

THE CREATIVE ASSEMBLY LIMITED

Report and Financial Statements

30 November 2000



**Deloitte & Touche
South East Regional Office
Global House
High Street
Crawley
West Sussex
RH10 1DL**

REPORT AND FINANCIAL STATEMENTS 2000

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Timothy John Ansell

SECRETARY

Suzannah Mandy Ansell

REGISTERED OFFICE

Trinity Houses
School Hill
Lewes
East Sussex
BN7 2NN

BANKERS

National Westminster Bank plc
47 Carfax
Horsham
West Sussex
RH10 1FD

SOLICITORS

Adams & Remers
Trinity House
School Hill
Lewes
East Sussex
BN7 2NN

Thomas Eggar Church Adams
Sussex House
North Street
Horsham
West Sussex
RH12 1BJ

ACCOUNTANTS

Deloitte & Touche
Chartered Accountants
South East Regional Office
Global House
High Street
Crawley
West Sussex
RH10 1DL

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 30 November 2000.

ACTIVITIES

The company operates a computer software design business.


DIRECTOR AND HIS INTERESTS

The director who served during the year and his interests in the shares of the company were as follows:

	£1 Ordinary Shares At 30 November 2000	£1 Ordinary Shares At 30 November 1999
T J Ansell	85	85

This report has been prepared in accordance with the special provisions relating to small companies under Section 246 of the Companies Act 1985.

Approved and signed by the sole Director



T J Ansell

2 July 2001

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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' REPORT TO THE MEMBERS OF THE CREATIVE ASSEMBLY LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of the director and auditors

As described on page 3 the company's director is responsible for the preparation of financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

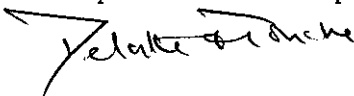
Basis of opinion

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 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



DELOITTE & TOUCHE

Chartered Accountants and
Registered Auditors
Crawley

2 July 2001

PROFIT AND LOSS ACCOUNT
Year ended 30 November 2000

	Note	2000 £	1999 £
TURNOVER	2	652,638	950,476
Cost of sales		<u>(532,958)</u>	<u>(681,040)</u>
Gross profit		119,680	269,436
Administrative expenses		(95,926)	(244,463)
Other operating income		<u>157,000</u>	<u>90,000</u>
OPERATING PROFIT	3	180,754	114,973
Interest receivable and similar income		4,822	1,503
Interest payable and similar charges		<u>(45,499)</u>	<u>(45,727)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		140,077	70,749
Tax on profit on ordinary activities		<u>(29,451)</u>	<u>(28,358)</u>
PROFIT FOR THE FINANCIAL YEAR			
TRANSFERRED TO RESERVES		110,626	42,391
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		<u>149,992</u>	<u>107,601</u>
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		<u>260,618</u>	<u>149,992</u>

All results derive from continuing operations.

There are no gains or losses for the period nor movements in shareholders' funds other than those already dealt with in the Profit and Loss Account

BALANCE SHEET
30 November 2000

	Note	2000 £	1999 £
TANGIBLE FIXED ASSETS	5	724,171	746,871
CURRENT ASSETS			
Debtors	6	239,744	112,353
Cash at bank		80,996	136,091
		320,740	248,444
CREDITORS: amounts falling due within one year	7	(159,687)	(135,495)
NET CURRENT ASSETS		161,053	112,949
TOTAL ASSETS LESS CURRENT LIABILITIES		885,224	859,820
CREDITORS: amounts falling due after more than one year	8	(624,521)	(709,743)
		260,703	150,077
CAPITAL AND RESERVES			
Called up share capital	10	85	85
Profit and loss account		260,618	149,992
TOTAL EQUITY SHAREHOLDER'S FUNDS		260,703	150,077

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

The financial statements were approved and signed by the sole director on 2 July 2001.



T J Ansell
Director

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation on tangible fixed assets is provided at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:

Freehold land and buildings	- 50 years
Motor vehicles	- 4 years
Fixtures, fittings and equipment	- 18 months – 7 years

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

Leases

Assets held under finance lease and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over the shorter of the period of the lease and the estimated useful economic lives of the assets. The finance charges are allocated over the period of the lease in proportion to the capital outstanding and are charged to the profit and loss account.

