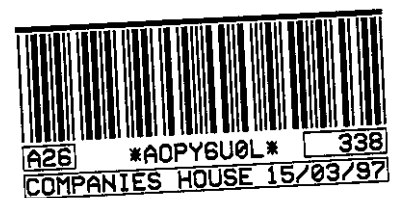


E C M SELECTION LIMITED

COMPANY REGISTRATION NO. 2305305

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 1996



**AUDITORS' REPORT TO THE DIRECTOR OF E C M SELECTION LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 6 together with the full financial statements of E C M Selection Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1996.

**Respective responsibilities of directors and auditors**

The director is responsible for preparing the abbreviated accounts 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 director's statement on page 3 and whether the abbreviated accounts 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 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 under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 July 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

**Other information**

As of today's date we reported, as auditors of E C M Selection Limited, to members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 July 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies as set out in note 1.

**Respective responsibilities of directors and auditors**

As described in the director's report, 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.

AUDITORS' REPORT TO THE DIRECTOR OF E C M SELECTION LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

(CONTINUED)

**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 any significant estimates and judgements made by the director 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.


**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 July 1996 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985'.

93 REGENT STREET

CAMBRIDGE

CB2 1AW



PRICE BAILEY

CHARTERED ACCOUNTANTS

REGISTERED AUDITORS

26 FEBRUARY 1997

**E C M SELECTION LIMITED**

**ABBREVIATED BALANCE SHEET AT 31 JULY 1996**

	Notes		1995
<b>TANGIBLE FIXED ASSETS</b>	2	43,666	20,323
<b>CURRENT ASSETS</b>			
Debtors		44,576	46,266
Cash at bank and in hand		80	6,182
		<u>44,656</u>	<u>52,448</u>
<b>CREDITORS - amounts falling due within one year</b>	3	<u>61,260</u>	<u>59,329</u>
<b>EXCESS OF CURRENT LIABILITIES OVER CURRENT ASSETS</b>		(16,604)	(6,881)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,062	13,442
<b>CREDITORS - amounts falling due after more than one year</b>	3	14,143	-
		<u>£ 12,919</u>	<u>£ 13,442</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	1,000	1,000
Profit and loss account		11,919	12,442
		<u>£ 12,919</u>	<u>£ 13,442</u>

**DIRECTOR'S STATEMENT**

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8.
- (b) In the opinion of the director, the company is entitled to those exemptions on the basis that it qualifies as a small company.

Approved by the board on 24 February 1997

  
M J Gerke  
Sole director

The notes on pages 4 to 6 form part of these financial statements.

**E C M SELECTION LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**1. ACCOUNTING POLICIES**

**Accounting convention and standards**

The financial statements are prepared under the historical cost convention in accordance with applicable statements of standard accounting practice and financial reporting standards.

**Turnover**

Turnover represents the invoiced amount of goods sold and services provided, (stated net of value added tax).

**Depreciation**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected life as follows:

Motor vehicles	At the rate of 25% per annum on the reducing balance
Office equipment	At the rate of 15% per annum on the reducing balance

**Deferred taxation**

Deferred taxation is calculated using the liability method on timing differences between amounts as computed for taxation purposes and amounts as stated in these financial statements in conjunction with losses carried forward.

**Leasing and hire purchase commitments**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating agreements are charged to income as incurred.

**Defined contribution pension scheme**

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

**E C M SELECTION LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**2. TANGIBLE FIXED ASSETS**

	Office Equipment	Motor Vehicles	Total
<b>Cost:</b>			
At 1 August 1995	21,196	14,200	35,396
Additions	3,075	31,495	34,570
Disposals	-	(14,200)	(14,200)
	<u>24,271</u>	<u>31,495</u>	<u>55,766</u>
At 31 July 1996			
<b>Depreciation:</b>			
At 1 August 1995	6,863	8,210	15,073
Charge for the year	2,612	2,625	5,237
Eliminated on disposals	-	(8,210)	(8,210)
	<u>9,475</u>	<u>2,625</u>	<u>12,100</u>
At 31 July 1996			
<b>Net book value:</b>			
At 31 July 1996	<u>£ 14,796</u>	<u>£ 28,870</u>	<u>£ 43,666</u>
At 31 July 1995	<u>£ 14,333</u>	<u>£ 5,990</u>	<u>£ 20,323</u>

**Leased assets and assets acquired under hire purchase contracts**

The net book value of tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1995
Motor vehicles	<u>£ 28,870</u>	<u>£ 5,990</u>

Depreciation charged for the year on tangible assets includes the following amounts relating to assets held under finance leases and hire purchase contracts:

		1995
Motor vehicles	<u>£ 2,625</u>	<u>£ 1,997</u>

**3. SECURED LIABILITIES**

Liabilities under finance leases and hire purchase contracts amounting to £22,225 (1995 £1,723) are secured on specific fixed assets of the company as disclosed in note 2.

**E C M SELECTION LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**

**4. SHARE CAPITAL**

	No.	1995 No.
Authorised		
Ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	£ 1,000	£ 1,000
	<u>£ 1,000</u>	<u>£ 1,000</u>

**5. TRANSACTIONS WITH DIRECTORS**

During the year the company rented premises from the director of the company and his wife on an arms length basis. Rental paid totalled £6,400 (1995 £5,850).

As at 31 July 1996 the director's current account was overdrawn by £4,955, which was the maximum overdrawn balance during the year.