2056185

ESPERUS SOFTWARE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998

ESPERUS SOFTWARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

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Aspil & Co
Accountants

122 St Pancras way
London NW1 9NB

ESPERUS SOFTWARE LIMITED

FINANCIAL GENERAL INFORMATION

YEAR ENDED 31 MARCH 1998

COMPANY NO:	02056185
DIRECTOR:	M. Pavlou T. Pavlou
SECRETARY:	T. Pavlou
REGISTERED OFFICE:	232 Royal College Street London NW1 9NJ
AUDITORS:	AL Charles & Co 247-249 Gray's Inn Road London WC1X 8JR

ESPERUS SOFTWARE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 1998

ACCOUNTS

The directors present their report together with the audited financial statements of the company for the year ended 31 March 1998.

ACTIVITIES

The principal activity of the company is that of development and sale of software packages and computer equipment.

RESULTS

The profit and loss account is set out on page 4.

TRADING RESULTS AND DIVIDENDS

The results for the year and the financial position of the company are as set out in the annexed financial statements. A dividend of £45600 has been voted to the shareholders (1997 £41800).

FIXED ASSETS

Details of fixed assets are set out in note 4 on page 8.

DIRECTORS AND THEIR INTERESTS

The directors and their interests in the ordinary shares of the company at 31 March 1998 were as follows:

	Ordinary Shares of £1 each	
	1998	1997
M. Pavlou	60	60
T. Pavlou	40	40

TAX STATUS

In the opinion of the directors the company is a close company within the meaning of Section 282 of the Income and Corporation Taxes Act 1970 as subsequently amended.

AUDITORS

A resolution to re-appoint the auditors Messrs A L Charles & Co, will be proposed at the annual general meeting.

BY ORDER OF THE BOARD

.....

T. PAVLOU
SECRETARY

DATE 28/09/98

REPORT OF THE AUDITORS' TO THE MEMBER OF

ESPERUS SOFTWARE LIMITED

We report on the financial statements on pages 5 to 9. The financial statements provide information about the financial performance of the company and its financial position as at 31 March 1998 and stated in accordance with the accounting policies set out on page 7.

Directors' responsibilities

The company's directors are responsible for the preparation of financial statements which present 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, total recognised gains or losses and cash flows of the company for that period.

Auditor's responsibilities

It is our responsibility to form an independent opinion on the financial statements presented by the directors based on our audit and to report our opinion to you. The Companies Act 1985 also requires us to report to you if the following requirements are not met:

- that the company has maintained proper accounting records;
- that the financial statements are in agreement with the accounting records;
- that directors' emoluments and other transactions with directors are properly disclosed in the financial statements;
- that we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

Our opinion does not encompass the directors' report on page 2. However, the Companies Act 1985 requires us to report to you if the matters contained in the director's report are inconsistent with the financial statements.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board.

An audit includes examinations, 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.

REPORT OF THE AUDITORS' TO THE MEMBERS OF

ESPERUS SOFTWARE LIMITED

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, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by error, fraud, or other irregularity. 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 31 March 1998 and of its profits, total recognised gains for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A L Charles & Co
Registered Auditors

12/10/98

247-249 Gray's Inn Road
London WC1X 8JR

SEPTEMBER 1998

ESPERUS SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1998

	Note		1998		1997
TURNOVER	1		369860		224128
COST OF SALES			137373		61158
GROSS PROFIT			**232487**		**162970**
OTHER INCOME			231		265
			232718		163235
Administrative expenses		139561		118782	
Distribution expenses		6406		4617	
Other operating charges		578		668	
			146545		124067
PROFIT on ordinary activities before taxation	2		86173		39168
TAXATION	3		18105		9413
PROFIT on ordinary activities After taxation			68068		29755
Dividends			45600		44800
			22468		(15045)
Balance brought forward			**5395**		**20440**
Balance carried forward			**27863**		**5395**

The notes on pages 7-9 form part of these financial statements.

ESPERUS SOFTWARE LIMITED
BALANCE SHEET
AS AT 31 MARCH 1998

	Note		1998		1997
FIXED ASSETS					
Tangible assets	4		6332		6856
CURRENT ASSETS					
Debtors and prepayments	5	105808		34924	
Cash at bank		1135		17405	
Cash in hand		155		160	
		107098		52489	
CREDITORS: Due within one year	6	85467		53850	
NET CURRENT ASSETS (LIABILITIES)			21631		(1361)
NET ASSETS			**27963**		**5495**
CAPITAL AND RESERVES					
Called up share capital	7		100		100
Profit and loss account			27863		5395
			27963		**5495**

APPROVED BY THE BOARD

M. PAVLOU **DIRECTOR**

DATE 28/09/98

The notes on pages 7-9 form part of these financial statements.

ESPERUS SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

a) Accounting convention

The accounts have been prepared under the historical cost convention.

b) Turnover

Turnover represents the amount of goods sold stated net of value added tax.

c) Depreciation

Fixed assets are stated at cost less depreciation. Depreciation is calculated on the reducing balance basis at the rates estimated to write off the assets over their estimated useful lives as follows:

Plant and machinery	25%

2. PROFIT/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

After charging:

	1998	1997
Audit and accountancy fees	2250	1850
Depreciation	2111	819

3. TAXATION

Corporation tax on the profit for the year.	18105	9413

ESPERUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1998
(CONTINUED)

4. TANGIBLE FIXED ASSETS

	Plant and Machinery	Total
COST		
As at 01.04.97	11688	11688
Cost during the period	1587	1587
Disposals	-	-
At the end of the year	13275	13275
DEPRECIATION		
As at 01.04.97	4832	4832
Charge for the year	2111	2111
Elimination on disposal	-	-
At the end of the year	6943	6943
NET BOOK VALUE		
At the end of the year	6332	6332
At the beginning of the year	6856	6856

5. DEBTORS AND PREPAYMENTS

	1998	1997
Debtors and prepayments	105808	34924
	105808	34924

6. CREDITORS DUE WITHIN ONE YEAR

Trade creditors and accruals	16030	11071
Social security and other taxes	39939	25722
Corporation tax	28389	16421
Directors current account	1109	636
	85467	53850

	1998	1997
7. CALLED UP SHARE CAPITAL		
Authorised		
100 ordinary shares of £1 each	100	100
Issued and fully paid		
100 ordinary shares of £1 each	100	100

8. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities as at the Balance Sheet date. (1997 Nil).