

04-16-2003



FORM PTO-1595

(Rev. 3/01)

OMD NO. 0651-0011 exp. 5/31/2002)

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PATENTS ONLY

DEPARTMENT OF COMMERCE
Patent and Trademark Office

4-8-03

Resubm

To the Honorable Commissioner of Patents and Trademarks. Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Enterprise Technology Corporation

Additional name(s) of conveying party(ies) attached?

☒ No ☐ Yes

3. Nature of Conveyance

☐ Assignment☐ Merger☐ Security Agreement☐ Change of Name☒ Other: SEC Form 20-FExecution Date(s): October 31, 2000

2. Name and address of receiving party(ies):

Name: Merant

Internal Address: _____

Street Address: 3445 NW 211th StreetCity: Hillsboro State/Province: OR Zip: 97124Country: USAAdditional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application Number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s) 6,510,468Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Blakely, Sokoloff, Taylor & Zafman LLP

Internal Address: _____

Street Address: 12400 Wilshire Boulevard, 7th FloorCity: Los Angeles State: California Zip: 900256. Total number of applications and patents involved: 1

7. Total Fee (37 CFR 3.41)....\$40.00

☐ Enclosed☐ Authorized to be charged to deposit account

8. Deposit Account Number:

02-2666

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9. Statement and signature.

To the best of my knowledge and believe, the foregoing is true and correct and any attached copy is a true copy of the original document

Mark C. Van Ness, Reg. # 39,865

Name of Person Signing

Signature

April 8, 2003

Date

Total number of pages including cover sheet, attachments, and document: 43

Mail documents to be recorded with required cover sheet information to:

Assistant Commissioner of Patents, Box Assignments

Washington, D.C. 20231

Atty Docket No. 003306.P001

Patent No. 6,510,468

FIRST CLASS CERTIFICATE OF MAILING
(37 C.F.R. § 1.8 (a))

I hereby certify that this correspondence is being deposited with the United States Postal Service as first class mail with sufficient postage in an envelope addressed to the Assistant Commissioner for Patents, Washington, DC 20231.

April 8, 2003
 Date of Deposit

Krista Mathison
 Name of Person Mailing Correspondence
Krista Mathison
 Signature
4/8/03
 Date

PATENT

REEL: 013949 FRAME: 0208

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

EnterpriseLink Technology Corporation

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☒ Other SEC Form 20-F

2. Name and address of receiving party(ies)

Name: Merant

Internal Address: _____

Street Address: 3445 NW 211th Terrace

City: Hillsboro State: OR Zip: 97124

Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) _____

09/235,939

B. Patent No.(s) _____

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Mark C. Van Ness

Internal Address: _____

Street Address: Blakely Sokoloff Taylor & Zafman

12400 Wilshire Boulevard, Seventh Floor

City: Los Angeles State: CA Zip: 90025-1030

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

02-2666

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9. Signature.

Mark C. Van Ness, Reg. No.: 39,865

Name of Person Signing

Signature

November 7, 2002

Date

Total number of pages including cover sheet, attachments, and documents: 42

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Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g)
OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended April 30, 2000

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Transition Period from to

Commission File Number: 0-19696

MERANT plc

(Exact name of Registrant as specified in its charter)

ENGLAND AND WALES

(Jurisdiction of incorporation or organization)

**The Lawn
22-30 Old Bath Road
Newbury, Berkshire
RG14 1QN, England**
(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:
None.

Securities registered or to be registered pursuant to Section 12(g) of the Act:
Ordinary Shares of 2p each.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:
None.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 ☐ Item 18 ☒

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GENERAL INTRODUCTION

MERANT plc publishes annual reports containing annual audited consolidated financial statements and opinions on the financial statements by independent auditors. Financial statements are prepared in accordance with U.S. GAAP, expressed in U.S. dollars, and also in accordance with U.K. GAAP, expressed in GB pounds. U.K. GAAP differs from U.S. GAAP in, amongst other areas, the treatment of mergers, of goodwill and other intangibles acquired in connection with the purchase of subsidiaries, in the methods of computing earnings per share, and in other disclosures and presentation.

We also publish quarterly updates and semi-Annual Reports containing unaudited financial information prepared on the same basis as the audited consolidated financial statements.

Each of these reports is furnished to The Bank of New York as depositary under a deposit agreement (see Item 14). The depositary generally will mail these reports to record-holders of American depositary receipts, or ADRs. MERANT also furnishes to the depositary all notices of shareholders' meetings and other reports and communications that are made generally available to MERANT shareholders. The depositary makes these communications available for inspection by ADR record-holders and mails notices of shareholders' meetings to them.

As a foreign private issuer in the United States, we are not required to file quarterly reports with the SEC. However, we began furnishing quarterly reports to the SEC on Form 6-K on a voluntary basis in June 1997. These reports include the results for the applicable fiscal quarter in a format similar to that of a Form 10-Q. Also, we are not currently required to file electronically with the SEC but as of March 1997, we began to do so on a voluntary basis.

This Form 20-F includes many references to the "MERANT 2000 Annual Report Detail," meaning the Annual Report Detail that is included in MERANT's Annual Report to Shareholders for the year ended April 30, 2000 contained in the Report of Foreign Issuer on Form 6-K furnished to the SEC on October 11, 2000. Relevant portions of the MERANT 2000 Annual Report Detail are also included as Exhibits to this Form 20-F.

The Financial Statements and other financial information in this Form 20-F do not comprise "statutory accounts" within the meaning of Section 240 of the Companies Act 1985 of Great Britain. Statutory accounts for the year ended April 30, 2000 will be delivered to the Registrar of Companies for England and Wales in November 2000. Statutory accounts for the financial years ended April 30, 1999 and January 31, 1998 have been delivered previously to the Registrar of Companies for England and Wales. The auditors' reports on these accounts were unqualified.

On November 30, 1998, MERANT changed its fiscal year end and accounting reference date to April 30 from January 31. In this Form 20-F and the financial statements incorporated in this Form 20-F by reference we use the terms fiscal years 2000, 1999 and 1998 and the 1998 transition period to mean the fiscal years ended April 30, 2000, April 30, 1999 and January 31, 1998 and the three-month period ended April 30, 1998. MERANT submitted a Transition Report on Form 20-F to the SEC on February 26, 1999 covering the 1998 transition period.

DataDirect, Micro Focus and PVCS are registered trademarks, and MERANT and Egility are trademarks, of MERANT. Certain other trademarks belonging to other companies appear in this annual report and are the property of their respective owners.

This annual report contains translations of certain amounts from GB pounds to U.S. dollars. These translations have been made at the noon buying rates published by the Federal Reserve Bank of New York on the relevant dates. They should not be construed as representations that the GB pound amounts actually represent the U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated or at any other rate. In its consolidated financial statements MERANT uses exchange rates which are published at the close of business in London, and which therefore may differ from the noon buying rates. For additional information on exchange rates, see "Management's Discussion and Analysis of Results of Operations and Financial Condition — Exchange Rate Fluctuations" on pages 33 and 72 of the MERANT 2000 Annual Report Detail,

which sections are incorporated in this Form 20-F by reference. On April 30, 2000, the noon buying rate was \$1.556 per GBP 1.

PART I

Item 1. *Description of Business*

General

MERANT plc was incorporated in England in March 1983 as a public limited company under the Companies Acts 1948 to 1981 of Great Britain under its original name, Micro Focus Group plc. In May 1983, the company obtained a quotation on the Unlisted Securities Market of the London Stock Exchange, and in June 1984 became a fully listed company on the London Stock Exchange. In May 1992, the company became listed on the Nasdaq National Market. On February 16, 1999, the company changed its name from Micro Focus Group plc to MERANT plc.

MERANT designs and develops enterprise application development solutions that assist companies in e-enabling their enterprise. The Company delivers open, standards-based solutions that help organizations develop, transform, integrate and manage applications, information and processes that run their business—enabling them to build a business agile enough to change with the technology and market requirements of the e-business environment.

Industry Background

Companies everywhere are facing their most significant challenge: getting their business to “e.” The real challenge in transforming the enterprise for e-business is to enable existing systems and new technologies to inter-operate in order to refine and redefine business processes and business structures to take advantage of e-business and e-commerce opportunities. With legacy systems and processes tightly woven into companies and new e-business technology constantly emerging, IT organizations are faced with integrating it all—platforms, architectures, systems, data, standards, customers, suppliers, employees. That is why companies require a new generation of adaptive applications that can stay in step with the rapid, unyielding pace of e-business.

Solutions

Through the MERANT *Egility* Framework, a series of solutions comprised of MERANT products and services, customers have a foundation to accommodate change as every new aspect of e-business development unfolds. The *Egility* solutions are:

- *Legacy Transformation and Integration:* Provides an enterprise strength solution that integrates and extends a company's existing business rules, data, and processes to the new platforms of e-business.
- *Enterprise Change Management:* Provides the ability to effectively manage change across the enterprise to protect software, Web content, and ERP-packaged application assets.
- *Enterprise Information Access:* Accelerates the speed of business by improving the efficiency and reliability of access to enterprise data.
- *Traditional Development:* Enables customers to efficiently manage and deploy IT assets into new business applications in three key areas: distributed computing, application transformation and mainframe development.

MERANT *I-Solution* consultants support the *Egility* framework. They lead the industry in the evolution of information technology, with application development experience in distributed computing, mainframe development, software configuration management, and data connectivity solutions. This experience, combined with unsurpassed expertise in MERANT and third-party products, gives MERANT the ability to apply customer-tailored technology to resolve urgent business issues.

MERANT *E-Solution* consultants deliver complete e-business support, from strategy through new e-commerce applications, processes and sites to integration and leverage of core enterprise systems. MERANT consultants also specialize in transforming existing applications to operate seamlessly in today's state of the art technological environments.

In the year ended April 30, 2000 the basis of MERANT's internal reporting continued to be the four business segments established in 1998. These four segments are described below. During the year, the Company announced MERANT *Egility* which span all of the four historical business segments, as do MERANT's traditional COBOL products and services.

The *Egility* Framework is comprised of the E-Solutions business segment, which represents the segment previously referred to as Enterprise Consulting Solutions, and the I-Solutions segment, which represents the other three former business segments.

Segmental data is reported in the financial statements for the year ended April 30, 2000 on the basis of our four historical reporting segments:

Application Creation and Transformation, or ACT — This includes the MERANT Micro Focus range of products and services, which enables customers to accelerate e-business by maintaining, transforming and extending business applications. The products and services in this segment address:

- *Legacy Transformation and Integration*: designed to enable companies to leverage existing enterprise legacy assets and put them to work in the e-business world, ensuring a faster route to e-business, quicker implementation of new business models and improved customer responsiveness.
- *Traditional Development*: designed to enable companies to efficiently manage and deploy IT assets into new business applications in three key areas: distributed computing, application transformation and mainframe development.

Application Development Management, or ADM — Houses the well-known MERANT PVCS Series, an industry leader in Software Configuration Management. The series provides the ability to effectively manage change across the enterprise to protect software, Web content, and ERP-packaged application assets. It provides effective change management to contexts ranging from small development teams to the entire enterprise and from client-server assets to Web assets to mainframe assets.

Enterprise Data Connectivity, or EDC — MERANT's EDC solutions address enterprise data access, connectivity and integration. MERANT DataDirect helps customers integrate corporate data assets across new and existing systems, from the mainframe to the Internet. DataDirect provides organizations with an information platform, permitting flexible response to market dynamics and preservation of investment in existing resources. It supports widely accepted standards, including ODBC, JDBC and OLE DB, and major operating systems and data sources. DataDirect offerings also include solutions to deploy cross-platform applications accessing multiple data sources.

Enterprise Consulting Solutions, or ECS — MERANT's enterprise consulting solutions are a flexible suite of customizable solutions designed to meet the full spectrum of an organization's transformation to e-business, remaining Year 2000 compliance requirements, validation and verification efforts, euro currency conversion and other mass change initiatives. ECS provides support for companies' strategic technology-related business initiatives, including developing e-business strategies and deploying e-commerce intranet, extranet and Internet applications, and helping development organizations improve their processes and operations to attain software development standards.

