

**ELPRO LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1996**



**COMPANY NUMBER: 01754163 (ENGLAND AND WALES)**

AUDITORS' REPORT TO ELPRO LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the full financial statements of Elpro Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective Responsibilities of Directors and Auditors

The director is responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of Opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited full financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements 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 under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 31 December 1996 and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other Information

On 20 May 1997 we reported, as auditors of Elpro Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1996, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 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 and performed 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

AUDITORS' REPORT TO ELPRO LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985

Cont'd.

- 2 -

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1996 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."

*Walker & Sutcliffe*

Walker & Sutcliffe  
Chartered Accountants and Registered Auditors  
12 Greenhead Road  
HUDDERSFIELD  
HD1 4EN

20 May 1997

ELPRO LIMITEDABBREVIATED BALANCE SHEET AS AT 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
FIXED ASSETS			
Tangible Assets	2	29001	31661
CURRENT ASSETS			
Stocks	128302	130193	
Debtors	291641	314409	
Cash in Hand	111794	123166	
		<hr/>	<hr/>
	531737	567768	
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	134020	186296	
		<hr/>	<hr/>
NET CURRENT ASSETS		397717	381472
		<hr/>	<hr/>
Total Assets Less Current Liabilities		426718	413133
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation		1000	1000
		<hr/>	<hr/>
NET ASSETS		£425718	£412133
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called Up Share Capital	3	500	500
Profit and Loss Account		425218	411633
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS		£425718	£412133
		<hr/>	<hr/>

In preparing these abbreviated financial statements the directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 and have done so on the basis that, in their opinion, the company satisfies the criteria for exemption as a small company.

In preparing the financial statements the directors have taken advantage of the exemptions applicable to small companies conferred by Section A of Part I of Schedule 8 to the Companies Act 1985 and have done so on the basis that, in their opinion, the company satisfies the criteria for exemption as a small company.

The abbreviated financial statements were approved by the board on 20 May 1997 and signed on its behalf.

T Micklethwaite  
Director

R J Tremplin  
Director

The notes on pages 4 and 5 form part of these financial statements

ELPRO LIMITEDNOTES TO ABBREVIATED FINANCIAL STATEMENTSFOR THE YEAR ENDED 31 DECEMBER 19961. ACCOUNTING POLICIESBASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention and include the results of the company's operations as described in the Director's Report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

TANGIBLE FIXED ASSETS AND DEPRECIATION:

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life on the following bases:-

Motor Vehicles	At 25% per annum on the reducing balance
Fixtures and Fittings	At 15% per annum on the reducing balance
Plant and Machinery	At 20% per annum on the reducing balance

STOCKS:

Stocks are stated at the lower of cost and net realisable value as follows:-

Raw Materials	- On purchase cost on a first in first out basis
Work in Progress and Finished Goods	- Cost of direct materials and labour plus attributable overheads based on the normal of activity

TURNOVER:

The turnover and pretax profit are attributable to the principle activity of the company carried out wholly in the United Kingdom.

DEFERRED TAXATION:

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability will crystallise in the near future.

2. FIXED ASSETS

	<u>Tangible Fixed Assets</u>
Cost	
At 1 January 1996	86184
Additions	<u>4850</u>
At 31 December 1996	<u>91034</u>
Depreciation	
At 1 January 1996	54523
Charge during the year	<u>7510</u>
At 31 December 1996	<u>62033</u>
Net Book Values	
At 31 December 1996	<u>£29001</u>
At 31 December 1995	<u>£31661</u>

ELPRO LIMITED  
NOTES TO ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1996

Cont'd

- 2 -

3. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
Authorised		
1000 Ordinary Shares of £1 Each	£1000	£1000
	—	—
Allotted, Called Up and Fully Paid		
500 Ordinary Shares of £1 Each	£500	£500
	—	—

4. TRANSACTIONS WITH THE DIRECTORS

Mr T Micklethwaite is also a director of Intrex Limited with which company the following transactions were made, at arm's length and including VAT.

	<u>1996</u>	<u>1995</u>
Sales	71587	48510
Purchases	9257	8543

5. HOLDING COMPANY

The company is a wholly owned subsidiary of Saftronics 2S Limited, which is incorporated in the United Kingdom.