

ELEVON INC
Form 10-K/A
April 25, 2003

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-K/A

(Amendment No. 1)

(Mark One)

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

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2002
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 0-19872

ELEVON, INC.

(Exact name of Registrant as specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

95-2862954

(IRS Employer Identification Number)

**303 Second Street, 3 North
San Francisco, California 94107**

(Address of Principal Executive Offices including Zip Code)

(415) 495-8811

(Registrant's Telephone Number, Including Area Code)
Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, \$.001 Par Value Per Share

(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by

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ITEM 1. BUSINESS

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

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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[X] No[]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained to the best of the Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.[X]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2) Yes[] No[X]

Based on the average bid and ask prices of the Registrant's common stock on the Over the Counter Bulletin Board on March 14, 2003, the aggregate market value of the voting stock held by non-affiliates of the Registrant was \$12,610,962. Shares of the Registrant's common stock held by each officer and director and by each person who owns 5% or more of the Registrant's outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of shares of the Registrant's common stock outstanding as of March 14, 2003 was 15,576,952.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this Report on Form 10-K incorporates information by reference from the Registrant's definitive Proxy Statement to be used in conjunction with its 2002 Annual Meeting of Stockholders, to be held on May 22, 2003.

EXPLANATORY NOTES

This Amendment No. 1 on Form 10-K/A is being filed by Elevon, Inc. (the Company) as an amendment to our Annual Report on Form 10-K for the fiscal year ended December 31, 2002 to: (i) delete duplicated text in Item 1 (Business), under the heading "Product Development" and (ii) to amend and restate in its entirety Item 15 (Exhibits and Reports on Form 8-K) and the Exhibit Index.

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PART I

ITEM 1. BUSINESS

OVERVIEW

Introduction

The Company (hereinafter "Elevon", "Walker", "we", "our", "us", or the "Company") was incorporated in California in 1973 as Walker Interactive S Inc. and reincorporated in Delaware in March 1992. In February 2002, Walker announced that it would do business as Elevon, Inc., and our name was formally changed in May 2002. We design, develop, market and support, on a worldwide basis, a family of enterprise financial, operational and analytical software products that enable large and medium-sized organizations, higher education institutions, and federal, state and government agencies to optimize their business processes, reduce business costs, and improve management information needed to run their business. We derive our revenue from software licenses, software maintenance and professional consulting services. Our collaborative commerce solutions and analytical applications are licensed to large and mid-size companies and similarly sized governmental organizations worldwide.

Recent Update

On September 6, 2002, we sold our United Kingdom operations and our Elevon 5 intellectual property to Novele Limited, ("Novele", now doing business as "Arelon") located in London, United Kingdom. Under the terms of a share purchase agreement, we sold the stock of our wholly owned subsidiary, Elevon International Limited, to Novele for consideration of \$16.5 million. Approximately \$15.7 million cash was received at closing. The remaining balance of approximately \$800,000 was due on or before December 31, 2002 subject to certain conditions under the terms of the agreement. We deferred \$200,000 of the gain and subsequently recognized it during the fourth quarter of fiscal 2002 following the completion of certain customer requirements. We have informally agreed with Arelon to extend, on a month-to-month basis, the remaining \$600,000, plus interest. In addition to acquiring the Elevon operations headquartered in the United Kingdom, Novele acquired the QSP ("Elevon 5") intellectual property, which we had previously acquired from the administrative receiver for the QSP Group PLC in November 2001 for \$2.0 million in cash. Novele also became an exclusive distributor of Elevon 2 and Active Financial Planning ("AFP") software in the United Kingdom and certain other territories, pursuant to a software distribution agreement.

We recognized an after-tax gain in respect of the sale of our United Kingdom operations and Elevon 5 intellectual property of \$19.0 million, or \$1.20 per diluted share, in the consolidated statement of operations for the year ended December 31, 2002.

During the quarters ended June 30 and December 31, 2002, the Board of Directors approved restructuring plans to reduce operating costs and strengthen the Company's position to successfully execute its strategy. The Company recorded a pre-tax restructuring charge totaling \$1.1 million, mainly for severance costs related to the involuntary termination of employees in the Company's United States and United Kingdom operations.

During the second quarter of 2002, our evaluation of capitalized software carrying amounts

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against the related estimated net realizable values of the assets indicated that the estimated net realizable values of certain assets were not sufficient to recover the associated carrying values and resulted in an impairment charge of \$365,000. In addition, we recorded a benefit of \$1.7 million during the quarter ended June 30, 2002 related to a reduction in estimated liabilities associated with divested product lines.

