

SPESCOM SOFTWARE INC
Form NT 10-K
December 30, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 12b-25

NOTIFICATION OF LATE FILING

Commission File Number 0-15935

(Check one): Form 10-K Form 20-F Form 11-K Form 10-Q Form 10-D
 Form N-SAR Form N-CSR

For Period Ended: September 30, 2005

- Transition Report on Form 10-K
- Transition Report on Form 20-F
- Transition Report on Form 11-K
- Transition Report on Form 10-Q
- Transition Report on Form N-SAR

For the Transition Period Ended:

Read Instructions (on back page) Before Preparing Form. Please Print or Type.

Nothing in this form shall be construed to imply that the Commission has verified any information contained herein.

If the notification relates to a portion of the filing checked above, identify the Item(s) to which the notification relates: NA

PART I REGISTRANT INFORMATION

Spescom Software Inc.
Full Name of Registrant

Altris Software, Inc.
Former Name if Applicable

10052 Mesa Ridge Court, Suite 100
Address of Principal Executive Office (*Street and Number*)

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San Diego, California 92121
City, State and Zip Code

PART II RULES 12b-25(b) AND (c)

If the subject report could not be filed without unreasonable effort or expense and the registrant seeks relief pursuant to Rule 12b-25(b), the following should be completed. (Check box if appropriate)

- ý
- (a) The reason described in reasonable detail in Part III of this form could not be eliminated without unreasonable effort or expense
 - (b) The subject annual report, semi-annual report, transition report on Form 10-K, Form 20-F, Form 11-K, Form N-SAR or Form N-CSR, or portion thereof, will be filed on or before the fifteenth calendar day following the prescribed due date; or the subject quarterly report or transition report on Form 10-Q or subject distribution report on Form 10-D, or portion thereof, will be filed on or before the fifth calendar day following the prescribed due date; and
 - (c) The accountant's statement or other exhibit required by Rule 12b-25(c) has been attached if applicable.

PART III NARRATIVE

State below in reasonable detail why Forms 10-K, 20-F, 11-K, 10-Q, 10-D, N-SAR, N-CSR, or the transition report or portion thereof, could not be filed within the prescribed time period.

Spescom Software Inc. (the Company) hereby requests an extension of time to file its Annual Report on Form 10-K for its fiscal year ended September 30, 2005. The Company will be unable to timely file its Annual Report on Form 10-K without unreasonable effort or expense, primarily because the Company has experienced a delay in the completion of audit work for its United Kingdom operations that is necessary to finalize its audited consolidated financial statements for the year ended September 30, 2005. The Company intends and expects to file its Annual Report on Form 10-K on or before the extended deadline of January 13, 2006.

SEC 1344 (03-05) **Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

(Attach extra Sheets if Needed)

PART IV OTHER INFORMATION

(1) Name and telephone number of person to contact in regard to this notification

John W. Low
(Name)

858
(Area Code)

625-3000
(Telephone Number)

(2) Have all other periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 or Section 30 of the Investment Company Act of 1940 during the preceding 12 months or for such shorter period that the registrant was required to file such report(s) been filed? If answer is no, identify report(s).

Yes No

(3) Is it anticipated that any significant change in results of operations from the corresponding period for the last fiscal year will be reflected by the earnings statements to be included in the subject report or portion thereof?

Yes No

If so, attach an explanation of the anticipated change, both narratively and quantitatively, and, if appropriate, state the reasons why a reasonable estimate of the results cannot be made.

The Company issued a press release earlier today publicly disclosing its unaudited results of operations for its fiscal fourth quarter and year ended September 30, 2005. Please see that press release, attached as Exhibit A.

Spescom Software Inc.

(Name of Registrant as Specified in Charter)

has caused this notification to be signed on its behalf by the undersigned hereunto duly authorized.