Support and Training Services

MERANT offers its customers a wide variety of support services that are intended to help customers gain the benefits from the solutions that MERANT delivers. Customers who purchase maintenance services benefit from MERANT SupportNet, which provides technical support, product maintenance releases and updates, a web-based customer community for sharing information regarding MERANT products and other support services.

MERANT also provides comprehensive fee-paid education and training solutions through MERANT University. Training offerings include both on-site training and training at a MERANT training center and are focused primarily on the use of MERANT solutions.

Sales and marketing

MERANT markets and distributes its products on a worldwide basis through multiple channels. Sales are made directly, using a combination of telesales, field sales, third parties distribution and the Internet. We have local sales and marketing operations in the U.K., the U.S., Australia, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, the Netherlands, Norway, Portugal, Singapore, Spain and Sweden. Our direct sales effort is augmented with a network of independent software vendors, dealers, distributors, original equipment manufacturers and value added resellers in 40 countries around the world.

During the last fiscal year, sales by geographic region were distributed as follows: 58% in the U.S., 18% in the U.K., 9% in Germany, 10% in the rest of Europe (excluding the U.K. and Germany), 1% in Canada, 2% in Japan and about 2% in the rest of the world. As of April 30, 2000, MERANT's sales and sales support organization consisted of 244 people in the U.S., 209 people in Europe and 76 people located in other countries. MERANT has distributors representing its products throughout the world.

Our end-user customers consist of corporate data processing centers, independent software vendors, individual software developers, value-added resellers and computer equipment manufacturers worldwide. The customer base is broad, and no individual customer accounted for more than 10% of total revenue in fiscal years 2000, 1999 or 1998. Additionally, MERANT's business does not concentrate on any specific industry.

MERANT has signed license and distribution arrangements that enable it to sell products developed by third parties. We pay license fees to these third parties, which typically have a continuing obligation to improve and maintain the products supplied to us.

The products that we ship are comprised primarily of software programs copied onto diskettes, tape media or CD-ROM. These raw materials are widely available.

Telesales

Telesales representatives concentrate on sales at the project level and to smaller accounts, selling to individual developers and project managers. They concentrate their efforts on one solution area. Telesales are supported by mailings to lists of prospective customers and advertising in selected trade magazines. MERANT also offers special promotions and incentives from time to time aimed at introducing MERANT's products to new users.

Field Sales

Our field sales personnel are located in several major cities in the U.S. and throughout the world, offering local sales and technical support to customers and prospects. They represent all solution areas of MERANT within a defined geographical region. Field sales personnel assist prospective and current customers in evaluating needs and solutions and guide them in the evaluation and use of MERANT products. They focus their efforts on building long-term relationships primarily with large corporate prospects and customers.

Third Parties

In addition to our own field sales and telesales organizations, we market our technologies and products through a global network of third parties, including:

- independent software vendors, or ISVs
- value-added resellers, or VARs
- original equipment manufacturers, or OEMs
- other dealers and distributors.

Through third party alliances, MERANT enables selected ISVs and OEMs to embed and sell MERANT technologies in their own products. Alliances with other ISVs include joint development and marketing arrangements. We also have arrangements with VARs, dealers and distributors to resell our products in markets which we cannot cost effectively serve on a direct basis.

Internet

We also use the Internet as a marketing and sales channel. We promote our products and services and offer demonstration and evaluation versions of products on a trial basis. We also conduct prospect identification and lead generation programs over the Internet. We intend to continue to embrace Internet technology to develop and deliver new products and to provide better and faster service to customers.

Research and Development

MERANT has a policy of consistently updating its software products for the various operating systems to meet customer demand. Each new release adds greater functionality and more features to the products. Research and development expenditures in fiscal 2000, fiscal 1999, the three-month 1998 transition period, and fiscal 1998, represented 15%, 14%, 12% and 15% of MERANT's revenue. Those expenditures are quantified in the following table, which also discloses the costs capitalized and the amounts of amortization of capitalized costs for each period.

	Year ended April 30, 2000	Year ended April 30, 1999	Three months ended April 30, 1998	Year ended January 31, 1998
	(In millions of U.S. dollars)			
R&D expenditures, before capitalization	\$55.3	\$53.6	\$13.7	\$ 56.2
Costs capitalized as software product assets	(3.7)	(8.5)	(2.5)	(10.3)
Amortization of previously capitalized software	7.6	14.8	3.3	14.9
R&D charge	\$59.2	\$59.9	\$14.5	\$ 60.8

Employees

As of April 30, 2000, MERANT had 1,993 employees, of whom 470 were located in the U.K., 1,095 were in the U.S. and 428 in other countries. None of our employees is represented by a labor union. MERANT has experienced no work stoppages and believes its relations with its employees are good.

MERANT has adopted policies with regard to issuance of share options to its employees. We have an ongoing policy of paying cash bonuses based upon our financial performance relative to plan. These policies, together with our sales, marketing and financial practices, are designed to encourage employee performance and minimize employee turnover, although there can be no assurance that these policies and practices will be successful.

Recent Acquisitions or Dispositions

During fiscal 2000, MERANT completed four acquisitions.

On August 3, 1999, we acquired all of the outstanding stock of Essential Software, Inc (trading as The Marathon Group), a privately-held Internet professional services firm based in Raleigh, North Carolina. The total consideration for the transaction was approximately \$15.8 million, the whole of which was paid in cash.

On November 23, 1999, we acquired all of the outstanding stock of EnterpriseLink Technology Corporation, a privately held supplier of enterprise extension software based in Campbell, California. The total consideration for the transaction is up to approximately \$22 million, payable as a combination of cash and assumption of debt, of which approximately \$14.1 million was paid prior to April 30, 2000. We also assumed EnterpriseLink stock options outstanding as of the closing which converted into options to acquire up to 511,904 MERANT ordinary shares.

On December 6, 1999, we acquired all of the outstanding stock of Trillium Software Corporation, a privately held supplier of change management software based in Eden Prairie, Minnesota. The total consideration for the transaction is up to approximately \$7 million, payable in cash, of which approximately \$4.1 million was paid prior to April 30, 2000.

On January 8, 2000, we acquired the remaining 79.9% of the outstanding stock of Northern Software Partners AS, our distributor for the Nordic region, based in Oslo, Norway. The total consideration for the transaction is up to approximately \$4 million, payable in cash, of which approximately \$3.2 million was paid prior to April 30, 2000. Northern Software Partners AS changed its name to MERANT Nordic AS on January 21, 2000.

These transactions have been accounted for using the purchase accounting method. Accordingly, we have allocated to goodwill the excess of the estimated purchase price over the respective estimated fair value of each company's net tangible assets. We will amortize this amount, which totaled \$46.1 million in the aggregate, over its estimated economic life of five years.

Subsequent event

On August 24, 2000, MERANT purchased for cancellation 14,408,798 ordinary shares at 95 pence (sterling) per share for an aggregate consideration of £13,688,000 (\$20,258,000 based on the exchange rate on August 24, 2000). Authority to make this purchase was granted by shareholders at the annual general meeting held on September 16, 1999. The purchase represented 9.7% of the issued share capital as of the date of the transaction. The shares were purchased on the London Stock Exchange and were cancelled effective September 1, 2000.

Factors That May Influence Future Operating Results

MERANT operates in a rapidly changing environment that involves a number of risks, some of which are beyond our control. This section of the discussion highlights some of these risks and their possible impact on future results of operations.

The factors discussed below as well as statements made elsewhere in this annual report contain forward-looking statements that are based on the beliefs of MERANT's management, as well as assumptions made by, and information currently available to it. Our actual results, performance or achievements in fiscal 2001 and beyond could differ materially from those expressed in, or implied by, these forward-looking statements. Factors that could cause or contribute to material differences include, but are not limited to, those discussed in this section and elsewhere in this annual report. MERANT undertakes no obligation to release publicly any updates or revisions to any forward-looking statements contained in this annual report that may reflect events or circumstances occurring after the date of this annual report. For more information on forward-looking statements, see "Forward Looking Statements" below in this Part I, Item 1.

MERANT's operating results may fluctuate, and any fluctuations could adversely affect the price of MERANT securities

Our future operating results are subject to quarterly and annual fluctuations. If we fail to meet the expectations of securities analysts and investors as a result of any future fluctuations in our quarterly operating results, the market price of MERANT securities would likely decrease. We expect that our results may fluctuate in the future due to a variety of factors, including:

- demand for our products,
- the size and timing of customer orders and the lengthy sales cycle,
- product life cycles,
- our ability to introduce and market new and enhanced versions of our products on a timely basis,

- the introduction and acceptance of new products and product enhancements by us or by our competitors,
- customer order deferrals in anticipation of new or enhanced products or technologies,
- the timing of product introductions or enhancements by us or by our competitors,
- technological changes in the software industry,
- changes in the mix of distribution channels through which our products are offered,
- purchasing patterns of distributors and retailers, including customer budgeting cycles,
- the quality of products sold,
- price and other competitive conditions in the industry,
- changes in our level of operating expenses,
- changes in our sales incentive plans,
- our ability to acquire and effectively integrate companies and solutions,
- the cancellation of licenses during the warranty period,
- non-renewal of maintenance agreements,
- the effects of extended payment terms (particularly for international customers),
- economic conditions generally or in various geographic areas, and
- other factors discussed in this section.

MERANT's insignificant backlog and long sales cycle combined with costs that are fixed, make it difficult for us to predict future revenue and compensate for a revenue shortfall

Historically, we have operated with little product backlog, because we generally ship our products when we receive an order. As a result, our product revenue in any quarter will depend on the volume and timing of orders received in that quarter, and our ability to fill those orders. In addition, the purchase process of our customers typically ranges from a few weeks to several months or longer from initial inquiry to order, which makes it difficult to predict the timing of sales and license fees. Our staffing and operating expenses are based on anticipated revenue levels, and a high percentage of our costs is fixed in the short term and does not vary with revenue. Because of these factors, small variations between anticipated orders and actual orders, as well as non-recurring or large orders, can cause disproportionate variations in our operating results from quarter to quarter. As a result, and due to the typical size of customers' orders, our quarterly operating results and cash flow would suffer from a lost or delayed sale. Moreover, if significant sales occur earlier than expected, operating results for later quarters may suffer.

Seasonality can cause MERANT's operating results to fluctuate

Our revenue also is affected by seasonal fluctuations resulting from lower sales that typically occur during the summer months in Europe and other parts of the world. In addition, we have historically experienced lower revenue for the first quarter of a fiscal year than in the fourth quarter of the prior fiscal year. We typically recognize a high proportion of quarterly revenue during the last month of a fiscal quarter and significant fluctuations in new order revenue can occur due to the timing of customer orders. Quarterly results therefore can vary to the extent that sales for a quarter are delayed, particularly since a relatively high proportion of our expenses do not vary with revenue.

MERANT's revenue could decline if there is a decline in the demand for or use of the COBOL language or mainframe computers or a decline in the demand for MERANT's COBOL offerings

A substantial portion of our revenue is derived from products and related services for mainframe application development in the COBOL language and for COBOL compilers running on workstations and personal computers. We expect that a substantial portion of our revenue will continue to be derived from these products and services in the future. As a result, our future operating results depend upon continued demand for, and market acceptance and use of, the COBOL language. Any decline in that market as a result of competition, technological change or other factors could cause our revenues to decline. Recently, our COBOL revenues have decreased at a faster than expected rate, reflecting an industry-wide phenomenon, and this decline could continue. MERANT plans to reduce operating expenses in the COBOL area, which could negatively impact our COBOL revenues in the future.

If our new products or product enhancements fail to achieve customer acceptance, or if we fail to manage product transitions, our business reputation and financial performance would suffer

MERANT is in a market that is subject to rapid technological change. We must continually adapt to that change by improving our products and introducing new products, technologies and services, such as the *Egility* e-business software solutions. Our growth and financial performance will depend in part on our ability to develop and introduce enhancements of existing products and new products that accommodate the latest technological advances and standards, customer requirements and market conditions on a timely and cost-effective basis. This depends in part on our ability to attract and retain qualified employees. In the past, we have experienced delays and increased expenses in developing new products. We may not be successful in marketing, on a timely basis or at all, competitive products, product enhancements and new products that respond to technological change, changes in customer requirements and emerging industry standards.