On February 4, 2002, we announced we would start doing business as Elevon, Inc. On May 23, 2002, the stockholders approved an amendment to our Restated Certificate of Incorporation to formally change the Company's name to Elevon, Inc. The certificate was filed with the Secretary of State of the State of Delaware on May 31, 2002. On July 15, 2002, our ticker symbol on the Over the Counter Bulletin Board was changed to ELVN.

In the second quarter of 2000, we formed a wholly owned subsidiary, RareVision, Inc., to further the development and market testing of a business-to-business internet model for a web-based, knowledge management analytical application for smaller businesses. During fiscal 2000 and 2001, product development and marketing expenses totaling \$6.6 million were incurred and charged to operations. During 2001, further development of the RareVision product line on a standalone basis was ceased and the remaining components of the development effort were integrated into our analytics product line.

STRATEGIC DIRECTION

During 1999, we changed our strategic direction to emphasize e-business solutions and analytical applications, and began to refocus ourselves as a provider of e-business and collaborative commerce solutions. As part of our strategic redirection, we redesigned our software products specifically for Internet architecture and collaborative e-business models. We believe that our architecture is among the most scalable and adaptable for enterprise-level business software, and our strategy is to offer enterprise financial, operational and analytical solutions to a variety of industries. Our collaborative commerce solutions integrate processes within and across enterprise boundaries for the benefit of the enterprise, its suppliers and its customers. These processes include procurement, revenue management, financial management and insight, business planning, budgeting, forecasting and financial consolidation.

Our software products utilize the Microsoft Windows operating systems on the desktop, NT, UNIX and S/390 operating systems on the server and industry-leading On Line Analytical Processing (OLAP), Relational Database Management Systems (RDBMS) including IBM's DB2 and DB2 OLAP server, Hyperion Solutions Essbase and Microsoft SQL/Server. Our collaborative commerce solutions utilize the latest-generation IBM z-series Web Application Server. Elevon Collaborative Synergies solutions represent our core suite of business and financial solutions, utilizing the power of the enterprise server for highly scalable transaction processing and reliability/availability, with the thin client architecture of the browser based interface. This Internet-based architecture provides an optimized platform for delivery of collaborative commerce solutions. Historically, we also developed and marketed, and continue to market analytical applications, which provide financial reporting, budgeting and financial consolidation solutions for large and mid-sized organizations. These analytical applications integrate with Elevon Collaborative Synergies solutions and also work on a standalone basis with leading Enterprise Resource Planning applications. Our software products include productivity tools that allow applications to be extensively customized to fit the customer's particular requirements. We complement our software products by providing specialized consulting services to assist customers with customization and implementation.

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We derive our revenue from software licenses, software maintenance and professional consulting services. Our solutions are licensed primarily to Global 2000 companies and similarly sized business and governmental organizations worldwide. Our solutions and services are marketed in the United States primarily through a direct sales force, and in Europe our Elevon 2 and AFP solutions are marketed through a distribution agreement with Novele Limited.

INDUSTRY BACKGROUND

Large, geographically diverse organizations generate enormous amounts of financial, operational, sales, marketing and other data. We believe that the transaction-oriented information systems used by these organizations are typically critical to their efficiency, productivity and competitiveness, providing the availability of continuous and simultaneous information to employees, customers and suppliers. In the day-to-day operations of large organizations, transactional data needs to be promptly and easily retrieved from a variety of financial and operational systems, summarized and organized into meaningful business information that has a consistent business context. The process of integrating the data is complex when large organizations employ multiple accounting systems, operational systems and transactional databases, spread their business across many different geographies and have different information requirements by function and across the organization. Furthermore, we believe that the current business climate of deregulation and merger/acquisition activities in many industries has added additional complications as well as the need for scalable and adaptable business processes.

Organizations attempt to collect, summarize, organize and present information from heterogeneous computer systems and transactional data sources in various ways. Reports can be assembled through entry of data into spreadsheets and by using data from accounting systems and other operational systems. Many organizations have tried to automate information systems through the use of software developed internally or through assistance from outside consultants. We believe that these custom-built systems are becoming increasingly obsolete because they are rigid in structure, expensive and time consuming to create and maintain, and difficult to update when business processes and requirements change. Moreover, we believe growing competition has increased the demand for more timely business information specific to each function within the organization.

MARKET OPPORTUNITIES

The following market dynamics are important factors shaping our strategy moving forward:

e-BUSINESS AND COLLABORATIVE COMMERCE

The term e-business means many things to many people, but we believe it is well defined as the transformation of key business processes through the use of Internet technologies. The core processes that are the foundation of business are merged with the standards, simplicity and connectivity of the Internet. This melding of Internet technologies with key business processes creates opportunities for powerful interactive, transaction-intensive solutions that let companies do business in ever more efficient and effective ways. Innovative companies of all sizes are using the Web to communicate with their suppliers, their customers and their partners, to connect with

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their back-end data-systems, and to transact commerce. We expect the opportunities presented by this new business model to enable organizations to collaborate more fully with their suppliers, customers and partners in a seamless manner. This opportunity has now defined itself as collaborative commerce. The market potential for collaborative commerce solutions is significant, according to leading analysts such as IDC, Meta Group and Gartner Group. We believe that Elevon Collaborative Synergies solutions, which extend beyond the four walls of the enterprise, will allow current business processes to be streamlined and integrated, by removing valueless processes, creating valuable new processes, and moving misplaced processes.

