

**SAGESOFT LIMITED**

**DIRECTORS' REPORT AND ACCOUNTS**

**YEAR ENDED 30 SEPTEMBER 1992**

**(Registered Number : 1045967)**

**COMPANIES HOUSE  
CARDIFF**

**29 JUN 1993**

**RECEPTION DESK**

# **SAGESOFT LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1992**

The Directors have pleasure in presenting their report and accounts for the year ended 30 September 1992.

### **ACTIVITIES**

The Company's principal activity during the year was the development and publication of business software for personal computers and the sale of computer stationery and supplies.

### **REVIEW OF THE BUSINESS**

The Company achieved a profit on ordinary activities before taxation of £6,571,548 on a turnover of £13,912,184.

### **RESULTS FOR THE YEAR**

The trading results for the year and dividends proposed are set out on page 3.

### **DIRECTORS AND THEIR INTERESTS**

The Directors who served during the year were as follows:

AD Goldman (Chairman)  
TP Maxfield  
PA Walker  
AWG Wylie  
MEW Jackson  
BR Fisher  
S Stewart

The interests of Directors holding office at 30 September 1992 in the shares of The Sage Group plc are set out in the Directors' Report of that Company.

### **FIXED ASSETS**

Movements in fixed assets are set out in Note 7 to the accounts.


### **RESEARCH AND DEVELOPMENT**

The Company continues to develop business software applications for personal computers.

### **AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting

By Order of the Board,

  
PW Egerton  
Secretary

8 December 1992

*Price Waterhouse*



## AUDITORS' REPORT TO THE MEMBERS OF SAGESOFT LIMITED

We have audited the financial statements on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30 September 1992 and its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

**PRICE WATERHOUSE**  
Chartered Accountants  
and Registered Auditor

8 December 1992

**SAGESOFT LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER 1992**

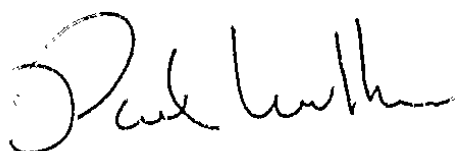
	<u>1992</u>	<u>1991</u>
<b>TURNOVER</b> (Note 2)	13,912,184	12,776,023
Cost of sales	(2,240,066)	(2,748,550)
	<u>          </u>	<u>          </u>
<b>GROSS PROFIT</b>	11,672,118	10,027,473
Selling and administrative expenses	(5,090,127)	(4,884,398)
	<u>          </u>	<u>          </u>
<b>OPERATING PROFIT</b>	6,581,991	5,143,075
Interest payable (Note 5)	(10,443)	(12,998)
	<u>          </u>	<u>          </u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 3)	6,571,548	5,130,077
Taxation (Note 6)	(1,424,401)	(1,341,712)
	<u>          </u>	<u>          </u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	5,147,147	3,788,365
Proposed dividend	(5,147,147)	(3,788,365)
	<u>          </u>	<u>          </u>
<b>AMOUNT TRANSFERRED TO RESERVES</b>	<u>          </u> £-	<u>          </u> £-

**SAGESOFT LIMITED****BALANCE SHEET AS AT 30 SEPTEMBER 1992**

	<u>1992</u>	<u>1991</u>
<b>FIXED ASSETS</b>		
Tangible assets (Note 7)	4,564,342	4,396,868
<b>CURRENT ASSETS</b>		
Debtors (Note 8)	5,790,741	2,789,150
<b>CREDITORS: amounts falling due within one year (Note 9)</b>	<u>(8,063,991)</u>	<u>(5,349,696)</u>
<b>NET CURRENT LIABILITIES</b>	<u>(2,273,250)</u>	<u>(2,560,546)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	2,291,092	1,836,322
<b>CREDITORS: amounts falling due after more than one year (Note 10)</b>	(56,266)	(75,891)
<b>DEFERRED MAINTENANCE INCOME</b>	<u>(2,032,826)</u>	<u>(1,558,431)</u>
	<u>£202,000</u>	<u>£202,000</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital (Note 12)	202,000	202,000
Profit and loss account	-	-
	<u>£202,000</u>	<u>£202,000</u>

The financial statements on pages 3 to 11 were approved by the board of directors on 8 December 1992 and are signed on their behalf by:

P A Walker  
Director



# **SAGESOFT LIMITED**

## **NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992**

### **1 ACCOUNTING POLICIES**

#### **(a) Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **(b) Turnover**

Turnover represents invoiced sales to third parties after deducting credit notes, allowances, trading discounts and Value Added Tax and is adjusted to include maintenance income on a straight line basis over the life of each maintenance agreement.