Product defects can be expensive to fix and can cause MERANT to lose customers

Software products as complex as those we offer may contain undetected errors or failures when first introduced or as new versions are released. Despite our testing, as well as testing and use by current and potential customers, errors might be found in new products after commencement of commercial shipments. The occurrence of errors could result in loss of or delay in market acceptance of our products.

Protection of our intellectual property is limited, which may affect MERANT'S competitive position

Our success depends upon our proprietary software technology. Despite the precautions we take to protect our proprietary rights, it may be possible for a third party to copy or otherwise obtain and use our products or technology without authorization, or to develop similar technology independently. Policing unauthorized use of our products is difficult, and while we are unable to determine the extent to which software piracy of our products exists, software piracy can be expected to be a persistent problem. In addition, effective protection of intellectual property rights may be unavailable or limited in some foreign countries. Patents have been granted on fundamental technologies in software, and patents may issue that relate to fundamental technologies incorporated into our products.

Our products may infringe the intellectual property rights of third parties, which may result in lawsuits and prevent MERANT from selling our products

Except for a trademark infringement claim against our distributor in Brazil, which local counsel advises is unlikely to succeed, there are currently no material notices or pending claims that our products, trademarks or other proprietary rights infringe the proprietary rights of third parties. However, third parties could assert infringement claims against us in the future. If it is necessary or desirable, we may seek licenses under disputed third party intellectual property rights. However, these licenses may not be available on reasonable commercial terms, if at all. The failure to obtain a license from a third party for technology that we use could cause us to incur substantial liabilities and to suspend the production and sale of certain products. With regard to those technologies that we license from third parties, we must rely upon those third parties for information

on the ownership of the licensed technologies. As a result, our exposure to infringement claims may increase. We generally obtain representations as to the ownership of licensed technology and indemnification to cover any breach of these representations. However, representations may not be accurate and indemnification may not provide adequate compensation or protection for breach of the representations.

In addition, we may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish their validity. Litigation to determine the validity of any claims could result in significant expense and divert the efforts of our technical and management personnel from operating activities, whether or not the litigation is determined in our favor. In the event of an adverse ruling in any litigation, we may be required to pay substantial damages, to discontinue the use and sale of infringing products, to expend significant resources to develop non-infringing technology or to obtain licenses to the infringed technology. Our failure to develop or license a substitute technology could prevent us from selling our products. As the number of software products in the industry increases and the functionality of these products further overlaps, we believe that software developers may become increasingly subject to infringement claims. Any claims against us, with or without merit, as well as claims we initiate against third parties, can be time consuming and expensive to defend or prosecute and to resolve.

Competition can lead to pricing pressures and loss of market share

Rapid technological change and aggressive competition characterize the markets in which we compete. We expect competition to increase in the future from existing competitors and from other companies that may enter our existing or future markets with similar or substitute solutions that may be less costly or provide better performance or functionality than our products. Some of our current and prospective competitors have greater financial, marketing or technical resources and may be able to adapt more quickly to new or emerging technologies, or devote greater resources to the promotion and sale of their products than we can. Other companies may develop competitive products in the future. In addition, the software industry is characterized generally by low barriers to entry, as a result of which new competitors with technological, marketing or other competitive advantages may emerge and rapidly acquire market share. Furthermore, we may not be able to compete effectively in the future in the professional services market. If price competition increases significantly, competitive pressures could cause us to reduce the prices of our products and services, which would result in reduced profit margins and could harm our ability to provide adequate service to our customers.

International sales account for a significant portion of our total revenue, which exposes MERANT to the business and economic risks of global operations

In fiscal years 2000, 1999 and 1998, sales to customers outside of the United States represented approximately 42%, 40% and 35%, respectively, of our revenue. We intend to continue to expand our operations outside of the United States and enter additional international markets, and commit significant time and resources to developing international sales and support channels. The risks inherent in conducting international business generally include:

- exposure to exchange rate fluctuations
- longer payment cycles
- greater difficulties in accounts receivable collection and enforcing agreements
- tariffs and other restrictions on foreign trade
- U.S. export requirements
- economic and political instability
- withholding and other tax consequences
- restrictions on repatriation of earnings

- the burdens of complying with a wide variety of foreign laws
- general economic conditions.

If we lose key personnel or are unable to hire additional qualified personnel as necessary, we may not be able to manage our business successfully or sell our products

Several of our senior management personnel are relatively new to MERANT and our success will depend in part on the successful assimilation and performance of these individuals. Competition for qualified personnel in the software industry is intense, and we may not be able to attract and retain a sufficient number of qualified personnel to conduct our business in the future. Our success depends to a significant degree upon the continued contributions of our key management, marketing, product development, professional services and operational personnel, including key personnel of acquired companies. We do not have employment agreements with most of our key personnel to ensure their continued employment, and we do not maintain key person life insurance on any of these persons.

If MERANT were unable to manage change effectively, our operations would be disrupted

MERANT has recently experienced tremendous organizational change and significant turnover of personnel. The company plans to continue making adjustments in such areas as the sales and marketing organization and the COBOL business. These changes have placed a significant strain on our financial, management, operational and other resources. These strains will continue as the company continues its transition to an e-business software solutions company. Our management, personnel, systems, procedures and controls may not be adequate to support existing and future operations.

Market volatility may cause the price of our securities to decline

The market price of MERANT's securities has experienced significant price volatility, particularly since the announcement in June 1998 of the merger with INTERSOLV, and volatility may occur in the future. Factors that may have a significant impact on the market price of our securities include:

- actual or anticipated fluctuations in our operating results,
- changes in financial estimates by securities analysts,
- announcements of technological innovations,
- new products or new contracts by us or by our competitors,
- developments with respect to patents, copyrights or proprietary rights,
- conditions and trends in the software and other technology industries,
- adoption of new accounting standards affecting the software industry, and
- general market conditions.

Furthermore, the stock market has experienced extreme volatility that has particularly affected the market prices of equity securities of many high technology companies. These market fluctuations, as well as general economic, political and market conditions, may cause the market price of our securities to be volatile.

If we engage in future business combinations, we may fail to integrate acquired businesses effectively, which could disrupt our ongoing business and generate negative publicity

We have completed a number of business combinations in recent years, most recently the merger with INTERSOLV in September 1998, and the acquisitions of Essential Software, Inc. in August 1999, EnterpriseLink Technology Corporation in November 1999, Trillium Software Corporation in December 1999 and Northern Software Partners AS in January 2000. We may complete additional acquisitions in the future. The process of integrating an acquired company's business into our operations may result in unforeseen operating difficulties and expenditures. It may also absorb significant management attention that would

otherwise be available for the ongoing development and operation of our business. Moreover, the anticipated benefits of an acquisition might not be realized. Future acquisitions could result in potentially dilutive issuances of equity securities, the incurring of debt and contingent liabilities, and amortization provisions related to goodwill and other intangible assets. In addition, acquisitions involve numerous risks, including:

- difficulties in the assimilation of the operations, technologies and products of the acquired companies,
- difficulties in managing diverse geographic sales and research and development operations,
- the diversion of management attention from other business concerns,
- risks of entering markets in which we have no or limited direct prior experience, and
- the potential loss of key employees of MERANT or the acquired company.

Year 2000 and euro issues could still negatively affect our business

We developed and implemented an enterprise-wide plan to analyze and address potential Year 2000 issues affecting our internal systems, our interaction with third party vendors and suppliers, and our products and services. As of September 30, 1999, we completed the plan in all material respects, although we have continued to address internal Year 2000 readiness issues on an ongoing basis with respect to newly-acquired systems and suppliers, regularly-scheduled system updates and upgrades, and internal operations. To date we have experienced no significant impact from the Year 2000 problem on our ability to carry on normal business operations. However, there can be no assurance that we will not experience significant unanticipated negative consequences caused by undiscovered Year 2000 problems with our internal systems, our third party vendors and suppliers, or our products and services.

While we have not been subject to any claims or lawsuits to date relating to any Year 2000-related failures of our products or services, there can be no assurance that customers or former customers will not bring claims or lawsuits against us seeking compensation for losses associated with any such failures. A material adverse outcome in a Year 2000 claim or lawsuit could have a material adverse effect on our business, financial condition and results of operations

Effective January 1, 1999, eleven of the fifteen member countries of the European Union adopted the euro as their legal currency. On that date, the participating countries established fixed euro conversion rates between their existing sovereign currencies and the euro. The euro now trades on currency exchanges and is available for non-cash transactions. As of May 1, 1999, MERANT's internal systems have the ability to price and invoice customers in the euro. We are also engaging in foreign exchange and hedging activities in the euro. We will continue to modify the internal systems that will be affected by this conversion, but do not expect the costs of further system modifications to be material. There can be no assurance, however, that we will be able to complete such modifications to comply with euro requirements, which could have a material adverse effect on our business, financial condition and results of operations. We will continue to evaluate the impact of the euro's introduction on our foreign exchange and hedging activities, functional currency designations and pricing strategies in the new economic environment. In addition, we face risks to the extent that banks and vendors upon whom we rely are unable to make appropriate modifications to support our operations with respect to euro transactions. While we will continue to evaluate the impact of the euro, management does not believe its introduction will have a material adverse effect upon our business, financial condition or results of operations.

The rights of MERANT's shareholders may differ from the shareholder rights of a U.S. corporation

The right of shareholders and, therefore, certain of the rights of holders of ADRs, are governed by English law, including the Companies Act 1985, and by MERANT's Memorandum and Articles of Association. These rights differ in many respects from the rights of shareholders in typical U.S. corporations.

U.S. judgments may not be enforceable against MERANT

MERANT is a public limited company organized under the laws of England and Wales. Judgments of U.S. courts, including judgments against MERANT, predicated on the civil liability provisions of the federal securities laws of the United States, may not be enforceable in English courts.

Exchange rate fluctuations can cause our operating results to fluctuate

The majority of our revenue arises in U.S. dollars, while our costs are incurred approximately equally in U.S. dollars and other currencies, predominantly G.B. pounds. Consequently, fluctuations in exchange rates, particularly between the U.S. dollar and the G.B. pound, may have a significant impact on our operating results, notably when expressed in G.B. pounds. During the current fiscal quarter, fluctuations between the U.S. dollar and the G.B. pound were not significant, and net exchange rate gains or losses on operational transactions were not material.

Forward-Looking Statements

The following statement is made in accordance with the U.S. Private Securities Litigation Reform Act of 1995: This annual report contains forward-looking statements that include statements regarding expectations for our business strategy, our expenses in the COBOL business area, the company's sales and marketing organization, and its prospects and growth, including the growth of our e-business solutions business and related revenues. Forward-looking statements are subject to the safe harbor created by the Private Securities Litigation Reform Act, which provides that MERANT can be exempt from liability for making forward-looking statements if cautionary language is included with the statements. When used in this document, the words "anticipate," "believe," "estimate," "expect," "plan" and similar expressions, as they relate to MERANT or its management, are intended to identify these forward-looking statements.

These forward-looking statements involve a number of risks and uncertainties. Actual results could differ materially from those anticipated by these forward-looking statements. Future results will be difficult to predict as MERANT transforms its business strategy to provide e-business solutions and away from certain of its past primary markets, including the market for Year 2000 products and services. MERANT's ability to recruit and retain key personnel, especially in the sales and business units, could materially alter financial results and plans for the sales and business units. Other factors that could cause actual results to differ materially include, among others, our ability to effectively manage our costs against uncertain revenue expectations, the potential for a decrease in revenue or a slowdown in revenue growth which may be caused by delays in the timing of sales and the delivery of products or services, our ability to develop, release, market and sell products and services to customers in the highly dynamic market for enterprise application development and e-business solutions, the potential for a shift in demand for enterprise application development solutions and e-business solutions based on changes in technology and customer needs, the market acceptance of our e-business solutions and e-business solutions generally, the effect of competitors' efforts to enter our markets and the possible success of existing competitors in those markets, and our ability to manage and integrate recently acquired businesses or other businesses that we may acquire in the future.

