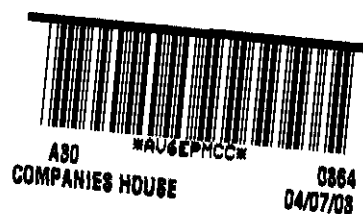


NON STOP PARTY SHOP LIMITED
FINANCIAL STATEMENTS
FOR
31 MARCH 2003

Company Registration Number 2209458



NON STOP PARTY SHOP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

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NON STOP PARTY SHOP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

M.E. Pearce
N.M. Pearce
J.N. Abrahams
M.J. Sharman
T.J. Thomson
S.J. Tisdall

COMPANY SECRETARY

N.M. Pearce

REGISTERED OFFICE

Unit 1, Glenville Mews
Kimber Road
London
SW18 4NJ

AUDITORS

Menzies
Chartered Accountants
& Registered Auditors
Neville House
55 Eden Street
Kingston upon Thames
Surrey
KT1 1BW

BANKERS

National Westminster Bank Plc
9 High Street
Cobham
Surrey
KT11 3DJ

NON STOP PARTY SHOP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of retailing and hiring out party goods.

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 £1 each	
	At 31 March 2003	At 1 April 2002
M.E. Pearce	10,000	10,000
N.M. Pearce	17,500	17,500
J.N. Abrahams	11,000	11,000
M.J. Sharman	3,167	3,167
T.J. Thomson	—	—
S.J. Tisdall	500	500

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 7 to 8, 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 Menzies as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

NON STOP PARTY SHOP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2003

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:
Unit 1, Glenville Mews
Kimber Road
London
SW18 4NJ

Signed by order of the directors



N.M. Pearce
Company Secretary

Approved by the directors on 11/6/03

NON STOP PARTY SHOP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2003

We have audited the financial statements on pages 5 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 7 to 8.

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 2.

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 31 March 2003 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Neville House
55 Eden Street
Kingston upon Thames
Surrey
KT1 1BW

13th June 2003

Menzies
MENZIES
Chartered Accountants
& Registered Auditors

NON STOP PARTY SHOP LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
TURNOVER		1,952,922	1,707,881
Cost of sales		700,858	586,003
GROSS PROFIT		1,252,064	1,121,878
Administrative expenses		1,205,846	1,095,618
OPERATING PROFIT	2	46,218	26,260
Interest receivable		221	42
Interest payable and similar charges		(20,835)	(19,207)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		25,604	7,095
Tax on profit on ordinary activities		(3,738)	2,571
RETAINED PROFIT FOR THE FINANCIAL YEAR		29,342	4,524

The notes on pages 7 to 12 form part of these financial statements.

NON STOP PARTY SHOP LIMITED


BALANCE SHEET

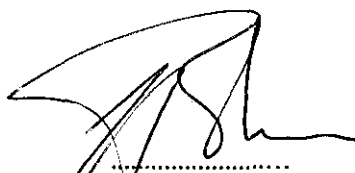
31 MARCH 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	4	167,186	152,271
Investments	5	3,171	6,023
		<u>170,357</u>	<u>158,294</u>
CURRENT ASSETS			
Stocks		211,163	215,861
Debtors	6	125,376	101,892
Cash in hand		2,301	2,181
		<u>338,840</u>	<u>319,934</u>
CREDITORS: Amounts falling due within one year	7	<u>282,900</u>	<u>269,897</u>
NET CURRENT ASSETS		55,940	50,037
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>226,297</u>	<u>208,331</u>
CREDITORS: Amounts falling due after more than one year	8	23,770	26,750
		<u>202,527</u>	<u>181,581</u>
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	9	—	8,396
		<u>202,527</u>	<u>173,185</u>
CAPITAL AND RESERVES			
Called-up equity share capital	12	114,268	114,268
Share premium account		128,393	128,393
Convertible loan stock		100,000	100,000
Profit and loss account	14	(140,134)	(169,476)
SHAREHOLDERS' FUNDS		<u>202,527</u>	<u>173,185</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 June 2002).

These financial statements were approved by the directors on the 11th June 2003 and are signed on their behalf by:


N.M. Pearce


M.J. Sharman

The notes on pages 7 to 12 form part of these financial statements.

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

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 June 2002).

The principal accounting policies have remained unchanged from the previous year and are set out below.

Consolidation

In the opinion of the directors, the company and its subsidiary undertaking comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

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

Depreciation

Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Leasehold Property	- over the period of the lease
Fixtures and fittings	- between 15% and 33%

Stock

Stock is stated at the lower of cost and net realisable value. Net realisable value means the estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

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.

