

REGISTRARS COPY

COMPANY NUMBER 3847832

DNA Consulting Limited

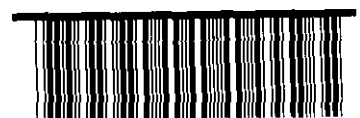
Report and Unaudited Financial Statements

Year Ended

31 March 2004

BDO

BDO Stoy Hayward
Chartered Accountants



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DNA Consulting Limited

Annual report and financial statements for the year ended 31 March 2004

Contents

Page:

1	Report of the directors
2	Accountants' report
3	Profit and loss account
4	Balance sheet
6	Notes forming part of the financial statements

Directors

P F Miller
S Thompson
C S Perry
N Miller
R Jarman Price
B J P Cotton

Secretary and registered office

R I Fisher, 1 Berners Street, London, W1T 3LA

Company number

3547882

Accountants

BDO Stoy Hayward LLP, Northside House, 69 Tweedy Road, Bromley, Kent, BR1 3WA

DNA Consulting Limited

Report of the directors for the year ended 31 March 2004

The directors present their report together with the financial statements for the year ended 31 March 2004.

Results

The profit and loss account is set out on page 3 and shows the profit for the year.

Principal activities

The company's principal activity in the year was that of providing marketing and retail services for corporate clients using digital media. This primarily involves strategic consultancy and production facilities for the Internet, Digital TV, CD Rom and Interactive points of sale.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary A shares of £1 each	
	31 March 2004	1 April 2003
P F Miller	10	10
S Thompson	-	-
C S Perry	35	35
N Miller	35	35
R Jarman Price	-	-
B J P Cotton	10	10

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

On behalf of the board



C S Perry
Director

Date: 15 June 2005

DNA Consulting Limited

Accountants' Report on the Unaudited Financial Statements

To the directors of DNA Consulting Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 2004, set out on pages 3 to 13, and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in black ink, appearing to read 'BDO Stoy Hayward LLP', is written over the printed name of the firm.

BDO STOY HAYWARD LLP
Chartered Accountants
Bromley

Date: 15 June 2005

DNA Consulting Limited

Profit and loss account for the year ended 31 March 2004

	Note	2004 £	2003 £
Turnover	2	3,565,974	2,394,573
Cost of sales		<u>2,110,609</u>	<u>1,457,800</u>
Gross profit		1,455,365	936,773
Administrative expenses		<u>1,372,685</u>	<u>936,899</u>
		82,680	(126)
Other operating income		<u>669</u>	<u>-</u>
Operating profit/(loss)	3	83,349	(126)
Income from shares in group undertakings		-	30,000
Interest receivable		19,992	2,257
Interest payable	5	<u>(1,541)</u>	<u>(3,877)</u>
Profit on ordinary activities before taxation		101,800	28,254
Taxation on profit on ordinary activities		<u>26,629</u>	<u>50</u>
Profit on ordinary activities after taxation		75,171	28,204
Retained profit brought forward		<u>189,201</u>	<u>160,997</u>
Retained profit carried forward		<u>264,372</u>	<u>189,201</u>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current and prior year apart from the profit for the year.

The notes on pages 6 to 13 form part of these financial statements.

DNA Consulting Limited

Balance sheet at 31 March 2004

	Note	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	6		121,391		97,777
Fixed asset investments	7		550		550
			<hr/>		<hr/>
			121,941		98,327
Current assets					
Stocks		7,560		7,560	
Debtors	8	996,828		529,984	
Cash at bank and in hand		57,711		-	
		<hr/>		<hr/>	
		1,062,099		537,544	
Creditors: amounts falling due within one year	9	892,183		435,209	
		<hr/>		<hr/>	
Net current assets			169,916		102,335
			<hr/>		<hr/>
Total assets less current liabilities			291,857		200,662
Creditors: amounts falling due after more than one year	10	9,984		-	
Provision for liabilities and charges	11	17,401		11,361	
		<hr/>		<hr/>	
			27,385		11,361
			<hr/>		<hr/>
			264,472		189,301
			<hr/>		<hr/>

The notes on pages 6 to 13 form part of these financial statements.

DNA Consulting Limited

Balance sheet at 31 March 2004 (Continued)

	Note	2004 £	2004 £	2003 £	2003 £
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account			264,372		189,201
			<hr/>		<hr/>
Equity shareholders' funds			264,472		189,301
			<hr/>		<hr/>

The directors have taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirm that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 2004 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 15 June 2005.


C. S. Perry
Director

The notes on pages 6 to 13 form part of these financial statements.

1 Accounting policies

The financial statements have been prepared under the historical cost convention.

The following principal accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax.