ANALYTICAL APPLICATIONS AND BUSINESS INTELLIGENCE

The need for better business information has created a growing need for analytical application software to help organizations gain business knowledge from the large volumes of transactional data available from daily operations. These software solutions work on a stand-alone basis, or in conjunction with core financial systems to translate data into business insight, and thus maximize the value of financial information.

INTERNET ARCHITECTURES

In recent years, the market has seen the rapid adoption of thin client/centralized server architecture models, a significant contrast to the client/server architectures that have been prevalent since the mid-1990s. Internet based computing can enable companies to protect their existing information technology investments while taking advantage of new technologies by dynamically linking Internet, client/server and legacy systems. We believe that our Internet architecture model has created opportunities for competitive advantage in our market, and for our customers, through a combination of business processes optimized for the Internet model, improved collaboration, browser based interfaces, enhanced services, shared services and lower transaction costs. Elevon Collaborative Synergies solutions are designed to support this integrated Internet architecture and the collaborative enterprise process model.

SHARED SERVICES

Large organizations should be able to reduce the costs and complexity of information systems by centralizing many administrative functions. These centralized functions are now being combined with distributed operational procedures. We believe our high-volume, collaborative synergies solutions support both models for distributing information when and where it is needed within the extended organization, significantly enhancing the availability of timely information.

HIGH VOLUME TRANSACTIONS

Large, geographically diverse organizations generate large volumes of transactions and data. As organizations extend their business beyond traditional enterprise boundaries through collaborative commerce, their transaction-oriented systems will often require increasing scalability to handle the increased volume from additional users and ever-growing transaction volumes. We believe our solutions provide scalable, cost-effective, high transaction volume capabilities.

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OUR STRATEGY

Our objective is to be a leading provider of collaborative solutions for the real-time enterprise. Our strategy for achieving this goal is as follows:

ENABLE THE TRANSFORMATION OF KEY BUSINESS PROCESSES THROUGH THE USE OF INTERNET TECHNOLOGIES

We believe that the collaborative commerce enablement of key business processes has created opportunities for competitive advantage in our market through Internet/intranet-enabled solutions. We expect that our collaborative synergies solutions will allow organizations to transform core business processes utilizing existing information technology investments while taking advantage of powerful interactive, transaction-intensive solutions that let companies do business in ever more efficient and effective ways. We believe that our customers will have the ability to extend the reach of their business applications directly to employees, customers and suppliers worldwide.

DELIVER SOLUTIONS WHICH PROVIDE MANAGEMENT INSIGHT INTO KEY, COMPLEX BUSINESS PROCESSES IN SELECTED VERTICAL MARKETS

We believe that large, complex businesses are best understood in a multidimensional context, by key performance indicators and across business units, time periods, geographies and product lines. Our solutions capture and warehouse key business processes and business information while retaining the business context of the information through our analytical solutions. These solutions analyze the transactional data within the applications to deliver information that we expect will allow managers to be more informed about their organization's performance. Empowered by management insight, managers at all levels of the organization should then have the opportunity to better run their area of the business, enhancing competitiveness and bottom-line profitability. Our solutions use OLAP and relational database technology, which was developed specifically for multidimensional business analysis.

EXTEND NEW AND EXISTING LONG-TERM RELATIONSHIPS WITH STRATEGIC PARTNERS

We have existing strategic relationships with leading hardware and software suppliers such as IBM, Microsoft, Hyperion Solutions, Inc., and Information Builders, Inc. We believe that the development of our relationships with these partners, as well as expanding the scope of the relationships to include e-business and e-commerce solutions, will contribute to our future revenue growth.

DELIVER LOWER COST/HIGHER PERFORMANCE SOLUTIONS

While many vendors of enterprise software solutions are focusing their technology efforts on supporting a distributed client/server model, we intend to continue to build and enhance our e-business solutions for the IBM z900 as an e-business server. We build collaborative applications using Java technologies with a process we call Shared Transformation Enterprise Processes

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(STEPs). We believe that this puts us in a position to support multiple high-volume Internet- based computing environments. We believe that this capability, together with the growth of collaborative commerce, Internet bandwidth and processes that reflect an e-business way of working, supporting both shared and distributed service models, is a far more cost effective model than other distributed architecture models available in the market today.

