

COMPANY REGISTRATION NUMBER 109038

ELECTRO-FLOW CONTROLS LIMITED
ABBREVIATED ACCOUNTS
FOR
31 MARCH 2007

SIMPSON FORSYTH

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

THURSDAY



S3PS5WT6

SCT

31/01/2008

251

COMPANIES HOUSE

ELECTRO-FLOW CONTROLS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

CONTENTS	PAGE
Independent auditor's report to the company	1
Abbreviated balance sheet	4
Notes to the abbreviated accounts	5

ELECTRO-FLOW CONTROLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO ELECTRO-FLOW CONTROLS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts, together with the financial statements of Electro Flow Controls Limited for the year ended 31 March 2007 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 auditor's 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 AUDITOR

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 abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We conducted our work in accordance with Bulletin 2006/3 "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 to be delivered are properly prepared.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.

ELECTRO-FLOW CONTROLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO ELECTRO-FLOW CONTROLS LIMITED (continued)

UNDER SECTION 247B OF THE COMPANIES ACT 1985

OTHER INFORMATION

On 30.04.08 we reported, as auditor of the company, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 March 2007, and the full text of the company audit report is reproduced below

"We have audited the financial statements of Electro Flow Controls Limited for the year ended 31 March 2007, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005) and on the basis of the accounting policies set out on pages 8 to 10. The financial statements of the company for the year ended 31 March 2006 were not audited.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error.

However, with respect to stock having a carrying amount of £218,860 the evidence available to us was limited because we did not observe the counting of the physical stock as of 31 March 2007, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures.

ELECTRO-FLOW CONTROLS LIMITED

INDEPENDENT AUDITOR'S REPORT TO ELECTRO-FLOW CONTROLS LIMITED *(continued)*

UNDER SECTION 247B OF THE COMPANIES ACT 1985

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for the financial effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to physical stock quantities, in our opinion the financial statements.

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

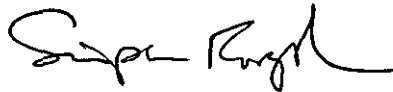
In respect solely of the limitation on our work relating to stocks

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

In our opinion the information given in the Directors' Report is consistent with the financial statements "

52 Queen's Road
Aberdeen
AB15 4YE

30.01.08



SIMPSON FORSYTH
Chartered Accountants
& Registered Auditors

ELECTRO-FLOW CONTROLS LIMITED

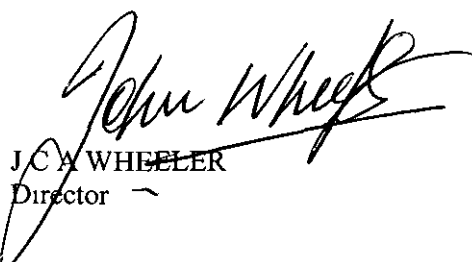
ABBREVIATED BALANCE SHEET

31 MARCH 2007

	Note	2007 £	2006 £
FIXED ASSETS	2		
Intangible assets		6,364	30,001
Tangible assets		91,227	64,116
Investments		704	704
		<u>98,295</u>	<u>94,821</u>
CURRENT ASSETS			
Stocks		218,860	167,714
Debtors		868,656	681,644
Cash at bank and in hand		771,968	155,212
		<u>1,859,484</u>	<u>1,004,570</u>
CREDITORS: Amounts falling due within one year	3	(1,192,685)	(693,560)
NET CURRENT ASSETS		666,799	311,010
TOTAL ASSETS LESS CURRENT LIABILITIES		765,094	405,831
CREDITORS: Amounts falling due after more than one year	4	(441)	(14,642)
		<u>764,653</u>	<u>391,189</u>
CAPITAL AND RESERVES			
Called up equity share capital	6	34,000	34,000
Profit and loss account		730,653	357,189
SHAREHOLDERS' FUNDS		764,653	391,189

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 and authorised for issue on 30/01/08, and are signed on their behalf by


J.C.A. WHEELER
Director

The notes on pages 5 to 9 form part of these abbreviated accounts

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

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 January 2005)

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.

In respect of long term contracts, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long term contracts is recognised by reference to the stage of completion.

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

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES *(continued)*

Investments

Fixed asset investments are stated at cost unless, in the opinion of the directors, there has been a permanent diminution in value, in which case an appropriate adjustment is made

Stocks

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

Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as payments on account. Excess progress payments are included in creditors as payments on accounts. Cumulative costs incurred net of amounts transferred to cost of sales, less provision for contingencies and anticipated future losses on contracts, are included as long term contract balances in stock

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

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

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

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

1. ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
COST				
At 1 April 2006	130,267	211,364	704	342,335
Additions	6,363	77,626	–	83,989
Disposals	–	(5,200)	–	(5,200)
At 31 March 2007	136,630	283,790	704	421,124
DEPRECIATION				
At 1 April 2006	100,266	147,248	–	247,514
Charge for year	30,000	49,831	–	79,831
On disposals	–	(4,516)	–	(4,516)
At 31 March 2007	130,266	192,563	–	322,829
NET BOOK VALUE				
At 31 March 2007	6,364	91,227	704	98,295
At 31 March 2006	30,001	64,116	704	94,821

Included within plant & machinery are assets which originally cost £80,533 (2006 £27,500) and on which depreciation of £33,718 (2006 £2,292) has been charged, which are leased to customers.

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 commenced trading. Management accounts indicate a small loss during the year ended 31 March 2007, although subsequent trading has been profitable.

The company owns 100% of the share capital of EFC Americas Inc, amounting to 10,000 shares at a cost of \$1,000. Converted at the balance sheet date the investment value is £510.

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.

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

3. CREDITORS: Amounts falling due within one year

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

	2007	2006
	£	£
Bank loans and overdrafts	11,666	20,000
Hire purchase agreements	2,535	2,344
	<u>14,201</u>	<u>22,344</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

	2007	2006
	£	£
Bank loans and overdrafts		11,667
Hire purchase agreements	441	2,976
	<u>441</u>	<u>14,643</u>

5. TRANSACTIONS WITH THE DIRECTORS

During the year the company paid costs amounting to £1,527 (2006 £6,240) on behalf of Mr J C A Wheeler, a director Mr Wheeler claimed £3,659 which represented expenses incurred during the year ended 31 March 2006 Mr Wheeler also paid £688 to the company (2006 the company paid £34,622 to Mr Wheeler) during the year At the year end the balance outstanding was £1,527 (2006 £4,347), however this balance was repaid in full after the year end

There were no transactions between Mr E J Littlechild and the company during the year A balance of £36 (2006 £36) was due to Mr Littlechild at the year end date

During the year the company made sales of £550,974 (2006 nil) to its subsidiary company, Electro Flow Controls Americas Inc The subsidiary company incurred net costs of £61,515 (2006 nil) on behalf of Electro Flow Controls Limited Electro Flow Controls Americas Inc received £81,727 (2006 nil) on behalf of Electro Flow Controls Ltd Also during the year, Electro Flow Controls Americas Inc recharged sales office costs of £52,006 (2006 nil) to Electro Flow Controls Limited At the year end the subsidiary company owed Electro Flow Controls Limited £323,612 (2006 nil)

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 MARCH 2007

6 SHARE CAPITAL

Authorised share capital:

	2007	2006
	£	£
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2007		2006	
	No	£	No	£
Ordinary shares of £1 each	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>	<u>34,000</u>