

ELAP ENGINEERING LIMITED

REG. NO. 1377278

ABBREVIATED ACCOUNTS

30th SEPTEMBER 1998

D.H. Sharrock & Co

Chartered Accountants

30 St James Street

Accrington



AUDITORS' REPORT TO THE SHAREHOLDERS OF
ELAP ENGINEERING LIMITED
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE
COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the full statutory accounts of the company. The scope of our work for the purpose of this report was limited to confirming the opinion as set out in the following paragraph.

In our opinion the company is entitled to the exemptions as set out in the directors' statement on page 3 and the abbreviated accounts have been properly prepared in accordance with Part III of Schedule 8 to the Companies Act 1985.

On 22nd March 1999 we reported to the shareholders on the statutory accounts of the company for the year ended 30th September 1998, prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8. Our report under section 235 of the Companies Act 1985 was as follows:

We report on the financial statements on pages 4 to 10. The financial statements provide information about the past financial performance of the company and its financial position as at 30th September 1998, stated in accordance with the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the accounts are free from material misstatements, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

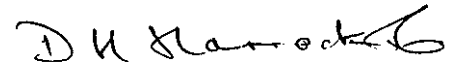
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AUDITORS' REPORT TO THE SHAREHOLDERS OF
ELAP ENGINEERING LIMITED
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE
COMPANIES ACT 1985

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.

30 St James Street
Accrington
22nd March 1999



D. H. Sharrock & Co
Registered Auditors

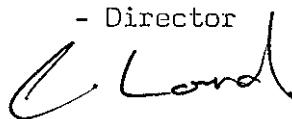
ELAP ENGINEERING LIMITED

ABBREVIATED BALANCE SHEET AT 30th SEPTEMBER 1998

		<u>1998</u>	<u>1997</u>
	Notes		
FIXED ASSETS			
Tangible Assets	2	154901	125859
CURRENT ASSETS			
Stock		19676	21969
Debtors	3	105799	97409
Cash at Bank and in Hand		167391	139977
		<hr/>	<hr/>
		292866	259355
CREDITORS: amounts falling due within one year	4	(262184)	(185456)
		<hr/>	<hr/>
NET CURRENT ASSETS		30682	73899
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		185583	199758
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation		-	-
		<hr/>	<hr/>
		£ 185583	£ 199758
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up Share Capital	5	50	50
Reserves		185533	199708
		<hr/>	<hr/>
		£ 185583	£ 199758
		<hr/>	<hr/>

The directors have taken advantage of the exemptions conferred by Part III of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

- Director



22nd March 1999

ELAP ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

AT 30th SEPTEMBER 1998

1. ACCOUNTING POLICIES

- a. The accounts are prepared under the historical cost convention.
- b. Depreciation is provided on all tangible fixed assets other than freehold land and buildings calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life as follows:

Leasehold Property	- over 125 years
Plant, Machinery and Fittings	- over 7 years
Office Equipment	- over 7 years
Computers	- over 3 years
Motor Vehicles	- over 5 years.

c. Stocks

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value.

- d. Deferred Taxation is calculated on Capital Allowances claimed in advance of depreciation on Fixed Assets.

ELAP ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

AT 30th SEPTEMBER 1998

2. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>	<u>Leasehold Property</u>	<u>Plant Machinery and Fittings</u>	<u>Office Equipment and Computers</u>	<u>Motor Vehicles</u>	<u>Total</u>
COST						
At 1.10.97	110559	-	18523	19361	16855	165298
Additions	-	7994	20744	4062	17497	50297
Disposals	-	-	-	-	(16855)	(16855)
At 30.9.98	£ 110559	7994	39267	23423	17497	198740
DEPRECIATION						
At 1.10.97	-	-	16003	16694	6742	39439
Charge for the year	-	64	4780	3673	3468	11985
On Sales	-	-	-	-	(7585)	(7585)
At 30.9.98	£ -	64	20783	20367	2625	43839
NET BOOK VALUE						
At 1.10.97	£ 110559	-	2520	2667	10113	125859
At 30.9.98	£ 110559	7930	18484	3056	14872	154901

3. DEBTORS

	<u>1998</u>	<u>1997</u>
Trade Debtors	99347	86382
Other Debtors	1470	4545
Prepayments	4982	6482
	<u>£ 105799</u>	<u>£ 97409</u>

ELAP ENGINEERING LIMITED

NOTES TO THE ACCOUNTS

AT 30th SEPTEMBER 1998

	<u>1998</u>	<u>1997</u>
4. CREDITORS		
Current: amounts falling due within one year		
Trade Creditors	25029	13576
Accruals	4001	3218
Current Corporation Tax	39673	18108
Other Taxes and Social Security Costs	8243	6910
Other Creditors	12185	2000
Directors Loan Accounts	173053	141644
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	£ 262184	£ 185456
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5. SHARE CAPITAL

Authorised

Ordinary Shares of £1 each	£ 100	£ 100
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Allotted and Fully Paid

Ordinary Shares of £1 each	£ 50	£ 50
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