RETAIN AND EXTEND LONG-TERM CUSTOMER RELATIONSHIPS

We intend to continue our focus on generating additional revenues from existing customers through software licenses, the introduction of new Elevon Collaborative Synergies solutions and services, and warranty maintenance. In addition, providing consulting and support services to existing customers represents a significant portion of our total revenues. We expect that follow-on revenues will create efficiencies for deployment of sales and marketing resources and strengthen relationships with our customers.

ELEVON SOLUTIONS AND SERVICES

Elevon Collaborative Synergies solutions for the enterprise are designed to improve core business processes and to provide the functionality to create competitive advantage in an ever-changing global marketplace. We attempt to achieve this by offering solutions that combine flexible collaborative commerce solutions, analytical applications, deep industry knowledge and best practices expertise.

SOLUTIONS

Collaborative Synergies Solutions

Elevon Collaborative Synergies solutions are designed to support new processes as organizations redefine existing processes as a result of collaborating with their suppliers and customers beyond the four walls of the enterprise. These solutions are intended to align stakeholder incentives and transform unproductive processes into win/win workflows. The goal of Elevon Collaborative Synergies solutions is to streamline inefficiencies, eliminate redundancies, reengineer roadblocks and reassign misplaced processes those where work is done on one side of a barrier while the best resources and incentives for the task wait on the other to match mission with motivation. We expect these improvements to compress business cycles, increase process velocity, and enhance value chain visibility.

Elevon Collaborative Synergies solutions are organized into the following key operational areas:

e-finance delivers solutions that provide the organization with the transaction processing power, information access and real-time monitoring required to manage the business. Elevon 2 e-finance includes the general ledger, asset management and project cost management modules.

e-procurement automates and extends the purchasing process beyond the four walls of the enterprise, giving all parties a high degree of visibility and control. Elevon 2 e-procurement includes the accounts payable, inventory management and purchase order modules.

e-revenue extends the billing, credit, accounts receivable and collection

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processes beyond the organization to where they become collaborative relationships. Elevon 2 e-revenue includes the accounts receivable, billing and collection modules.

STEPS a suite of integrated, granular, collaborative software applications designed to seamlessly extend existing corporate systems outside the organization to solve specific, common business problems.

Portals business processes engineered to allow for any number of roles as dictated by business needs. Elevon Roles automate specific processes and offer the user great flexibility, while simplifying multiple tasks in the process. We currently cover the following key roles:

e-finance portal: e-analyst.

e-procurement portal: e-administration, e-approval, e-buyer, e-content management, e-employee expense, e-employee expense payables, and e-requisitioner.

e-revenue portal: e-administrator, e-collector, e-care, e-credit, e-data entry, and e-payment applier.

Analytical Applications

We broadened the scope of our collaborative synergies offerings with the addition of analytical solutions that work with transactional data to provide in-depth insight into the enterprise. This combination of collaborative synergies solutions and analytical applications, which includes planning, forecasting and financial consolidation solutions, allows our customers the opportunity to better manage company-wide performance.

The analytical applications employ a flexible architecture that leverages a single OLAP engine for all its applications. This provides companies with a solution that should ensure data integrity and be easy to deploy and maintain. As a result, organizations can gain the ability to make fast, informed business decisions and continually monitor performance improvement at all levels of the organization.

The analytical applications are available for multiple operating systems and OLAP databases. They allow companies to track performance metrics that are specific to their organization. Any combination of these applications complements Elevon's Collaborative Synergies solutions as well as non-Elevon financial and operational solutions.

Our analytical applications include:

Planning and Forecasting - Automates the planning, forecasting and budgeting processes to reduce planning cycles, facilitate continuous planning and enable the prediction of company performance.

Financial Consolidation - Manages the collection, adjustment and reporting of consolidated results for enterprise-wide statutory, management and tax reporting.

Active Financial Planning Web based planning and decision support system that offers real-time collaboration focused on predictive and corrective planning.

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PRODUCT DEVELOPMENT

We continually work to enhance our existing products and develop new products to meet our customers' ever-changing requirements. Our success will depend, in part on our ability to develop product enhancements and new products that keep pace with technological changes and changes in customers' business practices. Product development costs charged to operations, including amortization of capitalized software development costs, were 21% of total revenues in 2002, 24% in 2001, and 35% in 2000.

Due to the layered architecture of our collaborative synergies solutions, and our efforts to continually enhance our products in order to respond to evolving technologies, we believe that our core products have long life cycles. As operating systems, databases and presentation software technologies evolve, we expect to be able to modify our collaborative synergies solutions through an upgrade and by changing only the corresponding layer of software without having to change the other components of the system. Therefore, our customers should not have to completely replace our products in response to technological change. We work closely with our customers and prospective customers to determine their requirements and to define the functionality of our new products and enhancements to our existing products.

