



Accpac UK Limited

Directors' report and
financial statements

Year ended 31 March 2003

Registered number: 4192989





Accpac UK Limited

Directors' report and financial statements

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Accpac UK Limited

Directors and other information

Directors

David Hood (Amercian)
Donnat Lettman (Jamaican)
David Simon

Secretary

David Simon

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Registered office

39 – 49 Commercial Road
Southampton
SO15 19A
United Kingdom

Solicitors

Blake Lapthorn Linnell
New Court, Barnes Wallis Road, Segensworth
Fareham, Hampshire PO15 5UA

Bankers

HSBC
City of London Corporate Office
8 Canada Square
London
E14 5XL

Registered number

4192989

Accpac UK Limited

Directors' report

The Directors submit their annual report on the affairs of Accpac UK Limited (the Company), together with the audited financial statements and auditors' report, for the year ended 31 March 2003.

Principal activities, business review and future developments

The company is part of the ACCPAC group of companies, the principal activity of which is the development and sale of software and services worldwide.

The directors expect this activity to continue for the foreseeable future.

Results and dividends

The profit and loss account for the year ended 31 March 2003 and the balance sheet as at that date are set out on pages 8 and 9 respectively. During the year the Company made a loss after taxation of Stg£291,982 (2002 – Stg£209,230).

No dividends or transfers to reserves are recommended by the directors.

Directors, secretary and their interests

The directors and secretary who held office at 31 March 2003 had no interest in the shares in, or debentures or loan stock of, the Company or group companies at any time during the period.

In accordance with the Articles of Association, the directors are not required to retire by rotation.

Employees

The Company consults and discusses with employees' representatives on matters likely to affect employees' interests. Information on matters of concern to employees is given through regular information bulletins.

The Company gives full consideration to applications for employment from disabled persons where the requirement of the job can be adequately fulfilled by a handicapped or disabled person. When existing employees become disabled, it is the Company's policy, wherever practicable, to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Political and charitable donations

No political or charitable donations were made during the year.(2002 – Stg£ Nil)



ACCPAC UK Limited

Directors' report

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the appointment of KPMG Chartered Accountants, Dublin as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the board

A handwritten signature in black ink, appearing to read 'David Simon'.

David Simon
Company Secretary
39 - 49 Commercial Road
Southampton
SO15 1GA

ACCPAC UK Limited

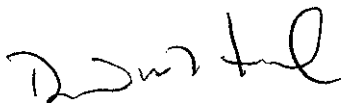
Statement of directors' responsibilities

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 and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

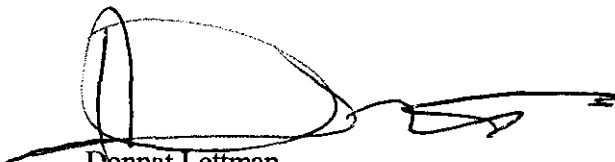
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- ensure applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial 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 books of account 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. 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.

On behalf of the board



David Hood
Director



Donnat Lettman
Director



Chartered Accountants

1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditors' report to the members of Accpac UK Limited

We have audited the financial statements on pages 6 to 14.

This report is made solely to the Company's members, 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 members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by 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 Companies Act. We also report to you if, in our opinion, the director's 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.

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

Chartered Accountants
Registered Auditors

15 December 2003



Accpac UK Limited

Statement of accounting policies *for the year ended 31 March 2003*

The principal accounting policies are summarised below. All of the policies have been applied consistently throughout the year and the preceding period.

Basis of accounting

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost accounting rules and comply with financial reporting standards of the Accounting Standards Board.

Revenue recognition

Turnover represents the invoiced amount of goods and services excluding value added tax provided in the normal course of business and is recognised on the following basis:

Licences:

Licence revenues are credited to profit and loss account upon the later of:

- a signed contract or purchase order;
- delivery of the product;
- the fulfilling of any obligation defined in the contract or purchase order related to the delivered software, such as installation or acceptance.

Maintenance:

Amounts paid for maintenance are deferred in the balance sheet and amortised to the profit and loss account over the period to which the maintenance contract relates.

Consulting services:

Consulting revenues are recognised when provided to the customer and the cost of providing these services are recognised as incurred.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, being 3 years.

