

SKY SOFTWARE LIMITED

DIRECTORS' REPORT AND ACCOUNTS

YEAR ENDED 30 SEPTEMBER 1994

(Registered Number : 1781451)



SKY SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1994

The Directors have pleasure in presenting their report and accounts for the year ended 30 September 1994.

REVIEW OF ACTIVITIES

The principal activity of the Company was the design and distribution of software packages for business applications running on micro and super-micro-computers. On 1 October 1992 the trade and assets of the company were transferred to a fellow subsidiary undertaking of the Sage Group PLC. The company has not traded since that date.

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	(resigned - 8 December 1993)

The interest of Directors holding office at 30 September 1994 in the shares of The Sage Group plc are set out in the Directors' Report of that Company.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year 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 the profit or loss for the financial year.

The Directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the year ended 30 September 1994. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

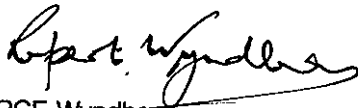
SKY SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1994 (continued)

AUDITORS

The company will adopt dormant status at the Annual General Meeting and as such take advantage of Section 252 of the Companies Act 1985 and dispense with the need to appoint auditors for future accounting periods.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'RCE Wyndham', written over a horizontal line.

RCE Wyndham
Company Secretary

26 June 1995

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
SKY SOFTWARE LIMITED**

We have audited the financial statements on pages 4 and 5 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1994 and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

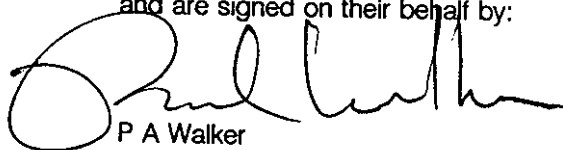
26 June 1995

SKY SOFTWARE LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1994

	<u>1994</u> £	<u>1993</u> £
Amount due from group undertakings	599,056	599,056
	<hr/>	<hr/>
CAPITAL AND RESERVES		
Called up share capital (Note 2)	175,000	175,000
Share premium account	241,936	241,936
Profit and loss account	182,120	182,120
	<hr/>	<hr/>
	599,056	599,056
	<hr/>	<hr/>

The financial statements on pages 4 to 5 were approved by the board of directors on 26 June 1995 and are signed on their behalf by:


P A Walker
Director

SKY SOFTWARE LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1994

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

2 CALLED UP SHARE CAPITAL

	<u>Allotted and fully paid</u>		<u>1994</u>	<u>Authorised</u>
	<u>1994</u>	<u>1993</u>		<u>1993</u>
'A' Ordinary shares of £1 each	70,000	70,000	80,000	80,000
Convertible 'B' Ordinary shares of £1 each	105,000	105,000	120,000	120,000
'C' Ordinary shares of £1 each	-	-	12,000	12,000
	<u>£175,000</u>	<u>£175,000</u>	<u>£212,000</u>	<u>£212,000</u>

3 ULTIMATE PARENT UNDERTAKING

The 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.