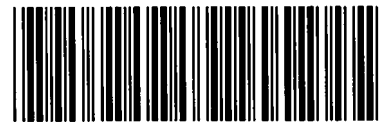


**HYDRO-CABLE SYSTEMS LIMITED**

Report and audited accounts

31 March 2018

TUESDAY



\*S7DRXL41\*  
SCT 04/09/2018 #453  
COMPANIES HOUSE

**DIRECTORS' REPORT**

31 March 2018

The directors submit their report, the strategic report and the audited accounts of the company for the year ended 31 March 2018.

**RESULTS AND DIVIDENDS**

The results for the year are set out in the accounts and the related notes.

The directors do not recommend payment of a dividend.

**DIRECTORS**

The directors who served during the year were as follows:

D J Whyte  
E M Blair  
I A Walters

**DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report, the strategic report and the accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are required to:

- (i) select suitable accounting policies and then apply them consistently.
- (ii) make judgements and estimates that are reasonable and prudent.
- (iii) state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the accounts.
- (iv) prepare the 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 accounts 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.

**DIRECTORS' REPORT (continued)**

31 March 2018

**DIRECTORS' RESPONSIBILITIES (continued)**

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

**FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The company's financial assets and liabilities consist of trade debtors and creditors, cash balances, bank finance, finance leases and hire purchase contracts.

The directors manage the company's exposure to financial risk by researching the credit worthiness of customers and by seeking advice from the company's providers of finance and its other external financial advisers.

Currency risk is restricted to the short term settlement of trading balances with customers and suppliers.

The group does not trade speculatively in derivatives or similar instruments.

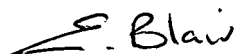
**AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the steps that he or she ought to have taken as director in order to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

**STRATEGIC REPORT**

Certain matters, including research and development spending, required by regulation to be dealt with in the annual report have been dealt with in the strategic report which follows, rather than in the directors' report.

By Order of the Board



E M BLAIR  
Director and Secretary

29 August 2018

**STRATEGIC REPORT**  
31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

**BUSINESS REVIEW**

The principal activities of the company continue to relate to the design and manufacture of specialist subsea and harsh environment electrical and optical composite cables, tethers and umbilicals.

Details of the turnover and results for the year are shown in the profit and loss account and related notes.

The company is now feeling a resurgence of enquiries and orders from the oil and gas industry as maintenance and support picks up pace.

The company is also experiencing an uplift in other areas of harsh environments for our products.

The company's current order book is approximately £3.95 million.

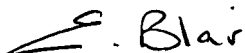
**PRINCIPAL RISKS AND UNCERTAINTIES**

The board remains conscious of the risks and uncertainties to business caused by the current economic climate.

**RESEARCH AND DEVELOPMENT**

The company continues with the design and development of its own products.

By Order of the Board



**E M BLAIR**  
Director and Secretary

29 August 2018

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYDRO-CABLE SYSTEMS LIMITED

## OPINION

We have audited the financial statements of Hydro-Cable Systems Limited ('the company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows and the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## THE AUDIT REPORT AND AUDITORS' DUTY OF CARE TO THIRD PARTIES

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HYDRO-CABLE SYSTEMS LIMITED (continued)

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on pages 1 and 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

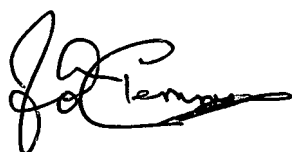
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk](http://www.frc.org.uk). This description forms part of our auditor's report.

## USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.



JOHN CLEMMENCE FCA CTA (senior statutory auditor)

For and on behalf of  
CLEMMENCE & CO  
Chartered Accountants  
and Statutory Auditors  
Linton  
Rawdon Hall Drive  
Rawdon  
LEEDS LS19 6HD

29 August 2018

## PROFIT AND LOSS ACCOUNT

Year ended 31 March 2018

	note	2018 £	2017 £
TURNOVER	2	3,396,575	2,341,603
Change in stock and work in progress		354,137	108,005
Raw materials and consumables		(1,720,362)	(919,437)
Other operating charges		(660,925)	(619,197)
Staff costs	5	(1,194,669)	(1,508,073)
Depreciation		(217,457)	(236,376)
OPERATING LOSS	3	(42,701)	(833,475)
Interest receivable		-	2
Interest payable and similar charges	6	(4,927)	(5,722)
LOSS BEFORE TAXATION		(47,628)	(839,195)
Tax on loss	7	12,221	31,842
LOSS AFTER TAXATION	16	(35,407)	(807,353)

## CONTINUING OPERATIONS

Turnover and operating loss derive wholly from continuing operations.

## NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported loss before taxation	(47,628)	(839,195)
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	105,444	105,444
Historical cost profit before taxation	57,816	(733,751)
Historical cost surplus for the year	70,037	(701,909)

STATEMENT OF COMPREHENSIVE INCOME  
Year ended 31 March 2018

	2018 £	2017 £
LOSS FOR THE FINANCIAL YEAR	(35,407)	(807,353)
TOTAL COMPREHENSIVE INCOME	<u><u>(35,407)</u></u>	<u><u>(807,353)</u></u>



## STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2018

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2017	221,250	421,778	(95,170)	547,858
LOSS FOR THE FINANCIAL YEAR	-	-	(35,407)	(35,407)
TRANSFER	-	(105,444)	105,444	-
At 31 March 2018	221,250	316,334	(25,133)	512,451

The total equity is wholly attributable to equity interests.

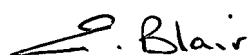
## BALANCE SHEET

31 March 2018

		2018	2017
	note	£	£
FIXED ASSETS			
Tangible assets	8	692,750	879,901
CURRENT ASSETS			
Stocks	9	1,028,191	674,054
Debtors	10	730,864	186,749
Cash at bank and in hand		169,537	111,769
		-----	-----
		1,928,592	972,572
Creditors: amounts falling due within one year	11	1,994,192	1,166,546
		-----	-----
NET CURRENT LIABILITIES		(65,600)	(193,974)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		627,150	685,927
Creditors: amounts falling due after more than one year	12	-	(11,149)
Provisions for liabilities			
Deferred taxation	13	(114,699)	(126,920)
		-----	-----
		512,451	547,858
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	14	221,250	221,250
Revaluation reserve	15	316,334	421,778
Profit and loss account	16	(25,133)	(95,170)
		-----	-----
SHAREHOLDERS' FUNDS		512,451	547,858
		=====	=====

The financial statements on pages 6 to 21 were approved and authorised for issue by the board of directors on 29 August 2018 and were signed on its behalf by:

  
D J WHYTE (Director)



E M BLAIR (Director and Secretary)

## STATEMENT OF CASH FLOWS

Year ended 31 March 2018

CASH FLOW STATEMENT		2018	2017
	note	£	£
Operating activities	17	10,977	32,340
Investing activities	19	(30,306)	56,117
Financing activities	20	(29,540)	(53,576)
		-----	-----
Decrease in cash		(48,869)	34,881
		=====	=====

## NOTES TO THE ACCOUNTS

31 March 2018

## 1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Financial Reporting Standard 102 applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the company and are rounded to the nearest pound.

## ACCOUNTING CONVENTION

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets.

## PRINCIPAL ACTIVITIES

The principal activities of the company relate to the design and manufacture of specialist subsea and harsh environment electrical and optical composite cables, tethers and umbilicals.

## FIXED ASSETS AND DEPRECIATION

Fixed assets are stated in the balance sheet at cost or valuation less accumulated depreciation.

Fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

	Annual rate
Moulds	20%
Plant and machinery	20% - 33%
Fixtures, fittings and equipment	10% - 33%
Motor vehicles	25%

Depreciation is normally calculated on a monthly basis commencing in the month following acquisition with no charge being made in the month of disposal.

Where assets have been revalued the depreciation charge in the profit and loss account is based on the revalued amount with a transfer being made from the revaluation reserve of the amount equivalent to the additional depreciation on the revalued assets.

