

THE CREATIVE LEAP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH APRIL 2004

Company Registration Number 3192262



THE CREATIVE LEAP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH APRIL 2004

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THE CREATIVE LEAP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 30TH APRIL 2004

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 30th April 2004.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was brand development and communication.

The directors are satisfied with the current performance of the business and are of the opinion that the current level of activity will continue for the foreseeable future.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.01 each	
	At 30 April 2004	At 1 May 2003
Mr T Bradford	708,215	708,215
Mr M Chittenden	708,215	708,215
Mr D Gray	708,215	708,215
Mr M Caldwell	375,355	375,355
Mr P C Gandy	—	—
	<hr/>	<hr/>

Mr P C Gandy retired as a director on 1st July 2004.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 6 to 7, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint PRB Martin Pollins as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

THE CREATIVE LEAP LIMITED

THE DIRECTORS' REPORT *(continued)*

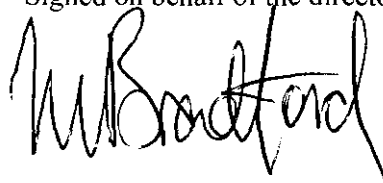
YEAR ENDED 30TH APRIL 2004

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
5 Bridge Road Business Park
Bridge Road
Haywards Heath
West Sussex
RH16 1TX

Signed on behalf of the directors

A handwritten signature in black ink, appearing to read 'T Bradford', written over a horizontal line.

T Bradford
Director

THE CREATIVE LEAP LIMITED**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS****YEAR ENDED 30TH APRIL 2004**

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 6 to 7.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards are set out in the Statement of Directors' Responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

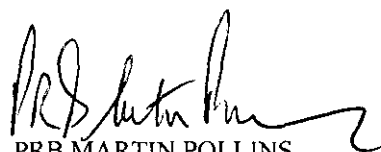
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th April 2004 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

4/5 Bridge Road Business Park
Bridge Road
Haywards Heath
West Sussex
RH16 1TX

18/10/04


PRB MARTIN POLLINS
Chartered Accountants
& Registered Auditors

THE CREATIVE LEAP LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30TH APRIL 2004**

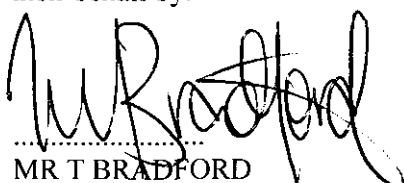
	Note	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
TURNOVER		1,674,397	881,448
Cost of sales		(436,636)	(200,590)
GROSS PROFIT		1,237,761	680,858
Administrative expenses		(981,041)	(970,408)
OPERATING PROFIT/(LOSS)	2	256,720	(289,550)
Interest receivable		4,039	4,230
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		260,759	(285,320)
Tax on profit/(loss) on ordinary activities	4	(31,194)	47,088
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		229,565	(238,232)
Equity dividends paid		—	(40,000)
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		229,565	(278,232)
Balance brought forward		392,608	670,840
Balance carried forward		622,173	392,608

THE CREATIVE LEAP LIMITED**BALANCE SHEET****30TH APRIL 2004**

	Note	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	5		135,142		136,879
CURRENT ASSETS					
Stocks		35,308		24,433	
Debtors	6	333,817		238,931	
Cash at bank and in hand		536,610		325,214	
		<u>905,735</u>		<u>588,578</u>	
CREDITORS: Amounts falling due within one year	7	<u>(376,381)</u>		<u>(284,523)</u>	
NET CURRENT ASSETS			<u>529,354</u>		<u>304,055</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>664,496</u>		<u>440,934</u>
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	8		<u>(17,323)</u>		<u>(23,326)</u>
			<u>647,173</u>		<u>417,608</u>
CAPITAL AND RESERVES					
Called-up equity share capital	10		25,000		25,000
Profit and Loss Account			622,173		392,608
SHAREHOLDERS' FUNDS			<u>647,173</u>		<u>417,608</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 27/9/04 and are signed on their behalf by:


