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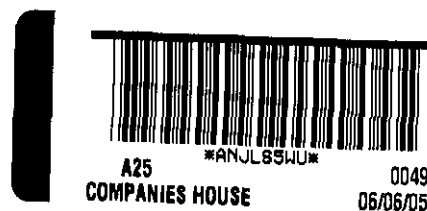
JUMBO INFLATABLES LIMITED

COMPANY NO 1517401

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2004



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

Auditors

Kitchen & Brown
Alpha House
40 Coinagehall Street
Helston
Cornwall
TR13 8EQ

JUMBO INFLATABLES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 31st December 2004.

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 achieved significant progress during the year, achieving a small profit. The directors are confident that this progress will continue over 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:

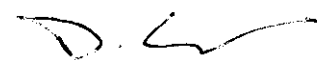
	No of Shares Held	
	2004	2003
J.C.S.Tham	-	-
D.Cond	-	-

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.

Auditors

Kitchen & Brown have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

By Order of the Board



D.Cond
Secretary

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

Date: 31st May 2005

JUMBO INFLATABLES LIMITED

DIRECTORS' RESPONSIBILITIES AND REPORT OF THE AUDITORS

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF

JUMBO INFLATABLES LIMITED

We have audited the financial statements of Jumbo Inflatables Limited for the year ended 31st December 2004 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As described in the Statement of Directors Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the 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.

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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kitchen & Brown

**Kitchen & Brown
Chartered Accountants
and Registered Auditors**

**Alpha House
40 Coinagehall Street
Helston
Cornwall
TR13 8EQ**

3 JUNE 2005

JUMBO INFLATABLES LIMITED

PROFIT AND LOSS ACCOUNT
FOR YEAR ENDED 31 DECEMBER 2004

	Note	Year Ended 31.12.2004 £	Year Ended 31.12.2003 £
Turnover – continuing operations	2	2,545,918	2,517,465
Cost of sales		(1,626,240)	(1,822,855)
Gross Profit		919,678	694,610
Administration expenses		(915,901)	(1,181,926)
Operating Profit/(loss)	3	3,777	(487,316)
Other interest receivable and similar income	5	5,158	-
Interest payable and similar charges	6	(5,733)	(2,050)
Profit/(loss) on ordinary activities before taxation		3,202	(489,366)
Tax on profit/(loss) on ordinary activities	7	-	-
Retained profit/(loss) transferred to/(from) reserves	16	3,202	(489,366)

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

JUMBO INFLATABLES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Note	2004		2003	
		£	£	£	£
Fixed Assets					
Tangible assets	8		61,384		73,956
Intangible assets	9		21,560		23,100
			<u>82,944</u>		<u>97,056</u>
Current Assets					
Stocks	10	483,544		470,907	
Debtors	11	636,312		631,376	
Cash at bank and in hand		178,188		41,026	
		<u>1,298,044</u>		<u>1,143,309</u>	
Creditors					
Amounts falling due within one year	12	(1,287,082)		(1,414,761)	
Net Current Assets/(Liabilities)			10,962		(271,452)
Total Assets Less Current Liabilities			93,906		(174,396)
 Creditors: Amounts falling due after one year	13	 (500,000)		 (200,000)	
Provisions for liabilities and charges	14	(35,000)		(69,900)	
Total Assets Less Current Liabilities			<u>(441,094)</u>		<u>(444,296)</u>
Capital and Reserves					
Called up share capital	15,16		100		100
Profit and loss account	16		(441,194)		(444,396)
Equity Shareholders' Funds	16		<u>(441,094)</u>		<u>(444,296)</u>

Approved by the board on 31st May 2005
and signed on its behalf



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D Cond
Director

JUMBO INFLATABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004
(Continued)...

2. Turnover

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

	Year Ended 31.12.2004	Year Ended 31.12.2003
	£	£
United Kingdom	1,033,350	1,066,240
Europe	1,056,449	1,000,662
Rest of the World	456,119	450,563
	<u>2,545,918</u>	<u>2,517,465</u>

3. The Operating profit/(loss) is stated after charging/(crediting):

	Year Ended 31.12.2004	Year Ended 31.12.2003
	£	£
Auditors' remuneration and expenses	10,000	5,000
Depreciation of owned assets	17,032	54,178
Amortisation of intangible assets	1,540	1,540
Operating leases – land and buildings	131,000	125,798
Operating leases – other	19,198	27,652
Loss/(profit) on foreign exchange	11,593	(1,769)
	<u> </u>	<u> </u>

4. Directors' and Employees

	Year Ended 31.12.2004	Year Ended 31.12.2003
	£	£
Directors' Emoluments		
Emoluments	60,935	64,099
Compensation for loss of office	-	9,550
Company contributions to money purchase pension schemes	2,700	2,500
	<u>63,635</u>	<u>76,149</u>

Number of directors in money purchase pension schemes

1	1
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Staff Costs

	Year Ended 31.12.2004	Year Ended 31.12.2003
	Number	Number
The average number of persons employed by the company, including directors, during the year was as follows:		
Management and administration	8	9
Production	54	58
Sales	3	5
	<u>65</u>	<u>72</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	999,744	1,194,124
Social security	88,756	100,556
Other pension costs	8,517	15,466
	<u>1,097,017</u>	<u>1,310,146</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

