

CAPSOFT UK LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED
31ST JULY 2005



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

CAPSOFT UK LTD
ABBREVIATED ACCOUNTS
YEAR ENDED 31ST JULY 2005

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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 5, together with the financial statements of the company for the year ended 31st July 2005 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 work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

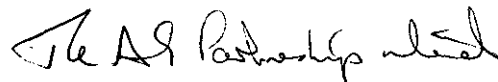
The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (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 5 are properly prepared in accordance with those provisions.



THE A9 PARTNERSHIP LIMITED
Chartered Accountants
& Registered Auditors

5 Marischal Place
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EH4 3NE

23rd March 2006

CAPSOFT UK LTD
ABBREVIATED BALANCE SHEET
31ST JULY 2005

	Note	2005 £	£	2004 £	£
FIXED ASSETS	2				
Tangible assets			81,175		87,851
CURRENT ASSETS					
Stocks		320		284	
Debtors		115,585		134,154	
Cash at bank and in hand		477,517		522,147	
		<u>593,422</u>		<u>656,585</u>	
CREDITORS: Amounts falling due within one year	3	<u>392,654</u>		<u>409,224</u>	
NET CURRENT ASSETS			<u>200,768</u>		<u>247,361</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>281,943</u>		<u>335,212</u>
CREDITORS: Amounts falling due after more than one year			61,817		123,635
PROVISIONS FOR LIABILITIES AND CHARGES			<u>10,920</u>		<u>11,196</u>
			<u>209,206</u>		<u>200,381</u>
CAPITAL AND RESERVES					
Called-up equity share capital	5		22,123		22,123
Share premium account			115,989		115,989
Profit and loss account			<u>71,094</u>		<u>62,269</u>
SHAREHOLDERS' FUNDS			<u>209,206</u>		<u>200,381</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 23rd March 2006 and are signed on their behalf by:

MR R SHEPHERD



CAPSOFT UK LTD**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31ST JULY 2005****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

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.

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.

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.

CAPSOFT UK LTD

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31ST JULY 2005

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.

2. FIXED ASSETS

	Tangible Assets £
COST	
At 1st August 2004	191,629
Additions	3,357
At 31st July 2005	<u>194,986</u>
DEPRECIATION	
At 1st August 2004	103,778
Charge for year	10,033
At 31st July 2005	<u>113,811</u>
NET BOOK VALUE	
At 31st July 2005	<u>81,175</u>
At 31st July 2004	<u>87,851</u>

CAPSOFT UK LTD
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31ST JULY 2005

3. CREDITORS: Amounts falling due within one year

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

	2005	2004
	£	£
Bank loans and overdrafts	<u>34,817</u>	<u>7,452</u>

4. 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.

At the year end Mr Russell Shepherd had an overdrawn directors loan account of £33,887. There is no interest charged on the loan and the director expects the loan to be repaid within nine months of the balance sheet date.

Mrs D Shepherd received a £30,000 for termination of employment. At this time she is still a director of the company.

5. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
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:

	2005		2004	
	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	1,883	1,883
	<u>22,123</u>	<u>22,123</u>	<u>22,123</u>	<u>22,123</u>