Company Number: 3086619

LAMBDA LOGIC LIMITED

Financial Statements

For the year ended 31 August 2002



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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 2002

The Director submits his report together with the unaudited financial statements for the year ended 31 August 2002.

The trading result for the year after deducting taxation and dividends was £2,538.

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 2002 Number	Ordinary £1 shares 2001 Number
G M Clemow	1000	1000

Cashflow Statement

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

Political and Charitable Contributions

During the year payments of a charitable nature amounted to £1000. There were no contributions to political organisations.

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 2002

LAMBDA LOGIC LIMITED

Profit and Loss Account

For the year ended 31 August 2002

	Notes	2002	2001
		£	£
Turnover	2	113,566	49,046
Administrative expenses		(35,982)	(23,980)
Operating profit	3	77,584	25,066
Interest receivable	4	248	231
Profit on ordinary activities before taxation		77,832	25,297
Tax on profit on ordinary activities	6	(15,294)	(4,504)
Profit on ordinary activities after taxation		62,538	20,793
Dividends		(60,000)	(20,300)
Retained profit for year		2,538	493
Retained profit brought forward		2,985	2,492
Retained profit carried forward		5,523	2,985

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

LAMBDA LOGIC LIMITED

Balance Sheet

As at 31 August 2002

	Notes	2002	2002	2001	2001
Fixed Assets		£	£	£	£
Tangible Assets	7		4,257		4,227
Current Assets					
Stock		7,460			
Debtors: amounts falling due within one year	8	24,311		12,464	
Cash at bank		10,613		5,077	
		42,384		17,541	
Current Liabilities					
Creditors: amounts falling due within one year	9	(40,118)		(17,783)	
Net Current Assets less Current Liabilities			2,266		(242)
Total Assets less Current Liabilities			6,523		3985
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			5,523		2,985
Equity Shareholder's Funds			6,523		3,985

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 2002. 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 2002 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 2002

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 2000).

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

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Pension Costs

The pension costs charged against profits represent the amount of contributions payable to employee's defined contribution pension schemes in respect of the accounting period.

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:	2002	2001
	£	£
Depreciation of tangible fixed assets	1,897	1,656
Loss on sale of fixed assets	28	59

Note 4: Interest receivable

	2002	2001
	£	£
Bank interest	180	218
Other interest	68	13
	248	231

Note 5: Director's Emoluments

The Director's aggregate emoluments in respect of qualifying services were:	2002	2001
	£	£
Aggregate emoluments	10,296	10,296
Company pension contributions to money purchase schemes	3,600	4,801
	13,896	15,097

Note 6: Tax on profit on ordinary activities

Based on the profit for the year:	2002	2001
	£	£
UK corporation tax on the taxable profit at 19.58% (2001: 17.61%)	15,294	4,504

Note 7: Tangible fixed assets

	Plant, Machinery and Other Assets
Cost	£
At 1 September 2001	7,849
Additions	1,954
Disposals	(110)
At 31 August 2002	9,693
Depreciation	
At 1 September 2001	3,622
Charged for the year	1,897
Eliminated on disposal	(83)
At 31 August 2002	5,436
Net Book Value	
At 31 August 2002	4,257
At 31 August 2001	4,227

Note 8: Debtors: amounts falling due within one year

	2002	2001
	£	£
Trade debtors	23,361	10,906
Other debtors	950	1,558
	24,311	12,464

Note 9: Creditors: amounts falling due within one year

	2002	2001
	£	£
Trade creditors	300	626
Corporation tax	15,294	4,504
Other taxes and social security costs	4,457	2,026
Director's loan	17,352	5,782
Other creditors	2,715	4,845
	40,118	17,783

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

Note 10: Called up share capital

	2002	2001
Authorised	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

	2002	2001
Allotted, issued and fully paid	£	£
1,000 Ordinary shares of £1 each	1,000	1,000

Note 11: Related Party Transactions

The company is controlled by G M Clemow, the director and major shareholder.