

KAPPA LAMBDA SQUARED LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH 1999

WOODS & COMPANY
CHARTERED ACCOUNTANTS



KAPPA LAMBDA SQUARED LIMITED

DIRECTOR:	M.R.Gregory
SECRETARY:	P.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 1999

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The following page does not form part of the Statutory Accounts

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KAPPA LAMBDA SQUARED LIMITED**REPORT OF THE DIRECTOR****FOR THE YEAR ENDED 31ST MARCH 1999**

The director presents his annual report with the accounts of the Company for the Year ended 31st March 1999.

PRINCIPAL ACTIVITY

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

DIRECTORS

The director in office in the Year and his beneficial interest in the Company's issued ordinary share capital was as follows:

	Ordinary Shares of £1 each	
	<u>1999</u>	<u>1998</u>
M.R.Gregory	4,502	4,502

REPORTING ACCOUNTANTS

The director considers that for the Year ended 31st March 1999 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

1st July 1999

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 1999 set out on pages 3 to 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4, the company's director is responsible for the preparation of the financial accounts, and he considers that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

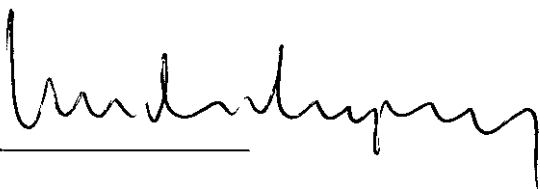
BASIS OF OPINION

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
Willow
Bath
BA2 8QA

1st July 1999

KAPPA LAMBDA SQUARED LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1999

	<u>Notes</u>	<u>1999</u>		<u>1998</u>	
		£	£	£	£
TURNOVER	2	230,043		118,181	
Cost of Sales		16,855		25,713	
<u>GROSS PROFIT</u>		213,188		92,468	
Net Operating Expenses					
Administrative Expenses		200,921		99,703	
Other Operating Income		(2,550)		(2,500)	
		198,371		97,203	
<u>OPERATING PROFIT/(LOSS)</u>	3	14,817		(4,735)	
Income from Investments		278		101	
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		15,095		(4,634)	
Tax on Ordinary Activities	4	2,901		(1,377)	
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ 12,194		£ (3,257)	

STATEMENT OF RETAINED EARNINGS

Retained Profit Brought Forward	1,370	4,627
Retained Profit/(Loss) for the Year	12,194	(3,257)
<u>RETAINED PROFIT CARRIED FORWARD</u>	£ 13,564	£ 1,370

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 LIMITEDBALANCE SHEETAS AT 31ST MARCH 1999

	<u>Notes</u>	<u>1999</u>		<u>1998</u>	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		4,868		5,194
CURRENT ASSETS					
Debtors	6	137,136		16,982	
Cash at Bank and in Hand		55,463		22,128	
		<u>192,599</u>		<u>39,110</u>	
CREDITORS : Amounts Falling Due within One Year	7	<u>(178,901)</u>		<u>(37,932)</u>	
NET CURRENT ASSETS			<u>13,698</u>		<u>1,178</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 18,566</u>		<u>£ 6,372</u>	
CAPITAL AND RESERVES					
Share Capital	9	5,002		5,002	
Profit and Loss Account		13,564		1,370	
<u>TOTAL SHAREHOLDERS' FUNDS</u>		<u>£ 18,566</u>		<u>£ 6,372</u>	

continued

KAPPA LAMBDA SQUARED LIMITEDBALANCE SHEET
(continued)
AS AT 31ST MARCH 1999

The director considers that for the Year ended 31st March 1999 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



M.R. Gregory

Director

Approved by the board: 1st July 1999

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

KAPPA LAMBDA SQUARED LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 1999****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 WDV
Plant and Equipment	25% on WDV
Fixtures and Fittings	25% on WDV

Pensions

The Company operates a defined contribution pension scheme. Contributions payable for the year are charged to 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 Profit (1998 - Loss) before taxation for the Year is attributable to the principal activity of the Company which is the provision of computer services.

3. OPERATING PROFIT/(LOSS)

The Operating Profit (1998 - Loss) is stated after charging:

	<u>1999</u>	<u>1998</u>
	£	£
Depreciation of Tangible Fixed Assets	1,622	1,842
Auditors Remuneration	600	600
	<u> </u>	<u> </u>

KAPPA LAMBDA SQUARED LIMITEDNOTES TO THE ACCOUNTSFOR THE YEAR ENDED 31ST MARCH 1999**4. TAXATION**

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

	<u>1999</u> £	<u>1998</u> £
Corporation Tax	2,764	(1,377)
Underprovision in Prior Year	137	-
	<u>2,901</u>	<u>(1,377)</u>

5. DIRECTORS' REMUNERATION

	<u>1999</u> £	<u>1998</u> £
Directors' Emoluments	<u>27,000</u>	<u>6,750</u>

6. DEBTORS

	<u>1999</u> £	<u>1998</u> £
Amounts due within one year:		
Trade Debtors	135,896	15,605
Corporation Tax Recoverable	1,240	1,377
	<u>137,136</u>	<u>16,982</u>

7. CREDITORS: Amounts Falling Due within One Year

	<u>1999</u> £	<u>1998</u> £
Trade Creditors	16,610	4,706
Amounts Owed to Group Undertakings and Value Added Tax	-	11,922
Corporation Tax	27,998	5,029
Sundry Creditors and Advance Receipts	2,764	-
	131,529	16,275
	<u>178,901</u>	<u>37,932</u>

KAPPA LAMBDA SQUARED LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST MARCH 1999****8. TANGIBLE FIXED ASSETS**

	Motor Vehicles £	Plant & Equipment £	Fixtures & Fittings £	TOTAL £
COST				
At 1st April 1998	14,967	9,470	5,025	29,462
Additions in the Year	-	1,296	-	1,296
At 31st March 1999	<u>14,967</u>	<u>10,766</u>	<u>5,025</u>	<u>30,758</u>
DEPRECIATION				
At 1st April 1998	11,225	8,279	4,764	24,268
Charge for the Year	935	622	65	1,622
At 31st March 1999	<u>12,160</u>	<u>8,901</u>	<u>4,829</u>	<u>25,890</u>
NET BOOK VALUE				
At 31st March 1999	<u>2,807</u>	<u>1,865</u>	<u>196</u>	<u>4,868</u>
At 31st March 1998	<u>3,742</u>	<u>1,191</u>	<u>261</u>	<u>5,194</u>

9. SHARE CAPITAL

	<u>1999</u> £	<u>1998</u> £
Authorised	<u>100,000</u>	<u>100,000</u>
Allotted, Issued and Fully Paid	<u>5,002</u>	<u>5,002</u>