	Year Ended 31.12.2004	Year Ended 31.12.2003
5. Interest Receivable and Similar Income	£	£
Bank interest receivable	3,108	-
Other Interest	2,050	-
	<u>5,158</u>	<u>-</u>
6. Interest Payable and Similar Charges		
Loan Interest	5,733	2,050
	<u>5,733</u>	<u>2,050</u>
7. Tax on loss on ordinary activities	Year Ended 31.12.2004	Year Ended 31.12.2003
	£	£
a) Analysis of charge in year		
Current tax:		
UK corporation tax charge on profit/(loss) of the period	-	-
Deferred tax:		
Total deferred tax (see note 14)	-	-
Tax charge on ordinary activities	<u>-</u>	<u>-</u>
b) Factors affecting the tax charge for the year		
The tax charge for the year is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:	Year Ended 31.12.2004	Year Ended 31.12.2003
	£	£
Profit/(loss) on ordinary activities before tax	3,202	(489,366)
Tax on Loss at 30% (2003 30%)	961	(146,810)
Effects of:		
Expenses not deductible (primarily amortisation, legal and professional fees and inter-company balances written off).	1,159	5,000
Capital allowances for the period greater/(less) than depreciation	(5,570)	9,600
Tax losses carried forward	3,450	132,210
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 £1,200,000 available for use against future trading profits.		

JUMBO INFLATABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

8. Tangible Assets	Leasehold Improvements £	Plant and Machinery £	Total £
Cost			
At 1 January 2004	8,248	160,002	168,250
Additions	-	4,460	4,460
At 31 December 2004	<u>8,248</u>	<u>164,462</u>	<u>172,710</u>
Depreciation			
At 1 January 2004	5,579	88,715	94,294
Charge for the year	1,650	15,382	17,032
At 31 December 2004	<u>7,229</u>	<u>104,097</u>	<u>111,326</u>
Net book value			
At 31 December 2004	<u>1,019</u>	<u>60,365</u>	<u>61,384</u>
At 31 December 2003	<u>2,669</u>	<u>71,287</u>	<u>73,956</u>

JUMBO INFLATABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

9. Intangible Assets

	Goodwill
	£
Cost	
At 1 January 2004 and 31 December 2004	30,800
Amortisation	
At 1 January 2004	7,700
Charge for the year	1,540
At 31 December 2004	9,240
Net book value	
At 31 December 2004	21,560
At 31 December 2003	23,100

10. Stocks and Work in Progress

	2004	2003
	£	£
Raw materials and consumables	133,490	130,605
Work in progress	39,842	42,723
Finished goods and goods for resale	310,212	297,579
	483,544	470,907

At 31st December 2004 the company held £71,000 raw material stock on consignment (2003: £69,000)

11. Debtors

	2004	2003
	£	£
Trade debtors	217,657	188,831
Amounts owed by group undertakings	306,033	277,987
Other debtors	55,089	62,235
Prepayments and accrued income	57,533	102,323
	636,312	631,376

JUMBO INFLATABLES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

12.	Creditors - Amounts Falling Due Within One Year	2004 £	2003 £
	Payments received on account	47,016	92,908
	Trade creditors	241,139	328,743
	Amounts owed to group undertakings	835,462	831,462
	Other tax and social security	28,713	29,890
	Accruals and deferred income	134,752	131,758
		<u>1,287,082</u>	<u>1,414,761</u>
13.	Creditors - Amounts Falling Due After One Year	2004 £	2003 £
	Amounts owed to group undertakings	200,000	100,000
	Loans from director	300,000	100,000
		<u>500,000</u>	<u>200,000</u>

14. Provisions for liabilities and charges

At 31st December 2004 the company had ongoing commitments in respect of the closure of the advertising and promotions business. In accordance with FRS12 a provision has been recognised as follows:

	2004 £	2003 £
Amount provided at 1 st January 2004	69,900	116,750
Provided during the year	-	-
Utilised during the year	(34,900)	(46,850)
Amount provided at 31 st December 2004	<u>35,000</u>	<u>69,900</u>

JUMBO INFLATABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

15. Share Capital

	2004 £	2003 £
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>

16. Equity Shareholders' Funds

	Profit and Loss Account	Share Capital	Total
	£	£	£
At 1 January 2003	44,970	100	45,070
Loss for the year	(489,366)	-	(489,366)
At 31 December 2003	<u>(444,396)</u>	<u>100</u>	<u>(444,296)</u>
	3,202	-	3,202
Profit for the year			
At 31 December 2004	<u>(441,194)</u>	<u>100</u>	<u>(441,094)</u>

17. Operating Leases

At 31 December 2004 the company had annual commitments under operating leases as set out below:

	2004 Land & Buildings	2003 Land & Buildings	2004 Other	2003 Other
Operating leases which expire in:				
One year	-	5,063	-	8,712
Two – five years	15,000	15,000	-	-
After Five Years	<u>116,000</u>	<u>115,000</u>	<u>-</u>	<u>-</u>

JUMBO INFLATABLES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004
(Continued)...

18. Contingent Liabilities

As at the year-end, a £12,000 (2003 - £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 31st December 2004 stood at £61,000 (2003: £106,000). These bank loans and overdrafts are secured by way of a debenture charge over the company's assets.

19. 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.

20. Related Party Transactions

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

Sales due in year	£298,668
	<hr/>
Included in trade debtors at year end	£49,064
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