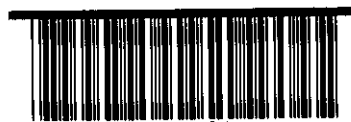


**ASTRAC Limited**

**Abbreviated accounts**

**for the 14 months ended 30 September 2000**

Registered no: 2110600



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# ASTRAC Limited

## Chairman's statement

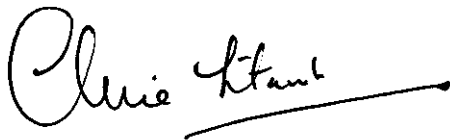
During the period under review the company continued to make substantial progress in meeting its objectives and reported a profit in line with forecasts. An interim dividend of 25p per ordinary share was paid on 10<sup>th</sup> October 2000 and no final dividend is proposed.

The company successfully develops, services and markets its own AS enterprise-wide management information software. The development of this product arose as result of a long-term source-code agreement with the IBM Corporation in California, USA. Building on the investments in previous years, the company has successfully accelerated the execution of AS software licence agreements and has now completed installations for large enterprises located in seventeen countries including the USA, Canada, Japan, Germany, U.K., France, Sweden, Denmark, Holland, Switzerland, Italy and the Republic of South Africa. This was achieved through the further development of suitably qualified and experienced agents and distributors in overseas markets, and by direct sales. The contribution of the ASOffice and ASQuery products has been valuable in stimulating new AS licence revenues. The company continues to invest in AS and complementary software and support technologies in order to optimise and extend revenue flows from existing and future AS customers.

In the current year the company again expects to substantially increase the number of installations and to grow high quality maintainable income and expects to derive over 85% of revenues from overseas. The Board is determined to maintain a tight control upon costs including currency fluctuations.

The Board recognises the vital contribution that the management and staff make to the success of the business. During the year in review a further opportunity to subscribe for shares on favourable terms was given to and accepted by all qualifying employees. In addition, the company operates incentive schemes based upon the company's profitability and will continue to provide individuals with appropriate incentives and benefits as well as encourage long-term shareholder participation.

The Board is encouraged by the prospects open to the company and continues to respond realistically to opportunities where profitability and shareholder value can be enhanced.

A handwritten signature in black ink, appearing to read 'Clive Titcomb', with a long horizontal line extending from the end of the signature.

**Clive Titcomb**  
Chairman  
22 November 2000

## **Auditors' report to the directors of ASTRAC Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 3 to 6 together with the annual financial statements of ASTRAC Limited for the fourteen months ended 30 September 2000.

### **Respective responsibilities of directors and auditors**

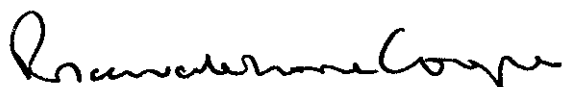
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246 of and Schedule 8A to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and whether the abbreviated financial statements are properly prepared in accordance with those provisions and to report our opinion to you.

### **Basis of audit opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements are properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements for the period.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated financial statements to be delivered are properly prepared in accordance with those provisions.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Birmingham

28 November 2000

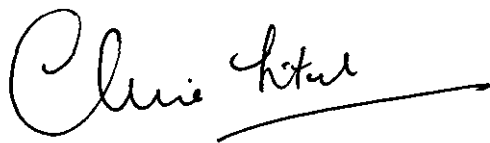
# ASTRAC Limited

## Balance sheet at 30 September 2000

	Notes	30 September 2000 £	31 July 1999 £
<b>Fixed Assets</b>			
Intangible Assets	3	108,489	91,549
Tangible Assets	2	60,390	24,360
		<u>168,879</u>	<u>115,909</u>
<b>Current assets</b>			
Debtors		766,388	313,071
Cash at bank and in hand		1,677,256	691,710
		<u>2,443,644</u>	<u>1,004,781</u>
<b>Creditors: Amounts falling due within one year</b>	4	<u>(1,941,737)</u>	<u>(899,405)</u>
<b>Net current assets</b>		<u>501,907</u>	<u>105,376</u>
<b>Total assets less current liabilities</b>		<u>670,786</u>	<u>221,285</u>
<b>Creditors: Amounts falling due after more than one year</b>	4	<u>-</u>	<u>(61,814)</u>
<b>Net assets</b>		<u>670,786</u>	<u>159,471</u>
<b>Capital and reserves</b>			
Called up share capital	5	195,161	179,077
Share premium account		227,641	82,885
Profit and loss account		247,984	(102,491)
<b>Equity shareholders' funds</b>		<u>670,786</u>	<u>159,471</u>

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

The financial statements on pages 3 to 6 were approved by the board of directors on 22 November 2000 and were signed on its behalf by:



Director

# ASTRAC Limited

## Notes to abbreviated accounts

### 1 Principal accounting policies

The principal accounting policies, all of which have been consistently applied throughout the period, are set out below.