Rentals are charged to the profit and loss in equal annual amounts over the lease term.

2. TURNOVER

Turnover represents the value of goods and services sold, excluding value added tax, and is all derived from the principal activity of the company in the United Kingdom.

3. OPERATING PROFIT

	2000 £	1999 £
Operating profit is after charging:		
Depreciation - owned assets	55,291	102,952
- leased asset	2,615	19,929
Rentals under operating leases - other	-	7,556
Auditors' remuneration	2,750	2,600

NOTES TO THE ACCOUNTS
Year ended 30 November 2000

4. INFORMATION REGARDING DIRECTOR

	2000 £	1999 £
Director's emoluments	-	35,880

5. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Motor vehicles £	Fixtures, fitting and equipment £	Total £
Cost				
At 1 December 1999	720,444	26,568	223,151	970,163
Additions	-	18,226	27,486	45,712
Disposals	-	(20,495)	(259)	(20,754)
At 30 November 2000	720,444	24,299	250,378	995,121
Accumulated depreciation				
At 1 December 1999	28,000	13,284	182,008	223,292
Charge for the year	14,000	6,075	37,831	57,906
Disposals	-	(10,248)	-	(10,248)
At 30 November 2000	42,000	9,111	219,839	270,950
Net book value				
At 30 November 2000	678,444	15,188	30,539	724,171
At 30 November 1999	692,444	13,284	41,143	746,871

Included in the net book value of motor vehicles is £nil (1999 - £7,997) in respect of assets held under finance leases. Included in the net book value of fixtures, fittings and equipment is £783 (1999 - £2,615) in respect of assets held under finance leases.

6. DEBTORS

	2000 £	1999 £
Trade debtors	703	88,174
Other debtors	8,041	24,179
Director's loan	231,000	-
	239,744	112,353

All amounts are due within one year.

The director's loan was repaid on 8 December 2000 and interest is payable on that loan at 6.25%. The maximum balance outstanding during the year was £231,000.

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loan (see note 9)	13,422	12,254
Obligations under finance leases and hire purchase contracts (see note 9)	783	7,965
Trade creditors	112,252	79,347
Other creditors	3,779	7,298
Corporation tax	29,451	28,631
	<u>159,687</u>	<u>135,495</u>

8. CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loan (see note 9)	460,104	472,530
Obligations under finance leases and hire purchase contracts (see note 9)	-	979
Other creditors	164,417	236,234
	<u>624,521</u>	<u>709,743</u>

Included in other creditors is £164,417 (1999 - £236,234) due to Creative Assembly Studios Limited, a company under common control of the director. The maximum outstanding during the year was £236,234 (1999 - £236,234).

9. BORROWINGS

	2000 £	1999 £
Bank loan	473,526	484,784
Obligations under finance leases and hire purchase contracts	783	8,944
	<u>474,309</u>	<u>493,728</u>
Due within one year	14,205	20,219
Due one to two years	14,674	14,376
Due two to five years	52,756	48,165
Due after five years	392,674	410,968
	<u>474,309</u>	<u>493,728</u>

The bank loan is secured by a first legal charge on the freehold premises and a floating charge over the company.

The bank loan bears interest at 8.95% until 1 May 2002, thereafter the loan bears interest at 2% above 3 month LIBOR.

A guarantee up to £75,000 has been given to the bank by T. Ansell.

NOTES TO THE ACCOUNTS

Year ended 30 November 2000

10. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid		
85 ordinary shares of £1 each	85	85
	<u>85</u>	<u>85</u>

11. FINANCIAL COMMITMENTS

Operating Lease Commitments

At 30 November 2000, the company was committed to making the following payments during the next year in respect of operating leases:

	Plant and machinery 2000 £	Plant and machinery 1999 £
Leases which expire:		
With 1 to 2 years	-	2,468
	<u>-</u>	<u>2,468</u>

12. CONTROLLING PARTY AND RELATED PARTY TRANSACTIONS

T J Ansell, the director, is considered to be the immediate and ultimate controlling party of the company.

During the period a management charge of £157,000 (1999 - £90,000) was received from Creative Assembly Studios Limited, a company under common control of the director.