Registered number: 07364156

HYDRO INDUSTRIES LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2013

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

The directors present their report and the audited financial statements for the year ended 30 September 2013. The financial statements for the year ended 30 September 2012 forming the corresponding figures of the financial statements for the ended 30 September 2013 are unaudited.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

Mr PG Morgan (resigned 6 August 2014)
Mrs J Morgan (resigned 6 August 2014)
Mr W Preece (appointed 2 January 2013)
Mr RN Lovering (appointed 2 January 2013)
Mr D Pickering (appointed 2 January 2013)
Mr CC Lewis (resigned 2 January 2013)

POST BALANCE SHEET EVENT

Additional funding has been secured post year end via a £6 million loan.

HYDRO INDUSTRIES LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2013

GOING CONCERN

After making appropriate enquiries 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 company's financial statements.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11th NOVEMBER 2014 and signed on its behalf.

Director W PREECE

INDEPENDENT AUDITORS' REPORT TO HYDRO INDUSTRIES LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

Our opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have examined

We have examined the abbreviated accounts set out on pages 4 to 7, together with the financial statements of for the year ended 30 September 2013 prepared under section 396 of the Companies Act 2006.

Our responsibilities and those of the directors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4, 'The special auditor's report on abbreviated accounts in the United Kingdom', issued by the Auditing Practices Board. In accordance with that Bulletin, 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 are properly prepared .

This report, including the opinion, has been prepared for and only for the company for the purpose of section 449 of the Companies Act 2006 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing..

Other matter

The financial statements for the year ended 30 September 2012 forming the corresponding figures of the financial statements for the year ended 30 September 2013 are unaudited.

Ian Clarke

Ian Clarke (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Swansea,
Date: 15 December 2014

HYDRO INDUSTRIES LIMITED
REGISTERED NUMBER: 07364156

ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2013

	Note	£	2013 £	£	As restated 2012 £
FIXED ASSETS					
Tangible assets	2		**442,748**		346,659
CURRENT ASSETS					
Debtors		**190,671**		64,070	
Cash at bank and in hand		**508**		649	
		191,179		64,719	
CREDITORS: amounts falling due within one year		**(543,278)**		(179,007)	
NET CURRENT LIABILITIES			**(352,099)**		(114,288)
TOTAL ASSETS LESS CURRENT LIABILITIES			**90,649**		232,371
CREDITORS: amounts falling due after more than one year			**-**		(152,545)
NET ASSETS			**90,649**		79,826
CAPITAL AND RESERVES					
Called up share capital	3		**1,000**		1,000
Profit and loss account			**89,649**		78,826
TOTAL SHAREHOLDERS' FUNDS			**90,649**		79,826

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 18th NOVEMBER 2014

Director W PREECE

The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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 Companies Act 2006 and applicable accounting standards in the United Kingdom.

1.2 Cash flow

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.3 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.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Cost includes purchase cost and incidental expenses on acquisition. 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	-	20% Straght Line
Motor vehicles	-	25% Straight Line

1.5 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.

1.6 Operating leases

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

1.7 Stocks

Stocks 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.

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2013

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 Prior year adjustment and comparative figures

The financial statements for the year ended 30 September 2012 forming the corresponding figures of the financial statements for the year ended 30 September 2013 are unaudited. Amounts previously recognised in the unaudited balance sheet at 30 September 2012 as stock have been recognised as tangible fixed assets. This has resulted in a prior year adjustment, as set out below.

The unaudited balance sheet at 30 September 2012 included £240,000 of assets recognised as stock. These assets, which represented water treatment systems available to hire rather than for sale, have been recognised as tangible fixed assets. The cost of these assets has been assessed as £319,000. Depreciation of £24,300 has been charged on these assets in 2012 resulting in a carrying value of these fixed assets of £294,700. The overall impact of this prior year adjustment has been to increase prior year profits and net assets by £54,700.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2013

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 October 2012 (as previously stated)	**65,519**
Prior year adjustment	**319,000**
At 1 October 2012 (as restated)	**384,519**
Additions	**195,173**
Disposals	**(14,168)**
At 30 September 2013	**565,524**
Depreciation	
At 1 October 2012 (as previously stated)	**13,560**
Prior year adjustment	**24,300**
At 1 October 2012 (as restated)	**37,860**
Charge for the year	**92,000**
On disposals	**(7,084)**
At 30 September 2013	**122,776**
Net book value	
At 30 September 2013	**442,748**
At 30 September 2012 (as restated)	346,659

3. CALLED UP SHARE CAPITAL

	2013 £	2012 £
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	**1,000**	1,000

4. RELATED PARTY TRANSACTIONS

During the year R&A Properties Limited, a company owned by Mr W Preece, Mr David Pickering and Mr RN Lovering, has provided rent, rates and utilities free of charge to Hydro Industries Limited. In addition, a loan of £10,600 is due to R&A Properties as at 30 September 2013 and is included in other creditors (note 11).

ETS Limited is a telecommunications company owned by Mr RN Lovering. Purchases of £50,658 have been made from ETS Limited during the year, with a creditor owed as at 30 September 2013 of £3,019, included in other creditors in the creditors note.

Mr D Pickering is Chairman of WRU, with whom purchases of £5,515 were made during the year and are included in other creditors in the creditors note.

Included within creditors: amounts falling due within one year are directors' loans of £233,815 (2012: £3,652).