SERVICES

PROFESSIONAL SERVICES

It is our experience that organizations are increasingly leveraging information technology to accomplish their business objectives. Large, global organizations often rely heavily on their software investments to remain competitive. We provide a full range of services to support these needs. We believe our professional services organization adds significant incremental value, offering implementation, customization, migration, training and related services to our customers. We have suites of reusable tools and utilities designed to enable customers to complete customizations efficiently and cost effectively.

Some of the areas addressed by our services include:

Integration to integrate the customers' existing applications into the Elevon Collaborative Synergies solutions.

Performance tuning to increase computer throughput, reduce processing time and otherwise improve performance.

Migration to assist in making cost-effective migrations to a new release or from one platform to another.

Conversion and integration to integrate third-party applications into our framework or convert these products to our applications through our reusable components, methodologies and e-technology.

CUSTOMER SUPPORT AND MAINTENANCE

Our customer support and maintenance program includes 24-hour hotline telephone support for

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problem determination and resolution, account management, and ongoing functional and technical enhancements for installed products.

REPORTABLE SEGMENTS

Our product and service offerings are considered a single reportable segment. Information regarding domestic and international revenues and assets is contained in Note 11 to the Consolidated Financial Statements.

SALES AND MARKETING

We sell our products primarily through our direct sales force. In support of our sales force, we conduct marketing programs, which include direct mail, public relations, advertising, seminars, trade shows and ongoing customer communication programs. The sales cycle begins with the generation of a sales lead, or often the receipt of a request for proposal (RFP) from a prospect, which is followed by qualification of the lead, an analysis of the customer s needs, response to the RFP (one or more presentations to the customer), customer internal approval activities and contract negotiation and finalization. While our sales cycle varies by product and by customer, our sales cycle has historically ranged from three to twelve or more months. The current slowdown in the United States economy has had the effect of further extending our sales cycle.

We market our products primarily to large or complex organizations with collaborative commerce and e-business requirements having intensive data processing and information management requirements. In each of the last three fiscal years, a substantial portion of our product revenue was derived from existing customers licensing either new products or products for additional sites.

We regard our professional services and product development organizations as integral parts of our marketing strategy because of the length and technical nature of the sales process. Professional services and product development employees participate directly in the sales cycle and educate prospective customers on the advantages of using Elevon solutions rather than those developed internally or by other third parties.

Historically, the Company has primarily operated in three geographic areas, North America, Europe/Middle East/Africa and Asia Pacific. Following the disposal of our United Kingdom and Elevon 5 operations in September 2002, the Company will have insignificant revenues and assets in the Europe/Middle East/Africa region. During the years ended December 31, 2002 and 2001, revenue generated from products and services provided to ADT Security Services, Inc., a unit of Tyco International Ltd., represented 18.2% and 17.4% of revenue, respectively. The same customer represented 18.2% and 17.6% of accounts receivable as of December 31, 2002 and 2001, respectively. No customer represented in excess of 10% of total revenues or accounts receivable for 2000.

COMPETITION

The business and financial application software market for large, complex organizations is intensely competitive. The principal competitors with Elevon Collaborative Synergies solutions are SAP AG, Oracle Corporation and PeopleSoft, Inc. Our analytical applications compete primarily with Hyperion Solutions Corporation, Cognos, Inc. and Comshare, Inc.

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We also compete to a lesser extent with other independent software application vendors. Some of our current and potential competitors have substantially greater financial, technical, marketing and sales resources than we do. Some of these competitors also offer business application products not offered by us, primarily in the areas of human resources and manufacturing. However, we remain one of the few companies committed to providing and enhancing applications for the IBM z900 e-business server. Most of our competitors offer only UNIX-based applications.

We encounter competition from a broad range of firms in the professional services market. These competitors include the current and former consulting divisions of the major accounting firms, which possess greater resources than we do and compete with us mainly on the basis of the scope of services offered, and small independent firms that compete primarily on the basis of price.

PROPRIETARY RIGHTS

We regard our products as proprietary and attempt to protect them with a combination of trade secrets, copyright and trademark laws, our license agreements with customers, our internal security systems, confidentiality procedures and employment agreements. Although we take steps to protect our trade secrets, we cannot assure you that misappropriation will not occur. In addition, the laws of some foreign countries do not protect our proprietary rights to the same extent as the laws of the United States.

We typically provide our products to users under non-exclusive, non-transferable, perpetual licenses. Under the general terms and conditions of our standard product license agreement, the licensed software may be used only for internal operations. We make source code for some of our products available to our customers under agreements that restrict access to and use of the source code.

