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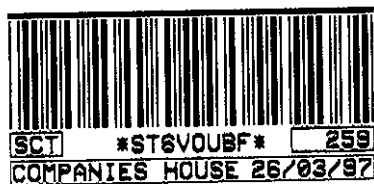
ENERGY MANAGEMENT ASSOCIATES LIMITED

(Company Number: 144476)

ABBREVIATED ACCOUNTS

31 MAY 1996

AS



Anderson Anderson & Brown
Chartered Accountants

A²+B

ANDERSON
ANDERSON
& BROWN

CHARTERED
ACCOUNTANTS

**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED
ACCOUNTS OF ENERGY MANAGEMENT ASSOCIATES LIMITED**

We report on the accounts for the year ended 31 May 1996 set out on pages 2 to 4.

Respective responsibilities of director and reporting accountants

As described on the balance sheet on page 3 the company's director is responsible for the preparation of the accounts and he considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the company's accounting records and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Limited opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6), of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year as specified in Section 249A(4) of the Act and did not, at any time within the year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

Anderson Anderson & Co

Reporting Accountants
Aberdeen

21 March 1997

ENERGY MANAGEMENT ASSOCIATES LIMITED
ABBREVIATED BALANCE SHEET - 31 MAY 1996

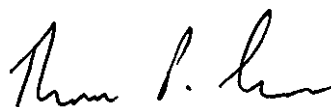
A² + B

	Note	1996 £	1995 £
FIXED ASSETS			
Tangible assets	3	9,319	14,394
Investments	4	<u>26,869</u>	<u>18,994</u>
		<u>36,188</u>	<u>33,388</u>
CURRENT ASSETS			
Debtors		46,891	52,412
Cash at bank and in hand		<u>102,412</u>	<u>7,283</u>
		149,303	59,695
CREDITORS: amounts falling due within one year		<u>32,321</u>	<u>17,843</u>
NET CURRENT ASSETS		<u>116,982</u>	<u>41,852</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 153,170</u>	<u>£ 75,240</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account		<u>153,168</u>	<u>75,238</u>
		<u>£ 153,170</u>	<u>£ 75,240</u>

In the director's opinion the company is entitled under Section 249A(2) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 May 1996. No members who are entitled to, have requested an audit in terms of Section 249B(2) of the Companies Act 1985.

The director is responsible for ensuring that the company keeps accounting records which comply with Section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each year in accordance with the requirements of Section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.

The director has taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 of the Companies Act 1985, as amended, on the grounds that in the director's opinion the company qualifies as a small company.



Director - T P Cross

21st March 1997 Date

1. STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the director is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether or not applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and,
- (d) prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enables him to ensure that the accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. ACCOUNTING POLICIES

(a) *Basis of accounts preparation*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) *Depreciation*

The cost of fixed assets is depreciated by equal annual instalments over the expected useful lives of the assets as follows:

Office equipment and fixtures & fittings	4 years
Motor vehicles	4 years

(c) *Deferred taxation*

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

ENERGY MANAGEMENT ASSOCIATES LIMITED
NOTES ON THE ABBREVIATED ACCOUNTS - 31 MAY 1996

A²+B

3. TANGIBLE FIXED ASSETS

	£
COST	
At 31 May 1995	22,060
Additions	<u>671</u>
At 31 May 1996	<u>22,731</u>
DEPRECIATION	
At 31 May 1995	7,666
Charge for year	<u>5,746</u>
At 31 May 1996	<u>13,412</u>
Net book values at:	
31 May 1996	<u>£ 9,319</u>
31 May 1995	<u>£ 14,394</u>

4. INVESTMENTS

	£
At 31 May 1995	18,994
Additions	<u>7,875</u>
At 31 May 1996	<u>£ 26,869</u>

The market value of the investments at 31 May 1996 was £60,000, and if sold at that price a liability to corporation tax of £8,000 (1995 - £1,800) would arise.

5. CALLED UP SHARE CAPITAL

	1996 & 1995
Authorised: 100 Ordinary shares of £1 each	<u>£ 100</u>
Allotted, called up and fully paid: 2 Ordinary shares of £1 each	<u>£ 2</u>