

**JUMBO INFLATABLES LIMITED**

**COMPANY NO 1517401**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2005**



**JUMBO INFLATABLES LIMITED**

**COMPANY INFORMATION**

**Directors**

J.C.S.Tham  
D.Cond

**Secretary**

D.Cond

**Registered Office**

Unit 1, Harrowbrook Road  
Harrowbrook Industrial Estate  
Hinckley  
LE10 3DJ

**Bankers**

Barclays Bank Plc  
15 Colmore Row  
Birmingham  
B3 2WN

**JUMBO INFLATABLES LIMITED****REPORT OF THE DIRECTORS**

The directors have pleasure in presenting their report and financial statements for the year ended 31<sup>st</sup> December 2005.

**Principal activity and business review**

The principal activities of the company are the manufacture and sale of innovative inflatables to recreational markets and the design and installation of children's play areas.

The company has undertaken a major restructure which has been completed by the year end. The directors are confident that this will enable progress to be made during the next twelve months.

**Results and Dividend**

The results of the company for the year are set out in the profit and loss account.

The directors do not recommend payment of a dividend as the funds of the company are fully employed.

**Directors**

The directors who served the company during the year together with their interests (including family interests) in the shares of the company are as follows:

	<b>No of Shares Held</b>	
	<b>2005</b>	<b>2004</b>
J.C.S.Tham	-	-
D.Cond	-	-

The company is a wholly owned subsidiary of Angelfolder Limited and the interest of the directors in the parent company can be found in that company's accounts.

**Statement of 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 and of the profit or loss of the company for that period.

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

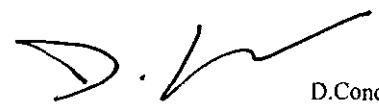
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

The directors have decided to take advantage of the provisions of section 249A(1) of the Companies Act 1985 and therefore an audit has not been carried out for the period under review.

**Small Company Rules**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

By Order of the Board



D.Cond  
Secretary

Unit 1, Harrowbrook Road  
Harrowbrook Industrial Estate  
Hinckley  
LE10 3DJ

Date: 29<sup>th</sup> September 2006

**JUMBO INFLATABLES LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR YEAR ENDED 31 DECEMBER 2005**

	Note	Year Ended 31.12.2005 £	Year Ended 31.12.2004 £
<b>Turnover – continuing operations</b>	<b>2</b>	2,169,382	2,545,918
Cost of sales		(1,424,384)	(1,626,240)
<b>Gross Profit</b>		744,998	919,678
Administration expenses		(738,785)	(915,901)
<b>Operating Profit</b>	<b>3</b>	6,213	3,777
Reorganisation Costs	<b>5</b>	(189,051)	-
Other interest receivable and similar income	<b>6</b>	4,393	5,158
Interest payable and similar charges	<b>7</b>	(9,494)	(5,733)
<b>(Loss)/profit on ordinary activities before taxation</b>		(187,939)	3,202
Tax on (loss)/profit on ordinary activities	<b>8</b>	-	-
<b>Retained (loss)/profit transferred (from)/to reserves</b>	<b>17</b>	(187,939)	3,202

There are no recognised gains or losses other than the profit for the year.

## JUMBO INFLATABLES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2005

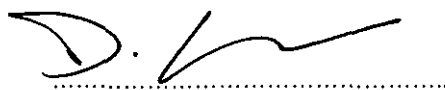
	Note	£	2005	£	£	2004	£
<b>Fixed Assets</b>							
Tangible assets	9		70,405			61,384	
Intangible assets	10		20,020			21,560	
			<u>90,425</u>			<u>82,944</u>	
<b>Current Assets</b>							
Stocks	11	350,412		483,544			
Debtors	12	600,597		636,312			
Cash at bank and in hand		111,535		178,188			
		<u>1,062,544</u>		<u>1,298,044</u>			
<b>Creditors</b>							
Amounts falling due within one year	13	(1,197,002)		(1,287,082)			
<b>Net Current (Liabilities)/Assets</b>			(134,458)			10,962	
<b>Total Assets Less Current Liabilities</b>			(44,033)			93,906	
Creditors: Amounts falling due after one year	14	(525,000)		(500,000)			
Provisions for liabilities and charges	15	(60,000)		(35,000)			
<b>Total Assets Less Current Liabilities</b>			<u>(629,033)</u>			<u>(441,094)</u>	
<b>Capital and Reserves</b>							
Called up share capital	16,17	100		100			
Profit and loss account	17	(629,133)		(441,194)			
<b>Equity Shareholders' Funds</b>	17	<u>(629,033)</u>		<u>(441,094)</u>			

The directors have:

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under section 249A(1)
- b) confirmed that no notice has been deposited under section 249B(2) of the Companies Act 1985, and
- c) acknowledging their responsibilities for:
  - i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
  - ii) preparing accounts which gave a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 29<sup>th</sup> September 2006  
and signed on its behalf

  
.....  
D Cond  
Director

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**

**1. Principal Accounting Policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same financial statements.

**a) Accounting Convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

**b) Turnover**

Turnover comprises the invoice value of goods sold and services provided net of value added tax.