We seek to protect our software, documentation and other written materials under copyright laws, which afford only limited protection. We also assert trademark rights in our product names. We have not sought to protect our products under patent laws, as we believe that the rapid pace of technological change in the computer industry makes patent or copyright protection of less significance than such factors as the knowledge and experience of management and personnel, name recognition, maintenance and support of software products and our ability to develop, enhance, market and acquire software products and services.

Although we believe that our products do not infringe upon the proprietary rights of third parties, there can be no assurance that third parties will not assert infringement claims against us in the future with respect to current or future products, or that any such assertions will not require us to enter into royalty arrangements or result in costly litigation.

For a description of certain proprietary risk factors, see Management's Discussion and Analysis of Financial Condition and Results of Operations - Additional Risk Factors.

EMPLOYEES

As of December 31, 2002, we had 103 employees, 96 of whom were based in the United States and 7 were based internationally. Of the total, 15 employees were engaged in sales and marketing, 12 were in customer support, 26 were in professional services, 21 were in product development and 29 were in data processing, administration and finance positions.

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IV

ITEM 15. EXHIBITS AND REPORTS ON FORM 8-K

(a) Documents filed as part of this report.

1. Consolidated Financial Statements

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| Independent Auditors' Report | 37 |
| Consolidated Balance Sheets as of December 31, 2002 and 2001 | 38 |
| Consolidated Statements of Operations for the years ended December 31, 2002, 2001, and 2000 | 39 |
| Consolidated Statements of Stockholders' Equity (Deficit) for the years ended December 31, 2002, 2001, and 2000 | 40 |
| Consolidated Statements of Cash Flows for the years ended December 31, 2002, 2001, and 2000 | 41 |
| Notes to Consolidated Financial Statements | 42 |

2. Consolidated Financial Statement Schedule

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| Schedule II - Valuation and Qualifying Accounts | 72 |
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All other financial statement schedules not listed above are omitted as the required information is not applicable or the information is presented in the consolidated financial statements or related notes.

3. Exhibits

The following exhibits are filed herewith or incorporated by reference:

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ELEVON, INC.

EXHIBIT INDEX

| Exhibit Number | Exhibit Title |
|---------------------------|--|
| 2.1 | Agreement and Plan of Reorganization dated as of October 29, 1997, among the Registrant, Copper Acquisition Sub, and Revere, Inc.(6) |
| 3.1 | The Company's Amended and Restated Certificate of Incorporation.(2) |
| 3.2 | Bylaws of Registrant.(9) |
| 3.3 | Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Walker Interactive Systems, Inc. |
| 10.1 | Form of Indemnity Agreement entered into between the Registrant and its directors and officers.(3) |
| 10.2 * | 1992 Employee Stock Purchase Plan, as amended to date.(11) |
| 10.3 * | 1989 Employee Stock Option Plan and related forms of Incentive Stock Option Grant and Supplemental Stock Option Grant.(3),(9) |
| 10.4 * | 1986 Employee Stock Purchase Plan and related form of Employee Stock Purchase Agreement.(3) |
| 10.5 | Purchase and Sale Agreement between Registrant and Global Software, Inc., dated as of August 31, 1990.(3) |
| 10.6 | Lease between Registrant and Marathon U.S. Realities, Inc., dated October 20, 1988 and Amendment No. 1, dated as of October 31, 1990.(3) |
| 10.7 | Lease between Registrant and Chicago Title and Trust Company, dated as of December 3, 1990.(3) |
| 10.8 | Agreement for Lease between Registrant, Walker Interactive Products International and Alton House Limited, dated as of March 18, 1991.(3) |
| 10.9 * | 1993 Non-Employee Directors' Stock Option Plan, as amended to date.(12) |
| 10.10 * | 2002 Equity Incentive Plan (formerly the 1994 Equity Incentive Plan), as amended to date.(13) |
| 10.11 | Agreement for the Sale and Purchase of The Solutions Group Limited by and among Walker Interactive Products International, and Adrian J. Dixon and Nigel G. Heath, dated as of June 30, 1995.(1) |

