

CAPSOFT UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 JULY 2000



ICM

THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Registered Auditors
22 North West Circus Place
Edinburgh
EH3 6SX

CAPSOFT UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2000

CONTENTS	PAGE
Auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3

CAPSOFT UK LIMITED

AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 July 2000 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 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 accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

BASIS OF OPINION

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

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

22 North West Circus Place
Edinburgh
EH3 6SX

22 August 2001

The A9 Partnership Limited

THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

CAPSOFT UK LIMITED
ABBREVIATED BALANCE SHEET

31 JULY 2000

	Note	2000 £	£	1999 £	£
FIXED ASSETS	2				
Intangible assets			-		150,000
Tangible assets			128,081		40,499
Investments			2		24,730
			<u>128,083</u>		<u>215,229</u>
CURRENT ASSETS					
Stocks		3,710		4,185	
Debtors		498,298		48,338	
Cash at bank and in hand		695		15,863	
		<u>502,703</u>		<u>68,386</u>	
CREDITORS: Amounts falling Due within one year	3	(893,390)		(294,206)	
NET CURRENT LIABILITIES			(390,687)		(225,820)
TOTAL ASSETS LESS CURRENT LIABILITIES			(262,604)		(10,591)
CREDITORS: Amounts falling due After more than one year	4		(167,805)		(28,889)
			<u>(430,409)</u>		<u>(39,480)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		24,011		20,000
Share premium account			115,989		-
Revaluation reserve			-		150,000
Profit and Loss Account			<u>(570,409)</u>		<u>(209,480)</u>
DEFICIENCY			<u>(430,409)</u>		<u>(39,480)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22 August 2001 and are signed on their behalf by:

MR R SHEPHERD



CAPSOFT UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets.

At the balance sheet date the company had a net deficiency of assets of £430,409. The directors are aware of the insolvent position of the company and since the year end they have taken a number of steps to rectify this. Post year end trading has improved and the intercompany loan has been repaid. The directors therefore present these statements on a going concern basis.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Intangible fixed assets

Licences acquired to distribute software are not included in the balance sheet as per previous years. The directors believe that these agreements cannot be valued. The agreements are not marketable and have no cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Tenants improvements -	15% reducing balance basis
Plant & Machinery -	15% reducing balance basis
Fixtures & Fittings -	15% reducing balance basis
Motor Vehicles -	25% reducing balance basis

Stocks

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

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

CAPSOFT UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

2. FIXED ASSETS

	Tangible Fixed Assets £	Investments £	Total £
COST			
At 1 August 1999	55,426	24,730	80,156
Additions	111,833	93,216	205,049
Disposals	-	(24,730)	(24,730)
Revaluation	-	(93,214)	(93,214)
At 31 July 2000	167,259	2	167,261
DEPRECIATION			
At 1 August 1999	14,927	-	14,927
Charge for year	24,251	-	24,251
At 31 July 2000	39,178	-	39,178
NET BOOK VALUE			
At 31 July 2000	128,081	2	128,083
At 31 July 1999	40,499	24,730	65,229

The investment brought forward from the year ended 31 July 1999 was in respect of shares owned in Reed International a listed company. The shares were sold during the year for £26,173 giving a profit on sale of £1,443.

The addition in the year was the purchase of 65% of the share capital in Protec (Computer Services) Limited. The directors currently believe the value of Protec (Computer Services) Limited to be zero. Therefore, in line with accounting policies the value of the investment has been reduced to nil in the year to 31 July 2000.

In September 1999 the company created a 100% subsidiary company Everyform Limited. Since 31 July 2000 Everyform Limited has been sold and is no longer a subsidiary.

3. CREDITORS: Amounts falling due within one year

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2000 £	1999 £
Bank loans and overdrafts	224,385	12,836

4. CREDITORS: Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2000 £	1999 £
Bank loans and overdrafts	145,250	20,999

CAPSOFT UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2000

5. SHARE CAPITAL

Authorised share capital:

	2000	1999
	£	£
50,000 Ordinary shares of £1.00 each	50,000	50,000
50,000 Ordinary B class shares of £1.00 each	50,000	-
	<u>100,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2000		1999	
	No.	£	No.	£
Ordinary shares	20,000	20,000	20,000	20,000
Ordinary B class shares	4,011	4,011	-	-
	<u>24,011</u>	<u>24,011</u>	<u>20,000</u>	<u>20,000</u>