

CHARLES RIVER DEVELOPMENT LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2000

Company no. 3944511

CHARLES RIVER DEVELOPMENT LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

Company registration number : 3944511

Director : Peter K Lambertus

Secretary : Ann W Lambertus

Registered Office : 22 Melton Street
London
NW1 2BW

Auditors: Grant Thornton
Registered auditors
Chartered accountants
Churchill House
Chalvey Road East
Slough
SL1 2LS

CHARLES RIVER DEVELOPMENT LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

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CHARLES RIVER DEVELOPMENT LIMITED

DIRECTOR'S REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2000

The director presents his report with financial statements for the period ended 31 December 2000.
The company was incorporated on 10 March 2000.

Principal activity

The principal activity of the company is computer software sales, implementation and support.

Director and his interest

The director who served during the period and his interest in the company are as stated below:

**Ordinary shares
31 December 2000**

Peter K Lambertus

-

Director's responsibilities

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Auditors

Grant Thornton were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting

Small company exemption

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



Director

Date: 19- October - 2001

REPORT OF THE AUDITORS TO THE MEMBERS OF

CHARLES RIVER DEVELOPMENT LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of director and auditors

As described on page 1 the company's director is responsible for the preparation of financial statements 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 statements and to report our opinion to you.

Basis of opinion

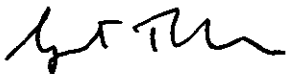
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director in the preparation of the financial statements, and 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 as at 31 December 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

London Thames Valley Office
Slough

Date: 24/10/01

CHARLES RIVER DEVELOPMENT LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2000

Continuing operations		
2000		
	Note	£
Turnover	2	476,574
Administrative expenses		(425,581)
Operating profit	3	50,993
Interest receivable and similar income		23
Profit on ordinary activities before taxation		51,016
Tax on profit on ordinary activities	5	(9,288)
Retained profit for the period		41,728

There are no recognised gains or losses other than the profit or loss for the above financial period.

**THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF
THESE FINANCIAL STATEMENTS.**

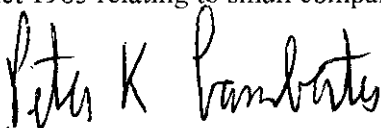
CHARLES RIVER DEVELOPMENT LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2000

	Note	2000 £	£
Fixed assets			
Tangible assets	6		7,904
Current assets			
Debtors	7	84,995	
Cash at bank and in hand		27,219	
		<u>112,214</u>	
Creditors: amounts falling due within one year	8	(77,390)	
Net current assets			<u>34,824</u>
Total assets less current liabilities			<u>42,728</u>
Capital and reserves			
Called up share capital	9		1,000
Profit and loss account	10		41,728
Shareholders' funds	11		<u>42,728</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.


Director

Date: 19-October-2001

THE ACCOMPANYING ACCOUNTING POLICIES AND NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

CHARLES RIVER DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

1. PRINCIPAL ACCOUNTING POLICIES

1.1. Basis of preparation

The financial statements are prepared under the historical cost convention.

The principal accounting policies of the company are set out below.

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computers and	
telecommunication equipment	- 33.3% Straight Line
Office equipment	- 12.5% Straight Line

1.4. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the period.

1.5. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. TURNOVER

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

CHARLES RIVER DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

3. OPERATING PROFIT	2000
	£
Operating profit is stated after charging:	
Depreciation of tangible assets	1,206
Loss on foreign currencies	373
Auditors' remuneration	1,800

4. PENSION COSTS

The company operates a defined contribution pension scheme in respect of the director. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £5,417.

5. TAXATION	2000
	£
UK current year taxation	
UK Corporation Tax	9,288

6. TANGIBLE FIXED ASSETS

	Computers & Office equipment	Total
	£	£
Cost		
At 10 March 2000	-	-
Additions	9,110	9,110
At 31 December 2000	9,110	9,110
Depreciation		
Charge for the period	1,206	1,206
At 31 December 2000	1,206	1,206
Net book value		
At 31 December 2000	7,904	7,904

CHARLES RIVER DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

7. DEBTORS

	2000
	£
Other debtors	64,969
Prepayments and accrued income	20,026
	<u>84,995</u>

**8. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	2000
	£
Trade creditors	21,705
Amounts owed to connected companies	22,088
Corporation tax	9,288
Other taxes and social security costs	14,825
Amounts due to pension company	1,487
Accruals and deferred income	7,997
	<u>77,390</u>

9. SHARE CAPITAL

	2000
	£
Authorised equity	
10,000,000 Ordinary shares of 1 pence each	<u>100,000</u>
 Allotted, called up and fully paid equity	
100,000 Ordinary shares of 1 pence each	<u>1,000</u>

CHARLES RIVER DEVELOPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2000

10. EQUITY RESERVES

	Profit and loss account £	Total £
Retained profit for the period	41,728	41,728

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £
Profit for the period	41,728
Net proceeds of equity share issue	1,000
Net addition to shareholders' funds	42,728

12. CONTINGENT LIABILITIES

There are no capital commitments or contingent liabilities at 31 December 2000.

13. ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is Charles River Systems Inc, incorporated in the USA. Charles River Systems Inc is the company's controlling related party by virtue of it holding 100% of the issued share capital of the company.

The company has taken advantage of the exemptions conferred by Financial Reporting Standard 8, Related Party Transactions, in respect of transactions undertaken with its parent, Charles River Systems Inc.