**c) Depreciation**

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

Short Leasehold Improvements		Life of lease
Plant and Machinery	15% - 25%	Reducing balance
Motor vehicles	25%	Reducing balance

**d) Stocks and Work-in-Progress**

Stocks are stated at the lower of cost and net realisable value.

Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

**e) Deferred Taxation**

Provision is made for deferred taxation on all reversible timing differences but deferred tax assets are only recognised where recoverability is anticipated.

**f) Foreign Currency Translation**

Transactions in foreign currencies are recorded at the exchange rate at the time of the transaction.

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

All exchange differences are dealt with through the profit and loss account.

**g) Pension scheme arrangements**

The company makes contributions on behalf of staff members to a defined contribution scheme. The pension cost charge represents contributions payable to the scheme.

**h) Leasing Commitments**

Rentals paid under operating leases are charged to the P&L on a straight line basis over the lease term.

**i) Goodwill**

Goodwill is determined by comparing the amount paid on the acquisition of a business and the aggregate fair value of its separate net assets and is written off over its estimated useful economic life of 20 years.

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(Continued)...**

**2. Turnover**

Turnover is attributable to the one principal activity of the company. The geographical analysis of turnover is as follows: -

	Year Ended 31.12.2005	Year Ended 31.12.2004
	£	£
United Kingdom	1,099,483	1,033,350
Europe	808,004	1,056,449
Rest of the World	261,895	456,119
	<u>2,169,382</u>	<u>2,545,918</u>

**3. The Operating profit is stated after charging:**

	Year Ended 31.12.2005	Year Ended 31.12.2004
	£	£
Auditors' remuneration and expenses	-	10,000
Depreciation of owned assets	19,970	17,032
Amortisation of intangible assets	1,540	1,540
Operating leases – land and buildings	131,640	131,000
Operating leases – other	19,842	19,198
Loss on foreign exchange	326	11,593
	<u>193,318</u>	<u>180,363</u>

**4. Directors' and Employees**

	Year Ended 31.12.2005	Year Ended 31.12.2004
	£	£
<b>Directors' Emoluments</b>		
Emoluments	66,950	60,935
Company contributions to money purchase pension schemes	2,950	2,700
	<u>69,900</u>	<u>63,635</u>

Number of directors in money purchase pension schemes

<u>1</u>	<u>1</u>
----------	----------

**5. Reorganisation Costs**

	Year Ended 31.12.2005	Year Ended 31.12.2004
	£	£
Closure of Stanley factory	92,141	-
Relocation of Leicester factory	96,910	-
	<u>189,051</u>	<u>-</u>

## JUMBO INFLATABLES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 DECEMBER 2005

(Continued)...

	Year Ended 31.12.2005	Year Ended 31.12.2004
	£	£
<b>6. Interest Receivable and Similar Income</b>		
Bank interest receivable	4,393	3,108
Other Interest	-	2,050
	<u>4,393</u>	<u>5,158</u>
<b>7. Interest Payable and Similar Charges</b>		
Loan Interest	9,494	5,733
	<u>9,494</u>	<u>5,733</u>
<b>8. Tax on loss on ordinary activities</b>	<b>Year Ended 31.12.2005</b>	<b>Year Ended 31.12.2004</b>
	£	£
<i>a) Analysis of charge in year</i>		
Current tax:		
UK corporation tax charge on profit/(loss) of the period	-	-
Deferred tax:		
Total deferred tax (see note 15)	-	-
Tax charge on ordinary activities	<u>-</u>	<u>-</u>
<i>b) Factors affecting the tax charge for the year</i>		
The tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:	<b>Year Ended 31.12.2005</b>	<b>Year Ended 31.12.2004</b>
	£	£
(Loss)/profit on ordinary activities before tax	(187,939)	3,202
Tax on Loss at 30% (2004 30%)	(56,382)	961
Effects of:		
Expenses not deductible (primarily amortisation, legal and professional fees and inter-company balances written off).	27,000	1,159
Capital allowances for the period greater/(less) than depreciation	(5,000)	(5,570)
Tax losses carried forward	34,382	3,450
Current tax charge for the period	<u>-</u>	<u>-</u>

## c) Factors that may affect future tax charges

The company has tax losses amounting to approximately £1,230,000 available for use against future trading profits.