Further information on potential factors which could affect our financial results is included above in this Part I, Item 1 under the heading "Factors That May Influence Future Operating Results" and elsewhere in this annual report for the year ended April 30, 2000. MERANT undertakes no obligation to release publicly any updates or revisions to any forward-looking statements contained in this announcement that may reflect events or circumstances occurring after the date of this announcement.

Item 2. Description of Property

MERANT owns its worldwide headquarters, which consists of approximately 80,000 square feet of office space located on an 8-acre site in Newbury, England.

MERANT also leases office space for its sales, distribution and development operations. Major facility leases include the following:

<u>Location</u>	<u>Purpose</u>	<u>Facility size (square feet)</u>
Rockville, MD	U.S. corporate headquarters	74,000
Mountain View, CA.....	Sales & development	56,000
Beaverton, OR	Sales & development	48,000
Morrisville, NC	Sales & development	39,000
Philadelphia, PA.....	Sales & development	26,000
St. Albans, U.K.	Sales & development	20,000

In addition, MERANT recently signed a lease for new office space in Beaverton, OR consisting of 65,000 square feet which will be available for occupancy approximately May, 2001.

MERANT also maintains facilities, principally sales and distribution offices around the world. In the U.S. these are located in Chicago, IL; Gaithersburg, MD; Greensboro, NC; Irvine, CA; Lyndhurst, NJ; New York, NY; and Raleigh, NC. Outside the U.S., MERANT maintains offices in Toronto and Montreal, Canada; Paris, France; Ismaning, Germany; Barcelona and Madrid, Spain; Lisbon, Portugal; Tokyo, Japan; Melbourne and Sydney, Australia; Duffel, Belgium; Amersfoort, Netherlands; Rome and Milan, Italy; Sao Paulo Brazil; Seoul, Korea and Singapore.

The total of rental payments for all facilities for fiscal 2000 was \$14.3 million. All leases are subject to renewal clauses and rent increase provisions, which are typical of similar leases in the relevant geographic areas.

MERANT believes that its premises are generally suitable and adequate for the purposes for which they are used.

Item 3. *Legal Proceedings*

In December 1998 and January 1999, seven class action securities complaints were filed in the U.S. District Court for the Southern District of New York against MERANT and certain of its officers and directors. The Court ordered the seven cases consolidated, appointed lead plaintiffs and lead counsel, and ordered the filing of a consolidated complaint, which was filed on June 9, 1999. The lead plaintiffs seek to have the matter certified as a class action of purchasers of the ADSs of MERANT during the period from June 17, 1998 to November 12, 1998, including the former shareholders of INTERSOLV who acquired ADSs in connection with the merger involving the two companies. The consolidated complaint alleges various violations of the federal securities laws and seeks unspecified compensatory damages for alleged failure to disclose material nonpublic information concerning MERANT's business condition and prospects.

In May 1999, MERANT filed a motion to transfer the matter to the Northern District of California, and the Court granted MERANT's motion in November 1999. The action was transferred in December 1999 to the Northern District of California. After the action was transferred to California, plaintiffs again amended their complaint alleging the same claims as described in the prior amended complaint but without the 1934 Act claims or the class period. MERANT filed a motion to dismiss the newly-amended complaint in June 2000. A hearing on the motion took place on September 20, 2000 and the court has taken the parties' arguments under submission.

MERANT intends to defend this litigation vigorously. However, due to the inherent uncertainties of litigation, MERANT cannot accurately predict the ultimate outcome of the litigation. Any unfavorable outcome of litigation could have an adverse impact on MERANT's business, financial condition and results of operations.

MERANT and its subsidiaries are also involved in legal proceedings, claims and litigation arising in the ordinary course of business. Although the ultimate results of these legal proceedings, claims and litigation are

not currently determinable, in the opinion of management these matters will not materially affect MERANT's financial position, results of operations, or liquidity.

Item 4. *Control of Registrant*

As far as is known to MERANT, the company is not directly or indirectly owned or controlled by one or more corporations or a foreign government.

The following table discloses the numbers of shares held as of September 15, 2000, by:

- any person who is known by MERANT to be the owner of more than 10% of its shares; and
- all directors and officers as a group.

<u>Identity of person or group</u>	<u>Amount owned</u>	<u>Percent of class</u>
Schroder Investment Management Ltd.	18,501,308	13.7%
Merrill Lynch Group	14,241,773	10.6%
Bank of New York(1)	16,039,450	11.9%
All directors and officers as a group (17 persons)	319,512	0.2%

(1) Held beneficially as the depositary of MERANT's ADSs for which ADRs have been issued.

MERANT knows of no arrangements the operation of which may at a subsequent date result in a change of control of MERANT.

Item 5. *Nature of Trading Market*

MERANT's ordinary shares are listed on the London Stock Exchange.

Since 1992, MERANT's American Depositary Shares have been traded in the United States. The ADSs are quoted on the Nasdaq National Market under the symbol MRNT. Each ADS represents five ordinary shares. The ADSs are evidenced by ADRs issued by the depositary under the terms of the deposit agreement. Further information about the ADRs and the deposit agreement is provided under Item 14 of this Form 20-F.

The following table presents for the periods indicated —

- the high and low middle market quotations for the ordinary shares, as derived from the Daily Official List of the London Stock Exchange, and
- the equivalent U.S. dollar prices translated at the noon buying rate on the date of each high and low quotation.

	<u>High</u> (in GB pounds)	<u>Low</u>	<u>High</u> (in U.S. dollars)	<u>Low</u>
Fiscal year ended April 30, 1999:				
First quarter	6.75	4.27	10.99	7.15
Second quarter	4.80	1.90	7.89	3.23
Third quarter	2.40	0.97	3.98	1.64
Fourth quarter	1.52	1.06	2.48	1.71
Fiscal year ended April 30, 2000:				
First quarter	3.11	1.47	4.84	2.36
Second quarter	3.03	2.43	4.88	3.99
Third quarter	4.67	2.40	7.48	3.94
Fourth quarter	4.87	1.56	7.75	2.43

The table below shows the highest and lowest bid prices for the ADSs in U.S. dollars as reported by the Nasdaq National Market for the periods indicated.

	High	Low
	(in U.S. dollars)	
Fiscal year ended April 30, 1999:		
First quarter	57.25	32.00
Second quarter	39.38	15.25
Third quarter	19.63	7.90
Fourth quarter	12.56	8.13
Fiscal year ended April 30, 2000:		
First quarter	23.69	12.13
Second quarter	24.13	19.31
Third quarter	37.00	19.13
Fourth quarter	39.00	19.13

The following table provides detail of shares and ADSs held in the United States. Since certain of these shares and ADSs were held by brokers or other nominees, the number of record holders in the United States is not representative of the number of beneficial holders or of where the beneficial holders are resident.

	<u>Ordinary shares</u>	<u>ADSs</u>
Held of record in the United States	230,775	3,215,447
Percent of ordinary shares outstanding	0.2%	10.8%
Record holders	71	117

Item 6. *Exchange Controls and Other Limitations Affecting Security Holders*

There are currently no U.K. laws, decrees or regulations that restrict the export or import of capital, including foreign exchange controls, or that affect the remittance of dividends, interest or other payments to non-U.K. resident shareholders or ADS holders. There are no limitations under English law or in MERANT's Memorandum and Articles of Association relating to the right to hold or exercise voting rights attaching to the shares or ADSs that apply only to non-U.K. shareholders. However, English law currently forbids ownership of shares or ADSs by, or payment of dividends to, the governments of Iraq and the Federal Republic of Yugoslavia, the UNITA organization of Angola, the Taliban of Afghanistan and certain members of the government of Burma (Myanmar). Similar sanctions against the government of Libya are currently suspended.

Item 7. *Taxation*

The following is a general summary that does not address all tax consequences of the ownership of MERANT's ordinary shares or ADSs. This summary is based on U.S. federal income tax law and administrative practice and the laws and practice of the United Kingdom in effect on the date of this Form 20-F. Future legislation, regulations, administrative interpretations or court decisions could change these laws either prospectively or retroactively.

Shareholders or ADS holders should consult their own tax advisors as to the particular tax consequences to them of ownership of MERANT's ordinary shares or ADSs.

In particular, this summary:

- does not address U.S. estate, gift, state or local tax laws.
- does not address foreign law other than that of the United Kingdom as it would affect U.S. holders (persons resident in the United States and not resident in the United Kingdom, under the current double taxation convention between the United States and the United Kingdom). Non-U.S. holders may experience significantly different tax consequences and should consult their own tax advisors.

- does not take into account the specific circumstances of any particular shareholders (such as tax-exempt entities, certain insurance companies, broker dealers, shareholders liable for alternative minimum tax, shareholders that actually or constructively own 10% or more of MERANT's voting shares, shareholders that hold shares or ADSs as part of a straddle or a hedging or conversion transaction, or shareholders whose functional currency is not the U.S. dollar), some of which may be subject to special rules.

U.K. Income Taxation of Dividends

MERANT has never paid dividends. However, if MERANT were to pay dividends in cash and denominated in dollars, the following would apply.

Individual shareholders resident in the United Kingdom for tax purposes should generally be entitled to a tax credit in respect of any dividend, which they can offset against their total income tax liability. The amount of the tax credit is equal to 10% of the "gross dividend" (which is the total of the dividend received and the tax credit), which is also equal to one-ninth of the amount of the dividend received. The gross dividend is included in computing the income of the individual holder for U.K. tax purposes.

Lower and basic rate taxpayers will have no further liability to income tax, but higher rate taxpayers will be liable to tax on the dividend at the rate of 32.5% of the gross dividend. The tax credit will be available to reduce the tax liability on the dividend but will not be repayable to the shareholder.

U.K. resident taxpayers who are not liable to U.K. tax on dividends will not be entitled to claim repayment of the tax credit. Tax credits on dividends paid in respect of shares held in personal equity plans or individual savings accounts will be repayable until April 5, 2004.

A U.K. resident corporate shareholder will be liable to corporation tax in respect of the gross amount of any dividend received. It will not be able to claim repayment of the tax credit attaching to the dividend, but can offset the tax credit against its corporation tax liability.

A shareholder who is not resident in the United Kingdom for tax purposes will generally not benefit from any entitlement to a refund of any part of the tax credit. Special rules apply in the case of U.S. corporate shareholders that are:

- resident in the United Kingdom, or
- at least 25% owned, directly or indirectly, by persons that are not individual residents or nationals of the United States and that satisfy certain other conditions.

Further special rules may apply if the shareholder:

- is a partnership, an estate or a trust that is a resident of the United States,
- is exempt from U.S. taxation on dividends paid by MERANT, or
- owns 10% or more of the class of shares on which the dividend is declared

U.S. Federal Income Taxation of Dividends

Under the double income tax convention between the United Kingdom and the United States, an eligible U.S. holder will be subject to U.S. federal income tax on the sum of the cash dividend plus a tax credit amount to which the U.S. holder would be entitled if it were a U.K. taxpayer. Dividends paid out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Subject to certain conditions and limitations, a U.S. holder will generally be entitled to a credit against its U.S. federal income tax liability, or a deduction in computing its U.S. federal taxable income, for all or part of the tax credit amount. The rules relating to the determination of the foreign tax credit are complex and eligible U.S. holders should consult their tax advisers to determine whether and to what extent a tax credit would be available.

Taxation on Capital Gains

Under the double income tax convention between the United Kingdom and the United States, each country generally may tax capital gains in accordance with the provisions of its domestic law. Under U.K. law, U.S. residents who are not also resident or ordinarily resident for tax purposes in the United Kingdom will not generally be liable for U.K. capital gains tax on capital gains made on the disposal of shares. Special rules apply where the shares were held in connection with a trade carried on in the U.K. through a permanent establishment. An individual shareholder who has on or after March 17, 1998, ceased to be resident or ordinarily resident in the United Kingdom for a period of five years and who disposes of shares during that period may also be liable to U.K. taxation on capital gains. U.S. residents who are liable for U.K. tax may also be liable for both U.K. and U.S. tax in respect of a gain on the disposal of ADSs, but may be entitled to a tax credit against their U.S. federal tax liability for the amount of the U.K. tax paid in respect of the gain. A U.S. resident holder of an ADR will be liable for U.S. federal income tax on the gains to the same extent as on any other gains from sales of shares.

