Company Registration No. 3396173 (England and Wales)

EXPORTMASTER SYSTEMS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2001



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EXPORTMASTER SYSTEMS LIMITED

COMPANY INFORMATION

Directors	C H Bainbridge C D Hensher
Secretary	C D Hensher
Company number	3396173
Registered office	33 St Peters Street South Croydon Surrey CR2 7DG
Accountants	Bryden Johnson & Co Kings Parade, Lower Coombe Street Croydon Surrey CR0 1AA

EXPORTMASTER SYSTEMS LIMITED

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EXPORTMASTER SYSTEMS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

The directors present their report and financial statements for the year ended 30 September 2001.

Principal activities
The principal activity of the company continued to be that of developing software for exporters.

Directors
The following directors have held office since 1 October 2000:

C H Bainbridge
C D Hensher

Directors' interests
The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2001	**1 October 2000**
C H Bainbridge	50	50
C D Hensher	50	50

	Preference shares of £ 1 each	
	30 September 2001	**1 October 2000**
C H Bainbridge	95,000	95,000
C D Hensher	95,000	95,000

This report has 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

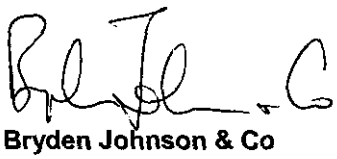
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C D Hensher
Director
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EXPORTMASTER SYSTEMS LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF EXPORTMASTER SYSTEMS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 September 2001, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.



Bryden Johnson & Co

12 February 2002

Chartered Accountants

Kings Parade, Lower Coombe Street
Croydon
Surrey
CR0 1AA

EXPORTMASTER SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover		540,797	467,735
Cost of sales		(86,326)	(55,801)
Gross profit		454,471	411,934
Distribution costs		(38,838)	(43,264)
Administrative expenses		(365,238)	(371,787)
Operating profit/(loss)	**2**	50,395	(3,117)
Other interest receivable and similar income		746	640
Interest payable and similar charges		(662)	(691)
Profit/(loss) on ordinary activities before taxation		50,479	(3,168)
Tax on profit/(loss) on ordinary activities	**3**	(75)	-
Profit/(loss) on ordinary activities after taxation	**11**	50,404	(3,168)

EXPORTMASTER SYSTEMS LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Intangible assets	**4**		8,625		10,125
Tangible assets	**5**		7,993		17,710
			16,618		27,835
Current assets					
Debtors	**6**	124,708		106,780	
Cash at bank and in hand		38,798		5,821	
		163,506		112,601	
Creditors: amounts falling due within one year	**7**	(109,304)		(81,898)	
Net current assets			54,202		30,703
Total assets less current liabilities			70,820		58,538
Creditors: amounts falling due after more than one year	**8**		(30,163)		(80,702)
Accruals and deferred income	**9**		(107,997)		(95,580)
			(67,340)		(117,744)
Capital and reserves					
Called up share capital	**10**		190,100		190,100
Profit and loss account	**11**		(257,440)		(307,844)
Shareholders' funds			(67,340)		(117,744)

EXPORTMASTER SYSTEMS LIMITED

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2001

In preparing these financial statements:

(a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The directors acknowledge their responsibilities for:

  (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

  (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 4/2/2002

C H Bainbridge
Director

EXPORTMASTER SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

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1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over a period of ten years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% Straight Line
Motor vehicles	25% Straight Line

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Operating profit/(loss)

	2001	2000
	£	£
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	1,500	1,500
Depreciation of tangible assets	9,716	12,202
Auditors' remuneration	-	3,500
Directors' emoluments	73,241	72,000

3 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 10% (2000 - 10%)	75	-

The company has estimated losses of £39,184 (2000 - £97,241) available for carry forward against future trading profits.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

4 Intangible fixed assets

	Goodwill £
Cost	
At 1 October 2000 & at 30 September 2001	15,000
Amortisation	
At 1 October 2000	4,875
Charge for year	1,500
At 30 September 2001	6,375
Net book value	
At 30 September 2001	8,625
At 30 September 2000	10,125

5 Tangible fixed assets

	£
Cost	
At 1 October 2000 & at 30 September 2001	43,533
Depreciation	
At 1 October 2000	25,824
Charge for the year	9,716
At 30 September 2001	35,540
Net book value	
At 30 September 2001	7,993
At 30 September 2000	17,710

The net book value of tangible fixed assets includes £7,862 (2000 - £11,965) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £4,103 (2000 - £4,103) for the year.

6 Debtors

	2001 £	2000 £
Trade debtors	119,715	101,788
Other debtors	4,993	4,992
	124,708	106,780

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001

7 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	18	87
Net obligations under hire purchase contracts	3,803	3,803
Trade creditors	18,948	6,405
Taxation and social security	30,781	27,281
Other creditors	55,754	44,322
	109,304	81,898

8 Creditors: amounts falling due after more than one year	2001 £	2000 £
Net obligations under hire purchase contracts	-	3,804
Other creditors	30,163	76,898
	30,163	80,702
Analysis of loans		
Wholly repayable within five years	78,922	114,717
Included in current liabilities	(48,759)	(37,819)
	30,163	76,898

Included in other loans is a loan of £48,922, which is secured in the form of a charge over all intellectual property rights in all software developed by the company either in the past or in the future, by way of an assignment, until such time as the loan is repaid in full, at which time the rights would revert to the company.

9 Accruals and deferred income	2001 £	2000 £
Deferred income	107,997	95,580

The deferred income represents revenue from annual maintenance contracts received in advance.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

10 Share capital

	2001 £	2000 £
Authorised		
10,000 Ordinary shares of £ 1 each	10,000	10,000
190,000 Preference shares of £ 1 each	190,000	190,000
	200,000	200,000
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
190,000 Preference shares of £ 1 each	190,000	190,000
	190,100	190,100

The preference shares hold the right to be paid cumulative fixed net cash dividends in preference to all dividends. Holders have the right to attend and speak at any annual general meeting in respect of the preference shares but not to vote thereat. On a winding up the preference shares, out of any surplus assets of the company remaining after payment of its liabilities, are entitled to be paid any deficiency or accruals of dividends in preference to any other share capital.

11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2000	(307,844)
Retained profit for the year	50,479
Balance at 30 September 2001	(257,365)

12 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Expiry date:		
Within one year	15,367	15,367
Between two and five years	5,122	20,489
	20,489	35,856

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2001

13 Transactions with directors

Included in other loans are loans of £15,000 each owed to the directors C D Hensher and C H Bainbridge.

14 Related party transactions

During the year, the company paid Database Software Limited £16,508 for rent and insurance, and £1,235 for bookkeeping. Mr C D Hensher is a director of Database Software Limited.