

COMPANY REGISTRATION NUMBER 2343760

ACCESS ACCOUNTING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2003



ENSORS

Chartered Accountants & Registered Auditors
Radford House, 54 St John's Street
Bury St Edmunds
IP33 1SP

ACCESS ACCOUNTING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

CONTENTS	PAGES
The directors' report	1 to 3
Independent auditors' report to the shareholders	4 to 5
Profit and loss account	6
Reconciliation of movements in shareholders' funds	7
Balance sheet	8
Cash flow statement	9 to 10
Notes to the financial statements	11 to 18

ACCESS ACCOUNTING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The company has continued to expand the range and breadth of its marketing activities and has succeeded in virtually doubling the number of inbound sales leads whilst introducing efficiencies to halve the cost per lead. Increasing market awareness of the advantages of SQL based software and the need for business intelligence have helped the company capitalise on its launch, in 2002, of Dimensions Lite and Executive Desktop, resulting in strong new sales of both systems. Turnover increased (by £250,000) to £5.45 million and pre-tax profits rose 20%, to £635,000.

Cash reserves increased by 40%, to a fraction under £2 million. This significant level of funds is held with a view to investigating potential strategic investment opportunities that would drive further growth of Access Accounts software.

The company re-launched its payroll software with an updated user interface and a new absence tracking module. It successfully completed the adoption of a previous competitor's client base. This, together with the take-up of Dimensions Lite and Executive Desktop, contributed to a substantial increase in annual licence revenue.

A revolutionary software developers' kit (SDK) was launched during the year. This has given Access resellers a huge new opportunity for value added sales, by providing all the tools necessary to deliver bespoke systems that leverage the standard software. It has also encouraged a number of vertical market software authors to adopt Dimensions as their accounting engine. This has helped Access to enter a number of new and lucrative markets including Printing, Construction, Service Management and Manufacturing in the MRP2 sector.

Access has grown its channel in the year. The number of resellers accredited to sell and support a SQL environment has again doubled. Accreditation for the new developer kit has been fully subscribed. Whilst the number of user sites and annual licence renewal revenues continue to grow, support calls are running at the low rate of five years ago.

From every view point, staff, channel, product, product quality and financial standing, the company is in its strongest position ever. The board confidently predicts further growth in turnover, profitability and cash reserves for 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.

ACCESS ACCOUNTING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2003

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 2003	At 1 July 2002 or later date of appointment
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	—	—
S Allsopp	—	—

S Allsopp was appointed as a director on 1 April 2003.

The following share options have been issued.

	Under Option	Option Price
J Beech	60	£0.04

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 11 to 12, 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.

ACCESS ACCOUNTING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 30 JUNE 2003

DONATIONS

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	<u>1,563</u>	<u>100</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 on9/9/03.....

ACCESS ACCOUNTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 30 JUNE 2003

We have audited the financial statements on pages 6 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 11 to 12.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is 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. Our responsibilities do not extend to any other information.

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.

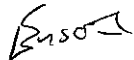
ACCESS ACCOUNTING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS *(continued)*

YEAR ENDED 30 JUNE 2003

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 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



ENSORS

Chartered Accountants & Registered Auditors
Radford House, 54 St John's Street
Bury St Edmunds
IP33 1SP

9 September 2003

ACCESS ACCOUNTING LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 JUNE 2003

	Note	2003 £	2002 £
TURNOVER	2	5,462,409	5,193,158
Cost of sales		<u>1,796,943</u>	<u>1,826,459</u>
GROSS PROFIT		3,665,466	3,366,699
Distribution Costs		<u>798,274</u>	636,704
Administrative expenses		<u>2,260,621</u>	<u>2,183,871</u>
OPERATING PROFIT	3	606,571	546,124
Interest receivable		<u>36,334</u>	17,619
Interest payable	6	<u>(166)</u>	<u>(1,633)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		642,739	562,110
Tax on profit on ordinary activities	7	<u>150,145</u>	<u>160,937</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		492,594	401,173
Balance brought forward		<u>1,738,289</u>	<u>1,337,116</u>
Balance carried forward		<u><u>2,230,883</u></u>	<u><u>1,738,289</u></u>

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

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

The notes on pages 10 to 17 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