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| 10.12 * | Form of Executive Employment Agreement entered into between Registrant and certain of its officers.(5) |
| 10.13 * | 1995 Executive Employment Agreement between the Registrant and Leonard Y. Liu, as amended to date.(4),(7) |
| 10.14 * | 1995 Non-Statutory Stock Option Plan for Non-Officer Employees, as amended to date. (18) |
| 10.15 | Lease between Registrant and Equitable Assurance Society of the United States, dated November 25, 1997.(10) |
| 10.15A | Lease between Registrant and Equitable Assurance Society of the United States as amended October 1,1999. (18) |
| 10.16 * | 1998 Executive Employment Agreement between the Registrant and Thomas W. Hubbs.(8) |
| 10.17 * | Form of Executive Severance Benefits Agreement entered into between the Registrant and certain of its employees.(7) |
| 10.18 * | Separation agreement with Barbara M. Hubbard and the Registrant.(13) |
| 10.19 * | Agreement with Leonard Y. Liu and the Registrant.(14) |
| 10.20 * | Form of Executive Severance Benefits Agreement entered into between the Registrant and certain of its employees.(15) |
| 10.21 * | Executive Employment Agreement entered into between the Registrant and Frank M. Richardson. (18) |
| 10.22 * | Executive Severance Benefits Agreement entered into between the Registrant and Bruce Dawson. (18) |
| 10.23 * | Executive Severance Benefits Agreement entered into between the Registrant and Paul Lord. (18) |
| 10.24 * | Agreement with Leonard Y. Liu and the Registrant. (18) |
| 10.25 * | Consulting Services Agreement with Yeun H. Lee and the Registrant. (18) |
| 10.26 * | Separation Agreement with Mike Shahbazian and the Registrant. (18) |
| 10.27 * | Executive Employment Agreement entered into between the Registrant and Stanley V. Vogler (16) |
| 10.28 | Shareholders Rights Agreement dated June 1, 2000 (17) |
| 10.29 | Aptos Sale Agreement dated October 13, 2000 (19) |
| 10.30 | Agreement for the sale of Intellectual Property Rights and a consulting contract between QSP Group PLC, QSP Solutions Limited, Walker Financial |

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|---------|--|
| | Solutions Limited and Peter George Mills, dated October 2001 (20) |
| 10.31 | Share Purchase Agreement, dated as of September 6, 2002, by and between Elevon, Inc., a Delaware corporation, and Novele Limited, a United Kingdom company (21) |
| 10.32 | Software Distribution Agreement for AFP, dated as of September 6, 2002, by and between Elevon, Inc., a Delaware corporation, and Novele Limited, a United Kingdom company (22) |
| 10.33 | Software Distribution Agreement for e-2, dated as of September 6, 2002, by and between Elevon, Inc., a Delaware corporation, and Novele Limited, a United Kingdom company (23) |
| 10.34 * | Executive Employment Agreement entered into between the Registrant and Frank M. Richardson. (24) |
| 10.35 * | Executive Employment Agreement entered into between the Registrant and Stanley V. Vogler (25) |
| 10.36 | Amendment to Shareholders Rights Agreement dated August 7, 2001 |
| 21.1 | Subsidiaries. |
| 23.1 | Independent Auditors Consent. |
| 24.1 | Power of Attorney. Reference is made to the signature page. |

- (1) Incorporated by reference to the corresponding exhibit to the Current Report on Form 8-K, filed July 13, 1995.
- (2) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 1992.
- (3) Incorporated by reference to the corresponding exhibit to the Registration Statement on Form S-1, as amended (Registration No. 33-45737).
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- (8) Incorporated by reference to the corresponding exhibit to the Quarterly Report on Form 10-Q for the quarter ending June 30, 1998.
- (9) Incorporated by reference to the attachment of the Company's 1998 Proxy Statement.
- (10) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 1997.

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- (11) Incorporated by reference to the attachment of the Company's 1999 Proxy Statement.
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- (13) Incorporated by reference to the attachment of the Company's 2002 Proxy Statement.
- (14) Incorporated by reference to the corresponding exhibit to the Quarterly Report on Form 10-Q for the quarter ending June 30, 1999.
- (15) Incorporated by reference to the corresponding exhibit to the Quarterly Report on Form 10-Q for the quarter ending September 30, 1999.
- (16) Incorporated by reference to the corresponding exhibit to the Quarterly Report on Form 10-Q for the quarter ending March 31, 2000.
- (17) Incorporated by reference to the corresponding exhibit to the Quarterly Report on Form 10-Q for the quarter ending June 30, 2000.
- (18) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 1999.
- (19) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 2000.
- (20) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 2001.
- (21) Incorporated by reference to Exhibit 2.1 to the Current Report on Form 8-K, filed September 20, 2002.
- (22) Incorporated by reference to Exhibit 2.2 to the Current Report on Form 8-K, filed September 20, 2002.
- (23) Incorporated by reference to Exhibit 2.3 to the Current Report on Form 8-K, filed September 20, 2002.
- (24) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 2002.
- (25) Incorporated by reference to the corresponding exhibit to the Annual Report on Form 10-K for the year ending December 31, 2002.

* Indicates a management contract or compensatory plan.

(b) Reports on Form 8-K

During the quarter ended December 31, 2002, the Company did not file any reports on Form 8-K.

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ELEVON, INC.

**FORM 10-K
SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant, Elevon, Inc., a Delaware corporation, has duly caused this Amendment No. 1 to the Report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on April 25, 2003.

ELEVON, INC.

