

CAPSOFT UK LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR
31 JULY 2001



IAM,

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 2001

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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 2001 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

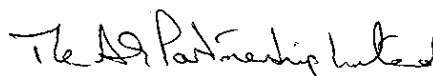
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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

29 August 2001


THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

CAPSOFT UK LIMITED**ABBREVIATED BALANCE SHEET**

31 JULY 2001

	Note	2001 £	£	2000 £	£
FIXED ASSETS	2				
Tangible assets			129,195		128,081
Investments			-		2
			<u>129,195</u>		<u>128,083</u>
CURRENT ASSETS					
Stocks		3,500		3,710	
Debtors		423,688		498,298	
Cash at bank and in hand		187		695	
		<u>427,375</u>		<u>502,703</u>	
CREDITORS: Amounts falling Due within one year	3	<u>(643,361)</u>		<u>(893,390)</u>	
NET CURRENT LIABILITIES			<u>(215,986)</u>		<u>(390,687)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(86,791)</u>		<u>(262,604)</u>
CREDITORS: Amounts falling due After more than one year	4		<u>(112,304)</u>		<u>(167,805)</u>
			<u>(199,095)</u>		<u>(430,409)</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		24,011		24,011
Share premium account			115,989		115,989
Profit and Loss Account			(339,095)		(570,409)
DEFICIENCY			<u>(199,095)</u>		<u>(430,409)</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 29 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 2001

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

At the balance sheet date the company had a net deficiency of assets of £189,568. The directors are aware of the insolvent position of the company. The company has traded profitably during the year and the directors anticipate this will continue.

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.

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.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

CAPSOFT UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

1. ACCOUNTING POLICIES *(continued)*

Invoice discounting

The company assigns its debtors to Bank of Scotland Cashflow Finance. The company invoices its clients in the normal fashion. On collection of the debt it is paid into a Bank of Scotland trust account. The Bank advance 70% on assignment of the debt. The company shows the full debtors collectable and the liability due to Bank of Scotland Cashflow Finance.

2. FIXED ASSETS

	Tangible Fixed Assets £	Investments £	Total £
COST			
At 1 August 2000	167,259	2	167,261
Additions	27,946	-	27,946
Disposals	(15,750)	(2)	(15,752)
At 31 July 2001	<u>179,455</u>	<u>-</u>	<u>179,455</u>
DEPRECIATION			
At 1 August 2000	39,178	-	39,178
Charge for year	17,632	-	17,632
On disposals	(6,550)	-	(6,550)
At 31 July 2001	<u>50,260</u>	<u>-</u>	<u>50,260</u>
NET BOOK VALUE			
At 31 July 2001	<u>129,195</u>	<u>-</u>	<u>129,195</u>
At 31 July 2000	<u>128,081</u>	<u>2</u>	<u>128,083</u>

The company owns 65% of 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 was reduced to nil in the year to 31 July 2000.

In September 1999 the company created a 100% subsidiary company Everyform Limited. The subsidiary company has been sold in the current year.

3. CREDITORS: Amounts falling due within one year

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

	2001 £	2000 £
Bank loans and overdrafts	<u>180,326</u>	<u>224,385</u>

CAPSOFT UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2001

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:

	2001	2000
	£	£
Bank loans and overdrafts	<u>96,250</u>	<u>145,250</u>

5. SHARE CAPITAL

Authorised share capital:

	2001	2000
	£	£
50,000 Ordinary shares of £1.00 each	50,000	50,000
50,000 Ordinary B class shares of £1.00 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2001		2000	
	No.	£	No.	£
Ordinary shares	20,000	20,000	20,000	20,000
Ordinary B class shares	4,011	4,011	4,011	4,011
	<u>24,011</u>	<u>24,011</u>	<u>24,011</u>	<u>24,011</u>