

**ESTIMATION LIMITED**  
**ABBREVIATED ACCOUNTS**  
**YEAR ENDED**  
**31 DECEMBER 1998**  
**Registered number: 1445066**



**BDO STOY HAYWARD**  
Beneficial Building, 28 Paradise Circus, Queensway, Birmingham B1 2BJ

## **ESTIMATION LIMITED**

### **REPORT OF THE AUDITORS**

---

Auditors' report to Estimation Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 6 together with the financial statements of the company for the year ended 31 December 1998 prepared under section 226 of the Companies Act 1985.

#### **Respective responsibilities of Directors and Auditors**

The directors are responsible for the preparing the abbreviated financial statements 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 financial statements prepared in accordance with section 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

#### **Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include any examining or dealing with events after the date of our report on the full financial statements.

#### **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements on pages 2 to 6 are properly prepared in accordance with those provisions.

*BDO Stoy Hayward*

**BDO STOY HAYWARD**  
Chartered Accountants & Registered Auditors  
Birmingham B1 2BJ

13 March 1999

# ESTIMATION LIMITED

## BALANCE SHEET AT 31 DECEMBER 1998

	<u>Notes</u>	<u>£</u>	<u>1998</u> <u>£</u>	<u>£</u>	<u>1997</u> <u>£</u>
<b>Fixed assets</b>					
Tangible assets	2		21,274		3,303
<b>Current assets</b>					
Stocks		30,612		24,313	
Debtors		254,189		279,471	
Cash at bank and in hand		446,886		361,354	
			731,687	665,138	
<b>Creditors: amounts falling due within one year</b>		610,506		582,048	
<b>Net current assets</b>			121,181		83,090
<b>Total assets less current liabilities</b>			142,455		86,393
<b>Provisions for liabilities and charges</b>			30,113		34,723
			112,342		51,670
<b>Capital and reserves</b>					
Called up share capital	3		1,000		1,000
Profit & loss account			111,342		50,670
<b>Equity shareholders' Funds</b>			112,342		51,670

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board on 13 March 1999.

  
D A BELL - DIRECTOR

## **ESTIMATION LIMITED**

### **NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998**

---

#### **1. Accounting policies**

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied..

##### **Depreciation**

Depreciation is provided to write-off the cost or valuation of all tangible fixed assets over their anticipated useful lives:-

Office furniture & Equipment	- 3 years straight line
Motor vehicles	- 3 years straight line

##### **Stocks**

Contracts in progress are valued individually at the lower of cost, including related overheads, and estimated net realisable value, provision being made for anticipated future losses where appropriate.

Stocks are valued at the lower of the cost and net realisable value.

##### **Deferred taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that a liability or asset will crystallise.

##### **Turnover**

Turnover represents the invoiced value of goods supplied and services rendered as adjusted by the variation between opening and closing valuations of contracts in progress and after making full provision for potential claims and allowances.

##### **Leased assets**

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

Reverse premiums and similar incentives received to enter into operating lease agreements are released to the profit and loss account over the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

**ESTIMATION LIMITED**

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

---

**1. Accounting policies (continued)**

**Cash flow statement**

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement under Financial Reporting Standard 1 "cash flow statements".

**Pension costs**

Contributions are made by the company to the employee's pension scheme and are charged to the profit and loss account in the year in which they become payable.

ESTIMATION LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)

---

2. Tangible fixed assets

	<u>Total</u> £
<u>Cost</u>	
As at 1 January 1998	130,887
Additions	22,492
Disposals	(46,697)
	<hr/>
As at 31 December 1998	106,682
	<hr/>
<u>Accumulated depreciation</u>	
As at 1 January 1998	127,584
Charge for the year	4,521
On disposals	(46,697)
	<hr/>
As at 31 December 1998	85,408
	<hr/>
<u>Net Book Values</u>	
As at 31 December 1998	21,274
	<hr/>
As at 31 December 1997	3,303
	<hr/>

**ESTIMATION LIMITED****NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1998 (CONTINUED)**

---

<b>3. Called up share capital</b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Authorised, allotted and fully paid 1,000 ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
<b>4. Reconciliation of movements in equity shareholders funds</b>	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
Profit for the financial year	128,672	128,734
Dividend paid	68,000	35,000
	<hr/>	<hr/>
Net increase in shareholders' funds	60,672	93,734
Opening shareholders funds/(deficit)	51,670	(42,064)
	<hr/>	<hr/>
Closing equity shareholders' funds	112,342	51,670
	<hr/>	<hr/>
<b>5. Ultimate holding company</b>		

The ultimate holding company is Estimation Inc., a company incorporated in the United States.