

ESPERUS SOFTWARE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 MARCH 1999



ESPERUS SOFTWARE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 1999

I N D E X

	Page No. -----
GENERAL INFORMATION	1
DIRECTORS REPORT	2
AUDITORS REPORT	3-4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
NOTES TO THE FINANCIAL STATEMENTS	7-9

**Aspil & Co
Accountants**

**122 St Pancras way
London NW1 9NB**

ESPERUS SOFTWARE LIMITED
FINANCIAL GENERAL INFORMATION
YEAR ENDED 31 MARCH 1999

COMPANY NO:

02056185

DIRECTOR:

M. Pavlou
T. Pavlou

SECRETARY:

T. Pavlou

REGISTERED OFFICE:

Southgate Office Village
288 Chase Road
Southgate
London N14 6HF

AUDITORS:

AL Charles & Co
247-249 Gray's Inn Road
London WC1X 8JR

ESPERUS SOFTWARE LIMITED
REPORT OF THE DIRECTORS
YEAR ENDED 31 MARCH 1999

ACCOUNTS

The directors present their report together with the audited financial statements of the company for the year ended 31 March 1999.

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 £72000 has been voted to the shareholders (1997 £45600).

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	
	1999	1998
M. Pavlou	60	60
T. Pavlou	40	40

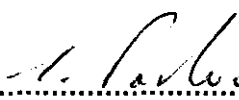
TAX STATUS

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 29-9-99

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 1999 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 1999 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**

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

29. SEPTEMBER 1999

ESPERUS SOFTWARE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999

	Notes -----	1999 -----	1998 -----
<u>TURNOVER</u>	1	370512	369860
<u>COST OF SALES</u>		87823 -----	137373 -----
GROSS PROFIT		282689	232487
OTHER INCOME		105 -----	231 -----
		282794	232718
Administrative expenses	153646	139561	
Distribution expenses	4861	6406	
Other operating charges	1490 -----	578 -----	
		159997 -----	146545 -----
<u>PROFIT</u> on ordinary activities before taxation	2	122797	86173
<u>TAXATION</u>	3	26002 -----	18105 -----
<u>PROFIT</u> on ordinary activities After taxation		96795	68068
Dividends		72000 -----	45600 -----
		24795	22468
Balance brought forward		27863 -----	5395 -----
Balance carried forward		52658 =====	27863 =====

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

ESPERUS SOFTWARE LIMITED
BALANCE SHEET
AS AT 31 MARCH 1999

	Notes -----	1999 -----	1998 -----
<u>FIXED ASSETS</u>			
Tangible assets	4	8022	6332
<u>CURRENT ASSETS</u>			
Debtors and prepayments	5	82660	105808
Cash at bank		26947	1135
Cash in hand		150	155
		-----	-----
		109757	107098
<u>CREDITORS:</u> Due within one year	6	65021	85467
		-----	-----
<u>NET CURRENT ASSETS</u>		44736	21631
		-----	-----
<u>NET ASSETS</u>		52758	27963
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	7	100	100
Profit and loss account		52658	27863
		-----	-----
		52758	27963
		=====	=====

APPROVED BY THE BOARD

M. PAVLOU



DIRECTOR

DATE.....29/9/99.....

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

ESPERUS SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1999

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:

	1999	1998
	-----	-----
Audit and accountancy fees	2250	2250
Depreciation	2008	2111
	=====	=====

3. TAXATION

Corporation tax on the profit for the year.

26002	18105
=====	=====

ESPERUS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1999
(CONTINUED)

4. TANGIBLE FIXED ASSETS

	<u>Lease</u>	<u>Plant and Machinery</u>	<u>Total</u>
	-----	-----	-----
<u>COST</u>			
As at 01.04.98	-	13275	13275
Cost during the period	2000	1698	3698
Disposals	-	-	-
	-----	-----	-----
At the end of the year	2000	14973	16973
	=====	=====	=====
<u>DEPRECIATION</u>			
As at 01.04.98	-	6943	6943
Charge for the year	-	2008	2008
Elimination on disposal	-	-	-
	-----	-----	-----
At the end of the year	-	8951	8951
	=====	=====	=====
<u>NET BOOK VALUE</u>			
At the end of the year	2000	6022	8022
	=====	=====	=====
At the beginning of the year	-	6332	6332
	=====	=====	=====

5. DEBTORS AND PREPAYMENTS

	1999	1998
	-----	-----
Debtors and prepayments	82660	105808
	-----	-----
	82660	105808
	=====	=====

6. CREDITORS DUE WITHIN ONE YEAR

Trade creditors and accruals	4989	16030
Social security and other taxes	30038	39939
Corporation tax	26002	28389
Directors current account	3992	1109
	-----	-----
	65021	85467
	=====	=====

ESPERUS SOFTWARE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 1999
(CONTINUED)

	<u>1999</u>	<u>1998</u>
	-----	-----
7. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
100 ordinary shares of £1 each	100	100
	===	===
<u>Issued and fully paid</u>		
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. (1998 Nil).