Accpac UK Limited

Statement of accounting policies *(continued)*
for the year ended 31 March 2003

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions or at a contracted rate. The resulting monetary assets and liabilities are translated at the balance sheet rate or the contracted rate and the exchange differences are dealt with in the profit and loss account.

Taxation

Current tax is provided on the Company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Cash flow statement

The Company is a subsidiary of a US registered parent company. This parent company prepares group financial statements, which are available to the public, containing a consolidated cash flow statement. Consequently, the directors have availed of the exemption in FRS 1 and no cash flow statement is presented in these financial statements. Details on the availability of group accounts are given in note 11 to the financial statements.

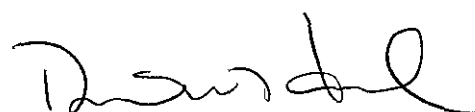
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Profit and loss account for the year ended 31 March 2003

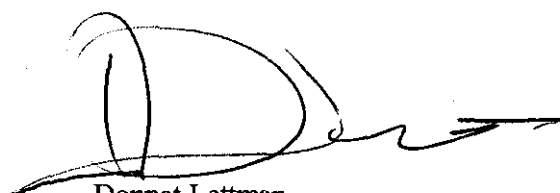
	Note	Year ended 31 March 2003 Stg£	Period from incorporation to 31 March 2002 Stg£
Turnover – continuing operations	1	953,545	181,020
Cost of sales		(171,961)	(21,319)
		<hr/>	<hr/>
Gross profit – continuing operations		781,584	159,701
Selling and distribution costs		(565,738)	(243,564)
Administrative expenses		(217,339)	(43,329)
Other expenses		(292,407)	(82,038)
Other income		1,918	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	(291,982)	(209,230)
Taxation on loss on ordinary activities	3	-	-
		<hr/>	<hr/>
Loss for the financial year		(291,982)	(209,230)
Profit and loss account beginning of year		(209,230)	-
		<hr/>	<hr/>
Profit and loss account end of year		(501,212)	(209,230)
		<hr/>	<hr/>

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no statement of total recognised gains and losses has been presented.

On behalf of the board



David Hood
Director



Donnat Lettman
Director

ACCPAC UK Limited

Balance sheet at 31 March 2003

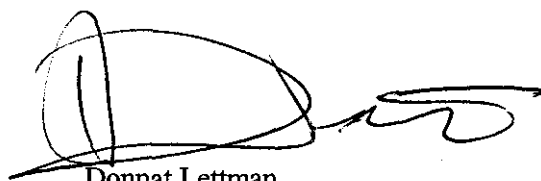
	Notes	2003 Stg£	2002 Stg£
Fixed assets			
Tangible assets	5	714	-
		<hr/>	<hr/>
Current assets			
Debtors	6	431,052	278,146
Cash at bank and in hand		195,429	29,235
		<hr/>	<hr/>
		626,481	307,381
Creditors: amounts falling due within one year	7	(1,128,406)	(516,610)
		<hr/>	<hr/>
Net current liabilities		(501,925)	(209,229)
		<hr/>	<hr/>
Net liabilities		(501,211)	(209,229)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account		(501,212)	(209,230)
		<hr/>	<hr/>
Shareholders' deficit	9	(501,211)	(209,229)
		<hr/>	<hr/>

The accompanying notes form an integral part of this balance sheet.

On behalf of the board



David Hood
Director



Donnat Lettman
Director

Accpac UK Limited

Notes

forming part of the financial statements

1 Turnover

Turnover represents the invoiced amount of goods sold and commission earned during the period stated net of value added tax. The analysis of turnover by business activity and geographical area and other segmental information as required by Statement of Standard Accounting Practice No. 25, has not been included as the directors are of the opinion that such disclosure would be seriously prejudicial to the interests of the company.

2 Loss on ordinary activities before taxation

	31 March 2003 Stg£	31 March 2002 Stg£
The loss on ordinary activities before taxation is stated after charging:		
Directors' remuneration	-	-
Depreciation	188	-
	<hr/>	<hr/>

During the current year and prior period, the auditors' remuneration was borne by a fellow group undertaking.

3 Taxation on loss on ordinary activities

No charge to taxation arises due to tax losses carried forward from previous years.