(Registrant)

Date: April 25, 2003

By: /s/ STANLEY V. VOGLER

Stanley V. Vogler

Chief Financial Officer

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Certification of the Chief Executive Officer

I, Frank M. Richardson, certify that:

1. I have reviewed this annual report on Form 10-K/A of Elevon, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Frank M. Richardson

Frank M. Richardson

April 25, 2003

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Certification of the Chief Financial Officer

I, Stanley V. Vogler, certify that:

1. I have reviewed this annual report on Form 10-K/A of Elevon, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
 - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/ Stanley V. Vogler

Stanley V. Vogler

April 25, 2003

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ELEVON, INC.

EXHIBIT INDEX

| Exhibit Number | Exhibit Title |
|---------------------------|--|
| 2.1 | Agreement and Plan of Reorganization dated as of October 29, 1997, among the Registrant, Copper Acquisition Sub, and Revere, Inc.(6) |
| 3.1 | The Company's Amended and Restated Certificate of Incorporation.(2) |
| 3.2 | Bylaws of Registrant.(9) |
| 3.3 | Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Walker Interactive Systems, Inc. |
| 10.1 | Form of Indemnity Agreement entered into between the Registrant and its directors and officers.(3) |
| 10.2 * | 1992 Employee Stock Purchase Plan, as amended to date.(11) |
| 10.3 * | 1989 Employee Stock Option Plan and related forms of Incentive Stock Option Grant and Supplemental Stock Option Grant.(3),(9) |
| 10.4 * | 1986 Employee Stock Purchase Plan and related form of Employee Stock Purchase Agreement.(3) |
| 10.5 | Purchase and Sale Agreement between Registrant and Global Software, Inc., dated as of August 31, 1990.(3) |
| 10.6 | Lease between Registrant and Marathon U.S. Realities, Inc., dated October 20, 1988 and Amendment No. 1, dated as of October 31, 1990.(3) |
| 10.7 | Lease between Registrant and Chicago Title and Trust Company, dated as of December 3, 1990.(3) |
| 10.8 | Agreement for Lease between Registrant, Walker Interactive Products International and Alton House Limited, dated as of March 18, 1991.(3) |
| 10.9 * | 1993 Non-Employee Directors' Stock Option Plan, as amended to date.(12) |
| 10.10 * | 2002 Equity Incentive Plan (formerly the 1994 Equity Incentive Plan), as amended to date.(13) |
| 10.11 | Agreement for the Sale and Purchase of The Solutions Group Limited by and among Walker Interactive Products International, and Adrian J. Dixon and Nigel G. Heath, dated as of June 30, 1995.(1) |

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|---------|---|
| 10.12 * | Form of Executive Employment Agreement entered into between Registrant and certain of its officers.(5) |
| 10.13 * | 1995 Executive Employment Agreement between the Registrant and Leonard Y. Liu, as amended to date.(4),(7) |
| 10.14 * | 1995 Non-Statutory Stock Option Plan for Non-Officer Employees, as amended to date. (18) |
| 10.15 | Lease between Registrant and Equitable Assurance Society of the United States, dated November 25, 1997.(10) |
| 10.15A | Lease between Registrant and Equitable Assurance Society of the United States as amended October 1,1999. (18) |
| 10.16 * | 1998 Executive Employment Agreement between the Registrant and Thomas W. Hubbs.(8) |
| 10.17 * | Form of Executive Severance Benefits Agreement entered into between the Registrant and certain of its employees.(7) |
| 10.18 * | Separation agreement with Barbara M. Hubbard and the Registrant.(13) |
| 10.19 * | Agreement with Leonard Y. Liu and the Registrant.(14) |
| 10.20 * | Form of Executive Severance Benefits Agreement entered into between the Registrant and certain of its employees.(15) |
| 10.21 * | Executive Employment Agreement entered into between the Registrant and Frank M. Richardson. (18) |
| 10.22 * | Executive Severance Benefits Agreement entered into between the Registrant and Bruce Dawson. (18) |
| 10.23 * | Executive Severance Benefits Agreement entered into between the Registrant and Paul Lord. (18) |
| 10.24 * | Agreement with Leonard Y. Liu and the Registrant. (18) |
| 10.25 * | Consulting Services Agreement with Yeun H. Lee and the Registrant. (18) |
| 10.26 * | Separation Agreement with Mike Shahbazian and the Registrant. (18) |
| 10.27 * | Executive Employment Agreement entered into between the Registrant and Stanley V. Vogler (16) |
| 10.28 | Shareholders Rights Agreement dated June 1, 2000 (17) |
| 10.29 | Aptos Sale Agreement dated October 13, 2000 (19) |
| 10.30 | Agreement for the sale of Intellectual Property Rights and a consulting contract between QSP Group PLC, QSP Solutions Limited, Walker Financial Solutions |

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