## STOCK AND WORK IN PROGRESS

Stock is stated at the lower of cost and net realisable value.

Work in progress and manufactured stock is stated at direct cost of labour and materials, with the addition of an appropriate proportion of factory overheads, or at net realisable value if lower.

Cost has been calculated by reference to invoiced amounts. Net realisable value comprises anticipated proceeds of sale less anticipated costs relating thereto.

**NOTES TO THE ACCOUNTS (continued)**

31 March 2018

**1 ACCOUNTING POLICIES (continued)****FOREIGN CURRENCIES**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

**DEFERRED TAXATION**

Full provision is made for the deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

**LEASING AND HIRE PURCHASE COMMITMENTS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the payments 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.

Rentals paid under operating leases are charged to the profit and loss account as they fall due.

**GOVERNMENT GRANTS**

Government grants are credited against the costs to which they relate when the grant is received by the company.

**TURNOVER**

Turnover which is stated net of value added tax represents the total amount receivable in the ordinary course of business for goods sold after deducting discounts given and credit notes issued.

**RESEARCH AND DEVELOPMENT EXPENDITURE**

Development expenditure which meets the required criteria is deferred and amortised on a straight line basis at an annual rate of 33%. All other research and development expenditure is written off in the year in which it is incurred.

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 1 ACCOUNTING POLICIES (continued)

## PENSIONS

The company operates money purchase pension schemes, the assets of which are held by independent managers.

The pension costs charged in the profit and loss account represent the contributions payable by the company in the year

## 2 ANALYSIS OF TURNOVER

The company operates within the following geographical markets.

	2018 £	2017 £
United Kingdom	2,398,360	1,346,303
Rest of Europe	561,185	208,764
Asia	77,654	121,614
Australasia	14,161	17,726
North America	3,801	4,304
United States	336,117	642,892
Middle East	5,297	-
	----- 3,396,575 =====	----- 2,341,603 =====

## 3 OPERATING LOSS

	2018 £	2017 £
Stock recognised as an expense in the year	1,366,225	811,432
Depreciation - owned assets	198,457	160,376
- assets held under hire		
purchase contracts	19,000	76,000
Auditors remuneration - audit	5,000	5,000
- other services	2,000	2,000
Operating lease rentals		
- equipment	8,000	8,000
	=====	=====
and after crediting:		
Profit on disposal of tangible fixed assets	-	532
	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 4 DIRECTORS' REMUNERATION

	2018	2017
	£	£
Management remuneration	137,604	79,127
Contributions to money purchase pension schemes	8,122	3,992
	-----	-----
	145,726	83,119
	=====	=====

There are 2 directors (2017:1) to whom retirement benefits are accruing under money purchase pension schemes.

## 5 STAFF NUMBERS AND COSTS

The average number of employees (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2018	2017
Production	25	26
Sales and distribution	2	2
Administration	4	4
	-----	-----
	31	32
	=====	=====

The aggregate payroll costs of these persons were as follows:

	2018	2017
	£	£
Wages and salaries	1,057,792	1,360,440
Social security costs	104,628	112,482
Pension costs	27,353	35,014
	-----	-----
	1,189,773	1,507,936
Other costs	4,896	137
	-----	-----
	1,194,669	1,508,073
	=====	=====

## 6 INTEREST PAYABLE AND SIMILAR CHARGES

	2018	2017
	£	£
On bank borrowings	1,876	979
Hire purchase interest	3,051	4,743
	-----	-----
	4,927	5,722
	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 7 TAXATION

	2018	2017
Deferred taxation – current year	398	(31,842)
- prior years	(12,619)	-
	-----	-----
Tax on loss	(12,221)	(31,842)
	=====	=====

Factors affecting the tax credit for the year.

The tax credit for the year is higher than the standard rate of corporation tax in the UK.

