Company Number 3086619

LAMBDA LOGIC LIMITED

Financial Statements

For the year ended 31 August 2006



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 2006

The Director submits his report together with the unaudited financial statements for the year ended 31 August 2006.

The trading result for the year after deducting taxation and dividends was £1,046.

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 2006 Number	Ordinary £1 shares 2005 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 £1,500. 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

10 December 2006

LAMBDA LOGIC LIMITED

Profit and Loss Account

For the year ended 31 August 2006

	Notes	2006	2005
		£	£
Turnover	2	69,065	86,665
Cost of sales		–	(362)
Gross profit		69,065	86,303
Administrative expenses		(30,582)	(25,632)
Other operating income		250	250
Operating profit	3	38,733	60,921
Interest receivable	4	596	364
Profit on ordinary activities before taxation		39,329	61,285
Tax on profit on ordinary activities	6	(7,283)	(11,741)
Profit on ordinary activities after taxation		32,046	49,544
Dividends		(31,000)	(47,000)
Retained profit for year		1,046	2,544
Retained profit brought forward		15,752	13,208
Retained profit carried forward		16,798	15,752

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

LAMBDA LOGIC LIMITED

Balance Sheet

As at 31 August 2006

	Notes	2006	2006	2005	2005
Fixed Assets		£	£	£	£
Tangible Assets	7		1,853		2,939
Current Assets					
Debtors: amounts falling due within one year	8	32,958		21,302	
Cash at bank		2,383		17,286	
		35,341		38,588	
Current Liabilities					
Creditors: amounts falling due within one year	9	(19,396)		(24,775)	
Net Current Assets less Current Liabilities			15,945		13,813
Total Assets less Current Liabilities			17,798		16,752
Capital and Reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			16,798		15,752
Equity Shareholder's Funds			17,798		16,752

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 January 2005).

These financial statements were approved by the Director on 10 December 2006 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 January 2005).

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

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:	**2006**	2005
	£	£
Depreciation of tangible fixed assets	980	1,227
Loss on sale of fixed assets	106	32

Note 4: Interest receivable

	2006	2005
	£	£
Bank interest	335	345
Other interest	261	19
	596	364

Note 5: Director's Emoluments

The Director's aggregate emoluments in respect of qualifying services were:	2006	2005
	£	£
Aggregate emoluments	18,164	13,526
Company pension contributions to money purchase schemes	3,600	3,600
	21,764	17,126

Note 6: Tax on profit on ordinary activities

Based on the profit for the year:	2006	2005
	£	£
UK corporation tax on the taxable profit at 18.29% (2005: 19%)	7,283	11,741

Note 7: Tangible fixed assets

	Plant, Machinery and Other Assets
Cost	£
At 1 September 2005	9,789
Additions	–
Disposals	(424)
At 31 August 2006	9,365
Depreciation	
At 1 September 2005	6,850
Charged for the year	980
Eliminated on disposal	(318)
At 31 August 2006	7,512
Net Book Value	
At 31 August 2006	1,853
At 31 August 2005	2,939

Note 8: Debtors: amounts falling due within one year

	2006	2005
	£	£
Trade debtors	30,432	18,754
Other debtors	2,526	2,548
	32,958	21,302

Note 9: Creditors: amounts falling due within one year

	2006	2005
	£	£
Trade creditors	664	312
Corporation tax	7,283	11,741
Other taxes and social security costs	6,487	6,731
Director's loan	4,480	5,581
Other creditors	482	410
	19,396	24,775

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

Note 10: Called up share capital

	2006	2005
Authorised	£	£
10,000 Ordinary shares of £1 each	10,000	10,000

	2006	2005
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.

During the year the Company made sales to Sonaptic Limited, a company for whom Mr R D Clemow is a director. Mr R D Clemow is the brother of Mr G M Clemow (director and majority shareholder). The total sales made to Sonaptic Ltd amounted to £28,024 (2005: £16,979) of which £11,750 (2005: £nil) was outstanding at the balance sheet date.