

Registered Number SC109038

Electro-Flow Controls Limited

**Abbreviated Financial Statements
For the Year Ended
31 March 1998**



IAM





**Report of the Auditors
to the members of Electro-Flow Controls Limited pursuant to Section 247B to the
Companies Act 1985**

We have examined the abbreviated accounts on pages 2 to 6, together with the full financial statements of Electro-Flow Controls Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1998.

Respective responsibilities of directors and 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 to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion, the company is entitled to prepare accounts in accordance with Sections 246 of the Companies Act 1985 in respect of the year ended 31 March 1998 and the abbreviated accounts on pages 2 to 6 have been properly prepared in accordance with that provision.

J Duncan Davidson
Chartered Accountants and Registered auditor

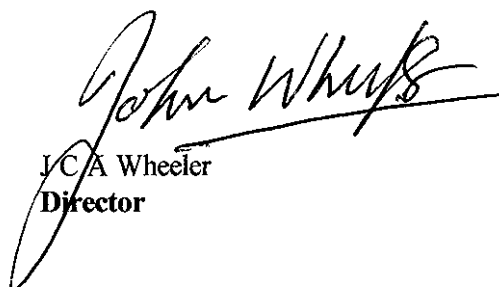
Date 17 May 1999

1 Albert Street
Aberdeen
AB25 1XX

**Abbreviated Balance Sheet
at 31 March 1998**

	Notes	1998 £	1997 £
Fixed assets			
Tangible fixed assets	2	63,929	74,564
Investments	3	310	310
		<u>64,239</u>	<u>74,874</u>
Current assets			
Stock and work in progress		274,312	130,910
Debtors		466,628	210,853
Cash at bank and in hand		28,810	39,926
		<u>769,750</u>	<u>381,689</u>
Creditors (amounts falling due within one year)	4	(783,076)	(381,156)
Net current (liabilities)/assets		<u>(13,326)</u>	<u>533</u>
Total assets less current liabilities		50,913	75,407
Creditors (amounts falling due after more than one year)		(11,261)	(23,719)
Net assets		<u>39,652</u>	<u>51,688</u>
Capital and reserves			
Called up share capital	5	17,000	17,000
Profit and loss account		22,652	34,688
		<u>39,652</u>	<u>51,688</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 17 May 1999 and signed on its behalf.


J.C.A. Wheeler
Director

**Notes to the Abbreviated Accounts
at 31 March 1998**

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Tangible fixed assets and depreciation

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its estimated useful life as follows:-

Motor vehicles	4 years
Computer hardware	3 years
Plant & equipment	4 years

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks and work in progress to their present condition, including where appropriate, a proportion of manufacturing overhead.

Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

Leased assets and hire purchase agreements

Assets purchased under finance leases or hire purchase agreements are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the lease obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital payments outstanding. Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

Group accounts

It is the policy of the company to take advantage of the exemptions conferred by section 248 of the Companies Act 1985 from the preparing of group accounts.

Accounts

These financial statements present information about the company only, and not about the group of companies as a whole.

Notes to the Abbreviated Accounts (*continued*)
at 31 March 1998

2. Tangible fixed assets

	<i>Plant and Machinery etc.</i>
	<u>£</u>
Cost	
At 1 April 1997	174,841
Additions during year	7,360
Disposals during year	-
At 31 March 1998	<u>182,201</u>
Depreciation	
At 1 April 1997	100,277
Charge for year	17,995
On disposals during year	-
At 31 March 1998	<u>118,272</u>
Net book value	
At 31 March 1998	<u>63,929</u>
At 31 March 1997	<u>74,564</u>

Notes to the Abbreviated Accounts (*continued*)
at 31 March 1998

3. Investments

	1998	1997
	£	£
Investments in subsidiary companies and in participating interests at cost	310	310

Representing:

	<i>Country of incorporation</i>	<i>Class of shares held</i>	<i>Percentage holding of ordinary shares</i>	<i>Nature of business</i>
EFC-Premier Developments Limited	Scotland	Ordinary	100%	Manufacture of shallow gas detection instrumentation.
Hydro-Pneumatic Limited	Scotland	Ordinary	100%	Sale of valves and actuators.
Highpoint Engineering Services Limited	Scotland	Ordinary	50%	Supply of engineering & consultancy services

Details of the results of undertakings in which the company has a participating or controlling interest are given below:

	1998	1997
	£	£
<i>Profit and loss account</i>		
Share of (loss)/profit from subsidiary companies and participating interest	(137,395)	(7,859)
Share of accumulated reserves:-		
At 1 April 1996	38,862	46,721
At 31 March 1997	(98,533)	38,862
 <i>Balance sheet</i>		
Share of net assets at date of acquisition	80,251	80,251
Share of post acquisition reserves	(98,533)	38,862
	(18,282)	119,113

**Notes to the Abbreviated Accounts (*continued*)
at 31 March 1998**

4. Creditors (*Amounts falling due within one year*)

Creditors include a bank overdraft of £136,259 (1997 : £51,736) which is secured by a bond and floating charge over all the assets of the company.

5. Called up Share Capital

	<u>1998</u>	<u>1997</u>
	£	£
Authorised:		
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
 Called up, allotted and fully paid		
Ordinary shares of £1 each	<u>17,000</u>	<u>17,000</u>