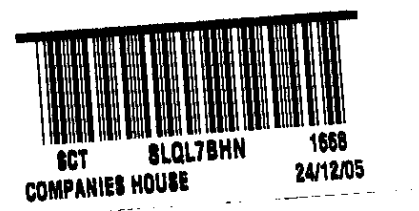


**ELECTRO-FLOW CONTROLS LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR**  
**31ST MARCH 2005**



**SIMPSON FORSYTH**  
Chartered Accountants & Registered Auditors  
52 Queen's Road  
Aberdeen  
AB15 4YE

# **ELECTRO-FLOW CONTROLS LIMITED**

## **ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST MARCH 2005**

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# **ELECTRO-FLOW CONTROLS LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE COMPANY**

### **PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31st March 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

#### **BASIS OF OPINION**

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 to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### **OPINION**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

52 Queen's Road  
Aberdeen  
AB15 4YE

13 December 2005



SIMPSON FORSYTH  
Chartered Accountants  
& Registered Auditors

# ELECTRO-FLOW CONTROLS LIMITED

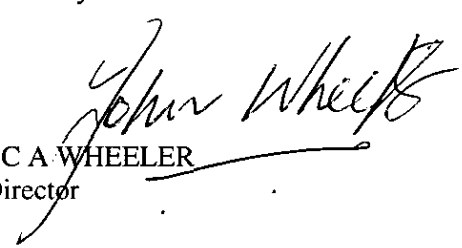
## ABBREVIATED BALANCE SHEET

31ST MARCH 2005

	Note	2005 £	£	2004 £	£
<b>FIXED ASSETS</b>	<b>2</b>				
Intangible assets			44,861		46,885
Tangible assets			17,993		22,205
Investments			704		704
			<u>63,558</u>		<u>69,794</u>
<b>CURRENT ASSETS</b>					
Stocks		182,727		182,754	
Debtors		417,313		212,454	
Cash at bank and in hand		49,937		5,483	
		<u>649,977</u>		<u>400,691</u>	
<b>CREDITORS: Amounts falling due within one year</b>	<b>3</b>	<u>523,039</u>		<u>369,786</u>	
<b>NET CURRENT ASSETS</b>			<u>126,938</u>		<u>30,905</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>190,496</u>		<u>100,699</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	<b>4</b>		<u>31,667</u>		<u>53,136</u>
			<u>158,829</u>		<u>47,563</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	5		34,000		34,000
Profit and loss account			124,829		13,563
<b>SHAREHOLDERS' FUNDS</b>			<u>158,829</u>		<u>47,563</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These abbreviated accounts were approved by the directors on 13 December 2005 and are signed on their behalf by:

  
J C A WHEELER  
Director

The notes on pages 3 to 6 form part of these abbreviated accounts.

# **ELECTRO-FLOW CONTROLS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST MARCH 2005**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### **Consolidation**

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

#### **Turnover**

The turnover shown in the profit and loss account represents sales made during the year, exclusive of Value Added Tax.

#### **Development costs**

Development costs are capitalised and classified as an asset on the balance sheet, where the expenditure is for a clearly defined commercially viable project which is separately identifiable and is reasonably expected to generate revenues in excess of its cost. Development costs are amortised over their useful economic life on a straight line basis.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Development costs                      - over 5 years in proportions of 1/40, 12/40, 12/40, 12/40, 3/40

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 25% straight line
Fixtures & Fittings	- 25% straight line
Motor Vehicles	- 25% straight line
Equipment	- 33% straight line

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2005

### 1. ACCOUNTING POLICIES *(continued)*

#### Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Foreign currencies

Current assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
<b>COST</b>				
At 1st April 2004	110,578	146,386	704	257,668
Additions	19,689	10,268	–	29,957
Disposals	–	(1,391)	–	(1,391)
<b>At 31st March 2005</b>	<b>130,267</b>	<b>155,263</b>	<b>704</b>	<b>286,234</b>
<b>DEPRECIATION</b>				
At 1st April 2004	63,693	124,181	–	187,874
Charge for year	21,713	14,029	–	35,742
On disposals	–	(940)	–	(940)
<b>At 31st March 2005</b>	<b>85,406</b>	<b>137,270</b>	<b>–</b>	<b>222,676</b>
<b>NET BOOK VALUE</b>				
<b>At 31st March 2005</b>	<b>44,861</b>	<b>17,993</b>	<b>704</b>	<b>63,558</b>
At 31st March 2004	46,885	22,205	704	69,794

# ELECTRO-FLOW CONTROLS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST MARCH 2005

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### 2. FIXED ASSETS *(continued)*

The investment shown is the cost of the investment in the subsidiary company, EFC Americas Inc, a company incorporated in the USA.

During the year EFC Americas Inc did not trade and the costs of running the office in the USA have been met by the holding company, Electro-Flow Controls Limited.

The company owns 100% of the share capital of EFC Americas Inc, amounting to 10,000 shares at a cost of \$1,000. The aggregate balance of capital and reserves of the subsidiary was \$1,000 at the balance sheet date and this is represented by the investment figure of £704. Converted at the balance sheet date the investment value is £529.

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

### 3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	20,000	84,725
Hire purchase agreements	1,469	4,354
	<u>21,469</u>	<u>89,079</u>

### 4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2005	2004
	£	£
Bank loans and overdrafts	31,667	51,667
Hire purchase agreements	-	1,469
	<u>31,667</u>	<u>53,136</u>

# **ELECTRO-FLOW CONTROLS LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**YEAR ENDED 31ST MARCH 2005**

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### **5. SHARE CAPITAL**

#### **Authorised share capital:**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
50,000 Ordinary shares of £1 each	<b><u>50,000</u></b>	<b><u>50,000</u></b>

#### **Allotted, called up and fully paid:**

	<b>2005</b>		<b>2004</b>	
	<b>No</b>	<b>£</b>	<b>No</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>34,000</u></b>	<b><u>34,000</u></b>	<b><u>34,000</u></b>	<b><u>34,000</u></b>