**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
(Continued)...

9. Tangible Assets	Leasehold Improvements £	Plant and Machinery £	Motor Vehicles £	Total £
<b>Cost</b>				
At 1 January 2005	8,248	164,462	-	172,710
Additions	20,505	1,986	6,500	28,991
At 31 December 2005	<u>28,753</u>	<u>166,448</u>	<u>6,500</u>	<u>201,701</u>
<b>Depreciation</b>				
At 1 January 2005	7,229	104,097	-	111,326
Charge for the year	1,019	18,271	680	19,970
At 31 December 2005	<u>8,248</u>	<u>122,368</u>	<u>680</u>	<u>131,296</u>
<b>Net book value</b>				
At 31 December 2005	<u>20,505</u>	<u>44,080</u>	<u>5,820</u>	<u>70,405</u>
At 31 December 2004	<u>1,019</u>	<u>60,365</u>	<u>-</u>	<u>61,384</u>

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(Continued)...**

**10. Intangible Assets**

<b>Cost</b>	<b>Goodwill £</b>
At 1 January 2005 and 31 December 2005	30,800
<b>Amortisation</b>	
At 1 January 2005	9,240
Charge for the year	1,540
At 31 December 2005	10,780
<b>Net book value</b>	
At 31 December 2005	20,020
At 31 December 2004	21,560

**11. Stocks and Work in Progress**

	<b>2005 £</b>	<b>2004 £</b>
Raw materials and consumables	120,171	133,490
Work in progress	35,444	39,842
Finished goods and goods for resale	194,797	310,212
	<u>350,412</u>	<u>483,544</u>

At 31<sup>st</sup> December 2005 the company held £28,000 raw material stock on consignment (2004: £71,000)

**12. Debtors**

	<b>2005 £</b>	<b>2004 £</b>
Trade debtors	151,469	217,657
Amounts owed by group undertakings	346,580	306,033
Other debtors	40,750	55,089
Prepayments and accrued income	61,798	57,533
	<u>600,597</u>	<u>636,312</u>

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
(Continued)...

13. Creditors - Amounts Falling Due Within One Year	2005 £	2004 £
Payments received on account	26,790	47,016
Trade creditors	186,825	241,139
Amounts owed to group undertakings	835,462	835,462
Other tax and social security	49,799	28,713
Accruals and deferred income	98,126	134,752
	<u>1,197,002</u>	<u>1,287,082</u>

14. Creditors - Amounts Falling Due After One Year	2005 £	2004 £
Amounts owed to group undertakings	200,000	200,000
Loans from director	325,000	300,000
	<u>525,000</u>	<u>500,000</u>

**15. Provisions for liabilities and charges**

At 31<sup>st</sup> December 2005 the company had ongoing commitments in respect of the closure of operations. In accordance with FRS12 a provision has been recognised as follows:

	2005 £	2004 £
Amount provided at 1 <sup>st</sup> January 2005	35,000	69,900
Provided during the year	25,000	-
Utilised during the year	-	(34,900)
Amount provided at 31 <sup>st</sup> December 2005	<u>60,000</u>	<u>35,000</u>

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(Continued)...**

**16. Share Capital**

	2005 £	2004 £
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
	<u>          </u>	<u>          </u>
Allotted, called up and fully paid: 100 Ordinary shares of £1 each	100	100
	<u>          </u>	<u>          </u>

**17. Equity Shareholders' Funds**

	Profit and Loss Account £	Share Capital £	Total £
At 1 January 2004	(444,396)	100	(444,296)
Profit for the year	3,202	-	3,202
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2004	(441,194)	100	(441,094)
	<u>          </u>	<u>          </u>	<u>          </u>
Loss for the year	(187,939)	-	(187,939)
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2005	(629,133)	100	(629,033)
	<u>          </u>	<u>          </u>	<u>          </u>

**18. Operating Leases**

At 31 December 2005 the company had annual commitments under operating leases as set out below:

	2005 Land & Buildings	2004 Land & Buildings	2005 Other	2004 Other
Operating leases which expire in:				
One year	-	-	10,070	-
Two – five years	-	15,000	5,542	-
After Five Years	116,000	116,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

**JUMBO INFLATABLES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2005**  
**(Continued)...**

**19. Contingent Liabilities**

As at the year-end, a £12,000 (2004 - £12,000) bond is retained by Customs & Excise as a guarantee regarding import duty and VAT liabilities.

The company is party to a web guarantee in respect of bank loans and overdrafts of the Jumbo International Limited group of companies which at 31<sup>st</sup> December 2005 stood at £Nil (2004: £61,000). These bank loans and overdrafts are secured by way of a debenture charge over the company's assets.

**20. Ultimate Parent Undertaking and related parties**

The ultimate parent company is Anglefolder Limited, a company controlled by J.C.S.Tham, and which is registered in England & Wales. Copies of the group financial statements can be obtained from 9 Queripel House, 1 Duke of York Square, London SW3 4LY.

The company has taken advantage of the exemptions conferred by FRS8 paragraph 3(c) not to make disclosures concerning relevant related parties.

**21. Related Party Transactions**

Transactions with 123 Jump Limited, a company controlled by J C S Tham, director

Sales due in year	£355,070
	<u>                    </u>
Included in trade debtors at year end	£80,985
	<u>                    </u>