U.K. Inheritance Tax

Under the double estates and gift taxation convention between the United States and the United Kingdom, an individual shareholder who is for the purpose of the convention, not a U.K. national, but who is domiciled in the United States will not (provided any tax chargeable in the United States is paid) be subject to U.K. inheritance tax on the disposal of shares by way of gift or upon the individual's death, unless:

- the shares are part of the business property of a permanent establishment of the individual in the United Kingdom, or
- in the case of a shareholder who performs independent personal services, pertain to a fixed base situated in the United Kingdom.

In the exceptional case where the shares are subject both to U.K. inheritance tax and to U.S. federal gift or estate tax, the convention generally provides for double taxation to be relieved by means of credit relief.

U.K. Stamp Duty and Stamp Duty Reserve Tax

U.K. stamp duty and/or stamp duty reserve tax ("SDRT") may be charged in respect of, among other things, the following transactions:

- the transfer of an ADS,
- the transfer of a share,
- the deposit of a share with the custodian and the subsequent issue of an ADR, and
- the transfer of a share on surrender of an ADS.

This section discusses in turn each possible charge.

On the transfer of an ADS, no U.K. stamp duty will be payable provided that the instrument or transfer is executed and remains outside the United Kingdom, nor will there be any liability to SDRT.

On the transfer of a share, ad valorem stamp duty will be charged at the rate of ½% of the consideration, if any, for the transfer. SDRT will be imposed, at the rate of ½% of the consideration for the transaction, if an agreement is made for the sale of shares, unless a share transfer instrument in favor of the purchaser or its nominee is executed and duly stamped. SDRT is in general payable by the purchaser of the shares, but regulations have been made which provide for collection from other persons in certain circumstances.

An instrument transferring shares to a nominee or agent for a depository which then issues depository receipts (such as ADRs) will be subject to ad valorem stamp duty. Where the instrument is liable to stamp duty as a "conveyance on sale," because it completes a sale of shares or ADSs, the rate of duty will be 1½% of the consideration for the sale implemented by the instrument. Where the transfer instrument is not stampable as a conveyance on sale, the rate of duty will be 1½% of the market value of the security transferred by the

instrument. There is also a potential charge to SDRT which will be payable by the depositary at a rate of 1½% of the consideration for the transfer, or where there is no consideration, 1½% of the market value of the securities transferred. The charge to SDRT will, however, be reduced by the amount, if any, of ad valorem stamp duty paid on the share transfer instrument.

A transfer of shares from the depositary or its agent or nominee to an ADR holder, or a person designated by the holder, on cancellation of an ADS which is liable to duty as a "conveyance of sale" because it completes a sale of the shares, will be liable to ad valorem stamp duty, payable by the purchaser, at the rate of ½% of the consideration, if any, for the transfer. Transfers not liable to duty as a "conveyance on sale" will be liable to a fixed stamp duty of 50p.

Other U.S. Issues

As of September 15, 2000, MERANT is not a controlled foreign corporation ("CFC"), a passive foreign investment company ("PFIC"), or a foreign personal holding company ("FPHC"), and MERANT does not anticipate becoming a CFC, PFIC or FPHC. Neither MERANT nor its advisers have a duty or will undertake to inform U.S. shareholders of changes in circumstances which would cause MERANT to become a CFC, PFIC or a FPHC. U.S. shareholders should consult their own tax advisers concerning the status of MERANT as a CFC, PFIC or FPHC.

Item 8. *Selected Financial Data*

Selected Consolidated Financial Data

The Selected Consolidated Financial Data in U.S. Format on page 19 and the Selected Consolidated Financial Data in U.K. Format on page 62 of the MERANT 2000 Annual Report Detail are incorporated in this Form 20-F by reference.

Exchange Rates

The following table shows the approximate noon buying rates for GB pounds in U.S. dollars per GBP 1.

<u>Fiscal period</u>	<u>Average*</u>	<u>High</u>	<u>Low</u>	<u>Period-end</u>
Year ended January 31, 1996	1.57	1.61	1.51	1.51
Year ended January 31, 1997	1.58	1.71	1.49	1.60
Year ended January 31, 1998	1.64	1.70	1.58	1.63
Quarter ended April 30, 1998	1.66	1.69	1.62	1.67
Year ended April 30, 1999	1.65	1.71	1.59	1.61
Year ended April 30, 2000	1.60	1.68	1.55	1.56

* The average of the exchange rates on the last day of each calendar month during the period.

On September 15, 2000, the Noon Buying Rate was \$1.4005 per GBP 1.

Fluctuations in the U.S. dollar/GB pound exchange rate will affect the U.S. dollar amounts received by ADR holders on conversion by the depositary of dividends paid in GB pounds on the shares represented by the ADRs. These fluctuations may also affect the relative market prices of the ADSs in the U.S. and the shares in the U.K.

For information on the effect of exchange rate fluctuations on MERANT's results of operations, see "Management's Discussion and Analysis of Results of Operations and Financial Condition — Exchange Rate Fluctuations" on pages 33 and 72 of the MERANT 2000 Annual Report Detail, which sections are incorporated in this Form 20-F by reference.

Dividends

MERANT has never paid cash dividends on its shares. MERANT has investigated the possibility of paying dividends and reviews the issue from time to time.

If dividends were paid, they would probably be paid in GB pounds. Exchange rate fluctuations would affect the U.S. dollar amounts that shareholders, or in the case of ADR holders the depositary, would receive on conversion of dividend payments into U.S. dollars.

Item 9. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

Management's Discussion and Analysis of Results of Operations and Financial Condition for fiscal years 2000, 1999 and 1998, and for the three-month period ended April 30, 1998, which is contained on pages 20 through 35 and pages 63 through 73 of the MERANT 2000 Annual Report Detail, is incorporated in this Form 20-F by reference.

Item 9A. *Quantitative and Qualitative Disclosures about Market Risk*

For information on market risks to which MERANT's business is exposed, see "Management's Discussion and Analysis of Results of Operations and Financial Condition — Market Risk" on page 34 of the MERANT 2000 Annual Report Detail, which section is incorporated in this Form 20-F by reference.

Item 10. *Directors and Officers of Registrant*

MERANT's Memorandum and Articles of Association provide that there must always be at least two directors, unless otherwise determined by ordinary resolution of MERANT. At each annual general meeting, one-third of the directors (rounded down where the number of directors does not divide by three) retires from office by rotation.

Executive officers serve at the discretion of the Board of Directors.

The directors and executive officers, effective September 25, 2000, are as follows:

Board of Directors

<u>Name</u>	<u>Position</u>	<u>Date Elected or Appointed</u>
Michel Berty	Director	September 1998
Kevin Burns	Director	September 1998
Gary Greenfield	Director	September 1998
	President and Chief Executive Officer	December 1998
J. Michael Gullard	Director and Chairman	May 1995
Harold Hughes	Director	December 1993
Barry Lynn	Director	September 1999
Don Watters	Director	December 1999

Executive Officers

<u>Name</u>	<u>Position</u>	<u>Date Appointed</u>
Ken Sexton	Senior Vice President and Chief Financial Officer	December 1998
Panos Anastassiadis	Executive Vice President, Worldwide Distribution	September 1998
Michael Consoli	Senior Vice President and General Manager, MERANT EDC	October 1999
Greg Gehring	Senior Vice President and Chief Information Officer	September 1998
Dean Genge	Senior Vice President, Corporate Marketing	September 1998
Tony Hill	Senior Vice President and General Manager, MERANT ACT	March 2000
Leo Millstein	Vice President, General Counsel and Secretary	April 2000
Andrew Weiss	Chief Technology Officer	May 1999

Biographical information for the directors and officers is shown below.

Mr. Berty has been a non-executive director of MERANT since September 1998. Prior to that date, he was a non-executive director of INTERSOLV. From 1972 until 1997 he was an executive of the Cap Gemini Group and serviced as Chief Executive Officer of Cap Gemini America from 1993 to 1997.

Mr. Burns has been a non-executive director of MERANT since September 1998. Prior to that date he was Chairman of INTERSOLV. He is a founding member of Lazard Technology Partners, a venture capital firm investing in the information technology industry.

Mr. Greenfield became a director of MERANT in September 1998. From 1996 until that date, he had been Chief Executive Officer of INTERSOLV. In December 1998, he became MERANT's Chief Executive Office and President.

Mr. Gullard has been a non-executive director of MERANT since May 1995. He was elected Chairman in March 1996. He is General Partner of the venture capital firm of Cornerstone Management.

Mr. Hughes has been a non-executive director of MERANT since December 1993. He is Chairman and Chief Executive Officer of Pandesic LLC, an e-commerce joint venture between Intel and SAP.

Mr. Lynn became a non-executive director of MERANT in September 1999. He is the President and Chief Executive Officer of Be eXcel Inc., a corporation specializing in e-commerce and internet management consulting.

Mr. Watters became a non-executive director of MERANT in December 1999. He retired from McKinsey & Co. in 1997 after 28 years of service, most recently has a director, and continues to act as a consultant and a member of McKinsey Advisory Board.

Mr. Sexton joined MERANT in December 1998 as its Senior Vice President, Finance & Administration, Chief Financial Officer and Secretary. Previously, he was Senior Vice President, Finance & Administration and Chief Financial Officer of INTERSOLV.

Mr. Anastassiadis joined MERANT in September 1998 as its Senior Vice President, Worldwide Distribution upon the completion of MERANT's merger with INTERSOLV, and became MERANT's Executive Vice President, Worldwide Distribution in May 1999. Previously, he was Senior Vice President and General Manager of INTERSOLV's Data Connectivity business unit.

Mr. Consoli joined MERANT in October 1999 as its Senior Vice President and General Manager, MERANT EDC.

Mr. Gehring joined MERANT in September 1998 as its Senior Vice President and Chief Information Officer upon the completion of MERANT's merger with INTERSOLV. Previously, he was Senior Vice President and Chief Information Officer for INTERSOLV.

Mr. Genge joined MERANT in September 1998 as its Senior Vice President, Corporate Marketing upon the completion of MERANT's merger with INTERSOLV. Previously, he was Senior Vice President, Corporate Marketing for INTERSOLV.

Mr. Hill joined MERANT in August 1987. In March 2000, he became Senior Vice President and General Manager, MERANT ACT, having previously held the position of Manager, European Direct Sales in MERANT's ADM business unit.

Mr. Millstein joined MERANT in April 2000 as its Vice President, General Counsel and Secretary.

Mr. Weiss joined MERANT in May 1999 as its Chief Technology Officer.

There are no family relationships between any of the directors or executive officers. There are no arrangements or understandings between any executive officer or director and any other person under which an executive officer or director was or is to be selected to such position.

Item 11. Compensation of Directors and Officers

For the fiscal year ended April 30, 2000, the total amount of compensation paid to directors and officers of MERANT (a total of 18 persons during the fiscal year) was as follows:

	<u>U.S. dollars</u>	<u>GB pounds</u>
	<u>In thousands</u>	
Salary.....	2,199	1,392
Bonus.....	1,268	803
Directors' fees.....	273	167
Compensation for loss of office.....	0	0
Pension, retirement and similar benefits	47	30
Other benefits	135	85
TOTAL	3,922	2,477
Chairman	140	84

Bonuses were payable under three different cash bonus programs. Each program sets operating plans, and bonus amounts are paid based upon MERANT's performance against the operating plan. Further compensation information is provided under "Directors' Remuneration Report" on pages 15 through 18 of the MERANT 2000 Annual Report Detail, which compensation information is incorporated in this Form 20-F by reference.

Item 12. Options to Purchase Securities from Registrant or Subsidiaries

MERANT currently operates four share option plans:

- the 1991 Share Option Plan
- the 1994 Group Employee Benefit Trust
- the 1996 Share Option Plan
- the 1998 Share Option Plan

These MERANT plans provide for the granting of options to purchase ordinary shares in MERANT to MERANT employees and consultants. MERANT currently has the authority to grant share options under the 1998 Share Option Plan.

