Company Registration No. 2562855 (England and Wales)

MULTI-USER SOFTWARE LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 1999

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COMPANIES HOUSE 31/03/00

RICHARD ANTHONY & COMPANY
Chartered Accountants and Registered Auditors

MULTI-USER SOFTWARE LIMITED

COMPANY INFORMATION

Directors	S P Becker P J Rumble
Secretary	S P Becker
Company number	2562855
Registered office	Fulton House, Fulton Road Wembley Middx HA9 0TF
Accountants	Richard Anthony & Company 13 Station Road Finchley London N3 2SB
Business address	Fulton House, Fulton Road Wembley Middx HA9 0TF

MULTI-USER SOFTWARE LIMITED

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MULTI-USER SOFTWARE LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MAY 1999

The directors present their report and financial statements for the year ended 31 May 1999.

Principal activities

The principal activity of the company in the year under review was the provision of computer software and hardware support.

Year 2000

The directors have considered whether the company's operations could be adversely affected by malfunctions in computer or other equipment arising from errors in processing dates in the year 2000 and beyond.

No part of the company's current operations are critically dependent on computer or other equipment which could be affected by year 2000 problems.

Directors

The following directors have held office since 1 June 1998:

S P Becker
P J Rumble

Directors' interests

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

	Ordinary Shares of £ 1 each	
	31 May 1999	**1 June 1998**
S P Becker	-	-
P J Rumble	15	15

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

By order of the board

S P Becker
Secretary
21 January 2000

MULTI-USER SOFTWARE LIMITED

ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF MULTI-USER SOFTWARE LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 May 1999, set out on pages 3 to 9 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.

Richard Anthony & Company
Chartered Accountants
Registered Auditors
13 Station Road
Finchley
London
N3 2SB

21 January 2000

MULTI-USER SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MAY 1999

	Notes	1999 £	1998 £
Turnover		274,209	421,182
Cost of sales		(133,603)	(155,557)
Gross profit		140,606	265,625
Distribution costs		(21,458)	(11,547)
Administrative expenses		(106,435)	(248,403)
Operating profit	**2**	12,713	5,675
Other interest receivable and similar income	**3**	370	421
Interest payable and similar charges		(574)	(40)
Profit on ordinary activities before taxation		12,509	6,056
Tax on profit on ordinary activities	**4**	(12,562)	751
(Loss)/profit on ordinary activities after taxation	**10**	(53)	6,807

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

MULTI-USER SOFTWARE LIMITED

BALANCE SHEET
AS AT 31 MAY 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Intangible assets	5		21,750		-
Tangible assets	6		43		86
			21,793		86
Current assets					
Debtors	7	68,138		51,033	
Cash at bank and in hand		15,126		7,882	
		83,264		58,915	
Creditors: amounts falling due within one year	8	(94,102)		(47,993)	
Net current (liabilities)/assets			(10,838)		10,922
Total assets less current liabilities			10,955		11,008
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		10,855		10,908
Shareholders' funds - equity interests	11		10,955		11,008

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.

The financial statements were approved by the Board on 21 January 2000

S P Becker
Director

P J Rumble
Director

MULTI-USER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

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

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 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	33.3% on straight line basis
Motor vehicles	25% on straight line basis

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	7,250	-
Depreciation of tangible assets	43	309

3 Other interest receivable and similar income

	1999	1998
	£	£
Bank interest	370	421

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1999

4 Taxation	1999 £	1998 £
U.K. current year taxation		
U.K. corporation tax	3,804	(751)
Prior years		
U.K. corporation tax	8,758	-
	12,562	(751)

5 Intangible fixed assets

	Other intangible assets £
Cost	
At 1 June 1998	-
Additions	29,000
At 31 May 1999	29,000
Amortisation	
At 1 June 1998	-
Charge for year	7,250
At 31 May 1999	7,250
Net book value	
At 31 May 1999	21,750

MULTI-USER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1999

6 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 June 1998 & at 31 May 1999	36,373
Depreciation	
At 1 June 1998	36,287
Charge for the year	43
At 31 May 1999	36,330
Net book value	
At 31 May 1999	43
At 31 May 1998	86

7 Debtors

	1999 £	1998 £
Trade debtors	23,658	36,548
Other debtors	44,480	14,485
	68,138	51,033

8 Creditors: amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	4,308	-
Trade creditors	23,483	6,580
Taxation and social security	16,843	6,660
Other creditors	49,468	34,753
	94,102	47,993

MULTI-USER SOFTWARE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 1999

9 Share capital

	1999	1998
	£	£
Authorised		
1,000 Ordinary Shares of £ 1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary Shares of £ 1 each	100	100

10 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 June 1998	10,908
Retained loss for the year	(53)
Balance at 31 May 1999	10,855

11 Reconciliation of movements in shareholders' funds

	1999	1998
	£	£
(Loss)/profit for the financial year	(53)	6,807
Opening shareholders' funds	11,008	4,201
Closing shareholders' funds	10,955	11,008

12 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	1999	1998	in year
	£	£	£
S P Becker (debit bal)	-	12,510	12,510

13 Control

In the opinion of the directors, S P Becker is the ultimate controlling party of the company.

14 Related party transactions

During the year the company paid fees for software services to SPB Software, of which S P Becker is the sole proprietor, of £93,536 (1998: £126,500). Mr P J Rumble was also paid consultancy fees of £29,677 (1998: £19,133). The company also paid a management charge of £Nil (1998: £110,000) to Multi-User Systems Limited, a company in which the directors have an interest.