The differences are explained below

	2018 £	2017 £
Loss before tax	(47,628)	(839,195)
	=====	=====
Loss multiplied by standard rate of UK corporation tax of 19%	(9,049)	(167,839)
Effects of:		
Reduction in rate of corporation tax	-	(6,680)
Adjustment in respect of prior years	(12,619)	13,283
Expenses not deductible for tax purposes	-	(275)
Group loss relief surrendered	9,447	129,669
	-----	-----
Tax on loss for the year	(12,221)	(31,842)
	=====	=====



NOTES TO THE ACCOUNTS (continued)  
31 March 2018

## 8 TANGIBLE FIXED ASSETS

	Fixtures, fittings and equipment	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 April 2017	187,606	1,083,280	1,270,886
Additions	6,981	23,325	30,306
	-----	-----	-----
At 31 March 2018	194,587	1,106,605	1,301,192
	-----	-----	-----
Depreciation			
At 1 April 2017	185,902	205,083	390,985
Charge for the year	2,530	214,927	217,457
	-----	-----	-----
At 31 March 2018	188,432	420,010	608,442
	-----	-----	-----
Net book value			
At 31 March 2018	6,155	686,595	692,750
	=====	=====	=====
At 31 March 2017	1,704	878,197	879,901
	=====	=====	=====
Net book value included above of assets held under hire purchase contracts	-	57,000	57,000
	=====	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 8 TANGIBLE FIXED ASSETS (continued)

Plant and machinery was valued at 31 March 2016 on a going concern basis by Thainstone Specialist Auctions, Auctioneers and Valuers.

If plant and machinery had not been revalued, it would have been included at the following amounts:

	2018 £	2017 £
Cost	1,615,309	1,591,984
Accumulated depreciation	1,404,174	1,294,691
	-----	-----
Net book value	211,135	297,293
	=====	=====

There were no capital commitments at the balance sheet date.

## 9 STOCKS

	2018 £	2017 £
Raw materials and consumables	575,768	451,548
Work in progress	277,106	55,482
Finished goods	175,317	167,024
	-----	-----
	1,028,191	674,054
	=====	=====

## 10 DEBTORS

	2018 £	2017 £
Trade debtors	705,432	182,760
Prepayments	-	689
Other debtors	25,432	3,300
	-----	-----
	730,864	186,749
	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 11 CREDITORS

	2018	2017
	£	£
Amounts falling due within one year:		
Trade creditors	232,280	140,132
Other tax and social security	32,783	34,942
Accruals	72,421	18,466
Obligations under hire purchase contracts	18,975	32,439
Payments on account in excess of work in progress	410,938	281,282
Other creditors	106,637	-
Amounts due to group undertakings	1,120,158	659,285
	-----	-----
	1,994,192	1,166,546
	=====	=====

The liability of the company to its bankers is secured by standard security over the parent company's long leasehold property and a floating charge over all the company's property and undertaking.

The company has entered into a cross guarantee in connection with the indebtedness of the parent company and certain subsidiary undertakings to the bank. At 31 March 2018 this indebtedness amounted to £3,974,010 (2017: £4,256,098).

Other creditors are secured against book debts which have been assigned to the bank and carry interest at a variable rate of approximately 4% per annum.

The company is a member of the Hydro Group plc group VAT registration and at 31 March 2018 the amount owed to HM Revenue & Customs was £115,855 (2017: £258,131).

The hire purchase obligations are secured on the specific assets for which finance has been given.

## 12 CREDITORS: amounts falling due after more than one year

	2018	2017
	£	£
Obligations under hire purchase contracts maturing between two and five years (note 11)	-	11,149
	=====	=====

## 13 DEFERRED TAXATION

	2018	2017
	£	£
At 1 April 2017	126,920	158,762
Credit for the year	(12,221)	(31,842)
	-----	-----
At 31 March 2018	114,699	126,920
	=====	=====

NOTES TO THE ACCOUNTS (continued)  
31 March 2018

## 13 DEFERRED TAXATION (continued)

	2018 £	2017 £
Made up as follows:		
Depreciation in excess of capital allowances	(42,711)	(43,109)
On surplus on revaluation of plant and machinery	157,410	170,029
	-----	-----
	114,699	126,920
	=====	=====

## 14 CALLED UP SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
Ordinary shares of £1 each	91,250	91,250
Redeemable ordinary shares of £1 each	70,000	70,000
15% redeemable cumulative preference shares of £1 each	60,000	60,000
	-----	-----
	221,250	221,250
	=====	=====

The redeemable ordinary shares of £1 could have been redeemed in whole but not in part on 31 March 1994 at a sum representing the net fair market value of each share at the date of redemption.

