

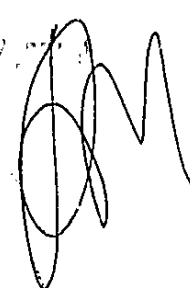
109038

**REPORT AND ACCOUNTS**

**Electro-Flow Controls Limited**

Registered Number SC109038

**31 MARCH 1992**

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# **ELECTRO-FLOW CONTROLS LIMITED**

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## **DIRECTORS**

Mr J C A Wheeler  
Mr E J Littlechild

## **SECRETARY**

Mrs M G L Wheeler

## **AUDITORS**

J Duncan Davidson  
1 Albert Street  
Aberdeen  
AB1 1XX

## **BANKERS**

Bank of Scotland  
201 Union Street  
Aberdeen  
AB9 1UN

## **SOLICITORS**

Clark and Wallace  
8 Albyn Place  
Aberdeen  
AB9 1RP

## **REGISTERED OFFICE**

8 Albyn Place  
Aberdeen  
AB9 1RP

## ELECTRO-FLOW CONTROLS LIMITED

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### DIRECTORS' REPORT

The directors present the fourth annual report and financial statements of Electro-Flow Controls Limited for the year to 31 March 1992.

### RESULTS AND DIVIDENDS

The profit for the year before dividends amounted to £9,290 (1991 £28,871). The directors recommend that no dividend be paid.

### REVIEW OF THE BUSINESS

The principal activity of the company is the manufacturing of drilling instrumentation products for rental or sale to the international for oil and gas industry. Turnover increased by 32% to £1,224,983 in the year despite increased competition. This resulted in considerably higher overheads, both in selling and administration, but there is now a much larger client base including customers in Eastern Block countries. Prospects are very good for higher turnover and profits in the year ending 31 March 1993.

### FIXED ASSETS

Tangible fixed asset additions in the year totalled £19,992 and consisted primarily of computer and office equipment required for the additional staff and higher level of turnover.

### DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as follows:

	<u>Shareholding</u>	
	1992	1991
Mr J C A Wheeler	16999	16999
Mr G E Smith (resigned 15 December 1991)	-	-
Mr E J Littlechild (appointed 15 December 1991)	-	-

### TAXATION STATUS

The company is a close company as defined by the Income and Corporation Taxes Act 1970.

### AUDITORS

A resolution to re-appoint J Duncan Davidson as auditors will be put to the members at the Annual General Meeting.

By Order of the Board

*M G L Wheeler*

M G L Wheeler  
Secretary

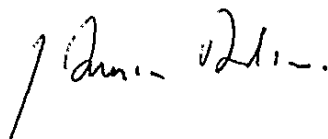
23 January 1993

**REPORT OF THE AUDITORS**

**to the members of Electro-Flow Controls Limited**

We have audited the accounts on pages 5 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31 March 1992 and of the results and cash flow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**J Duncan Davidson**  
Chartered Accountants  
Registered Auditor  
Aberdeen

23 January 1993

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**ELECTRO-FLOW CONTROLS LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 March 1992**

	<i>Notes</i>	<u>1992</u> £	<u>1991</u> £
<b>TURNOVER</b>	2	1,224,983	930,747
Cost of sales		<u>(862,694)</u>	<u>(673,269)</u>
<b>GROSS PROFIT</b>		<u>362,289</u>	<u>257,478</u>
Distribution costs		(22,407)	(12,324)
Administrative expenses		<u>(325,108)</u>	<u>(202,104)</u>
		<u>(347,515)</u>	<u>(214,428)</u>
<b>OPERATING PROFIT</b>	3	14,774	43,050
Interest payable	5	(5,232)	(3,573)
Bank interest receivable		<u>5,356</u>	<u>1,242</u>
<b>PROFIT ON ORDINARY</b>			
<b>ACTIVITIES BEFORE TAXATION</b>		14,898	40,719
Taxation	6	<u>(5,608)</u>	<u>(11,848)</u>
		9,290	28,871
Dividends		-	(19,500)
<b>RETAINED PROFIT FOR THE YEAR</b>	15	<u>9,290</u>	<u>9,371</u>