When MERANT merged with INTERSOLV, it adopted INTERSOLV's 1982 Stock Option Plan, 1992 Stock Option Plan and 1997 Employee Stock Option Plan, and the option plans previously assumed by INTERSOLV from companies which it had acquired. Under the merger agreement, each outstanding option or right to purchase or acquire shares of INTERSOLV stock was assumed by MERANT and became an option or right to purchase or acquire ADSs in MERANT, with appropriate adjustments to the price and number of shares based on the exchange ratio of 0.55 ADSs per INTERSOLV share. No further options have been or will be granted under these INTERSOLV plans.

When MERANT acquired XDB Systems, Inc, it assumed XDB's 1992 Stock Option Plan and 1996 Stock Option Plan. In accordance with the acquisition agreement, the outstanding options under these XDB Plans were converted into options to acquire MERANT shares. No further options have been or will be granted under the XDB Plans.

When MERANT acquired EnterpriseLink Technology Corporation, it assumed EnterpriseLink's 1996 Stock Plan and 1999 Stock Option Plan. Under the Acquisition Agreement, the outstanding options under these EnterpriseLink Plans were converted into options to acquire MERANT shares. No further options have been or will be granted under the EnterpriseLink Plans.

At September 15, 2000, there were outstanding stock options under the MERANT plans, INTERSOLV plans, XDB plans and EnterpriseLink plan to purchase a total of 23,867,276 ordinary shares with exercise prices ranging from GBP 0.34 to GBP 7.15 and expiration dates ranging from July 2001 to August 2010. At

the same date, the following directors (and directors and officers as a group) held options to purchase the number of shares presented opposite their names in the following table:

	<u>Number of shares</u>	<u>Option price, in GBP</u>	<u>Expiration date</u>
Michel Berty	None		
Kevin Burns	10,000	2.94	September 16, 2009
Gary Greenfield	2,569,550*	1.47-3.42	May 1, 2008
	3,250,000	1.05	January 4, 2009
J. Michael Gullard	100,000	1.67	June 21, 2006
	20,000	2.94	September 16, 2009
Harold Hughes	50,000	3.00	August 19, 2002
	10,000	2.40	June 16, 2004
	10,000	2.94	September 16, 2009
Barry Lynn	10,000	2.94	September 16, 2009
Don Watters	10,000	4.54	December 8, 2009
Directors and officers as a group	5,187,390*	1.47-3.68	May 1, 2008
	3,250,000	1.05	January 4, 2009
	3,725,000	1.06	December 15, 2008
	250,000	1.41	April 30, 2009
	100,000	1.64	April 25, 2010
	100,000	1.67	June 21, 2006
	10,000	2.40	June 16, 2004
	250,000	2.80	October 18, 2009
	50,000	2.94	September 16, 2009
	50,000	3.00	August 19, 2002
	125,000	3.10	April 6, 2010
	75,000	3.36	February 10, 2010
	10,000	4.54	December 8, 2009

* Asterisked items represent the share equivalents of options issued by INTERSOLV, which were converted into options to acquire MERANT ADSs. Options were issued by INTERSOLV at various prices and dates; the table discloses average grant prices and the latest expiration dates. These options are denominated in U.S. dollars, and for the above disclosures have been converted to pounds sterling using the April 30, 2000 rate of \$1.58 = GBP 1.00.

Item 13. *Interest of Management in Certain Transactions*

The information required by this item is incorporated by reference from the “Directors’ Remuneration Report” on pages 15 through 18, and from the “Notes to Consolidated Financial Statements — Related party transaction” on pages 59 and 106, of the MERANT 2000 Annual Report Detail.

PART II

Item 14. *Description of Securities to be Registered*

The Registrant has elected to respond to this item.

Description of ordinary shares

The rights of MERANT’s shareholders are determined by the Memorandum and Articles of Association and by current English law. This summary does not purport to be complete and is qualified by reference to the Memorandum and Articles of Association, which are incorporated by reference in this annual report.

The authorised share capital of MERANT plc is GBP 4,240,000 divided into 212,000,000 ordinary shares of 2p each, of which 149,388,888 ordinary shares were outstanding on April 30, 2000. Each of the issued shares is fully paid and not subject to any further calls or assessments. There are no conversion rights, redemption provisions or sinking fund provisions related to the shares. The shares are issued in registered form.

In the following description, a shareholder is the person registered in MERANT's register of members as the holder of the relevant share. The depositary for MERANT's ADSs is the shareholder for shares represented by ADSs against which ADRs have been issued.

Dividends

All dividends will be declared and paid according to the amount paid up on the shares, but no dividend will be declared in excess of the amount recommended by the directors. The directors may from time to time pay interim dividends to shareholders if it appears to the directors to be justified by the profits available for distribution. Final dividends may be declared by resolution of the members on the recommendation of the Board. There are no fixed dates on which entitlement to dividends arises on the shares.

Any dividend unclaimed 12 years after the date when it became due for payment will, if the directors so resolve, be forfeited and cease to remain owing by MERANT.

Rights in a Winding Up

In the event of a winding-up or reduction of MERANT's capital involving repayment, the assets available for distribution among the members will be divided between the shareholders according to the respective number of shares held by them and in accordance with the provisions of The Companies Act 1985 of Great Britain. The liquidator may, with the sanction of an extraordinary resolution and subject to the Companies Act, divide among the members in specie the whole or any part of MERANT's assets.

Voting

Voting at any general meeting of shareholders is by a show of hands unless a poll is duly demanded by:

- the chairman of the meeting,
- at least two shareholders entitled to vote at the meeting,
- any shareholder or shareholders representing at least one-tenth of the total voting rights of all shareholders entitled to vote at the meeting, or
- any shareholder or shareholders holding shares conferring a right to vote at the meeting on which the paid up sums are at least one-tenth of the total sum paid up on all the shares conferring that right.

On a show of hands, every shareholder who is present in person at a general meeting will have one vote, and on a poll, every shareholder who is present in person or by proxy will have one vote per share. The necessary quorum for a shareholder meeting is two persons entitled to vote on the business to be transacted. A resolution proposed at a meeting may be either:

- an ordinary resolution (e.g., for the election of directors, the approval of financial statements, the declaration of final dividends, the appointment of auditors, the increase of authorized share capital or the grant of authority to allot shares). An ordinary resolution requires the affirmative vote of a majority of the votes cast at a meeting at which there is a quorum.
- a special resolution (e.g., relating to certain matters concerning an alteration of the Memorandum or Articles of Association or a winding-up).
- an extraordinary resolution (e.g., modifying the rights of any class of shares at a meeting of the holders of the class), which requires the affirmative vote of not less than three-fourths of the votes cast.

Unless specified by law or MERANT's Articles of Association, voting in a general meeting is by ordinary resolution. Meetings are generally convened upon advance notice of 21 or 14 clear days, depending on the nature of the business to be transacted.

Pre-Emptive Rights

Under Part III of the Companies Act, a company cannot allot equity securities which are to be paid for wholly in cash (except shares held under an employees' share scheme) unless it has made an offer to existing shareholders to allot the equity securities to them on the same or more favorable terms and in proportion to their shareholdings. In this context, equity securities generally means, in relation to MERANT, ordinary shares, that is shares with no restrictions on the amounts receivable in a distribution of dividends or capital and all rights to subscribe for or convert into shares.

This statutory pre-emption right does not, however, apply where the right has been disappplied by a special resolution of the shareholders. A special resolution was passed at MERANT's annual general meeting on September 16, 1999, disapplying the statutory pre-emption right in respect of the allotment of equity securities for cash in connection with:

- a rights issue in favor of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of shares held by them but subject to any exclusions which the directors may consider appropriate to deal with fractional entitlements or holders of shares outside the U.K., or
- the allotment of equity securities up to an aggregate nominal value of GBP 144,087.98.

This disapplication will, unless extended or renewed, expire on the earlier of the date of MERANT's 2000 annual general meeting and December 16, 2000.

Variation of Rights and Share Capital

MERANT may, by passing an ordinary resolution:

- increase its share capital
- consolidate and divide all or any of its shares into shares of larger amounts, or
- subdivide its shares into shares of smaller amount or cancel shares which have not been taken or agreed to be taken by any person (subject to the provisions of the Companies Act).

MERANT may, by passing a special resolution (and subject to the provisions of the Companies Act):

- reduce its share capital, capital redemption reserve and any share premium account, or
- purchase its own shares.

Subject to the provisions of the Companies Act, the rights attached to any class of shares may be varied either:

- with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class, or
- with the sanction of an extraordinary resolution passed at a separate meeting of the holders of the shares of that class.

At any separate general meeting, the necessary quorum is one or more persons holding or representing by proxy not less than one-third in nominal amount of the issued shares of the class in question (but at any adjourned meeting, any person holding shares of the class or his proxy will be a quorum).

Disclosure of Interests

The Companies Act gives MERANT power to require persons who it knows are, or has reasonable cause to believe to be, or to have been within the previous three years, interested in its issued share capital to disclose prescribed particulars of those interests. Sanctions may be imposed against the holder of the relevant shares for failure to provide the information requested in a timely manner. MERANT's Articles of Association impose the withdrawal of voting rights of these shares and restrictions on the rights to receive dividends on and to transfer these shares. In this context, shares includes ADSs. The Companies Act also requires any person who acquires (alone or, in specified circumstances, with others) a direct or indirect interest in excess of the "notifiable percentage" (currently 3% of the issued share capital of a company or 10% for certain types of interest) to disclose prescribed information to the company in respect of those shares within a period of two business days. An obligation of disclosure also arises where the person's interest subsequently falls below the notifiable percentage or where, above that level, that person's interest in the issued share capital (expressed in whole percentages) increases or decreases.

Miscellaneous

There are currently no U.K. foreign exchange controls on the payment of dividends or the conduct of MERANT's operations. There are no restrictions under the Articles of Association or under English law that limit the right of non-resident or foreign owners to hold or vote MERANT's shares, except as described elsewhere in this Form 20-F under Item 6, "Exchange Controls and Other Limitations Affecting Security Holders."

Description of American Depositary Receipts

American depositary receipts, or ADRs, are issued by a depositary as evidence of the ownership of American depositary shares, or ADSs. Each ADS represents five of MERANT's ordinary shares. The rules and regulations by which ADRs are issued, held and withdrawn are governed by a deposit agreement between MERANT, the ADR holders, and the Bank of New York, which acts as the depositary.

The following is a summary of the principal terms of the deposit agreement. These statements are subject to the terms and conditions of the deposit agreement. Copies of the deposit agreement and MERANT's Memorandum and Articles of Association are available for inspection at:

- The depositary's Corporate Trust Office, at 101 Barclay Street, New York, NY 10286, and
- The depositary's London office, at 46 Berkeley Street, London W1X 6AA, England, which acts as custodian under the terms of the deposit agreement.

The depositary's principal executive office is at 48 Wall Street, New York, NY 10286.

The depositary and MERANT will only treat as owners those persons in whose names ADRs are registered on the depositary's books.

Deposit, Transfer and Withdrawal

The depositary has agreed that on delivery of ordinary shares to the custodian (or evidence of rights to receive ordinary shares), the depositary will execute and deliver at its Corporate Trust Office an ADR or ADRs.

Delivery of the ordinary shares must be accompanied by any appropriate instruments of transfer or endorsement in a form satisfactory to the custodian, and any other documents required by the depositary or the custodian in accordance with the deposit agreement. Execution and delivery of an ADR or ADRs will depend on payment of the depositary's fee and of all taxes and governmental charges and fees. The delivery at its Corporate Trust Office will be to, or upon the order of, the person or persons named in the notice of the custodian delivered to the depositary or requested by the person depositing the ordinary shares with the depositary. The ADR or ADRs will be registered in the name or names of the person (or persons), and will represent any authorized number of ADSs requested by that person (or persons).

The depositary has no obligation to accept ordinary shares for deposit from any person or entity identified by MERANT as holding restricted securities, except upon compliance with the provisions of the deposit agreement.

The term "Restricted Securities" means ordinary shares, or ADRs representing ordinary shares, which are acquired directly or indirectly from MERANT or its affiliates, as defined in Rule 144 to the Securities Act of 1933,

- that are issued in a transaction or chain of transactions not involving any public offering, or which are subject to resale limitations under Regulation D under the Securities Act or both,
- that are held by an officer, director or other affiliate of MERANT, or
- that are subject to other restrictions on sale or deposit under the laws of the United States or England, or under a shareholder agreement or MERANT's Memorandum and Articles of Association.

