Company Number 3086619

LAMBDA LOGIC LIMITED

Financial Statements

For the year ended 31 August 2003



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 2003

The Director submits his report together with the unaudited financial statements for the year ended 31 August 2003.

The trading result for the year after deducting taxation and dividends was £5,518.

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 2003 Number	Ordinary £1 shares 2002 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 £750. 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

19 October 2003

LAMBDA LOGIC LIMITED

Profit and Loss Account

For the year ended 31 August 2003

	Notes	2003	2002
		£	£
Turnover	2	85,370	113,566
Administrative expenses		(38,821)	(35,982)
Operating profit	3	46,549	77,584
Interest receivable	4	171	248
Profit on ordinary activities before taxation		46,720	77,832
Tax on profit on ordinary activities	6	(8,702)	(15,294)
Profit on ordinary activities after taxation		38,018	62,538
Dividends		(32,500)	(60,000)
Retained profit for year		5,518	2,538
Retained profit brought forward		5,523	2,985
Retained profit carried forward		11,041	5,523

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

LAMBDA LOGIC LIMITED

Balance Sheet

As at 31 August 2003

	Notes	2003	2003	2002	2002
Fixed Assets		£	£	£	£
Tangible Assets	7		3,164		4,257
Current Assets					
Stock		–		7,460	
Debtors: amounts falling due within one year	8	38,264		24,311	
Cash at bank		9,610		10,613	
		47,874		42,384	
Current Liabilities					
Creditors: amounts falling due within one year	9	(38,997)		(40,118)	
Net Current Assets less Current Liabilities			8,877		2,266
Total Assets less Current Liabilities			12,041		6,523
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			11,041		5,523
Equity Shareholder's Funds			12,041		6,523

The Director is satisfied that the Company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of Section 249A(1) and that no member or members have requested an audit pursuant to Section 249B(2) of the Act.

The Director acknowledges his responsibilities for:

(i) ensuring that the Company keeps proper accounting records which comply with section 221 of the Act, and

(ii) preparing financial statements which give a true and fair view of the state of the 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 financial statements, so far as applicable to the Company.

These financial statements have been prepared in accordance with the special provisions for smaller companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statement were approved by the Director on 19 October 2003 and are signed by the Director:



G M Clemow

Director

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 June 2002).

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:	**2003**	2002
	£	£
Depreciation of tangible fixed assets	1,107	1,897
Loss on sale of fixed assets	686	28

Note 4: Interest receivable

	2003	2002
	£	£
Bank interest	143	180
Other interest	28	68
	171	248

Note 5: Director's Emoluments

The Director's aggregate emoluments in respect of qualifying services were:	2003	2002
	£	£
Aggregate emoluments	10,296	10,296
Company pension contributions to money purchase schemes	3,600	3,600
	13,896	13,896

Note 6: Tax on profit on ordinary activities

Based on the profit for the year:	2003	2002
	£	£
UK corporation tax on the taxable profit at 18.66% (2002: 19.58%)	8,702	15,294

Note 7: Tangible fixed assets

	Plant, Machinery and Other Assets
Cost	£
At 1 September 2002	9,693
Additions	700
Disposals	(2,744)
At 31 August 2003	7,649
Depreciation	
At 1 September 2002	5,436
Charged for the year	1,107
Eliminated on disposal	(2,058)
At 31 August 2003	4,485
Net Book Value	
At 31 August 2003	3,164
At 31 August 2002	4,257

Note 8: Debtors: amounts falling due within one year

	2003	2002
	£	£
Trade debtors	33,719	23,361
Other debtors	4,545	950
	38,264	24,311

Note 9: Creditors: amounts falling due within one year

	2003	2002
	£	£
Trade creditors	4,325	300
Corporation tax	8,702	15,294
Other taxes and social security costs	5,557	4,457
Director's loan	19,883	17,352
Other creditors	530	2,715
	38,997	40,118

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

Note 10: Called up share capital

	2003	2002
Authorised	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

	2003	2002
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.