# ELECTRO-FLOW CONTROLS LIMITED

## BALANCE SHEET at 31 March 1992

	Notes	1992 £	1991 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	56,960	56,118
Investment in associated company		100	100
		<u>57,060</u>	<u>56,218</u>
<b>CURRENT ASSETS</b>			
Stock and work in progress	8	31,541	345,506
Debtors	9	130,164	338,992
Cash at bank		29,857	1,572
		<u>191,562</u>	<u>686,070</u>
<b>CREDITORS (amounts falling due within one year)</b>	10	(202,646)	(696,683)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(11,084)</u>	<u>(10,613)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		45,976	45,605
<b>CREDITORS (amounts falling due after more than one year)</b>	11	(8,266)	(16,378)
<b>PROVISIONS FOR LIABILITIES &amp; CHARGES</b>	13	(1,122)	(1,929)
<b>EXCESS OF ASSETS OVER LIABILITIES</b>		<u>36,588</u>	<u>27,298</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	17,000	17
Reserves	15	19,588	10
		<u>36,588</u>	<u>27</u>

Approved by the Board:

John C A Wheeler

*John Wheeler*

Directors

E J Littlechild

*E. Littlechild*

23 January 1993

**ELECTRO-FLOW CONTROLS LIMITED****CASH FLOW STATEMENT  
for the year ended 31 March 1992**

	<i>Notes</i>	<u>1992</u>	<u>1991</u>
		<u>£</u>	<u>£</u>
<b>Net cash inflow from operating activities</b>			
Operating profit		14,774	43,050
Depreciation charges		19,150	8,584
Decrease/(increase) in stock		313,965	(292,699)
Decrease (increase) in debtors		208,828	(246,611)
(Decrease) increase in creditors		(394,591)	424,324
		<u>162,126</u>	<u>(63,352)</u>
<b>Returns on investments and servicing of finance</b>			
Bank interest paid		(3,876)	(2,312)
Interest element of hire purchase payments		(1,356)	(1,261)
Interest received		5,356	1,242
Dividends paid			(19,500)
		<u>124</u>	<u>(21,831)</u>
<b>Taxation</b>			
Corporation tax paid		(9,930)	(1,020)
<b>Investing activities</b>			
Expenditure on tangible fixed assets		(19,992)	(49,247)
<b>Net cash (outflow)/inflow before financing</b>		<u>132,328</u>	<u>(135,450)</u>
<b>Financing</b>			
Capital element of hire purchase payments		(10,210)	(5,514)
New hire purchase contracts			24,700
<b>(Decrease) increase in cash and cash equivalents</b>	15	<u>122,118</u>	<u>(116,264)</u>

**NOTES TO THE ACCOUNTS**  
**at 31 March 1992**

**1. ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention.

*Tangible fixed assets and depreciation*

Depreciation is provided by the company to write off the cost of fixed tangible assets over their estimated useful lives by equal instalments over the following periods:-

Motor vehicles	4 years
Computer hardware	3 years
Test equipment & other fixed assets	4 years

*Stocks*

Stocks and work in progress are valued at the lower of cost and net realisable value.

*Taxation*

The charge for taxation is based on the profit for the year and when appropriate, takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

**2. TURNOVER**

Turnover consists of the rental and sale of a range of drilling instrumentation products and systems to the international oil and gas industry in the following geographical markets:

	<u>1992</u>	<u>1991</u>
	£	£
UK	988,426	852,723
Norway	196,800	68,050
Netherlands	23,552	2,075
France	2,448	4,149
USA	13,757	3,750
	<u>1,224,983</u>	<u>930,747</u>



# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ACCOUNTS at 31 March 1992

### 3. OPERATING PROFIT

The operating profit is stated after charging:

	1992	1991
	£	£
Depreciation of tangible fixed assets	19,150	8,584
Auditors' remuneration	2,940	2,480
Hire of plant	3,138	3,173
Staff costs (see note 4)	231,117	127,345

### 4. STAFF COSTS

	1992	1991
	£	£
Salaries	210,236	115,689
Social security costs	20,881	11,656
	231,117	127,345

The average number of persons employed by the company during the year, including two directors, was:

Number	Number
14	7

Directors' emoluments included within staff costs, including taxable benefits

£	£
36,820	31,499

The emoluments of the highest paid director excluding pension contributions

£	£
30,075	32,899

The number of other directors whose emoluments for the year, excluding pension contributions, fell within the following ranges were:

£5,001 - £10,000

Number	Number
1	-

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ACCOUNTS at 31 March 1992

### 5. INTEREST PAYABLE

	1992	1991
	£	£
Bank overdraft interest	3,876	2,312
Interest element of hire purchase payments	1,356	1,261
	<u>5,232</u>	<u>3,573</u>

### 6. TAXATION

	1992	1991
	£	£
UK corporation tax at 25% on the profits of the year	6,415	9,919
Deferred taxation	(807)	1,929
	<u>5,608</u>	<u>11,848</u>

### 7. TANGIBLE FIXED ASSETS

	Furniture & equipment	Motor vehicles	Plant	Total
	£	£	£	£
<b>COST</b>				
At 1 April 1991	24,394	37,096	10,005	71,495
Additions	7,696	3,400	8,896	19,992
Disposals				
At 31 March 1992	<u>32,090</u>	<u>40,496</u>	<u>18,901</u>	<u>91,487</u>
<b>DEPRECIATION</b>				
At 1 April 1991	4,050	9,292	2,035	15,377
Charge for the year	6,891	9,487	2,772	19,150
On disposals				
At 31 March 1992	<u>10,941</u>	<u>18,779</u>	<u>4,807</u>	<u>34,527</u>
<b>NET BOOK VALUE</b>				
At 31 March 1992	<u>21,149</u>	<u>21,717</u>	<u>14,094</u>	<u>56,960</u>
At 31 March 1991	<u>20,344</u>	<u>27,804</u>	<u>7,970</u>	<u>56,118</u>

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ACCOUNTS at 31 March 1992

### 7. TANGIBLE FIXED ASSETS *(continued)*

The motor vehicles included in tangible fixed assets are held under hire purchase contracts.

### 8. STOCKS

	1992	1991
	£	£
Components for drilling instrumentation	18,071	26,102
Work in progress at cost	13,470	319,404
	<u>31,541</u>	<u>345,506</u>

### 9. DEBTORS *(All falling due within one year)*

	1992	1991
	£	£
Trade debtors	118,705	283,242
Prepayments	3,366	867
Value added tax	8,093	54,883
	<u>120,164</u>	<u>338,992</u>

### 10. CREDITORS *(Amounts falling due within one year)*

	1992	1991
	£	£
Bank overdraft		93,833
Trade creditors	92,521	307,418
Accruals	89,620	234,166
Deposits received		19,744
Loans from directors	80	10,167
Tax and social security	7,526	7,375
Corporation tax	6,404	9,919
Hire purchase	6,495	8,593
Other creditors		5,468
	<u>202,646</u>	<u>696,683</u>

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ACCOUNTS at 31 March 1992

### 11. CREDITORS (*Amounts falling due after more than one year*)

	<u>1992</u>	<u>1991</u>
	£	£
Hire purchase obligations	<u>8,266</u>	<u>16,378</u>

### 12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	<u>1992</u>	<u>1991</u>
	£	£
Amounts payable:-		
Within one year	8,432	11,430
In the second to fifth years inclusive	<u>9,803</u>	<u>19,852</u>
	18,235	31,282
Less finance charges allocated to future periods	<u>(3,474)</u>	<u>(6,311)</u>
	<u>14,761</u>	<u>24,971</u>

### 13. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>1992</u>	<u>1991</u>
	£	£
Amount provided in respect of accelerated capital allowances	<u>1,122</u>	<u>1,929</u>

### 14. SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
	£	£
Authorised:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Alotted and issued and fully paid		
Ordinary shares of £1 each	<u>17,000</u>	<u>17,000</u>

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ACCOUNTS at 31 March 1992

### 15. RESERVES

	£
At 1 April 1991	10,298
Profit for the year	9,290
At 31 March 1992	<u>19,588</u>

### 16. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1992 £	1991 £	Change £
Cash at bank	29,857	1,572	28,285
Bank overdraft		(93,833)	93,833
	<u>29,857</u>	<u>(92,261)</u>	<u>122,118</u>

### 17. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1992 £	1991 £
Balance at 1 April	(92,261)	24,003
Net cash (outflow) inflow	122,118	(116,264)
Balance at 31 March	<u>29,857</u>	<u>(92,261)</u>