MR T BRADFORD


MR M CHITTENDEN


MR D GRAY


MR M CALDWELL

THE CREATIVE LEAP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 2004****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10% straight line
Fixtures & Fittings	- 15% reducing balance
Computer Equipment	- 20% straight line

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

THE CREATIVE LEAP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH APRIL 2004

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging:

	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
Depreciation	30,792	25,660
Auditors' fees	3,250	3,000
Net loss on foreign currency translation	<u>469</u>	<u>8</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
Aggregate emoluments	295,000	373,750
Value of company pension contributions to money purchase schemes	<u>33,484</u>	<u>27,903</u>
	<u>328,484</u>	<u>401,653</u>

THE CREATIVE LEAP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH APRIL 2004

4. TAX ON PROFIT OR (LOSS) ON ORDINARY ACTIVITIES

Taxation

	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year at 19% (2003 - 25%)	50,266	(70,414)
Over/under provision in prior year	(13,069)	—
Total current tax	37,197	(70,414)
Deferred tax:		
(Decrease)/Increase in deferred tax provision (note 8)		
Capital allowances	(6,003)	23,326
Tax on profit or (loss) on ordinary activities	31,194	(47,088)

5. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Computer Equipment £	Total £
COST				
At 1st May 2003	30,459	47,994	165,051	243,504
Additions	—	3,131	25,924	29,055
At 30th April 2004	<u>30,459</u>	<u>51,125</u>	<u>190,975</u>	<u>272,559</u>
DEPRECIATION				
At 1st May 2003	11,908	21,315	73,402	106,625
Charge for the year	3,012	4,572	23,208	30,792
At 30th April 2004	<u>14,920</u>	<u>25,887</u>	<u>96,610</u>	<u>137,417</u>
NET BOOK VALUE				
At 30th April 2004	<u>15,539</u>	<u>25,238</u>	<u>94,365</u>	<u>135,142</u>
At 30th April 2003	<u>18,551</u>	<u>26,679</u>	<u>91,649</u>	<u>136,879</u>

THE CREATIVE LEAP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30TH APRIL 2004

6. DEBTORS

	2004	2003
	£	£
Trade debtors	301,644	140,836
Corporation tax repayable	—	68,414
Other debtors	2,025	—
Prepayments and accrued income	30,148	29,681
	<u>333,817</u>	<u>238,931</u>

7. CREDITORS: Amounts falling due within one year

	2004	2003
	£	£
Bank loans and overdrafts	30,581	25,540
Trade creditors	114,333	61,643
Other creditors including taxation and social security:		
Corporation tax	50,266	—
PAYE and social security	18,583	11,536
VAT	15,016	4,266
Other creditors	—	241
Accruals and deferred income	<u>147,602</u>	<u>181,297</u>
	231,467	197,340
	<u>376,381</u>	<u>284,523</u>

8. DEFERRED TAXATION

	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	23,326	—
Profit and Loss Account movement arising during the year	(6,003)	23,326
Provision carried forward	<u>17,323</u>	<u>23,326</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	Year to 30 Apr 04 £	Period from 1 Jul 02 to 30 Apr 03 £
Excess of taxation allowances over depreciation on fixed assets	<u>17,323</u>	<u>23,326</u>
	<u>17,323</u>	<u>23,326</u>

THE CREATIVE LEAP LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30TH APRIL 2004****9. COMMITMENTS UNDER OPERATING LEASES**

At 30th April 2004 the company had aggregate annual commitments under non-cancellable operating leases as set out below:

	2004	2003
	£	£
Operating leases which expire:		
Within 2 to 5 years	<u>45,126</u>	<u>45,126</u>

10. SHARE CAPITAL**Authorised share capital:**

	2004	2003
	£	£
5,000,000 Ordinary shares of £0.01 each	<u>50,000.00</u>	<u>50,000.00</u>

Allotted, called up and fully paid:

	2004	2003
	£	£
Ordinary share capital	<u>25,000.00</u>	<u>25,000.00</u>