KAPPA LAMBDA SQUARED LIMITED

FINANCIAL ACCOUNTS FOR THE

YEAR ENDED 31ST MARCH 2000

WOODS & COMPANY

CHARTERED ACCOUNTANTS

KAPPA LAMBDA SQUARED LIMITED

DIRECTORS:	M.R.Gregory R.D.Clark (Appointed 01/04/99)
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 2000

CONTENTS

KAPPA LAMBDA SQUARED LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 2000

The directors present their annual report with the accounts of the Company for the Year ended 31st March 2000.

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	
	2000	1999
M.R.Gregory	4,502	4,502
R.D.Clark (Appointed 01/04/99)	Nil	Nil

M.R.Gregory retires by rotation and, being eligible, offers himself for re-election.

REPORTING ACCOUNTANTS

The directors consider that for the Year ended 31st March 2000 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 directors have appointed Woods & Company as Reporting Accountants.

Signed on behalf of the board of directors

P.Gregory

Secretary

10th July 2000

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 2000 set out on pages 3 to 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 4, the Company's directors are responsible for the preparation of the financial accounts, and they consider 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 kep 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 July 2000

KAPPA LAMBDA SQUARED LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000		1999	
		£	£	£	£
TURNOVER	2		270,412		230,043
Cost of Sales			11,634		16,855
GROSS PROFIT			258,778		213,188
Net Operating Expenses					
Administrative Expenses		259,078		200,921	
Other Operating Income		(1,407)		(2,550)	
			257,671		198,371
OPERATING PROFIT	3		1,107		14,817
Income from Investments			1,659		278
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			2,766		15,095
Tax on Ordinary Activities	4		281		2,901
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			£ 2,485		£ 12,194

STATEMENT OF RETAINED EARNINGS

	2000	1999
Retained Profit Brought Forward	13,564	1,370
Retained Profit for the Year	2,485	12,194
RETAINED PROFIT CARRIED FORWARD	£ 16,049	£ 13,564

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 2000

	Notes	2000		1999	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		1,546		4,868
CURRENT ASSETS					
Debtors	6	50,052		137,136	
Cash at Bank and in Hand		65,640		55,463	
		115,692		192,599	
CREDITORS : Amounts Falling Due within One Year	7	(96,187)		(178,901)	
NET CURRENT ASSETS			19,505		13,698
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 21,051		£ 18,566
CAPITAL AND RESERVES					
Share Capital	9		5,002		5,002
Profit and Loss Account			16,049		13,564
TOTAL SHAREHOLDERS' FUNDS			£ 21,051		£ 18,566

continued ......

KAPPA LAMBDA SQUARED LIMITED

BALANCE SHEET
(continued)
AS AT 31ST MARCH 2000

The directors consider that for the Year ended 31st March 2000 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 directors acknowledge their 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 July 2000

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 2000

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 (1999 - Profit) before taxation for the Year is attributable to the principal activity of the Company which is the provision of computer services.

3. OPERATING PROFIT

The Operating Profit (1999 - Profit) is stated after charging:

	2000	1999
	£	£
Depreciation of Tangible Fixed Assets	515	1,622
Auditors Remuneration	600	600

KAPPA LAMBDA SQUARED LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

4. TAXATION

	2000		1999	
	£	£	£	£
The tax charge on the profit on ordinary activities was as follows:				
UK corporation tax:				
Current tax on income for the period	281		2,901	
		281		2,901
		281		2,901

5. DIRECTORS' REMUNERATION

	2000	1999
	£	£
Directors' Emoluments	81,244	27,000

6. DEBTORS

	2000	1999
	£	£
Amounts due within one year:		
Trade Debtors	50,052	135,896
Corporation Tax Recoverable	-	1,240
	50,052	137,136

7. CREDITORS: Amounts Falling Due within One Year

	2000	1999
	£	£
Trade Creditors	8,858	16,610
Value Added Tax	3,482	27,998
Corporation Tax	281	2,764
Sundry Creditors and Advance Receipts	83,566	131,529
	96,187	178,901

KAPPA LAMBDA SQUARED LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2000

8. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant & Equipment £	Fixtures & Fittings £	TOTAL £
COST				
At 1st April 1999	14,967	10,766	5,025	30,758
Disposals in Year	(14,967)			(14,967)
At 31st March 2000	-	10,766	5,025	15,791
DEPRECIATION				
At 1st April 1999	12,160	8,901	4,829	25,890
Disposals in Year	(12,160)			(12,160)
Charge for the Year	-	466	49	515
At 31st March 2000	-	9,367	4,878	14,245
NET BOOK VALUE				
At 31st March 2000	-	1,399	147	1,546
At 31st March 1999	2,807	1,865	196	4,868

9. SHARE CAPITAL

	2000 £	1999 £
Authorised	100,000	100,000
Allotted, Issued and Fully Paid	5,002	5,002