To withdraw the deposited securities represented by an ADR, the owner must:

- surrender the ADR at the depositary's Corporate Trust Office,
- pay the depositary's fee for the surrender of ADRs and all taxes and governmental charges and fees, and
- bear the risk and expense for the forwarding of share certificates and other proper documents of title.

The owner of the ADR will then be entitled to delivery, to him or upon his order, of the amount of deposited securities at the time represented by the ADR.

The depositary may deliver, or pre-release, ADRs before the receipt of ordinary shares. The depositary may also deliver ordinary shares upon the receipt and cancellation of ADRs which have been pre-released, whether or not cancellation is before the termination of the pre-release or the depositary knows that the ADR has been pre-released.

The depositary may receive ADRs instead of ordinary shares in satisfaction of a pre-release. Each pre-release must be

- preceded or accompanied by a written representation from the person to whom the ADRs are to be delivered that that person, or its customer, owns the ordinary shares or ADRs to be remitted, as the case may be,
- at all times fully collateralized with cash or other collateral as the depositary deems appropriate,
- terminable by the depositary on not more than five business days' notice, and
- subject to further indemnities and credit regulations as the depositary deems appropriate.

Dividends, Other Distributions and Rights

When the depositary receives cash dividends and other cash distributions denominated in a currency other than U.S. dollars, in respect of the deposited ordinary shares, it is required to arrange for the conversion of the funds into U.S. dollars, subject to:

- any restrictions imposed by English law, regulations or applicable permits,
- its judgment that it can do so on a reasonable basis, and
- its judgment that it can transfer the resulting dollars to the United States.

On conversion, it must then distribute the resulting dollar amount (net of reasonable and customary expenses incurred in converting the foreign currency) to the owners entitled to the cash, in proportion to the number of ADSs representing the deposited securities held by them. The amount distributed to the owners will be reduced by any taxes to be withheld by MERANT or the depositary. See "Liability of owner for

taxes." If this conversion or distribution can be effected only with the approval or license of any government or government agency, the depositary will apply for approval or license, if any, as it deems desirable.

The depositary may distribute the foreign currency it receives to, or in its discretion may hold it for the respective accounts of, the owners entitled to receive it, if:

- in its judgment it cannot convert any received foreign currency on a reasonable basis into dollars transferable to the United States,
- any approval or license of any government or government agency that is required for the conversion is denied, or in the opinion of the depositary is not obtainable, or
- any approval or license is not obtained within a reasonable period as determined by the depositary

If the conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the owners entitled to the cash, the depositary may convert and distribute the funds in U.S. dollars to the extent permissible to the owners entitled to the cash, and distribute the balance of the foreign currency received to, or hold the balance for, the accounts of the owners entitled to the cash.

If MERANT declares a dividend in, or free distribution of, ordinary shares, the depositary may, and will if MERANT requests, distribute to the owners additional ADRs for a total number of ADSs representing the amount of ordinary shares received as the dividend or free distribution. This distribution would be in proportion to the number of ADSs held by them. Instead of delivering ADRs for fractional ADSs in the event of dividend or free distribution, the depositary will sell the amount of ordinary shares represented by the total of the fractions and distribute the net proceeds in accordance with the deposit agreement. If additional ADRs are not distributed, each ADS will then also represent the additional ordinary shares distributed upon the deposited securities represented by the ADRs.

If MERANT offers or causes to be offered to the holders of any deposited securities any rights to subscribe for additional ordinary shares or any other rights, the depositary will have discretion as to the procedure for making those rights available to any owners, or in disposing of these rights on behalf of any owners and making the net proceeds available in U.S. dollars to the owners. If, for any reason, the depositary may not either make the rights available to any owners or dispose of the rights and make the net proceeds available to the owners, then the depositary will allow the rights to lapse.

The depositary may reasonably determine that it is lawful and feasible to make rights available to all owners, or to certain owners but not to other owners. In this event, the depositary must distribute to any owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of ADSs held by that owner, warrants or other instruments for the rights. If:

- the depositary reasonably determines that it is not lawful and feasible to make the rights available to certain owners, or
- the rights represented by the warrants or other instruments are not exercised and appear about to lapse,

then the depositary may sell the rights, warrants or other instruments in proportion to the number of ADSs held by the owners to whom it has determined it may not lawfully or feasibly make the rights available, and allocate the net proceeds of the sales for the account of the owners that would have been entitled to the rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among the owners because of exchange restrictions or the date of delivery of any ADR or ADRs, or otherwise.

If an owner requests the distribution of warrants or other instruments in order to exercise the rights, in circumstances in which rights would not otherwise be distributed, the depositary will make the rights available to the owner upon written notice from MERANT to the depositary that:

- MERANT has elected in its sole discretion to permit the rights to be exercised, and
- the owner has signed any documents that MERANT determines in its sole discretion are reasonably required under applicable law.

The depositary will, on behalf of an owner, exercise the rights and purchase the ordinary shares:

- upon instruction from the owner to exercise the rights,
- upon payment by the owner of the purchase price of the ordinary shares to be received upon exercise of the rights, and
- upon payment of the depositary's fees as provided in the warrants or other instruments,

and MERANT will arrange for the ordinary shares purchased to be delivered to the depositary on behalf of the owner. As agent for the owner, the depositary will arrange for the purchased ordinary shares to be deposited, and will execute and deliver restricted ADRs to the owner.

If registration under the Securities Act of the securities to which any rights relate is required in order for MERANT to offer the rights to owners and sell the securities represented by the rights, MERANT or the depositary are not required to offer the rights to owners —

- unless and until a registration statement is in effect, or
- unless the offering and sale of the securities to the owners are exempt from registration under the Securities Act.

The deposit agreement does not create any obligation on the part of MERANT to file a registration statement covering the rights or underlying securities or to endeavor to have a registration statement declared effective.

Whenever the depositary receives any distribution other than cash or ordinary shares upon any deposited securities, it will cause the securities or property it receives to be distributed to the owners —

- after deduction or upon payment of any fees of the depositary or any taxes or other governmental charges or fees,
- in proportion to the number of ADSs representing the deposited securities held by them, and
- in any manner that the depositary considers fair and practicable for accomplishing the distribution.

However, if the depositary decides that a distribution cannot be made proportionately among the owners, or if for any other reason (including any requirement that MERANT or the depositary withhold an amount on account of taxes) the depositary decides that a distribution is not feasible, then it may make the distribution in any way it considers fair and practicable. This might include the public or private sale of all or any part of the securities or property received, and distribution of the net proceeds of the sale to the owners.

If the depositary determines that any distribution in property (including ordinary shares and rights to subscribe for them) is subject to any tax which the depositary is obligated to withhold, the depositary may, by public or private sale, dispose of all or a portion of the property as it considers necessary and practicable to pay the taxes. In this event the depositary will distribute the net proceeds of any sale after deduction of the taxes to the owners in proportion to the number of ADSs held by them.

Upon any change in nominal or par value, split-up, consolidation or any other reclassification of deposited securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting MERANT or to which it is a party, any securities that are received by the depositary or custodian in exchange for, in conversion of, or in respect of deposited securities will be treated as new deposited securities under the deposit agreement. From then on, the ADSs will represent the new deposited securities received in exchange or conversion unless additional ADRs are delivered. The depositary may, upon consultation with MERANT, and must if MERANT requests, execute and deliver additional ADRs as in the case of a dividend on ordinary shares, or call for the surrender of outstanding ADRs to be exchanged for new ADRs specifically describing the new deposited securities.

Record Dates

Whenever the depositary receives notice of the fixing of a record date by MERANT, the depositary, in consultation with MERANT, will fix a record date for the determination of the owners of ADRs.

Voting of deposited securities

When the depositary receives notice of any meeting or solicitation of consents or proxies of shareholders or holders of other deposited securities, it will, as soon as practicable, mail to all owners a notice containing:

- the information included in the notice of meeting,
- a statement that each owner at the close of business on a specified record date will be entitled, subject to applicable law and the provisions of MERANT's Memorandum and Articles of Association and the provisions of or governing deposited securities, to instruct the depositary in writing as to the exercise of the owner's voting rights, if any, and
- a statement on how owners must give voting instructions.

When the depositary receives voting instructions from an owner who is entitled to vote within the time established by the depositary, it will endeavor to vote the deposited securities or cause them to be voted in accordance with any nondiscretionary proxy. The depositary will not exercise any voting discretion over any deposited securities.

If the depositary does not receive instructions from an owner within the time established by the depositary, it will deliver a discretionary proxy for the deposited securities in the form provided by MERANT. However, the depositary will not give a proxy for any matter as to which MERANT informs the depositary that:

- MERANT does not wish a proxy given,
- substantial opposition exists, or
- the matter materially and adversely affects the rights of shareholders.

Owners generally, and any owner in particular, may not receive notice sufficiently in advance of the date established by the depositary for the receipt of instructions to ensure that the depositary will vote the ordinary shares or deposited securities.

Reports and Other Communications

The depositary will make available for inspection by owners at its Corporate Trust Office any reports and communications, including any proxy soliciting material, received from MERANT, which are both:

- received by the depositary as the holder of the deposited securities and
- made generally available to the holders of deposited securities by MERANT.

The depositary will also send copies of reports to the owners when furnished by MERANT.

Amendment and Termination of the Deposit Agreement

MERANT and the depositary, may, by written agreement, amend the form of ADRs and any provisions of the deposit agreement at any time and in any respect which they consider necessary or desirable. Any amendment that imposes or increases any fees or charges, other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other similar expenses, or that otherwise prejudices any substantial existing right of owners of ADRs, will, however, not take effect as to outstanding ADRs until three months after notice of the amendment has been given to the owners of outstanding ADRs. Every owner who continues to hold ADRs at the time any amendment becomes effective, will be treated as having consented and agreed to the amendment and will be bound by the deposit agreement as amended. In no event will any amendment impair the right of the owner to surrender an ADR and receive

the deposited securities it represents. If the depositary resigns or is removed and a successor depositary is appointed, the successor depositary will notify owners of outstanding ADRs.

Upon the resignation or removal of the depositary, either in accordance with the deposit agreement, or at any time at the direction of MERANT, the depositary will terminate the deposit agreement by mailing notice of termination to the owners. The notice will be sent at least 30 days before the date fixed for termination. On and after the date of termination, the owner will, upon

- surrender of the ADR at the Corporate Trust Office,
- payment of the depositary's fee for the surrender of ADRs as provided in the deposit agreement, and
- payment of any applicable taxes or governmental charges,

be entitled to delivery to the owner or upon the owner's order of the amount of deposited securities represented by the ADR. If any ADRs remain outstanding after the date of termination of the deposit agreement, the depositary:

- will discontinue the registration of transfers of ADRs,
- will suspend the distribution of dividends to the owners, and
- will not give any further notices or perform any further acts under the deposit agreement, except for
 - the collection of dividends and other distributions pertaining to the deposited securities, and
 - the sale of rights and the delivery of deposited securities, together with any dividends or other distributions related to them and the net proceeds of the sale of any rights or other property in exchange for surrendered ADRs (after deducting, in each case, its fee for the surrender of ADRs, any expenses set forth in the deposit agreement and any applicable taxes or governmental charges).

For a period of up to one year from the date of termination, the depositary may sell the deposited securities then held under the deposit agreement and hold the net proceeds of the sale, uninvested, together with any other cash, unsegregated and without liability for interest, for the pro rata benefit of the owners that have not surrendered their ADRs. These owners are treated as general creditors of the depositary with respect to these net proceeds. After making the sale, the depositary will be discharged from all obligations under the deposit agreement, except to account for net proceeds and other cash, after deducting, in each case, its fee for the surrender of ADRs, any expenses set forth in the deposit agreement and any applicable taxes or governmental charges.