YEAR ENDED 30 JUNE 2003

	2003	2002
	£	£
Profit for the financial year	492,594	401,173
Opening shareholders' equity funds	<u>1,821,446</u>	<u>1,420,273</u>
Closing shareholders' equity funds	<u>2,314,040</u>	<u>1,821,446</u>

The notes on pages 10 to 17 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

BALANCE SHEET

30 JUNE 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	8	<u>215,510</u>	<u>199,427</u>
CURRENT ASSETS			
Stocks	9	2,044	2,292
Debtors	10	1,122,161	1,061,584
Cash at bank and in hand		<u>1,984,504</u>	<u>1,287,369</u>
		<u>3,108,709</u>	<u>2,351,245</u>
CREDITORS: Amounts falling due within one year	11	<u>981,782</u>	<u>692,906</u>
NET CURRENT ASSETS		<u>2,126,927</u>	<u>1,658,339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,342,437</u>	<u>1,857,766</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	13	<u>28,397</u>	<u>36,320</u>
		<u>2,314,040</u>	<u>1,821,446</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>2,230,883</u>	<u>1,738,289</u>
SHAREHOLDERS' FUNDS		<u>2,314,040</u>	<u>1,821,446</u>

These financial statements were approved by the directors on the 9/9/03 and are signed on their behalf by:


.....
I C LITTLE

The notes on pages 10 to 17 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 JUNE 2003

	2003 £	2002 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	890,741	665,734
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	36,334	17,619
Interest paid	(166)	(1,633)
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	36,168	15,986
TAXATION	(113,301)	(69,139)
CAPITAL EXPENDITURE		
Payments to acquire tangible fixed assets	(133,694)	(41,414)
Receipts from sale of fixed assets	17,221	500
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE	(116,473)	(40,914)
INCREASE IN CASH	697,135	571,667
RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
	2003 £	2002 £
Operating profit	606,571	546,124
Depreciation	96,042	113,539
Loss/(Profit) on disposal of fixed assets	4,348	(500)
Decrease/(increase) in stocks	248	(625)
Increase in debtors	(60,577)	(121,740)
Increase in creditors	244,109	128,936
Net cash inflow from operating activities	890,741	665,734

The notes on pages 10 to 17 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

CASH FLOW STATEMENT *(continued)*

YEAR ENDED 30 JUNE 2003

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
Increase in cash in the period	697,135	571,667
	<u>697,135</u>	<u>571,667</u>
Change in net funds	697,135	571,667
Net funds at 1 July 2002	1,287,369	715,702
Net funds at 30 June 2003	<u>1,984,504</u>	<u>1,287,369</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Jul 2002 £	Cash flows £	At 30 Jun 2003 £
Net cash:			
Cash in hand and at bank	1,287,369	697,135	1,984,504
Net funds	<u>1,287,369</u>	<u>697,135</u>	<u>1,984,504</u>

The notes on pages 10 to 17 form part of these financial statements.

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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:

Land & 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.

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

1. ACCOUNTING POLICIES *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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.

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.

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:

	2003 £	2002 £
United Kingdom	4,964,560	4,623,042
Overseas	497,849	570,116
	<u>5,462,409</u>	<u>5,193,158</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003 £	2002 £
Depreciation of owned fixed assets	96,042	113,539
Loss/(Profit) on disposal of fixed assets	4,348	(500)
Auditors' remuneration		
- as auditors	10,385	9,250
Operating lease costs:		
- Land and buildings	122,888	121,416
- Other	70,134	67,229
Net (profit)/loss on foreign currency translation	<u>(2,321)</u>	<u>18,110</u>

4. PARTICULARS OF EMPLOYEES

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

	2003 No	2002 No
Number of administrative staff	<u>96</u>	<u>96</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	2,704,689	2,545,759
Social security costs	267,023	243,778
Other pension costs	78,121	76,599
	<u>3,049,833</u>	<u>2,866,136</u>

5. DIRECTORS' EMOLUMENTS

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

	2003 £	2002 £
Emoluments receivable	602,693	555,932
Value of company pension contributions to money purchase schemes	20,770	19,685
	<u>623,463</u>	<u>575,617</u>

Emoluments of highest paid director:

	2003 £	2002 £
Total emoluments (excluding pension contributions):	180,075	149,732
Value of company pension contributions to money purchase schemes	5,000	5,000
	<u>185,075</u>	<u>154,732</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

