

RUNTIME REVOLUTION LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003



RUNTIME REVOLUTION LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Intangible assets	2	396,250		1,218	
Tangible assets	2	3,946		10,130	
		<u>400,196</u>		<u>11,348</u>	
Current assets					
Debtors		38,621		23,020	
Cash at bank and in hand		8,239		4,505	
		<u>46,860</u>		<u>27,525</u>	
Creditors: amounts falling due within one year		<u>(229,098)</u>		<u>(168,663)</u>	
Net current liabilities		<u>(182,238)</u>		<u>(141,138)</u>	
Total assets less current liabilities		<u>217,958</u>		<u>(129,790)</u>	
Creditors: amounts falling due after more than one year	3	<u>(598,348)</u>		<u>(137,768)</u>	
		<u>(380,390)</u>		<u>(267,558)</u>	
Capital and reserves					
Called up share capital	4	2,197		1,776	
Share premium account		170,451		74,157	
Profit and loss account		<u>(553,038)</u>		<u>(343,491)</u>	
Shareholders' funds		<u>(380,390)</u>		<u>(267,558)</u>	

RUNTIME REVOLUTION LIMITED

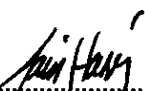
ABBREVIATED BALANCE SHEET (CONTINUED) AS AT 31 OCTOBER 2003

In preparing these abbreviated accounts:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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

The financial statements were approved by the Board on 30 July 2004.


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I P Harris
Director

RUNTIME REVOLUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

1.1 Accounting convention

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

1.2 Going concern

At 31 October 2003 the company had net liabilities of £380,390 (2002 : £267,558). The company is reliant on the continued support of the directors and their related family members. They have confirmed their intention to continue to support the company. On this basis and with intellectual property rights available on certain software products the directors consider the accounts should be prepared on a going concern basis.

1.3 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Intangible assets

Intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives. The estimated useful life is as follows:

Trademarks	10 years
Licences	6.75 years

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% Straight line
Fixtures, fittings & equipment	40% Reducing balance

1.8 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

RUNTIME REVOLUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

1 Accounting policies

(continued)

1.9 Deferred taxation

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

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Fixed assets

	Intangible assets £	Tangible assets £	Total £
Cost			
At 1 November 2002	1,589	22,528	24,117
Additions	415,731	1,520	417,251
At 31 October 2003	417,320	24,048	441,368
Depreciation			
At 1 November 2002	371	12,398	12,769
Charge for the year	20,699	7,704	28,403
At 31 October 2003	21,070	20,102	41,172
Net book value			
At 31 October 2003	396,250	3,946	400,196
At 31 October 2002	1,218	10,130	11,348

3 Creditors: amounts falling due after more than one year

The aggregate amount of creditors for which security has been given amounted to £412,026 (2002 - £nil).

RUNTIME REVOLUTION LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

4	Share capital	2003 £	2002 £
	Authorised		
	100,000 Ordinary Shares of 10p each	10,000	10,000
	Allotted, called up and fully paid		
	21,970 Ordinary Shares of 10p each	2,197	1,776