Charges of depositary

MERANT will pay the fees and reasonable expenses of the depositary and those of any registrar. MERANT will not pay or be liable for:

- the fees of the depositary for the execution and delivery of ADRs, transfers, the surrender of ADRs and the making of any distribution,
- taxes and other governmental charges,
- fees for the registration of transfers of ordinary shares on the share register of MERANT or its appointed agent which apply to transfers of ordinary shares to the depositary or its nominee or the custodian or its nominee on the making of deposits or withdrawals under the deposit agreement,
- any cable, telex and facsimile transmission expenses that are expressly provided in the deposit agreement to be at the expense of persons depositing ordinary shares or owners, and
- expenses incurred by the depositary in the conversion of foreign currency.

The depositary will charge a fee of \$5.00 or less per 100 ADSs (or portion of 100) to anyone to whom ADRs are issued or who surrenders ADRs. In this context, issuance includes, without limitation, a stock dividend or stock split declared by MERANT, an exchange of stock regarding the ADRs or deposited

securities, or a distribution of ADRs. In addition, the depositary will charge the same fee to owners and holders of ADRs for the distribution of proceeds under the deposit agreement. This fee will be deducted from the proceeds.

The depositary may own and deal in any class of securities of MERANT and its affiliates and in ADRs.

Liability of owner for taxes

The owner is liable to pay any tax or other governmental charge that becomes payable with respect to any ADR, or any deposited securities represented by any ADR. Until payment is made, the depositary may:

- refuse to effect any transfer of the ADR or any withdrawal of deposited securities,
- withhold any dividends or other distributions,
- sell for the account of the owner any part or all of the deposited securities represented by the ADR, and
- apply dividends or other distributions or the proceeds of any sale to pay any tax or other governmental charge.

The owner will remain liable for any deficiency.

General

Neither the depositary nor MERANT will be liable to any owner, if either or both of them is prevented from, or subjected to any civil or criminal penalty for, doing any action that is provided for in the deposit agreement because of any present or future law of any country or governmental authority, or any provision, present or future, of MERANT's Memorandum and Articles of Association, or any act of God or war or other circumstances beyond its control. Neither the depositary nor MERANT will be liable to any owner for any nonperformance or delay, from these same causes, in the performance of their obligations in the deposit agreement, or for any exercise of, or failure to exercise, any discretion provided for in the deposit agreement. If a distribution or offering may not be made available to owners, and the depositary may not dispose of the distribution or offering on behalf of the owners and make the net proceeds available to them, then the depositary will not make the distribution or offering, and will allow any rights, if applicable, to lapse.

MERANT and the depositary assume no obligation nor will they be subject to any liability under the deposit agreement to owners or holders of ADRs, except that they agree to perform their obligations in the deposit agreement without negligence or bad faith.

The ADRs are transferable on the books of the depositary. However, the depositary may close the transfer books at any time in the performance of its duties. Before the depositary executes and delivers any ADR, registers any ADR for transfer, split-up, combination or surrender or withdraws any deposited securities, the depositary or the custodian may require the depositor of the ordinary shares or the presenter of the ADR to reimburse it for any tax or other governmental charge and any stock transfer or registration fee (including any tax or charge and fee due for ordinary shares being deposited or withdrawn) and to pay any fees provided for in the deposit agreement. The depositary may, and if requested by MERANT must, refuse to deliver ADRs, to register the transfer of any ADR, to make any distribution on, or related to, ordinary shares or to deliver any deposited securities until it has received information, certificates, representations and warranties such as proof of citizenship or residence or exchange control approval as it reasonably considers to be necessary or proper. The delivery, transfer or registration of transfer of ADRs may be suspended during any period when the transfer books of the depositary are closed or at any time as the depositary or MERANT may consider necessary or advisable. The surrender of outstanding ADRs and the withdrawal of deposited securities may not be suspended, subject only to:

- temporary delays caused by closing the transfer books of the depositary or MERANT or the deposit of ordinary shares in connection with voting at a shareholders' meeting or the payment of dividends,
- the payment of fees, taxes and similar charges, and

- compliance with any laws or governmental regulations relating to the ADRs or to the withdrawal of the deposited securities.

The depositary will keep books, at its Corporate Trust Office, for the registration and transfer of ADRs, which at all reasonable times will be open for inspection by the owners. However, inspection must not be for the purpose of communicating with owners in the interest of a business or object other than the business of MERANT or a matter related to the deposit agreement or the ADRs.

The depositary may appoint one or more co-transfer agents at designated transfer offices. In carrying out its functions, a co-transfer agent may require holders or owners or persons entitled to ADRs to provide evidence of authority and compliance with applicable laws and other requirements. Co-transfer agents are also entitled to protection and indemnity to the same extent as the depositary.

Listing

The ADSs are quoted on the Nasdaq National Market under the trading symbol MRNT.

PART III

Item 15. *Defaults upon Senior Securities*

None.

Item 16. *Changes in Securities and Changes in Security for Registered Securities and Use of Proceeds*

None.

PART IV

Item 17. *Financial Statements*

See Item 18.

Item 18. *Financial Statements*

Reference is made to Item 19 for a list of all financial statements filed as part of this annual report.

Item 19. *Financial Statements and Exhibits*

(a) **Financial Statements.**

1. The following audited consolidated financial statements, together with the related reports of Ernst & Young, are incorporated in this annual report by reference from the MERANT 2000 Annual Report Detail:

US Format

Audited Financial Statements

Consolidated Statements of Operations for the year ended April 30, 2000, the year ended April 30, 1999, the three-month period ended April 30, 1998 and the year ended January 31, 1998

Consolidated Balance Sheets at April 30, 2000 and April 30, 1999

Consolidated Statements of Cash Flow for the year ended April 30, 2000, the year ended April 30, 1999, the three-month period ended April 30, 1998 and the year ended January 31, 1998

Consolidated Statements of Shareholders' Equity for the year ended April 30, 2000, the year ended April 30, 1999, the three-month period ended April 30, 1998 and the year ended January 31, 1998

Notes to Consolidated Financial Statements

Report of the Independent Auditors

UK Format

Audited Financial Statements

Consolidated Profit and Loss Account for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Consolidated Balance Sheet at April 30, 2000 and April 30, 1999

Consolidated Cash Flow Statement for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Notes to Consolidated Cash Flow Statement for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Company Balance Sheet at April 30, 2000 and April 30, 1999

Consolidated Statement of Total Recognised Gains and Losses for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Movement in Shareholders' Funds for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Notes to the Financial Statements

Report of the Auditors

2. The following financial statement schedules and reports have been filed as part of this annual report:

US Format

Schedule for the year ended April 30, 2000, the year ended April 30, 1999, the three-month period ended April 30, 1998 and the year ended January 31, 1998

Schedule II — Valuation and Qualifying Accounts

Report of PriceWaterhouseCoopers LLP, Independent Accountants

UK Format

Schedule for the year ended April 30, 2000, the fifteen months ended April 30, 1999 and the year ended January 31, 1998

Schedule II — Valuation and Qualifying Accounts

All other schedules have been omitted because the required information is not significant or is not applicable.

(b) Exhibits.

- 2.01(2) Memorandum of Association of MERANT dated as of March 28, 1983, as amended and restated to date
- 2.02(1) Articles of Association of MERANT adopted as of June 19, 1996, as amended and restated to date
- 2.03(1) Form of Specimen Certificate for MERANT's ordinary shares at GBP 0.02 each
- 2.04(2) Amended and Restated Deposit Agreement dated as of March 16, 1998 among MERANT, the Bank of New York and all owners and holders from time to time of American Depositary Receipts
- 2.05(3)+ MERANT's 1994 Employee Benefit Trust
- 2.06(1)+ MERANT's 1998 Share Option Plan, as amended
- 2.07(1)+ MERANT's 1998 Inland Revenue Approved Share Option Scheme
- 2.08(1)+ MERANT's 1999 Employee Share Purchase Plan
- 2.09(2) Form of Indemnification Agreement entered into by MERANT with each of its directors and certain executive officers
- 2.10(2) Form of Indemnity Agreement entered into by MERANT Incorporated, a subsidiary of MERANT ("MERANT Incorporated"), with each of its directors and certain executive officers of MERANT and MERANT Incorporated
- 2.11(4) Agreement and Plan of Reorganization among Micro Focus Group plc, Tower Merger Sub, Inc. and INTERSOLV, Inc. dated June 17, 1998.
- 13.01* The portions of the MERANT 2000 Annual Report Detail incorporated in this Form 20-F by reference.
- 23.01* Consents of Ernst & Young LLP, Independent Auditors, dated October 24, 2000.
- 23.02* Consent of Ernst & Young, Independent Auditors, dated October 24, 2000.
- 23.03* Consent of PriceWaterhouseCoopers LLP, Independent Accountants, dated October 31, 2000.

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- (1) Filed on November 1, 1999 as an exhibit to MERANT's Annual Report on Form 20-F (File No. 000-19696), and incorporated in this Form 20-F by reference.
 - (2) Filed on May 29, 1998 as an exhibit to MERANT's Annual Report on Form 20-F (File No. 000-19696), and incorporated in this Form 20-F by reference.

- (3) Filed on April 9, 1997 as an exhibit to MERANT's Registration Statement on Form S-8 (File No. 333-24867), and incorporated in this Form 20-F by reference.
- (4) Filed on August 24, 1998 as an exhibit to MERANT's Registration Statement on Form F-4 (File No. 333-62095), and incorporated in this Form 20-F by reference.
- + Indicates a management contract or compensatory plan or arrangement.
- * Filed with this Form 20-F.

**SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(U.S. FORMAT) MERANT PLC**

<u>Description</u>	<u>Balance at beginning of period</u>	<u>Charged to costs and expenses</u>	<u>Charged to/credited from other accounts(*)</u>	<u>Write offs</u>	<u>Balance at end of period</u>
Provision for bad and doubtful debts					
Year ended January 31:					
1998.....	5,860	3,065	706	**(4,770)	4,861
Quarter ended April 30:					
1998.....	4,861	196	29	47	5,133
Year ended April 30:					
1999.....	5,133	5,269	(29)	(5,588)	4,785
2000.....	4,785	3,082	(99)	(3,513)	4,255

(*) Includes exchange rate adjustments

(**) Adjusted for INTERSOLV movements previously reported

**SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
(U.K. FORMAT) MERANT PLC**

<u>Description</u>	<u>Balance at beginning of period GBP '000</u>	<u>Charged to costs and expenses GBP '000</u>	<u>Charged to/credited from other accounts(*) GBP '000</u>	<u>Write offs GBP '000</u>	<u>Balance at end of period GBP '000</u>
Provision for bad and doubtful debts					
Year ended January 31:					
1998	1,081	358	405	(381)	1,463
Fifteen months ended April 30:					
1999	1,463	2,839	1,087	(2,416)	2,973
Year ended April 30:					
2000	2,973	1,914	323	(2,182)	3,028

(*) Includes exchange rate adjustments

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
INTERSOLV, Inc.

In our opinion, the consolidated balance sheets and the related consolidated statements of operations, cash flows and changes in stockholders' equity present fairly, in all material respects, the financial position of INTERSOLV, Inc. and its subsidiaries at April 30, 1998 and 1997, and the results of their operations and their cash flows for each of the two years in the period ended April 30, 1998 and the three month period ended April 30, 1998, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

As discussed in Note 13 to the INTERSOLV, Inc. financial statements, INTERSOLV, Inc. signed an agreement to merge with Micro Focus Group, plc. subsequent to year end.

/s/ PRICEWATERHOUSECOOPERS LLP

PricewaterhouseCoopers LLP

McLean, Virginia
June 17, 1998

SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

MERANT plc

By: _____
Leo L. Millstein
*Vice President, General Counsel
and Secretary*

Date: October 31, 2000

EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
13.01	The portions of the MERANT 2000 Annual Report Detail incorporated in this Form 20-F by reference.
23.01	Consent of Ernst & Young LLP, Independent Auditors, dated October 24, 2000.
23.02	Consent of Ernst & Young, Independent Auditors, dated October 24, 2000.
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** Upon request, MERANT will provide you without charge with a copy of any requested exhibits to this document. Please direct your requests to: Vicki Weikert, Investor Relations, 9420 Key West Avenue, Rockville, Maryland 20850, USA; Phone: (301) 838-5454; email: vicki.weikert@merant.com.

In addition, electronic copies of this document (including exhibits) are available via the EDGAR searchable database located at www.sec.gov.