	2003 Stg£	2002 Stg£
Corporation tax at standard rate of 19% (2002 – 19%)	-	-
	<hr/>	<hr/>
Loss on ordinary activities before tax	(291,982)	(209,230)
	<hr/>	<hr/>
Tax on loss on ordinary activities as corporation tax rate of 19% (2002 – 19%)	(55,477)	(39,754)
Effect of:		
Capital allowances in excess of depreciation	40	-
Unutilised losses	55,437	39,754
	<hr/>	<hr/>
Current tax charge for the period	-	-
	<hr/>	<hr/>

A potential deferred tax asset, arising solely from tax loss carryforwards, amounting to Stg£95,191 (2002: Stg£39,753) has been fully provided against by the company as it is uncertain as to when sufficient taxable profits will arise in the company against which these loss carryforwards can be utilised.

Accpac UK Limited

Notes *(continued)*

4 Staff costs

The total remuneration (including directors' remuneration) was as follows:

	31 March 2003 Stg£	31 March 2002 Stg£
Wages and salaries	303,178	56,819
Social welfare costs	31,443	9,778
	<hr/>	<hr/>
	334,621	66,597
	<hr/>	<hr/>

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

	Number of employees 2003	2002
Sales	5	5
Technical support	-	1
Administration	1	1
Research and development	1	1
	<hr/>	<hr/>
	7	8
	<hr/>	<hr/>

Accpac UK Limited

Notes (continued)

5 Tangible fixed assets

	Computer equipment Stg£
Cost	
At 1 April 2002	-
Additions	902
	<hr/>
At 31 March 2003	902
	<hr/>
Accumulated depreciation	
At 1 April 2002	-
Charge for the year	188
	<hr/>
At 31 March 2003	188
	<hr/>
Net book value	
At 31 March 2003	714
	<hr/>
At 1 April 2002	-
	<hr/>

6 Debtors

	31 March 2003 Stg£	31 March 2002 Stg£
Trade debtors	412,174	278,146
Prepayments	18,878	-
	<hr/>	<hr/>
	431,052	278,146
	<hr/>	<hr/>

Accpac UK Limited

Notes (continued)

7 Creditors: amounts falling due within one year

	31 March 2003 Stg£	31 March 2002 Stg£
Trade creditors	131,357	102,634
VAT payable	16,382	41,741
Amounts due to parent undertaking	601,842	237,268
Accruals and deferred income	322,103	134,967
Other	56,722	-
	<u>1,128,406</u>	<u>516,610</u>

8 Called up share capital

	31 March 2003 Stg£	31 March 2002 Stg£
<i>Authorised</i>		
1,000 ordinary shares of Stg£1 each	1,000	1,000
	<u> </u>	<u> </u>
<i>Allotted, called up and fully paid:</i>		
1 ordinary share of Stg£1 each	1	1
	<u> </u>	<u> </u>

9 Reconciliation of movement on shareholders' deficit

	31 March 2003 Stg£	31 March 2002 Stg£
Shareholders' deficit at beginning of period	(209,229)	-
Loss for financial year	(291,982)	(209,230)
Share capital issued	-	1
	<u> </u>	<u> </u>
Shareholders' deficit at end of period	<u>(501,211)</u>	<u>(209,229)</u>

10 Related party transactions

The Company has availed of the exemption in FRS No 8 "Related Party Disclosures," which exempts qualifying subsidiaries of an undertaking from the requirement to disclose details of transactions between group companies that are eliminated on consolidation provided the ultimate parent prepares consolidated financial statements that are available to the public. Details on the availability of these financial statements are set out in note 11.

Accpac UK Limited

Notes *(continued)*

11 Ultimate parent undertaking and parent undertaking of larger group

The Company's ultimate parent undertaking is Computer Associates International, a company incorporated in the United States. The immediate controlling party and parent undertaking is Accpac International Inc, a company incorporated in the State of Delaware.

The largest group in which the results of the Company are consolidated is that headed by Computer Associates International Inc, and the consolidated financial statements may be obtained from One Computer Associates Plaza, Islandia, NY 11749, USA.

12 Post balance sheet events

On 1 April 2003, the company purchased eWare (UK) Limited, a fellow subsidiary undertaking, for Stg£50,000.

13 Approval of financial statements

The financial statements were approved by the board of directors 4 December 2003.