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KAPPA LAMBDA SQUARED LIMITED

FINANCIAL ACCOUNTS FOR THE

YEAR ENDED 31ST MARCH 1998

WOODS & COMPANY

CHARTERED ACCOUNTANTS

KAPPA LAMBDA SQUARED LIMITED

DIRECTORS:	M.R.Gregory R.P.Smith (resigned 31/12/97)
SECRETARY:	M.R.Gregory
REGISTERED OFFICE:	Lleyn House Crowsley Road Shiplake Oxon RG9 3JT
REGISTERED NUMBER:	2800733
BANKERS:	Lloyds Bank plc 1 Market Place Reading Berkshire RG1 2EQ
SOLICITORS:	Cole & Cole 80 Kings Road Reading Berkshire RG1 3AU
ACCOUNTANTS:	Woods & Company Chartered Accountants Holly Tree House Wellow Bath BA2 8QA

KAPPA LAMBDA SQUARED LIMITED

FINANCIAL ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

CONTENTS

The following page does not form part of the Statutory Accounts

KAPPA LAMBDA SQUARED LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 1998

The directors present their annual report with the accounts of the Company for the Year ended 31st March 1998.

PRINCIPAL ACTIVITY

The principal activity of the Company in the Year under review was the provision of computer services.

DIRECTORS

The directors in office in the Year and their beneficial interests in the Company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1998	1997
M.R.Gregory	4,502	Nil
R.P.Smith (resigned 31/12/97)	Nil	Nil

REPORTING ACCOUNTANTS

The director considers that for the Year ended 31st March 1998 the Company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the director has appointed Woods & Company as Reporting Accountants.

Signed on behalf of the board of directors

P.Gregory

Secretary

10th August 1998

KAPPA LAMBDA SQUARED LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial accounts for each financial Year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial accounts the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Malcolm Gregory

M.R.Gregory
Director
On behalf of the Board

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL ACCOUNTS OF
KAPPA LAMBDA SQUARED LIMITED

We report on the financial accounts for the Year ended 31st March 1998 set out on pages 3 to 5.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:

(a) the financial accounts are in agreement with those accounting records kept by the Company under section 221 of the Companies Act 1985;

(b) having regard only to, and on the basis of, the information contained in those accounting records:

(i) the financial accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(ii) the Company satisfied the conditions for exemption from an audit of the financial accounts for the Year specified in section 249A(4) of the Act and did not, at any time within that Year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

WOODS & COMPANY
Reporting Accountants

Holly Tree House
Wellow
Bath
BA2 8QA

10th August 1998

KAPPA LAMBDA SQUARED LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1998

	Notes	1998		1997	
		£	£	£	£
TURNOVER	2		118,181		145,002
Cost of Sales			25,713		49,718
GROSS PROFIT			92,468		95,284
Net Operating Expenses					
Administrative Expenses		99,703		103,292	
Other Operating Income		(2,500)		(8,000)	
			97,203		95,292
OPERATING LOSS	3		(4,735)		(8)
Income from Investments			101		19
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(4,634)		11
Tax on Ordinary Activities	4		1,377		(823)
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			£ (3,257)		£ (812)

STATEMENT OF RETAINED EARNINGS

	1998	1997
Retained Profit Brought Forward	4,627	5,439
Retained (Loss) for the Year	(3,257)	(812)
RETAINED PROFIT CARRIED FORWARD	£ 1,370	£ 4,627

None of the Company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 5a to 5c form part of these accounts.

KAPPA LAMBDA SQUARED LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	7		5,194		7,036
CURRENT ASSETS					
Debtors	5	16,982		54,538	
Cash at Bank and in Hand		22,128		6,671	
		39,110		61,209	
CREDITORS : Amounts Falling Due within One Year	6	(37,932)		(58,616)	
NET CURRENT ASSETS			1,178		2,593
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 6,372		£ 9,629
CAPITAL AND RESERVES					
Share Capital	8		5,002		5,002
Profit and Loss Account			1,370		4,627
TOTAL SHAREHOLDERS' FUNDS			£ 6,372		£ 9,629

continued ......

KAPPA LAMBDA SQUARED LIMITED

BALANCE SHEET
(continued)
AS AT 31ST MARCH 1998

The director considers that for the Year ended 31st March 1998 the Company was entitled to exemption under subsection 2 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial Year under subsection 2 of section 249B of the Act.

The director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial Year and of its profit or loss for the financial Year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors

Malcolm Gregory

M.R.Gregory

Director

Approved by the board: 10th August 1998

The notes on pages 5a to 5c form part of these accounts.

KAPPA LAMBDA SQUARED LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Motor Vehicles	25% on cost
Plant and Equipment	25% on cost
Fixtures and Fittings	25% on cost

Pensions

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Cash Flow Statement

The Company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. TURNOVER

The Turnover and Loss (1997 - Profit) before taxation for the Year is attributable to the principal activity of the Company which is the provision of computer services.

3. OPERATING LOSS

The Operating Loss (1997 - Loss) is stated after charging:

	1998 £	1997 £
Depreciation of Tangible Fixed Assets	1,842	7,363
Auditors Remuneration	600	500

KAPPA LAMBDA SQUARED LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

4. TAXATION

The tax charge on the loss on ordinary activities was as follows:

	1998 £	1997 £
Corporation Tax	(1,377)	823

Corporation tax has been charged on the loss at 24% (1997 24%).

5. DEBTORS

	1998 £	1997 £
Amounts due within one year:		
Trade Debtors	15,605	54,238
Other Debtors	-	300
Corporation Tax Recoverable	1,377	-
	16,982	54,538

6. CREDITORS: Amounts falling Due within One Year

	1998 £	1997 £
Trade Creditors	4,706	6,899
Other Creditors	11,922	49,617
Value Added Tax	5,029	777
Corporation Tax	-	823
Sundry Accruals and Advance Receipts	16,275	500
	37,932	58,616

KAPPA LAMBDA SQUARED LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1998

7. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	TOTAL
	£	£	£	£
COST				
At 1st April 1997 and At 31st March 1998	14,967	9,470	5,025	29,462
DEPRECIATION				
At 1st April 1997	10,290	7,686	4,450	22,426
Charge for the Year	935	593	314	1,842
At 31st March 1998	11,225	8,279	4,764	24,268
NET BOOK VALUE				
At 31st March 1998	3,742	1,191	261	5,194
At 31st March 1997	4,677	1,784	575	7,036

8. SHARE CAPITAL

	1998	1997
	£	£
Authorised	100,000	100,000
Allotted, Issued and Fully Paid	5,002	5,002