



KNIGHTS LOWE

Chartered Accountants • Registered Auditors

REGISTERED NUMBER: 4321140

Unaudited Abbreviated Accounts
for the Year Ended 31 December 2004
for
The Software Practice Limited



The Software Practice Limited

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for the Year Ended 31 December 2004

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The Software Practice Limited
Company Information
for the Year Ended 31 December 2004

DIRECTORS:

J S Brunt
L J Chapman
Ms F Brosan
T Forsey

SECRETARY:

J S Brunt

REGISTERED OFFICE:

Bulbeck Mill
Barrington
Cambridge
CB2 5QY

REGISTERED NUMBER:

4321140

ACCOUNTANTS:

Knights Lowe
Chartered Accountants
Eldo House, Kempson Way
Suffolk Business Park
Bury St Edmunds, Suffolk
IP32 7AR

The Software Practice Limited

Abbreviated Balance Sheet
31 December 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	2		114,647		135,756
CURRENT ASSETS					
Stocks		-		81,995	
Debtors		295,600		293,921	
Cash at bank and in hand		101,779		86,390	
		<u>397,379</u>		<u>462,306</u>	
CREDITORS					
Amounts falling due within one year	3	<u>414,111</u>		<u>427,254</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(16,732)</u>		<u>35,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>97,915</u>		<u>170,808</u>
CREDITORS					
Amounts falling due after more than one year	3		<u>(40,890)</u>		<u>(62,476)</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(5,847)</u>		<u>(5,714)</u>
			<u><u>51,178</u></u>		<u><u>102,618</u></u>
CAPITAL AND RESERVES					
Called up share capital	4		200		200
Profit and loss account			<u>50,978</u>		<u>102,418</u>
SHAREHOLDERS' FUNDS			<u><u>51,178</u></u>		<u><u>102,618</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2004.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

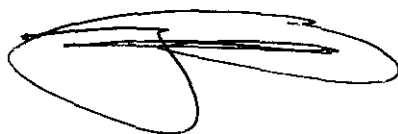
The Software Practice Limited

Abbreviated Balance Sheet - continued
31 December 2004

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:

J S Brunt - Director

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a small vertical stroke.

L J Chapman - Director

A handwritten signature in black ink, appearing to read 'L J Chapman' in a cursive style.

Approved by the Board on 25 February 2005

The notes form part of these abbreviated accounts

The Software Practice Limited

Notes to the Abbreviated Accounts
for the Year Ended 31 December 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 7 years straight line
Fixtures & fittings	- 15 years straight line
Motor vehicles	- 25% straight line
Computer equipment	- 25% reducing balance

Stocks

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

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Income recognition

Product sales (including installation) are recognised once a binding contract has been established. A provision is made for the costs of providing installation where the income has been recognised but installation has not been completed before the year end.

Support income is recognised over the period of the support contract.

Training sales are recognised at the date of providing the training services.

The Software Practice Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2004

2. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2004	106,029	16,489	16,980	49,641	189,139
Additions	-	4,023	-	12,010	16,033
Disposals	-	(150)	(16,980)	-	(17,130)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	106,029	20,362	-	61,651	188,042
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 January 2004	28,923	4,542	8,491	11,427	53,383
Charge for year	15,147	2,809	-	10,593	28,549
Eliminated on disposal	-	(46)	(8,491)	-	(8,537)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2004	44,070	7,305	-	22,020	73,395
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 December 2004	61,959	13,057	-	39,631	114,647
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	77,106	11,947	8,489	38,214	135,756
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

3. **CREDITORS**

The following secured debts are included within creditors:

	2004 £	2003 £
Bank loans	50,073	64,509
Hire purchase contracts	13,108	20,800
	<hr/>	<hr/>
	63,181	85,309
	<hr/>	<hr/>

4. **CALLED UP SHARE CAPITAL**

Authorised: Number:	Class:	Nominal value:	2004 £	2003 £
900,000	Ordinary A	£1	900,000	900,000
100,000	Ordinary B shares	£1	100,000	100,000
			<hr/>	<hr/>
			1,000,000	1,000,000
			<hr/>	<hr/>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2004 £	2003 £
100	Ordinary A	£1	100	100
100	Ordinary B shares	£1	100	100
			<hr/>	<hr/>
			200	200
			<hr/>	<hr/>

The Software Practice Limited

Notes to the Abbreviated Accounts - continued
for the Year Ended 31 December 2004

5. TRANSACTIONS WITH DIRECTORS

During the year the company traded with T Forsey a director of the company. Purchases during the year amounted to £21,348. At the year end there was a balance outstanding of £2,652.

During the year the company traded with Barrington Systems, a partnership between J S Brunt and L J Chapman. Sales during the year amounted to £261,150 (2003 - £87,150). Licences fees purchased during the year amounted to £139,150 (2003 - £59,872). At the year end £160,000 (2003 - £87,150) and £28,050 (2003 - £59,872) were outstanding and included in trade debtors and trade creditors respectively.

Included in creditors are outstanding loans from J S Brunt and L J Chapman of £127,359 (2003 - £130,256) and £55,502 (2003 - £55,502) respectively. No interest has been charged.

J S Brunt has provided a personal guarantee to the company's bankers as security amounting to £75,000.

6. ULTIMATE CONTROLLING PARTY

J S Brunt is the ultimate controlling party.