Stocks		3,205,652		918,678
Debtors		440,863		713,931
Cash at bank		352,176		1,043,994
		<u>3,998,691</u>		<u>2,676,603</u>
CREDITORS: amounts falling due within one year		<u>(762,733)</u>		<u>(1,505,534)</u>
NET CURRENT ASSETS			<u>3,235,958</u>	<u>1,171,069</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,764,565</u>	<u>1,686,733</u>
CREDITORS: amounts falling due after more than one year	3		<u>(9,474,737)</u>	<u>(6,000,000)</u>
NET LIABILITIES			<u>(5,710,172)</u>	<u>(4,313,267)</u>
CAPITAL AND RESERVES				
Called up share capital	4		572	1,000
Share premium account			1,999,963	-
Capital redemption reserve			465	-
Profit and loss account			<u>(7,711,172)</u>	<u>(4,314,267)</u>
TOTAL SHAREHOLDERS' DEFICIT			<u>(5,710,172)</u>	<u>(4,313,267)</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2016 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on

Mr W Preece
Director



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

HYDRO INDUSTRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015). The principal accounting policies, which have been consistently applied throughout the year, are set out below.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015)

1.2 Going concern

The company has prepared forecasts to assess its cash flows and funding requirements for the foreseeable future making assumptions on trading and working capital. In formulating the assumptions the company has included the impact of recently secured orders which will provide a significant cash contribution and also performed sensitivity analysis to assess the impact on cash flows. Based on the assessments undertaken the directors consider the company has adequate resources to continue to trade for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.3 Cash flow statement

The company qualifies as a small company under the provisions of the Companies Act 2006. As a consequence, it is exempt from the requirements to publish a Cash Flow Statement.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised at the point of delivery of service and product.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and machinery	- 10 - 33% Straight Line
Motor vehicles	- 25% Straight Line

1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

HYDRO INDUSTRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.7 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.8 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1.9 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Current and deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.11 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.12 Government grants

Capital grants are credited to deferred capital grants and released to the profit and loss account over the useful economic lives of the assets to which they relate. Other grants are credited to the profit and loss account in the period in which they are received.

HYDRO INDUSTRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

2. TANGIBLE ASSETS

	£
Cost	
At 1 April 2015	907,536
Additions	198,007
Disposals	(12,826)
At 31 March 2016	<u>1,092,717</u>
Accumulated depreciation	
At 1 April 2015	391,872
Charge for the year	172,238
At 31 March 2016	<u>564,110</u>
Net book value	
At 31 March 2016	<u>528,607</u>
At 31 March 2015	<u>515,664</u>

3. CREDITORS:

Amounts falling due after more than one year

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable other than by instalments	<u>9,398,607</u>	<u>6,000,000</u>

A loan of £6,000,000 is secured on the assets of the company, with interest payable at a fixed rate of 8.2% per annum and the loan principal due to be paid up on 1 May 2021

4. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
Nil (2015: 311) Ordinary A shares of £1 (2015: £1) each	-	311
Nil (2015: 154) Ordinary A2 shares of £1 (2015: £1) each	-	154
465 (2015: 465) Ordinary B shares of £1 (2015: £1) each	465	465
107 (2015: 70) Ordinary C shares of £1 (2015: £1) each	107	70
	<u>572</u>	<u>1,000</u>

During the period there has been a reclassification of the company's Ordinary share capital. All the classes of Ordinary shares carry equal rights.

HYDRO INDUSTRIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2016

5. RELATED PARTY TRANSACTIONS

During the year R&A Properties LLP, a company owned by Mr W Preece, Mr David Pickering and Mr RN Lovering, has provided facility services to Hydro Industries Limited. Purchases of £189,623 (2015: £246,440) have been made from R&A Properties LLP during the year, with a creditor of £30,895 (2015: £6,367 at the year end). In addition, an amount of £Nil (2015: £30,000 debtor) is due from R&A Properties LLP as at 31 March 2016 and is included in other debtors, which had since been repaid.

During the year transactions with DFP Properties Limited, a company owned by D Pickering took place. Purchases of £Nil (2015: £40,300) were made in the year. No balances are outstanding at year end.

ETS Limited is a telecommunications company owned by Mr RN Lovering. Purchases of £78,803 (2015: £104,243) have been made from ETS Limited during the year, with a creditor owed as at 31 March 2016 of £15,636 (2015: £4,857), included in other creditors in the creditors note.