

ELECTRO-FLOW CONTROLS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31ST MARCH 2002



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

ELECTRO-FLOW CONTROLS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2002

CONTENTS

PAGE

Independent auditors' report to the company

1

Abbreviated balance sheet

2

Notes to the abbreviated financial statements

3

ELECTRO-FLOW CONTROLS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

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 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

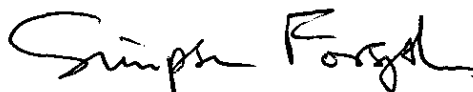
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (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

SIMPSON FORSYTH
Chartered Accountants
& Registered Auditors

17th October 2002

ELECTRO-FLOW CONTROLS LIMITED

ABBREVIATED BALANCE SHEET

YEAR ENDED 31ST MARCH 2002

| | Note | 2002 £ | 2001 £ |
|--|----------|------------------|------------------|
| FIXED ASSETS | 2 | | |
| Intangible assets | | 44,443 | 63,999 |
| Tangible assets | | 19,001 | 9,868 |
| Investments | | 704 | - |
| | | <u>64,148</u> | <u>73,867</u> |
| CURRENT ASSETS | | | |
| Stocks | | 208,789 | 113,310 |
| Debtors | | 354,059 | 187,669 |
| Cash at bank and in hand | | 89,056 | 3,377 |
| | | <u>651,904</u> | <u>304,356</u> |
| CREDITORS: Amounts falling due within one year | 3 | <u>(551,381)</u> | <u>(342,798)</u> |
| NET CURRENT ASSETS/(LIABILITIES) | | <u>100,523</u> | <u>(38,442)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>164,671</u> | <u>35,425</u> |
| CREDITORS: Amounts falling due after more than one year | 4 | <u>(8,411)</u> | <u>(334)</u> |
| | | <u>156,260</u> | <u>35,091</u> |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 5 | 34,000 | 34,000 |
| Profit and Loss Account | | 122,260 | 1,091 |
| SHAREHOLDERS' FUNDS | | <u>156,260</u> | <u>35,091</u> |

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

These financial statements were approved by the directors on the 17th October 2002 and are signed on their behalf by:


J C A WHEELER
Director

The notes on pages 3 to 6 form part of these financial statements.

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 2002

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 March 2000).

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 amounts invoiced 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 up 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 - on a straight line basis over 3 years

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 |

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.

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 2002

1. ACCOUNTING POLICIES *(continued)*

Stocks

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

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

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.

Deferred government grants

Government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 2002

2. FIXED ASSETS

| | Intangible Assets £ | Tangible Assets £ | Investments £ | Total £ |
|---------------------------|---------------------------|-------------------------|------------------|----------------|
| COST | | | | |
| At 1st April 2001 | 70,871 | 117,412 | — | 188,283 |
| Additions | — | 22,397 | 704 | 23,101 |
| Disposals | — | (9,845) | — | (9,845) |
| At 31st March 2002 | 70,871 | 129,964 | 704 | 201,539 |
| DEPRECIATION | | | | |
| At 1st April 2001 | 6,872 | 107,544 | — | 114,416 |
| Charge for year | 19,556 | 9,571 | — | 29,127 |
| On disposals | — | (6,152) | — | (6,152) |
| At 31st March 2002 | 26,428 | 110,963 | — | 137,391 |
| NET BOOK VALUE | | | | |
| At 31st March 2002 | 44,443 | 19,001 | 704 | 64,148 |
| At 31st March 2001 | 63,999 | 9,868 | — | 73,867 |

3. CREDITORS: Amounts falling due within one year

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

| | 2002 £ | 2001 £ |
|--------------------------|---------------|---------------|
| Hire purchase agreements | <u>11,720</u> | <u>14,015</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:

| | 2002 £ | 2001 £ |
|--------------------------|--------------|------------|
| Hire purchase agreements | <u>8,411</u> | <u>334</u> |

ELECTRO-FLOW CONTROLS LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

31ST MARCH 2002

5. SHARE CAPITAL

Authorised share capital:

| | 2002 | 2001 |
|-----------------------------------|----------------------|----------------------|
| | £ | £ |
| 50,000 Ordinary shares of £1 each | <u>50,000</u> | <u>50,000</u> |

Allotted, called up and fully paid:

| | 2002 | 2001 |
|------------------------|----------------------|----------------------|
| | £ | £ |
| Ordinary share capital | <u>34,000</u> | <u>34,000</u> |