Date December 30, 2005

By

/s/ John W. Low
John W. Low
Chief Financial Officer

INSTRUCTION: The form may be signed by an executive officer of the registrant or by any other duly authorized representative. The name and title of the person signing the form shall be typed or printed beneath the signature. If the statement is signed on behalf of the registrant by an authorized representative (other than an executive officer), evidence of the representative's authority to sign on behalf of the registrant shall be filed with the form.

ATTENTION

Intentional misstatements or omissions of fact constitute Federal Criminal Violations (See 18 U.S.C. 1001).

Exhibit A

SPESCOM SOFTWARE REPORTS FOURTH QUARTER AND YEAR END RESULTS

SAN DIEGO, CA, December 30, 2005 Spescom Software Inc., (OTCBB: SPCO), a leading provider of enterprise content and configuration management solutions, today reported unaudited results of operations for its fiscal fourth quarter and year ended September 30, 2005.

Revenue for the fourth quarter of 2005 totalled \$1.2 million, with a net loss to common shareholders of (\$1,634,000), or (\$0.04) per diluted share after cumulative preferred dividends of \$66,000. This compares to the fourth quarter of 2004, in which the company had revenues of \$2.4 million and net income to common shareholders of \$94,000, or \$0.00 per share. The fourth quarter of 2005 includes a one-time restructuring charge of \$203,000 related to employee terminations, along with expense of \$140,000 in connection with extending the life of certain warrants.

For the year ended September 30, 2005, total revenue was \$5.8 million, with a net loss to common shareholders of (\$6,049,000) or (\$0.17) per share after a deemed preferred dividend of \$2,200,000 and cumulative preferred dividends of \$301,000. The deemed preferred dividend was based on the intrinsic value of convertible preferred stock and warrants issued in November 2004 as calculated under the Black-Scholes method. This compares to the previous fiscal year, with total revenues of \$9.0 million and a net loss of (\$223,000), or (\$0.01) per share, after cumulative preferred dividends of \$271,000.

Deferred revenue, which is primarily comprised of payments received in advance of performance of maintenance contracts, reached \$3,026,000 at the end of FY2005, up from \$1,919,000 or 58% from the same period a year ago and representing three quarters of sequential growth.

At September 30, 2005, the company's contract backlog, which includes deferred revenue, reached \$4,355,000, as compared to \$2,599,000 at September 30, 2004, increasing 68%.

This fiscal year, particularly the last few months, has marked a number of positive changes for Spescom, noted Keith Stentiford, who was appointed Spescom Software's CEO in August. While we reduced costs of operations and invested heavily in marketing and sales in 2005, we also achieved major milestones, like the release of our flagship eB software on the .Net platform. As a result, new order sales and new customers are climbing, including major contract wins with Constellation Energy, Aker Kvaener, and the City of Lancaster.

Seeing opportunity, new partners have joined us, including marketing partner Siemens Chemtech. In addition, the company closed an additional round of equity capital with M.A.G. Capital and Monarch Pointe Fund in October 2005. We believe that all of these elements together set the stage for future growth and market expansion.

Added John Low, Spescom's CFO, The build up in our backlog and deferred revenue is evidence that we are on the right track. The company's total bookings for the year amounted to \$7,581,000. It is also notable that nearly half of FY2005's non-maintenance bookings were achieved during the final quarter.

About Spescom Software

Spescom Software is a leading provider of enterprise content and configuration management solutions. Spescom's advanced software captures, manages and controls all enterprise content in context to the assets, products and processes that it relates to, resulting in improved customer satisfaction, productivity and safety. It achieves this through a tightly integrated suite of document, configuration and records management technologies, combined with a powerful workflow capability that enables the identification of all critical enterprise information, the effective management of change and other business processes and the maintaining of records to ensure regulatory compliance. Spescom is a Gold Certified Microsoft Partner.

