

**PROFESSIONAL ACCOUNTANTS COMPUTER
SOFTWARE LIMITED**

DIRECTORS' REPORT AND ACCOUNTS

30 SEPTEMBER 1999

(Registered Number : 2381420)



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PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999

The directors present their report and the audited financial statements for the year ended 30 September 1999.

ACTIVITIES

The company did not trade during the year.

RESULTS FOR THE PERIOD

The results for the year are set out on page 4. The directors do not recommend the payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

AWG Wylie
AD Schofield

The interests of AWG Wylie in the shares of The Sage Group PLC are set out in the Directors' Report of that Company.

No other director held any interest in the Sage Group PLC as at 30 September 1999.

YEAR 2000

Our year 2000 compliance programme was completed on time, all cost necessary was expensed in year. All software and hardware of a material nature to the efficient running of the business post year 2000 exhibited no significant issues.

We believe that as a result of the steps we have taken or plan to take, the year 2000 will not pose a material risk to our business.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give 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 or loss for the financial period.

The directors confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements for the period ended 30 September 1999. The Directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

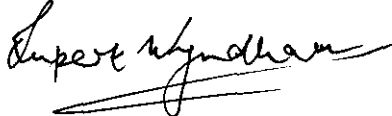
PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1999 (continued)

AUDITORS

PricewaterhouseCoopers have indicated their willingness to continue as auditors and a resolution to reappoint them will be proposed at the annual general meeting.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'RCE Wyndham', with a horizontal line drawn underneath it.

RCE Wyndham
Company Secretary

11 July 2000

AUDITORS' REPORT TO THE MEMBERS OF PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

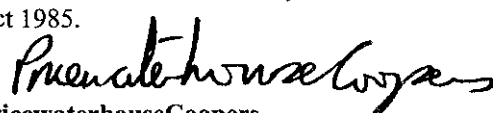
Basis of audit opinion

We conducted our audit in accordance with 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 at 30 September 1999 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors
Newcastle upon Tyne

11 July 2000

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1999

	<u>1999</u> £'000	<u>Discontinued</u> <u>1998</u> £'000
TURNOVER (Note 1)	-	505
Cost of sales	-	(69)
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GROSS PROFIT	-	436
Selling and administration expenses	-	(551)
	<hr/>	<hr/>
OPERATING LOSS		(115)
Interest payable (Note 5)	-	(9)
	<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION (Note 2)	-	(124)
	<hr/>	<hr/>
RETAINED LOSS FOR THE FINANCIAL YEAR (Note 8)	-	(124)
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RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses, as defined in Financial Reporting Standard 3 ("FRS3"), Reporting Financial Performance, which are not included in the above profit and loss account.

HISTORICAL COST PROFITS AND LOSSES

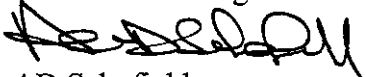
There is no material difference between the reported results and the historical cost results for 1999 and 1998.

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 1999

	<u>1999</u>	<u>1998</u>
	£'000	£'000
CREDITORS: amounts falling due within one year (Note 6)	(120)	(120)
NET CURRENT LIABILITIES	(120)	(120)
TOTAL ASSETS LESS CURRENT LIABILITIES	(120)	(120)
NET LIABILITIES	(120)	(120)
CAPITAL AND RESERVES		
Called up share capital (equity and non equity) (Note 7)	90	90
Profit and loss account (Note 8)	(210)	(210)
SHAREHOLDERS' FUNDS	(120)	(120)
SHAREHOLDERS' FUNDS (Note 9)		
Equity	(160)	(160)
Non equity	40	40
	(120)	(120)

The financial statements on pages 4 to 9 were approved by the Board of directors on 11 July 2000 and were signed on its behalf by:


AD Schofield
Director

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1999

1 ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Turnover

Turnover represents invoiced sales to third parties after deducting credit notes, allowances, trading discounts and Value Added Tax and is adjusted to include maintenance income on a straight line basis over the life of each maintenance agreement.

(c) Deferred taxation

Provision is made for deferred taxation to the extent that there is a reasonable probability that a liability will arise in the foreseeable future.

(d) Pension costs

The company operates a defined contribution pension scheme for certain of its employees. The costs are charged to the profit and loss account as they fall due.

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1999</u> £'000	<u>1998</u> £'000
Loss on ordinary activities before taxation is stated after charging:		
Depreciation of owned tangible fixed assets	-	8
Depreciation of assets held under finance leases and hire purchase contracts	-	11
Amortisation of intangible fixed assets	-	2
Amounts paid under operating leases	-	30
Auditors' remuneration		
- audit services	-	6
- non audit services provided	-	8
	<u> </u>	<u> </u>

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1999 (continued)

3 DIRECTORS' EMOLUMENTS

The directors received no emoluments for their services during the year.

4 EMPLOYEE INFORMATION

	<u>1999</u> £'000	<u>1998</u> £'000
Staff costs		
Wages and salaries	-	239
Social security costs	-	27
Other pension costs	-	2
Other Costs	-	-
	<hr/>	<hr/>
	-	268
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The average weekly number of employees (excluding directors) employed by the company during the period was Nil (1998 - 7).

5 INTEREST PAYABLE

	<u>1999</u> £'000	<u>1998</u> £'000
On bank loans and overdrafts	-	6
On hire purchase agreements	-	3
	<hr/>	<hr/>
	-	9
	<hr/>	<hr/>

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1999 (continued)

6 CREDITORS: Amounts falling due within one year

	<u>1999</u> £'000	<u>1998</u> £'000
Amounts owed to Group undertakings	120	120
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The directors of the group undertaking have indicated that they will not seek repayment of the amounts due to them until the company is in a position to repay them.

7 CALLED UP EQUITY SHARE CAPITAL

	<u>1999</u> £'000	<u>1998</u> £'000
Authorised		
Equity Shares		
100,000 Authorised ordinary shares of £1 each	100	100
Non Equity Shares		
40,000 Redeemable preferred shares of £1 each	40	40
	—	—
	140	140
	==	==
Allotted, called up and fully paid		
Equity Shares		
50,000 Authorised ordinary shares of £1 each	50	50
Non Equity Shares		
40,000 Redeemable preferred shares of £1 each	40	40
	—	—
	90	90
	==	==

PROFESSIONAL ACCOUNTANTS COMPUTER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1999 (continued)

8 RESERVES

	<u>Profit and Loss Account</u> £'000
At 30 September 1998 and 30 September 1999	(210)
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9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u> £'000
At 30 September 1998 and 30 September 1999	(120)
	==

10 CASH FLOW STATEMENT

The Company has not presented its own cash flow statement as permitted by FRS1. Details of the cash flows of the Group may be found in the accounts of The Sage Group PLC which are publicly available.

11 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and ultimate controlling party is The Sage Group PLC a company registered in England. Copies of the Group accounts can be obtained from the registered office at Sage House, Benton Park Road, Newcastle upon Tyne, NE7 7LZ.

12 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available under Financial Reporting Standard No 8, and has not disclosed transactions with other companies that are consolidated into the financial statements of The Sage Group PLC.