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES *(continued)*

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 exceptions:

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.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2003 £	2002 £
Depreciation	48,509	42,859
Loss/(profit) on disposal of fixed assets	300	(3,234)
Audit fees	<u>6,000</u>	<u>5,600</u>

3. DIRECTORS' EMOLUMENTS

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

	2003 £	2002 £
Aggregate emoluments	113,254	99,183
Value of company pension contributions to money purchase schemes	<u>8,490</u>	<u>8,490</u>
	<u>121,744</u>	<u>107,673</u>

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003 No	2002 No
Money purchase schemes	<u>3</u>	<u>3</u>

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

4. TANGIBLE FIXED ASSETS

	Land and buildings £	Fixtures & fittings etc. £	Total £
COST			
At 1 April 2002	6,453	374,123	380,576
Additions	—	63,724	63,724
Disposals	—	(11,168)	(11,168)
At 31 March 2003	<u>6,453</u>	<u>426,679</u>	<u>433,132</u>
DEPRECIATION			
At 1 April 2002	4,178	224,127	228,305
Charge for the year	379	48,130	48,509
On disposals	—	(10,868)	(10,868)
At 31 March 2003	<u>4,557</u>	<u>261,389</u>	<u>265,946</u>
NET BOOK VALUE			
At 31 March 2003	<u>1,896</u>	<u>165,290</u>	<u>167,186</u>
At 31 March 2002	<u>2,275</u>	<u>149,996</u>	<u>152,271</u>

Hire purchase agreements

Included within the net book value of £167,186 is £1,818 (2002 - £13,445) relating to assets held under hire purchase agreements, and £29,341 (2002 - £Nil) relating to assets held under finance lease agreements. The depreciation charged in the year in respect of assets held under hire purchase agreements amounted to £6,849 (2002 - £7,998), and £2,379 (2002 - £Nil) in respect of assets held under finance lease agreements.

5. INVESTMENTS

Investment in subsidiary

	£
COST	
At 1 April 2002 and 31 March 2003	<u>1,000</u>
LOANS	
At 1 April 2002	5,023
Repaid in year	(2,852)
At 31 March 2003	<u>2,171</u>
NET BOOK VALUE	
At 31 March 2003	<u>3,171</u>
At 31 March 2002	<u>6,023</u>

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

5. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the company listed below:

	2003 £	2002 £
Aggregate capital and reserves		
Non Stop Online Limited	1,833	1,812
Profit and (loss) for the year		
Non Stop Online Limited	21	812

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so. Therefore the accounts show information about the company as an individual entity.

6. DEBTORS

	2003 £	2002 £
Trade debtors	16,859	4,170
Directors current accounts	2,454	—
Other debtors	106,063	97,722
	<u>125,376</u>	<u>101,892</u>

7. CREDITORS: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	36,866	30,500
Trade creditors	136,635	150,139
Corporation tax	5,300	642
Other taxation and social security	46,479	40,174
Hire purchase agreements	15,514	—
Other creditors	42,106	48,442
	<u>282,900</u>	<u>269,897</u>

8. CREDITORS: Amounts falling due after more than one year

	2003 £	2002 £
Bank loans and overdrafts	8,591	18,500
Hire purchase agreements	15,179	8,250
	<u>23,770</u>	<u>26,750</u>

9. DEFERRED TAXATION

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

	2003 £	2002 £
Other timing differences	—	8,396
	<u>—</u>	<u>8,396</u>

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003 £	2002 £
Operating leases which expire:		
Within 1 year	30,000	52,000
Within 2 to 5 years	95,483	73,483
After more than 5 years	139,250	139,250
	<u>264,733</u>	<u>264,733</u>

11. RELATED PARTY TRANSACTIONS

No single party controls the company.

M J Sharman, a director and shareholder provided consultancy services to the company amounting to £12,173 (2002 - £12,010).

12. SHARE CAPITAL

Authorised share capital:

	2003 £	2002 £
300,000 Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

Allotted, called up and fully paid:

	2003 No	£	2002 No	£
Ordinary shares of £1 each	<u>114,268</u>	<u>114,268</u>	<u>114,268</u>	<u>114,268</u>

Share options which have been granted to the directors are as follows:

Date option granted	Number of shares	Subscription price	First date on which option exercisable
N.M. Pearce	6,500	£2	From 1 April 2003
N.M. Pearce	6,500	£4	From 1 April 2005
J.N. Abrahams	7,500	£2	From 1 April 2003
J.N. Abrahams	7,500	£4	From 1 April 2005
S.J. Tisdall	1,250	£2	From 1 April 2003
S.J. Tisdall	1,250	£4	From 1 April 2005

The options can be exercised, in normal circumstances, within a period commencing anytime from the exercise date above.

13. CONVERTIBLE LOAN STOCK

The convertible loan stock represents amounts loaned to the company from some of the directors and shareholders. The purpose of issuing the convertible loan stock was to finance the setting up and the operations of Non Stop OnLine Limited, a 100% subsidiary of the company. The convertible loan stock is non-repayable but is only convertible into 50,000 ordinary shares of £1 each at the option of the holder during the period commencing 1 April 2003 and ending 31 March 2005 and thereafter at the option of the company without time limit.

NON STOP PARTY SHOP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2003

14. PROFIT AND LOSS ACCOUNT

	2003	2002
	£	£
Balance brought forward	(169,476)	(174,000)
Retained profit for the financial year	<u>29,342</u>	<u>4,524</u>
Balance carried forward	<u>(140,134)</u>	<u>(169,476)</u>