#### **(c) Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation on tangible fixed assets is provided for as follows:

Freehold land and buildings - Nil

Plant and equipment - 33% per annum on reducing balance

Motor vehicles - 25% per annum on reducing balance

Fixtures & fittings - 15% per annum on reducing balance

No depreciation is charged on the company's freehold land and building because the directors consider that the economic life of the property and its residual value are such that depreciation is not significant.

#### **(d) Development costs**

All costs associated with the development of software are written off as incurred.

#### **(e) Stocks and work in progress**

Stocks are stated at the lower of cost and net realisable value.

#### **(f) Leasing**

Where plant and equipment is acquired by finance leasing arrangements which give rights approximating to ownership the amount representing the purchase price of such assets is included in tangible fixed assets and the related obligations are included in creditors.

All other leases are classified as operating leases and the annual rentals are charged to the profit and loss account as they fall due.

#### **(g) Foreign currency translation**

Foreign currency assets and liabilities are translated into sterling at rates ruling at the balance sheet date. All profits and losses arising on exchange differences are reflected in the profit and loss account.

#### **(h) Deferred taxation**

Provision is made for deferred taxation to the extent that there is a reasonable probability that a liability will arise in the foreseeable future.

# SAGESOFT LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)

### 1 ACCOUNTING POLICIES (continued)

#### (i) Pensions

The company operates a defined contribution pension scheme for certain of its employees. The costs are charged to the profit and loss account as they fall due.

### 2 SEGMENT INFORMATION

The geographical analysis of turnover by market is as follows:

	<u>1992</u>	<u>1991</u>
United Kingdom	13,576,272	12,106,778
Rest of The World	335,912	669,245
	<u>£13,912,184</u>	<u>£12,776,023</u>

### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is stated after charging:

	<u>1992</u>	<u>1991</u>
Staff costs (including directors' emoluments):		
Wages & salaries	2,616,967	2,324,796
Social security costs	255,383	211,810
Other pension costs	97,361	78,878
Depreciation	335,834	250,522
Operating lease rentals	58,447	26,781
Loss on sale of tangible fixed assets	73,430	142,857
Auditors' remuneration	4,000	4,000
	<u>£3,741,362</u>	<u>£3,239,954</u>

Non audit services supplied by the company's auditors during the year amounted to £1,500.

# SAGESOFT LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)

### 4 EMOLUMENTS OF DIRECTORS

Directors' emoluments, which were in respect of services to the Group, totalled £772,655 (1991 - £477,469).

The emoluments of the chairman, who was also the highest paid director, were £157,087 (1991 - £121,909).

The number of other directors whose emoluments (excluding pension contributions) were within the following bands were as follows:

	<u>1992</u>	<u>1991</u>
£10,001 - £15,000	1	1
£20,001 - £25,000	1	1
£90,001 - £95,000	1	1
£95,001 - £100,000	-	2
£100,001 - £105,000	1	-
£105,001 - £110,000	2	-
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### 5 INTEREST PAYABLE

	<u>1992</u>	<u>1991</u>
Interest payable on borrowing repayable within five years	38,135	307,021
Finance charges on finance lease agreements	10,443	8,457
Interest on late corporation tax payment	-	4,541
	<hr/>	<hr/>
	48,578	320,019
Interest capitalised	(38,135)	(307,021)
	<hr/>	<hr/>
	£10,443	£12,998
	<hr/>	<hr/>

Interest payable on funds used to finance the new building has been capitalised. Tax relief of £12,854 (1991 - £101,000) on interest capitalised has been credited to the cost of the asset.