The 15% redeemable cumulative preference shares are redeemable at par in four equal tranches on 31 March 1991, 31 March 1992, 31 March 1993 and 31 March 1994, or at such later date when the company is in a position to redeem the shares.

The ultimate holding company holds the 15% redeemable cumulative preference shares and has waived any entitlement to receive dividends on those shares.

## 15 REVALUATION RESERVE

	2018 £	2017 £
At 1 April 2017	421,778	527,222
Transfer to profit and loss account	(105,444)	(105,444)
	-----	-----
At 31 March 2018	316,334	421,778
	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 16 PROFIT AND LOSS ACCOUNT

	2018 £	2017 £
At 1 April 2017	(95,170)	606,739
Loss for the year	(35,407)	(807,353)
Transfer from revaluation reserve	105,444	105,444
	-----	-----
At 31 March 2018	(25,133)	(95,170)
	=====	=====

## 17 RECONCILIATION OF OPERATING PROFIT TO CASH FLOW FROM OPERATIONS

	2018 £	2017 £
Operating loss	( 42,701)	(833,475)
Depreciation	217,457	236,376
Profit on disposal of tangible fixed assets	-	(532)
	-----	-----
	174,756	(597,631)
Movement on:		
Stocks	(354,137)	(108,005)
Debtors	(544,115)	284,804
Creditors	734,473	453,172
	-----	-----
	10,977	32,340
	=====	=====

## 18 GROSS CASH FLOWS

	2018 £	2017 £
Interest receivable	-	2
Interest payable and similar charges	(4,927)	(5,722)
	-----	-----
	(4,927)	(5,720)
	=====	=====

## 19 INVESTING ACTIVITIES

	2018 £	2017 £
Payments to acquire tangible fixed assets	(30,306)	( 55,883)
Receipts from disposal of tangible fixed assets	-	112,000
	-----	-----
	(30,306)	56,117
	=====	=====

## NOTES TO THE ACCOUNTS (continued)

31 March 2018

## 20 FINANCING ACTIVITIES

	2018	2017
	£	£
Hire purchase repayments	(24,613)	(47,856)
Interest receivable	-	2
Interest payable and similar charges	(4,927)	(5,722)
	-----	-----
	(29,540)	(53,576)
	=====	=====

## 21 FINANCIAL COMMITMENTS

At 31 March 2018 the company had commitments under non- cancellable operating leases as set out below:

	2018	2017
	£	£
Expiring:		
Within one year	8,000	8,000
Between two and five years	32,000	32,000
After five years	5,458	13,458
	-----	-----
	45,458	53,458
	=====	=====

## 22 ULTIMATE PARENT COMPANY

The company's ultimate parent company and controlling related party is Hydro Group plc, a company incorporated in Scotland.

Hydro Group plc prepares consolidated accounts and copies can be obtained from its registered office Hydro House, Claymore Avenue, Aberdeen Energy Park, Bridge of Don, Aberdeen, Scotland, AB23 8GW.

## 23 CONTROLLING PARTY

In the opinion of the directors the ultimate controlling related party of the company is D J Whyte by virtue of his majority shareholding in the ultimate parent company

## 24 LEGAL FORM OF COMPANY

Hydro-Cable Systems Limited is a private company, limited by shares, wholly owned by a public company and incorporated in Scotland. Its registered number is SC096265. The company's principal place of business, which is also its registered office is Hydro House, Claymore Avenue, Aberdeen Energy Park, Bridge of Don, Aberdeen, Scotland, AB23 8GW.