KAPPA LAMBDA SQUARED LIMITED

FINANCIAL ACCOUNTS FOR THE

YEAR ENDED 31ST MARCH 2001

WOODS & COMPANY

CHARTERED ACCOUNTANTS

KAPPA LAMBDA SQUARED LIMITED

DIRECTORS:	M.R.Gregory R.D.Clark
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 2001

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KAPPA LAMBDA SQUARED LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH 2001

The directors present their annual report with the accounts of the Company for the Year ended 31st March 2001.

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	
	2001	2000
M.R.Gregory	4,002	4,002
R.D.Clark	500	500

R.D.Clark retires by rotation and, being eligible, offers himself for re-election.

REPORTING ACCOUNTANTS

The directors consider that for the Year ended 31st March 2001 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 **8th August 2001**

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 2001 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 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

8th August 2001

KAPPA LAMBDA SQUARED LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2001

	Notes	2001		2000	
		£	£	£	£
TURNOVER	2		202,903		270,412
Cost of Sales			26,436		11,634
GROSS PROFIT			176,467		258,778
Net Operating Expenses					
Administrative Expenses		168,860		259,078	
Other Operating Income		(630)		(1,407)	
			168,230		257,671
OPERATING PROFIT	3		8,237		1,107
Income from Investments			1,059		1,659
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			9,296		2,766
Tax on Ordinary Activities	4		744		281
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION			£ 8,552		£ 2,485

STATEMENT OF RETAINED EARNINGS

	2001	2000
Retained Profit Brought Forward	16,049	13,564
Retained Profit for the Year	8,552	2,485
RETAINED PROFIT CARRIED FORWARD	£ 24,601	£ 16,049

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 2001

	Notes	2001	2001	2000	2000
		£	£	£	£
FIXED ASSETS					
Tangible Assets	8		2,728		1,546
CURRENT ASSETS					
Debtors	6	61,860		50,052	
Cash at Bank and in Hand		50,703		65,640	
		112,563		115,692	
CREDITORS : Amounts Falling Due within One Year	7	(85,688)		(96,187)	
NET CURRENT ASSETS			26,875		19,505
TOTAL ASSETS LESS CURRENT LIABILITIES			£ 29,603		£ 21,051
CAPITAL AND RESERVES					
Share Capital	9		5,002		5,002
Profit and Loss Account			24,601		16,049
TOTAL SHAREHOLDERS' FUNDS			£ 29,603		£ 21,051

continued ......

KAPPA LAMBDA SQUARED LIMITED

BALANCE SHEET
(continued)
AS AT 31ST MARCH 2001

The directors consider that for the Year ended 31st March 2001 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 o 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

R.D.Clark

Director

Approved by the board: 8th August 2001

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 2001

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:

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 (2000 - 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 (2000 - Profit) is stated after charging:

	2001	2000
	£	£
Depreciation of Tangible Fixed Assets	909	515
Accountants Remuneration	1,000	600

KAPPA LAMBDA SQUARED LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

4. TAXATION

	2001		2000	
	£	£	£	£
The tax charge on the profit on ordinary activities was as follows:				
UK corporation tax:				
Current tax on income for the period	744		281	
		744		281
		744		281

5. DIRECTORS' REMUNERATION

	2001	2000
	£	£
Directors' Emoluments	66,317	81,244

6. DEBTORS

	2001	2000
	£	£
Amounts due within one year:		
Trade Debtors	61,860	50,052
	61,860	50,052

7. CREDITORS: Amounts Falling Due within One Year

	2001	2000
	£	£
Trade Creditors	8,404	8,858
Value Added Tax	12,969	3,482
Corporation Tax	744	281
Sundry Creditors and Advance Receipts	63,571	83,566
	85,688	96,187

KAPPA LAMBDA SQUARED LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 2001

8. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Fixtures & Fittings £	TOTAL £
COST			
At 1st April 2000	10,766	5,025	15,791
Additions in the Year	2,091	-	2,091
At 31st March 2001	12,857	5,025	17,882
DEPRECIATION			
At 1st April 2000	9,367	4,878	14,245
Charge for the Year	872	37	909
At 31st March 2001	10,239	4,915	15,154
NET BOOK VALUE			
At 31st March 2001	2,618	110	2,728
At 31st March 2000	1,399	147	1,546

9. SHARE CAPITAL

	2001 £	2000 £
Authorised	100,000	100,000
Allotted, Issued and Fully Paid	5,002	5,002