Key customers include Constellation Energy, Continental Express, AmerenUE, City of Dayton, Lloyds Register of Shipping, United Space Alliance, Entergy, Northeast Utilities, London Underground, Network Rail, Aker Kvaerner, City of Las Vegas, City of Winston Salem, Fayetteville Public Works Commission and many others.

www.spescomsoftware.com

Cautionary Statement

Except for historical information contained herein, the matters set forth in this release include forward-looking statements that are dependent on certain risks and uncertainties, including such factors, among others, as market acceptance, market demand, pricing, changing regulatory environment, the effect of the company's accounting policies, potential seasonality and other risk factors detailed in the company's SEC filings.

Contact:

Keith Stentiford, CEO

John Low, CFO

Spescom Software, Inc.

Tel 858-625-3000

Ron Both/Geoffrey Plank

Liolios Group, Inc.

Tel 949-574-3860

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SPESCOM SOFTWARE INC.

Consolidated Statements of Operations

	For the three months ended September 30,		For the year ended September 30,	
	2005 (unaudited)	2004	2005 (unaudited)	2004
Revenues:				
Licenses	\$ 234,000	\$ 860,000	\$ 737,000	\$ 3,897,000
Services and other	968,000	1,516,000	5,088,000	5,105,000
Total revenues	1,202,000	2,376,000	5,825,000	9,002,000
Cost of revenues:				
Licenses	36,000	82,000	206,000	260,000
Services and other	483,000	556,000	2,232,000	2,249,000
Total cost of revenues	519,000	638,000	2,438,000	2,509,000
Gross profit	683,000	1,738,000	3,387,000	6,493,000
Operating expenses:				
Research and development	168,000	385,000	852,000	1,393,000
Marketing and sales	1,116,000	748,000	3,799,000	2,949,000
General and administrative	781,000	391,000	1,994,000	1,965,000
	2,065,000	1,524,000	6,645,000	6,307,000
Income (loss) from operations	(1,382,000)	214,000	(3,258,000)	186,000
Interest and other income		8,000	1,000	13,000
Interest and other expense	(186,000)	(55,000)	(291,000)	(151,000)
Net income (loss)	(1,568,000)	167,000	(3,548,000)	48,000
Deemed preferred dividend			(2,200,000)	
Cumulative preferred dividends	(66,000)	(73,000)	(301,000)	(271,000)
Net income (loss) to common shareholders	\$ (1,634,000)	\$ 94,000	\$ (6,049,000)	\$ (223,000)
Basic net income (loss) per common share	\$ (0.04)	\$ 0.00	\$ (0.17)	\$ (0.01)
Diluted net income (loss) per common share	\$ (0.04)	\$ 0.00	\$ (0.17)	\$ (0.01)
Shares used in computing basic net income (loss) per common share	36,370,000	34,089,000	34,941,000	34,016,000
Shares used in computing diluted net income (loss) per common share	36,370,000	35,513,000	34,941,000	34,016,000

SPESCOM SOFTWARE INC.

Consolidated Balance Sheets

	September 30, 2005 (unaudited)	September 30, 2004
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 285,000	\$ 109,000
Receivables, net	613,000	954,000
Other current assets	72,000	209,000
Total current assets	970,000	1,272,000
Property and equipment, net	168,000	131,000
Computer software, net	477,000	
Other assets	30,000	27,000
Total assets	\$ 1,645,000	\$ 1,430,000
LIABILITIES AND SHAREHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 374,000	\$ 440,000
Payable to Spescom Ltd.	213,000	90,000
Preferred stock dividend payable to Spescom Ltd.	568,000	271,000
Accrued liabilities	1,407,000	1,226,000
Lease obligation - current portion	41,000	19,000
Deferred revenue	3,026,000	1,919,000
Total current liabilities	5,629,000	3,965,000
Long-term payable Spescom Ltd.	917,000	557,000
Lease obligation	59,000	44,000
Total liabilities	6,605,000	4,566,000
Total shareholders' deficit	(4,960,000)	(3,136,000)
Total liabilities and shareholders' deficit	\$ 1,645,000	\$ 1,430,000

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