

**LEACH MANAGEMENT SYSTEMS LIMITED**

**ABBREVIATED ACCOUNTS FOR THE YEAR ENDED**

**31ST DECEMBER 1996**

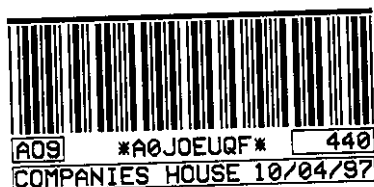
**SPECIAL AUDITOR'S REPORT  
ABBREVIATED BALANCE SHEET  
NOTES TO THE ABBREVIATED ACCOUNTS**

**REGISTERED OFFICE:**

**CARRIAGE COURT, 25 CIRCUS MEWS  
BATH BA1 2PW**

**REGISTERED NUMBER:**

**2533074**



**AUDITOR'S REPORT TO THE DIRECTORS OF LEACH MANAGEMENT SYSTEMS LIMITED**

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

We have examined the abbreviated accounts on pages 4 to 7 together with the full statutory accounts of the Company for the year ended 31st December 1996, 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 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 4 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 full statutory accounts that the Company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. 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 accounts.

**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 31st December 1996, and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with that Schedule.

**OTHER INFORMATION**

On 26th March 1997, we reported as auditors of Leach Management Systems Limited to the shareholders on the full statutory accounts for the year ended 31st December 1996, and our audit report was as follows:

"We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As described on page 2, the Company's Directors are 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.

**AUDITOR'S REPORT TO THE DIRECTORS OF LEACH MANAGEMENT SYSTEMS LIMITED**

**PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 OF 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 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.

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st December 1996, and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, applicable to small companies."

  
SYLVESTER, GROVES & CO  
Registered Auditor

Carriage Court  
25 Circus Mews  
Bath BA1 2PW

Date: 26th March 1997

# LEACH MANAGEMENT SYSTEMS LIMITED

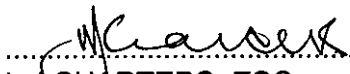
## ABBREVIATED BALANCE SHEET AS AT 31ST DECEMBER 1996

<u>1995</u>		<u>NOTES</u>	<u>£</u>	<u>£</u>
<u>£</u>				
	<u>FIXED ASSETS</u>			
20,143	Tangible Assets	1c, 2		19,886
<u>100,000</u>	Intangible Assets	1h, 3		<u>91,200</u>
<u>120,143</u>				111,086
	<u>CURRENT ASSETS</u>			
7,159	Stocks and Work in Progress	1g	25,179	
<u>37,233</u>	Debtors	4	<u>68,302</u>	
44,392			93,481	
<u>49,720</u>	<u>CREDITORS: Amounts falling due within one year</u>	5	<u>96,682</u>	
<u>(5,328)</u>	<u>NET CURRENT (LIABILITIES)</u>			<u>(3,201)</u>
<u>114,815</u>	<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			<u>107,885</u>
	<u>CAPITAL AND RESERVES</u>			
180	Share Capital	6		180
<u>(17,417)</u>	Profit and Loss Account			<u>(24,347)</u>
<u>(17,237)</u>				<u>(24,167)</u>
<u>132,052</u>	<u>LONG TERM LOAN</u>			<u>132,052</u>
<u>114,815</u>				<u>107,885</u>

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

In the preparation of the Company's annual accounts, the Directors have taken advantage of special exemptions applicable to small companies provided by Part I of Schedule 8, and have done so on the grounds that, in their opinion, the Company qualifies as a small company.

### SIGNED ON BEHALF OF THE BOARD

  
.....  
L J CHARTERS ESQ  
DIRECTOR

APPROVED BY THE BOARD ON 25TH MARCH 1997

The notes on pages 5 to 7 form part of the abbreviated accounts.

## **LEACH MANAGEMENT SYSTEMS LIMITED**

### **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996**

#### **1. ACCOUNTING POLICIES**

##### **a) BASIS OF ACCOUNTING**

The accounts have been prepared under the historical cost convention.

##### **b) TURNOVER**

Turnover represents net invoiced sales of goods and services, excluding Value Added Tax.

##### **c) TANGIBLE FIXED ASSETS**

Depreciation has been calculated at the following rates on the reducing balance method to write off each asset over its expected useful life.

Motor Vehicles	25%
Office Equipment	15%
Furniture and Fittings	15%

##### **d) DEFERRED TAXATION**

Provision is made at the appropriate rates for deferred taxation in respect of all material timing differences only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

##### **e) CASH FLOW STATEMENT EXEMPTION**

The Company has taken advantage of the exemption conferred by the Financial Reporting Standard Number 1 not to prepare a cash flow statement as it qualifies as a small company within the provisions of the Companies Act 1985.

##### **f) PENSION ARRANGEMENTS**

The Company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

##### **g) STOCKS AND WORK IN PROGRESS**

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

##### **h) RESEARCH AND DEVELOPMENT**

Deferred development expenditure is capitalised under intangible assets and amortised on a systematic basis by reference to identified sales of the products.

## LEACH MANAGEMENT SYSTEMS LIMITED

### NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1996

#### (CONTINUED)

#### 2. INTANGIBLE ASSETS

	<u>TOTAL</u>
<u>COST</u>	<u>£</u>
Cost as at 1st January 1996 and 31st December 1996	<u>100,000</u>
<u>AMORTISATION</u>	
Amortisation for the Year	<u>8,800</u>
As at 31st December 1996	<u>8,800</u>
<u>NET BOOK VALUE</u>	
As at 31st December 1996	<u>91,200</u>
As at 31st December 1995	<u>100,000</u>

#### 3. TANGIBLE FIXED ASSETS

	<u>TOTAL</u>
<u>COST</u>	<u>£</u>
As at 1st January 1996	27,610
Additions	<u>3,311</u>
As at 31st December 1996	<u>30,921</u>
<u>DEPRECIATION</u>	
As at 1st January 1996	7,467
Charge for Year	<u>3,568</u>
As at 31st December 1996	<u>11,035</u>
<u>NET BOOK VALUE</u>	
As at 31st December 1996	<u>19,886</u>
As at 31st December 1995	<u>20,143</u>