

# Trilogy Development Limited

---

Registered No. 3150228

## **DIRECTORS**

D Cassell  
J Liemandt  
P Kelly

## **SECRETARY**

Huntsmoor Nominees Limited

## **AUDITORS**

Ernst & Young LLP  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH

## **BANKERS**

First National Bank of Boston  
P O Box 155  
39 Victoria Street  
Westminster  
London SW1H 0ED

## **SOLICITORS**

Taylor Joynson Garrett  
Carmelite  
50 Victoria Embankment  
Blackfriars  
London EC4Y 0DX

## **REGISTERED OFFICE**

Carmelite  
50 Victoria Embankment  
Blackfriars  
London EC4Y 0DX

**ERNST & YOUNG**



# Trilogy Development Limited

## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 2000.

### RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £19,857 (1999 - profit £22,190). The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company acts as the UK representative of Trilogy Inc., which deals in enterprise software sales and marketing solutions.

### FUTURE DEVELOPMENTS

The directors do not anticipate any substantial change in the company's activities or level of trade in the foreseeable future.

### DIRECTORS AND THEIR INTERESTS

The directors during the year and appointed subsequently were as follows:

D Cassell  
J Liemandt  
W Monroe (resigned 30 May 2000)  
P Kelly (appointed 30 May 2000)

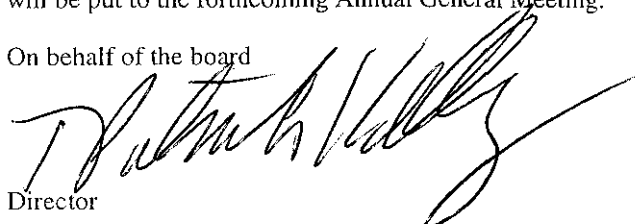
None of the directors has any interest in the share capital of the company.

### AUDITORS

On 28 June 2001, Ernst & Young, the Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The Directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

On behalf of the board

Director



09 OCT 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts comply with the Companies Act 1985. They 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.

**REPORT OF THE AUDITORS**  
**to the shareholders of Trilogy Development Limited**

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

**Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*  
Ernst & Young LLP  
Registered Auditor  
London

*29 October 2001*

# Trilogy Development Limited

## PROFIT AND LOSS ACCOUNT for the year ended 30 June 2000

	<i>Notes</i>	<i>2000</i> £	<i>1999</i> £
<b>TURNOVER</b>	3	238,766	218,763
Administrative expenses		210,792	185,760
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	27,974	33,003
Taxation	6	8,117	10,813
<b>PROFIT FOR THE FINANCIAL YEAR</b>	10	19,857	22,190

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

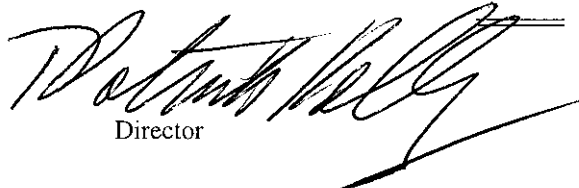
There are no recognised gains or losses other than the profit for the year.

# Trilogy Development Limited

## BALANCE SHEET

at 30 June 2000

	Notes	2000 £	1999 £
<b>CURRENT ASSETS</b>			
Debtors	7	1,332,258	722,179
Cash at bank and in hand		56,635	16,121
		<u>1,388,893</u>	<u>738,300</u>
<b>CREDITORS: amounts falling due within one year</b>	8	1,348,932	718,196
		<u>39,961</u>	<u>20,104</u>
<b>NET CURRENT ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,000	1,000
Profit and loss account	10	38,961	19,104
		<u>39,961</u>	<u>20,104</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	10		

  
Director

09 OCT 2001

NOTES TO THE ACCOUNTS  
at 30 June 2000

1. **FUNDAMENTAL ACCOUNTING CONCEPT**

The company is dependent upon continuing finance being made available by its parent company to enable it to continue operating and to meet its liabilities as they fall due.

The parent company has agreed to provide sufficient funds to the company for this purpose. The directors believe that it is therefore appropriate to prepare these accounts on a going concern basis.

2. **ACCOUNTING POLICIES**

*Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

*Cash flows*

The company has taken advantage of the exemption available under FRS 1 not to prepare a statement of cash flows.

*Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

*Leasing commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

3. **TURNOVER**

Turnover, which is stated net of value added tax, represents amounts received and receivable from the company's group companies in the United States in respect of continuing activities.

4. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging:

	2000	1999
	£	£
Auditors' remuneration - audit services	6,500	6,000
- non-audit services	4,000	3,500
Operating lease rentals - buildings	-	9,382
Loss on foreign exchange transactions	1,779	1,373
	<u>          </u>	<u>          </u>

There was no directors' remuneration during the year.

# Trilogy Development Limited

## NOTES TO THE ACCOUNTS

at 30 June 2000

### 5. STAFF COSTS

	2000 £	1999 £
Wages and salaries	160,874	91,571
Social security costs	16,229	5,266
	<u>177,103</u>	<u>96,837</u>

The monthly average number of employees during the year was as follows:

	2000 No.	1999 No.
Administration	2	1

### 6. TAXATION

	2000 £	1999 £
UK corporation tax	8,117	10,813

### 7. DEBTORS

	2000 £	1999 £
Amounts due from group undertakings	1,272,321	722,179
Other debtors	59,937	-
	<u>1,332,258</u>	<u>722,179</u>

### 8. CREDITORS: amounts falling due within one year

	2000 £	1999 £
Corporation tax	18,930	10,813
Amounts due to group undertakings	1,307,220	667,990
Other taxation and social security costs	4,758	5,840
Accruals	18,024	33,553
	<u>1,348,932</u>	<u>718,196</u>



# Trilogy Development Limited

## NOTES TO THE ACCOUNTS

at 30 June 2000

### 9. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2000	1999	2000	1999
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

### 10. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	£	£	£
At 1 July 1998	1,000	(3,086)	(2,086)
Profit for the year	-	22,190	22,190
At 30 June 1999	1,000	19,104	20,104
Profit for the year	-	19,857	19,857
At 30 June 2000	1,000	38,961	39,961

### 11. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's immediate parent undertaking and smallest group in whose accounts the company is consolidated is Trilogy International, Inc., a company incorporated in the United States of America. Copies of the group accounts can be obtained from 6034 West Courtyard Drive, Austin, TX 78730, USA.

The directors consider the ultimate parent undertaking and controlling party and largest group in whose accounts the company is consolidated, to be Trilogy Inc., a company incorporated in the United States of America. Copies of the group accounts can be obtained from 6034 West Courtyard Drive, Austin, TX 78730, USA.

### 12. RELATED PARTIES

The company has taken advantage of the exemption in paragraph 3(c) of FRS 8 from disclosing transactions with related parties that are part of the Trilogy Inc. group.