#### 1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

#### 1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis, unless otherwise stated, over its expected useful life as follows:

Leasehold property	-	over the lease term
Computer hardware	-	over 3 years
Office equipment	-	over 4 years
Motor vehicles	-	over 4 years, reducing balance basis

#### 1.3 Intangible assets

Software development expenditure is written off to Profit & Loss Account except where the Directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases direct labour costs and specific external costs are identified and 50% written off to the Profit & Loss Account in the year of expenditure with the balance carried forward on the Balance Sheet under the heading Intangible Assets to be written off equally over the next two years.

#### 1.4 Research

Research expenditure is written off as incurred.

#### 1.5 Turnover

Turnover is the sterling equivalent value of goods and services supplied. It also excludes VAT, similar sales-based or withholding taxes and tariffs. Where invoices are sent to customers in advance an appropriate proportion relating to future periods is included in deferred income accordingly. The only exception to this is where customers pay a one-off licence fee, based on a multiple of the monthly rental charge, for the permanent licence to use ASTRAC software, this revenue is credited to revenue in the year of invoice.

#### 1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accountancy purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

#### 1.7 Pension Scheme

The company operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable.

# ASTRAC Limited

## Notes to abbreviated accounts (continued)

### 1.8 Foreign exchange

Assets and liabilities denominated in overseas currencies are translated at the rates ruling at the balance sheet date or the appropriate forward contract or other rate if hedging is used. Exchange differences arising in respect of revenue transactions in the accounting period are included in the profit and loss account.

### 1.9 Leases

Assets held under hire purchase transactions are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital element of the obligations is recorded as liabilities, while the interest element is charged to the profit and loss account over the period of the lease.

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

### 1.10 Cash flow statement

The company is exempt from the requirement of FRS1 to produce a cash flow statement as it is entitled to the exemption available under Sections 246 to 249 of the Companies Act 1985 as a small reporting entity.

## 2 Tangible assets

	Computer Hardware £	Office Equipment : £	Total £
<b>Cost</b>			
1 August 1999	292,693	65,702	358,395
Additions	80,073	8,604	88,677
<b>30 September 2000</b>	<b>372,766</b>	<b>74,306</b>	<b>447,072</b>
<b>Depreciation</b>			
1 August 1999	275,606	58,429	334,035
Charge for year	44,537	8,110	52,647
<b>30 September 2000</b>	<b>320,143</b>	<b>66,539</b>	<b>386,682</b>
<b>Net book value</b>			
<b>30 September 2000</b>	<b>52,623</b>	<b>7,767</b>	<b>60,390</b>
31 July 1999	17,087	7,273	24,360

## 3. Intangible Assets

	30 September 2000 £	31 July 1999 £
Balance brought forward 1 August	91,549	61,500
Additions during year	78,089	121,598
Charge in year against revenue	(61,149)	(91,549)
<b>Net book value at period end</b>	<b>108,489</b>	<b>91,549</b>

# ASTRAC Limited

## Notes to abbreviated accounts (continued)

### 4. Indebtedness

	30 September 2000 £	31 July 1999 £
Loan	<u>67,636</u>	<u>61,814</u>

(a) The loan is interest free and is repayable in four equal instalments from 1 August 2001.

(b) The company has provided an unlimited debenture to the company's bankers. At the year end the company did not have an overdraft or other borrowings with the bank.

### 5. Share capital

<i>Authorised</i>	Number	£
25p Ordinary shares	500,000	125,000
25p Deferred shares	450,000	112,500
30 September 2000	<u>950,000</u>	<u>237,500</u>
<i>Allotted, called up and fully paid</i>		
25p Ordinary shares		
1 August 1999	266,308	66,577
Issued in year	<u>64,336</u>	<u>16,084</u>
30 September 2000	<u>330,644</u>	<u>82,661</u>
25p Deferred shares		
30 September 2000 and 31 July 1999	<u>450,000</u>	<u>112,500</u>
30 September 2000	<u>780,644</u>	<u>195,161</u>

During the year 64,336 25p Ordinary shares were issued fully paid at a consideration of £2.50 per share.

The 25p Deferred shares have no right to receive a dividend and no right of notice of or to attend at any general meeting.

On winding up, the holders of the Deferred shares shall be entitled, out of surplus assets of the company to a return of capital paid up by them respectively on the Deferred shares after a total amount of £20,000,000 has been distributed in such winding up in respect of the ordinary shares.