# SAGESOFT LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)

### 6 TAXATION

	<u>1992</u>	<u>1991</u>
Corporation tax on profits for the year at 33% (1991 - 33.5%)	1,391,377	1,341,712
Prior year	33,024	-
	<u>£1,424,401</u>	<u>£1,341,712</u>

The corporation tax charge for the year has benefited from the surrender of group relief at nil consideration from a fellow subsidiary of The Sage Group plc.

### 7 TANGIBLE FIXED ASSETS

	<u>Freehold land and building</u>	<u>Plant and equipment</u>	<u>Fixtures and fittings</u>	<u>Motor vehicles</u>	<u>Total</u>
<u>Cost:</u>					
At 1 October 1991	3,286,054	877,749	467,327	249,012	4,880,142
Additions	50,116	145,673	54,089	290,180	540,058
Disposals	-	-	-	(59,470)	(59,470)
	<u>3,336,170</u>	<u>1,023,422</u>	<u>521,416</u>	<u>479,722</u>	<u>5,360,730</u>
<u>Depreciation:</u>					
At 1 October 1991	3,673	374,794	24,972	79,835	483,274
Provision for the year	-	188,828	71,050	76,006	335,884
Disposals	-	-	-	(22,770)	(22,770)
	<u>3,673</u>	<u>563,622</u>	<u>96,022</u>	<u>133,071</u>	<u>796,388</u>
<u>Net book amount:</u>					
At 30 September 1992	<u>£3,332,497</u>	<u>£459,800</u>	<u>£425,394</u>	<u>£346,651</u>	<u>£4,564,342</u>
At 30 September 1991	<u>£3,282,381</u>	<u>£502,955</u>	<u>£442,355</u>	<u>£169,177</u>	<u>£4,396,868</u>

Tangible fixed assets include an amount of £62,740 (1991 - £94,062) in respect of assets held under finance lease contracts. The depreciation charge for the year on these assets amounted to £31,332 (1991 - £8,550).

# SAGESOFT LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)

### 8 DEBTORS

	<u>1992</u>	<u>1991</u>
Amounts due from group undertakings	£5,790,741	£2,789,150
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### 9 CREDITORS: amounts falling due within one year

	<u>1992</u>	<u>1991</u>
Corporation tax	2,897,220	1,464,599
Advance corporation tax	-	79,803
Proposed dividend	5,147,147	3,788,365
Finance lease obligations	19,624	16,929
	<hr/>	<hr/>
	£8,063,991	£5,349,696
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### 10 CREDITORS: amounts falling due after more than one year

	<u>1992</u>	<u>1991</u>
Finance lease obligations:		
One to two years	22,319	19,625
Two to five years	33,947	56,266
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	£56,266	£75,891
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# SAGESOFT LIMITED

## NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)

### 11 DEFERRED TAXATION

	<u>1992</u>	<u>1991</u>
The full potential deferred tax liability/(asset), which has not been provided for, is as follows:		
Tax deferred by accelerated capital allowances	13,261	(4,267)
Other timing differences	(39,853)	(80,699)
	<u>£(26,592)</u>	<u>£(84,966)</u>

### 12 CALLED UP SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
202,000 Authorised, allotted and fully paid ordinary shares of £1 each	£202,000	£202,000

### 13 OPERATING LEASE COMMITMENTS

The annual commitment under non-cancellable operating leases for plant and equipment comprises:

	<u>1992</u>	<u>1991</u>
Expiring within one year	27,768	18,701
Expiring within one to two years	-	27,768
Expiring within two to five years	38,936	38,936
	<u>£66,704</u>	<u>£85,405</u>

## **SAGESOFT LIMITED**

### **NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1992 (continued)**

#### **14 EMPLOYEES**

The average number of people employed by the Company in the United Kingdom during the year was 162 (1991 - 155).

#### **15 CASH FLOW STATEMENT**

The company has not presented its own cash flow statement as permitted by FRS1. Details of the cash flows of the Group may be found in the accounts of the Sage Group plc.

#### **16 ULTIMATE PARENT UNDERTAKING**

The Company's ultimate parent undertaking is The Sage Group plc, a company registered in England. Copies of the group accounts can be obtained from the registered office at Sage House, Benton Park Road, Newcastle upon Tyne, NE7 7LZ.