

CAPSOFT UK LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST JULY 2004



THE A9 PARTNERSHIP LIMITED
Chartered Accountants & Registered Auditors
5 Marischal Place
Blackhall
Edinburgh
EH4 3NE

CAPSOFT UK LTD
ABBREVIATED ACCOUNTS
YEAR ENDED 31ST JULY 2004

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CAPSOFT UK LTD

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6, together with the financial statements of the company for the year ended 31st July 2004 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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

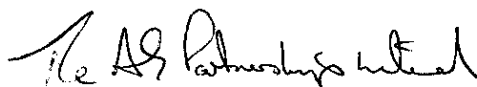
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 6 are properly prepared in accordance with those provisions.

5 Marischal Place
Blackhall
Edinburgh
EH4 3NE

15th April 2005


THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

CAPSOFT UK LTD
ABBREVIATED BALANCE SHEET
31ST JULY 2004

	Note	2004 £	£	2003 £	£
FIXED ASSETS	2				
Tangible assets			87,851		87,460
CURRENT ASSETS					
Stocks		284		50,395	
Debtors		134,154		197,652	
Cash at bank and in hand		522,147		14,932	
		<u>656,585</u>		<u>262,979</u>	
CREDITORS: Amounts falling due within one year	3	<u>409,224</u>		<u>187,490</u>	
NET CURRENT ASSETS			247,361		75,489
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>335,212</u>		<u>162,949</u>
CREDITORS: Amounts falling due after more than one year	4		123,635		7,452
PROVISIONS FOR LIABILITIES AND CHARGES			11,196		-
			<u>200,381</u>		<u>155,497</u>
CAPITAL AND RESERVES					
Called-up equity share capital	6		22,123		24,011
Share premium account			115,989		115,989
Profit and loss account			62,269		15,497
SHAREHOLDERS' FUNDS			<u>200,381</u>		<u>155,497</u>

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

These abbreviated accounts were approved by the directors on 15th April 2005 and are signed on their behalf by:

MR R SHEPHERD



The notes on pages 3 to 6 form part of these abbreviated accounts.

CAPSOFT UK LTD**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST JULY 2004****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

There is a change in accounting policy for turnover. Turnover was recognised on invoice of maintenance contracts and is now adjusted for future maintenance. This policy was implemented from the 1st August 2003. The turnover shown in the profit and loss account represents amounts invoiced during the year less adjustment for deferred maintenance contracts, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at 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:

Plant & Machinery	- 15% reducing balance
Fixtures & Fittings	- 15% reducing balance

Stocks

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

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

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 LTD**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST JULY 2004****1. ACCOUNTING POLICIES** *(continued)***Pension costs**

The company operates a defined contribution scheme available to employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

CAPSOFT UK LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JULY 2004

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1st August 2003	170,646
Additions	20,983
At 31st July 2004	<u>191,629</u>
DEPRECIATION	
At 1st August 2003	83,186
Charge for year	20,592
At 31st July 2004	<u>103,778</u>
NET BOOK VALUE	
At 31st July 2004	<u>87,851</u>
At 31st July 2003	<u>87,460</u>

3. CREDITORS: Amounts falling due within one year

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

	2004 £	2003 £
Bank loans and overdrafts	<u>7,452</u>	<u>44,808</u>

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:

	2004 £	2003 £
Bank loans and overdrafts	<u>-</u>	<u>7,452</u>

CAPSOFT UK LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JULY 2004

5. RELATED PARTY TRANSACTIONS

The company was under the control of Mr R Shepherd throughout the current and previous year. Mr R Shepherd is the chairman and majority shareholder.

Mr Shepherd was a director of Disclaw Ltd up to 14 April 2005. Capsoft UK Ltd made payments on behalf of Disclaw Ltd for overheads.

At the 31st July 2004 Disclaw Ltd owed Capsoft UK Ltd £7,562.

6. SHARE CAPITAL

Authorised share capital:

	2004	2003
	£	£
50,000 Ordinary shares of £1 each	50,000	50,000
50,000 Ordinary B shares shares of £1 each	50,000	50,000
	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2004		2003	
	No	£	No	£
Ordinary shares of £1 each	20,240	20,240	20,240	20,240
Ordinary B shares shares of £1 each	1,883	1,883	3,771	3,771
	<u>22,123</u>	<u>22,123</u>	<u>24,011</u>	<u>24,011</u>

During the year 1888 Ordinary B Shares were bought back by the company.