Company Number 3086619

LAMBDA LOGIC LIMITED

Financial Statements

For the year ended 31 August 1999



LAMBDA LOGIC LIMITED

Company Information

Company No: 3086619

Registered Office

Salisbury House
Station Road
Cambridge
CB1 2LA

Director

G M Clemow

Secretary

Mrs H L Clemow

Accountants

Peters Elworthy & Moore
Salisbury House
Station Road
Cambridge
CB1 2LA

Bankers

Investec Bank (UK) Ltd
Cannon Bridge
25 Dowgate Hill
London
EC4R 2AT

LAMBDA LOGIC LIMITED

Director's Report

For the year ended 31 August 1999

The Director submits his report together with the unaudited financial statements for the year ended 31 August 1999.

The trading result for the year after deducting taxation and dividends was £324.

Principal Activity and Business Review

The principal activity of the Company is electronic hardware and computer software development. The Director intends to continue to develop such activities and the Director considers the state of the Company's affairs to be satisfactory.

Director's Interest

The Director who served during the year and his beneficial interest in the share capital of the Company were as follows:

	Ordinary £1 shares 1999 Number	Ordinary £1 shares 1998 Number
G M Clemow	1,000	100

Cashflow Statement

In the opinion of the Director the Company qualifies as a small company and as such no cashflow statement has been prepared.

Accountants

The Accountants, Peters Elworthy & Moore, Chartered Accountants, have indicated that they are willing to be re-appointed at the forthcoming Annual General Meeting.

Exemption Statement

The report of the Director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

Helen Clemow

Mrs H L Clemow

SECRETARY

1 October 1999

LAMBDA LOGIC LIMITED

Profit and Loss Account

For the year ended 31 August 1999

	Notes	1999	1998
		£	£
Turnover	2	67,080	27,108
Administrative expenses		(13,325)	(12,154)
Operating profit	3	53,755	14,954
Interest receivable		398	103
Profit on ordinary activities before taxation		54,153	15,057
Tax on profit on ordinary activities	5	(10,989)	(3,335)
Profit on ordinary activities after taxation		43,164	11,722
Dividends		(42,840)	(11,040)
Retained profit for year		324	682
Retained profit brought forward		1,864	1,182
Retained profit carried forward		2,188	1,864

The notes on pages 4 to 6 form part of these financial statements.

LAMBDA LOGIC LIMITED

Balance Sheet

As at 31 August 1999

	Notes	1999	1999	1998	1998
Fixed Assets		£	£	£	£
Tangible Assets	6		531		1,486
Current Assets					
Debtors: amounts falling due within one year	7	10,341		5,750	
Cash at bank		9,120		4,071	
		19,461		9,821	
Current Liabilities					
Creditors: amounts falling due within one year	8	(16,804)		(9,343)	
Net Current Assets less Current Liabilities			2,657		478
Total Assets less Current Liabilities			3,188		1,964
Capital and Reserves					
Called up share capital	10		1,000		100
Profit and loss account			2,188		1,864
Equity Shareholder's Funds			3,188		1,964

In the Director's opinion the Company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its financial statements for the year ended 31 August 1999. No notice from members requiring an audit has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The Director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985. The Director acknowledges his responsibilities for preparing financial statements which give a true and fair view of the state of affairs of the Company as at 31 August 1999 and of its results for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the Company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On Behalf of the Board



G M Clemow

Director

Approved by the board on 1 October 1999

Note 1: Principal accounting policies

Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Cashflow Statement

In the opinion of the Director the Company qualifies as a small company and accordingly a cashflow statement is not required.

Turnover

Turnover is the total amount receivable by the Company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Computer equipment	25% straight line
Furniture	25% reducing balance
Office equipment	25% reducing balance

Note 2: Turnover

The turnover and operating profit for the year were derived from the Company's principal activity and this was carried out wholly in the UK.

Note 3: Operating profit

Operating profit is stated after charging:	**1999**	1998
	£	£
Depreciation of tangible fixed assets	234	1,224
Loss on sale of fixed assets	1,091	100

Note 4: Director's Emoluments

	1999	1998
	£	£
Total remuneration	7,293	5,148

Note 5: Tax on profit on ordinary activities

Based on the profit for the year:	1999	1998
	£	£
UK corporation tax on the taxable profit at 21% and 20% (1998: 21%)	10,989	3,268
Adjustments for prior years	–	67
	10,989	3,335

Note 6: Tangible fixed assets

	Plant, Machinery and Other Assets
Cost	£
At 1 September 1998	5,018
Additions	370
Disposals	(4,322)
At 31 August 1999	1,066
Depreciation	
At 1 September 1998	3,532
Charged for the year	234
Eliminated on disposal	(3,231)
At 31 August 1999	535
Net Book Value	
At 31 August 1999	531
At 31 August 1998	1,486

Note 7: Debtors: amounts falling due within one year

	1999	1998
	£	£
Trade debtors	9,771	1,095
Other debtors	570	4,655
	10,341	5,750

Note 8: Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	82	755
Corporation tax	7,629	508
Other taxes and social security costs	2,063	50
Director's loan (Note 9)	6,420	7,500
Other creditors	610	530
	16,804	9,343

Note 9: Director's loan

The Director's loan is free of interest and is repayable on demand.

Note 10: Called up share capital

	1999	1998
Authorised	£	£
10,000 Ordinary shares of £1 each	10,000	1,000

	1999	1998
Allotted, issued and fully paid	£	£
1,000 Ordinary shares of £1 each	1,000	100

During the year the Company authorised 9,000 new Ordinary shares of £1 each and issued 900 Ordinary shares of £1 each.