

ACCESS ACCOUNTING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2002



Company Registration Number 2343760

ENSORS

Chartered Accountants & Registered Auditors
Radford House, 54 St John's Street
Bury St Edmunds

ACCESS ACCOUNTING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

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ACCESS ACCOUNTING LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30 JUNE 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was the manufacture, development and sale and support of software.

The company has had a good year in which profit before tax more than doubled to £560 thousand pounds from turnover that increased by 8% to £5.2 million. Strong financial management has further strengthened the balance sheet and increased cash reserves to £1.2 million.

Two new products have been added to the range, expanding the opportunity for sales to new customers and upgrades to the existing user base. Access Dimensions LITE is the first UK business and finance package to incorporate Microsoft's royalty free SQL Server 2000 database engine. It makes the lucrative Client/Server range of software affordable to a huge new section of the market. Access Executive Desktop is a complete new Business Intelligence module that revolutionises the simplicity with which graphs, trends and statistics can be generated from modular accounts software.

A significant number of competitor dealers have signed up with Access to become accredited resellers and there has been an increase in accreditations for the client/server and .NET versions of Access software. Access has increased its marketing activity and is planning further growth and profitability in the coming year.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 30 June 2002	At 1 July 2001
R A O'Reilly	20,001	20,001
R Hibbler	1,300	1,300
A Barrow	1,950	1,950
J Beech	1,740	1,740
I C Little	-	-

The following share options have been issued.

	Under Option	Option Price
J Beech	60	£0.04

ACCESS ACCOUNTING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2002

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions:

	Year to 30 June 2002	Period from 1 April 2000 to 30 June 2001
	£	£
Charitable	<u>100</u>	<u>1,681</u>

AUDITORS

A resolution to re-appoint Ensors as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



I C LITTLE
Director

Approved by the directors on15/10/02.....

ACCESS ACCOUNTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 JUNE 2002

We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

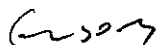
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 June 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



ENSORS
Chartered Accountants
Radford House, 54 St John's Street
Bury St Edmunds

15 October 2002

ACCESS ACCOUNTING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2002

	Note	Year to 30 Jun 02 £	Period from 1 Apr 00 to 30 Jun 01 £
TURNOVER	2	5,193,158	6,003,181
Cost of sales		1,846,848	2,136,213
GROSS PROFIT		3,346,310	3,866,968
Distribution costs		636,704	824,737
Administrative expenses		2,163,482	2,771,836
OPERATING PROFIT	3	546,124	270,395
Interest receivable		17,619	3,864
Interest payable	6	(1,633)	(261)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		562,110	273,998
Tax on profit on ordinary activities	7	(160,937)	(65,939)
RETAINED PROFIT FOR THE FINANCIAL YEAR		401,173	208,059
Balance brought forward		1,337,116	1,129,057
Balance carried forward		1,738,289	1,337,116

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

The notes on pages 8 to 15 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

YEAR ENDED 30 JUNE 2002

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year to 30 Jun 02 £	Period from 1 Apr 00 to 30 Jun 01 £
Profit for the financial year	401,173	208,059
Opening shareholders' equity funds	1,420,273	1,212,214
Closing shareholders' equity funds	<u>1,821,446</u>	<u>1,420,273</u>

The notes on pages 8 to 15 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

BALANCE SHEET

30 JUNE 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	<u>199,427</u>	<u>271,552</u>
CURRENT ASSETS			
Stocks	9	2,292	1,667
Debtors	10	1,061,584	939,844
Cash at bank and in hand		<u>1,287,369</u>	<u>715,702</u>
		2,351,245	1,657,213
CREDITORS: Amounts falling due within one year	11	<u>(692,906)</u>	<u>(508,492)</u>
NET CURRENT ASSETS		<u>1,658,339</u>	<u>1,148,721</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,857,766</u>	<u>1,420,273</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>(36,320)</u>	-
		<u>1,821,446</u>	<u>1,420,273</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	25,992	25,992
Share premium account		52,365	52,365
Other reserves	17	4,800	4,800
Profit and Loss Account		<u>1,738,289</u>	<u>1,337,116</u>
SHAREHOLDERS' FUNDS		<u>1,821,446</u>	<u>1,420,273</u>