5. DIRECTORS' EMOLUMENTS *(continued)*

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

	2003 No	2002 No
Money purchase schemes	<u>6</u>	<u>5</u>

6. INTEREST PAYABLE

	2003 £	2002 £
Interest payable on bank borrowing	166	137
Other similar charges payable	—	1,496
	<u>166</u>	<u>1,633</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2003 £	2002 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 30% (2002 - 30%)	168,000	124,617
Over/under provision in prior year	<u>(9,932)</u>	<u>—</u>
Total current tax	158,068	124,617
Deferred tax:		
(Decrease)/increase in deferred tax provision	<u>(7,923)</u>	<u>36,320</u>
Tax on profit on ordinary activities	<u>150,145</u>	<u>160,937</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

7. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2002 - 30%).

	2003 £	2002 £
Profit on ordinary activities before taxation	<u>642,739</u>	<u>562,110</u>
Profit/(loss) on ordinary activities by rate of tax	192,822	168,633
Expenses not allowable for tax purposes	6,448	6,603
Capital allowances for the period in excess of depreciation	(5,082)	6,092
Over/under provision in prior years	(9,932)	—
Pension accrual movement	(2,842)	(13,570)
Marginal relief	(23,703)	(25,605)
Other adjustments	357	(17,536)
Total current tax (note 7(a))	<u>158,068</u>	<u>124,617</u>

8. TANGIBLE FIXED ASSETS

	Land and buildings £	Motor Vehicles £	Equipment £	Total £
COST				
At 1 July 2002	52,667	107,153	331,295	491,115
Additions	—	32,000	101,694	133,694
Disposals	—	(62,767)	(143,844)	(206,611)
At 30 June 2003	<u>52,667</u>	<u>76,386</u>	<u>289,145</u>	<u>418,198</u>
DEPRECIATION				
At 1 July 2002	19,360	70,723	201,605	291,688
Charge for the year	5,638	11,793	78,611	96,042
On disposals	—	(41,271)	(143,771)	(185,042)
At 30 June 2003	<u>24,998</u>	<u>41,245</u>	<u>136,445</u>	<u>202,688</u>
NET BOOK VALUE				
At 30 June 2003	<u>27,669</u>	<u>35,141</u>	<u>152,700</u>	<u>215,510</u>
At 30 June 2002	<u>33,307</u>	<u>36,430</u>	<u>129,690</u>	<u>199,427</u>

Capital commitments

	2003 £	2002 £
Contracted but not provided for in the financial statements	<u>139,344</u>	<u>—</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

9. STOCKS

	2003 £	2002 £
Stock	<u>2,044</u>	<u>2,292</u>

10. DEBTORS

	2003 £	2002 £
Trade debtors	1,000,998	854,748
Other debtors	10,242	12,260
Prepayments and accrued income	110,921	194,576
	<u>1,122,161</u>	<u>1,061,584</u>

11. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Trade creditors	233,009	148,099
Corporation tax	168,000	123,233
Other taxation and social security	272,737	202,377
Accruals and deferred income	308,036	219,197
	<u>981,782</u>	<u>692,906</u>

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 £78,121 (2002: £76,599).

At 30 June 2003, contributions amounting to £8,805 (2002: £18,277) 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

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	36,320	—
Profit and loss account movement arising during the year	(7,923)	36,320
Provision carried forward	<u>28,397</u>	<u>36,320</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

13. DEFERRED TAXATION *(continued)*

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

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	25,756	30,837
Other timing differences	2,641	5,483
	<u>28,397</u>	<u>36,320</u>

14. COMMITMENTS UNDER OPERATING LEASES

At 30 June 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	2003		2002	
	Land & Buildings £	Other Items £	Land & Buildings £	Other Items £
Operating leases which expire:				
Within 1 year	—	24,075	—	—
Within 2 to 5 years	120,552	15,841	—	70,876
After more than 5 years	—	—	120,552	—
	<u>120,552</u>	<u>39,916</u>	<u>120,552</u>	<u>70,876</u>

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 (2002: £120,552).

16. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>25,992</u>	<u>25,992</u>	<u>25,992</u>	<u>25,992</u>

ACCESS ACCOUNTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2003

17. OTHER RESERVES

	2003	2002
	£	£
Capital redemption reserve	<u>4,800</u>	<u>4,800</u>