These financial statements were approved by the directors on the 15/10/02, and are signed on their behalf by:


I C LITTLE

The notes on pages 8 to 15 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2002

		Year to	Period from
	Note	30 Jun 02	1 Apr 00 to
		£	30 Jun 01
			£
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	665,734	444,256
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		17,619	3,864
Interest paid		(1,633)	(261)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		15,986	3,603
TAXATION		(69,139)	(29,791)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(41,414)	(98,139)
Receipts from sale of fixed assets		500	8,600
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(40,914)	(89,539)
CASH INFLOW BEFORE FINANCING		571,667	328,529
FINANCING			
Repayment of directors' long-term loans		-	(20,000)
NET CASH OUTFLOW FROM FINANCING		-	(20,000)
INCREASE IN CASH	19	571,667	308,529

The notes on pages 8 to 15 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

1. ACCOUNTING POLICIES

Basis of accounting

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

Turnover

Turnover represents amounts invoiced, excluding Value Added Tax, in respect of the sale of goods to customers.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Buildings	-	4 to 20 years straight line
Motor Vehicles	-	25% reducing balance
Computer Equipment	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

1. ACCOUNTING POLICIES *(continued)*

Research and development expenditure

Research and development expenditure in maintaining and developing the software is written off in the Profit and Loss Account in the year in which it is incurred.

Going concern

These financial statements have been prepared on the going concern basis.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	Year to 30 Jun 02 £	Period from 1 Apr 00 to 30 Jun 01 £
United Kingdom	4,623,042	5,440,122
Overseas	570,116	563,059
	<u>5,193,158</u>	<u>6,003,181</u>

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	Year to 30 Jun 02 £	Period from 1 Apr 00 to 30 Jun 01 £
Depreciation	113,539	167,394
(Profit)/loss on disposal of fixed assets	(500)	312
Auditors' remuneration		
- as auditors	9,250	9,140
Operating lease costs:		
Land and buildings	121,416	152,690
Net loss on foreign currency translation	18,110	3,529
	<u>18,110</u>	<u>3,529</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	Year to 30 Jun 02 No.	Period from 1 Apr 00 to 30 Jun 01 No.
Number of administrative staff	<u>96</u>	<u>102</u>

ACCESS ACCOUNTING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2002

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Wages and salaries	2,545,759	3,365,631
Social security costs	243,778	327,970
Other pension costs	76,599	89,017
	<u>2,866,136</u>	<u>3,782,618</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Emoluments receivable	554,521	488,338
Value of company pension contributions to money purchase schemes	19,685	20,528
	<u>574,206</u>	<u>508,866</u>

Emoluments of highest paid director:

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Total emoluments (excluding pension contributions):	149,732	134,505
Value of company pension contributions to money purchase schemes	5,000	5,729
	<u>154,732</u>	<u>140,234</u>

The number of directors who are accruing benefits under pension schemes (company or employee personal pension schemes) were as follows:

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	No.	No.
Money purchase schemes	<u>5</u>	<u>5</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

6. INTEREST PAYABLE

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Interest payable on bank borrowing	137	261
Other similar charges payable	1,496	-
	<u>1,633</u>	<u>261</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
In respect of the year:		
Corporation Tax based on the results for the year at 30% (2001 - 20%)	124,617	68,891
Increase in deferred tax provision	36,320	-
	<u>160,937</u>	<u>68,891</u>
Adjustment in respect of previous years:		
Corporation Tax	-	(2,952)
	<u>160,937</u>	<u>65,939</u>

Factors affecting the tax charge for the year

Profit on ordinary activities before taxation	562,110	273,998
Profit on ordinary activities at Corporation Tax rate of 30% (2001 - 20%)	168,633	54,799
Effects of:		
Expenses not allowable for tax purposes	6,603	16,031
Capital allowances for the period in excess of depreciation	6,092	2,660
Pension accrual movement	(13,570)	2,070
Effect of changed tax rate on opening deferred tax	43,798	-
Marginal relief and withholding taxes	(24,224)	-
Other	(26,395)	(9,621)
Current tax charge	<u>160,937</u>	<u>65,939</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

8. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 July 2001	52,667	107,153	466,348	626,168
Additions	-	-	41,414	41,414
Disposals	-	-	(176,467)	(176,467)
At 30 June 2002	52,667	107,153	331,295	491,115
DEPRECIATION				
At 1 July 2001	13,575	58,582	282,459	354,616
Charge for the year	5,785	12,141	95,613	113,539
On disposals	-	-	(176,467)	(176,467)
At 30 June 2002	19,360	70,723	201,605	291,688
NET BOOK VALUE				
At 30 June 2002	33,307	36,430	129,690	199,427
At 30 June 2001	39,092	48,571	183,889	271,552

9. STOCKS

	2002 £	2001 £
Stock	<u>2,292</u>	<u>1,667</u>

10. DEBTORS

	2002 £	2001 £
Trade debtors	854,748	845,264
Other debtors	12,260	2,680
Prepayments and accrued income	194,576	91,900
	<u>1,061,584</u>	<u>939,844</u>

11. CREDITORS: Amounts falling due within one year

	2002 £	2001 £
Trade creditors	148,099	106,497
Corporation Tax	123,233	67,755
Other taxation and social security	202,377	211,422
Other creditors	-	1,395
Accruals and deferred income	219,197	121,423
	<u>692,906</u>	<u>508,492</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

12. PENSIONS

a) The Company makes pension contributions into employees personal pension schemes. The pension cost charge represents contributions payable by the Company to the individual funds, and amounted to £76,599 (2001:£89,017).

At 30 June 2002, contributions amounting to £18,277 (2001:£63,510) were payable and included in creditors.

b) The Company is also a party to a Self Administered Pension Scheme. The Scheme member, Mr. R. A. O'Reilly, is a trustee of the scheme as well as director and majority shareholder of the company. The scheme is run as a Defined Contribution Scheme.

No pension contributions were paid to this Scheme during the year.

13. DEFERRED TAXATION

	Year to 30 Jun 02 £	Period from 1 Apr 00 to 30 Jun 01 £
The movement in the deferred taxation provision during the year was:		
Provision for year	36,320	-
Provision carried forward	36,320	-

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002		2001	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	30,837	-	-	16,497
Other timing differences	5,483	-	-	12,702
	36,320	-	-	29,199

14. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2002 the company had annual commitments under non-cancellable operating leases as set out below.

	2002		2001	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	-	-	2,401
Within 2 to 5 years	-	70,876	-	62,395
After more than 5 years	120,552	-	120,552	-
	120,552	70,876	120,552	64,796

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

15. RELATED PARTY TRANSACTIONS

The company was under the control of Mr R A O'Reilly throughout the current and previous year. Mr R A O'Reilly is the managing director and majority shareholder.

During the year, R. A. O'Reilly was involved in the following transactions:-

Receipt of Rental Income from the Company £120,552 (2001: £150,690).

16. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
50,000 Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>25,992</u>	<u>25,992</u>

17. OTHER RESERVES

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Capital redemption reserve	<u>4,800</u>	<u>4,800</u>

18. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 30 Jun 02	Period from 1 Apr 00 to 30 Jun 01
	£	£
Operating profit	546,124	270,395
Depreciation	113,539	167,394
(Profit)/Loss on disposal of fixed assets	(500)	312
Increase in stocks	(625)	(535)
(Increase)/Decrease in debtors	(121,740)	210,799
Increase/(Decrease) in creditors	128,936	(204,109)
Net cash inflow from operating activities	<u>665,734</u>	<u>444,256</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2002

19. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase in cash in the period	571,667	308,529
Net cash outflow from directors' long-term loans	-	20,000
	<u>571,667</u>	<u>328,529</u>
Change in net funds	571,667	328,529
Net funds at 1 July 2001	715,702	387,173
Net funds at 30 June 2002	<u>1,287,369</u>	<u>715,702</u>

20. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2001 £	Cash flows £	At 30 Jun 2002 £
Net cash:			
Cash in hand and at bank	715,702	571,667	1,287,369
Net funds	<u>715,702</u>	<u>571,667</u>	<u>1,287,369</u>