Depreciation

Depreciation is provided to write off the cost of all tangible fixed assets evenly over their expected useful lives. It is calculated at the following rates:

Office equipment	- 20% straight line
Leasehold improvements	- 20% straight line
Computer equipment	- 50% straight line

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Stocks

Work in progress is valued at the lower of cost and net realisable value. Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred taxation

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

DNA Consulting Limited**Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)**

2 Turnover

Turnover arises solely within the United Kingdom.

3 Operating profit/(loss)

	2004 £	2003 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	66,481	44,515
Hire of plant and machinery - operating leases	7,210	9,012
Hire of other assets - operating leases	56,061	56,331
Audit services	-	7,000
	<hr/>	<hr/>

4 Directors' remuneration

	2004 £	2003 £
Aggregate emoluments and pension contributions	343,750	235,250
	<hr/>	<hr/>

5 Interest payable

	2004 £	2003 £
Bank loan and overdraft	290	1,002
Finance leases and hire purchase contracts	1,251	244
Other loans	-	2,631
	<hr/>	<hr/>
	1,541	3,877
	<hr/>	<hr/>

6 Tangible fixed assets

	Leasehold improvements	Office equipment	Computer equipment	Total
	£	£	£	£
<i>Cost</i>				
At 1 April 2003	20,260	63,226	240,090	323,576
Additions	115	6,392	83,588	90,095
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	20,375	69,618	323,678	413,671
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 April 2003	13,845	38,880	173,074	225,799
Provided for the year	4,052	14,615	47,814	66,481
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2004	17,897	53,495	220,888	292,280
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2004	2,478	16,123	102,790	121,391
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2003	6,415	24,346	67,016	97,777
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £16,029 (2003 -£ NIL) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £ 9,033 (2003 -£ NIL).

DNA Consulting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

7 Fixed asset investments

	Shares in group undertakings £
<i>Cost</i>	
At 1 April 2003 and 31 March 2004	550

Associated undertakings and other investments

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Associated undertaking</i>		
DNA Connect Limited	50%	Consultancy and media advertising

The following figures have been extracted from unaudited financial statements for the year ended 31 March 2004:

	Aggregate share capital and reserves		Profit for the year	
	2004	2003	2004	2003
	£	£	£	£
<i>Associated undertaking</i>				
DNA Connect Limited	65,085	21,904	43,181	21,804

DNA Consulting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

8 Debtors

	2004 £	2003 £
Amounts receivable within one year		
Trade debtors	785,168	358,760
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	39,520
Other debtors	198,548	131,704
	<u>983,716</u>	<u>529,984</u>
Amounts receivable after more than one year		
Other debtors	13,112	-
	<u>13,112</u>	<u>-</u>
Total debtors	<u>996,828</u>	<u>529,984</u>

9 Creditors: amounts falling due within one year

	2004 £	2003 £
Bank loan and overdraft (secured)	-	6,911
Trade creditors	435,263	148,910
Amounts owed to group undertakings and undertakings in which the company has a participating interest	28,456	-
Corporation tax	21,363	-
Other taxation and social security	140,816	97,745
Obligations under finance lease and hire purchase contracts	7,190	-
Other creditors	259,095	181,643
	<u>892,183</u>	<u>435,209</u>

DNA Consulting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (Continued)

10 Creditors: amounts falling due after more than one year

	2004 £	2003 £
Obligations under finance lease and hire purchase contracts	9,984	-
	<u> </u>	<u> </u>
Maturity of debt:		
	Finance leases 2004 £	Finance leases 2003 £
In one year or less, or on demand	7,190	-
	<u> </u>	<u> </u>
In more than one year but not more than two years	7,190	-
In more than two years but not more than five years	2,794	-
	<u> </u>	<u> </u>
	9,984	-
	<u> </u>	<u> </u>

11 Provision for liabilities and charges

		Deferred taxation £
At 1 April 2003		11,361
Charged to profit and loss account		6,040
		<u> </u>
At 31 March 2004		17,401
		<u> </u>
<i>Deferred taxation</i>		
	2004 £	2003 £
Accelerated capital allowances	17,401	11,361
	<u> </u>	<u> </u>

DNA Consulting Limited

Notes forming part of the financial statements for the year ended 31 March 2004 (*Continued*)

12 Share capital

	2004 £	2003 £
<i>Authorised</i>		
<i>Equity share capital</i>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
	2004 £	2003 £
<i>Allotted, called up and fully paid</i>		
<i>Equity share capital</i>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

13 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	2004 Land and buildings £	2004 Other £	2003 Land and buildings £	2003 Other £
Operating leases which expire:				
Within one year	52,000	-	-	-
In two to five years	-	-	52,000	5,439
	<hr/>	<hr/>	<hr/>	<hr/>

14 Related party disclosures

Related party transactions and balances

Consultancy fees of £940 (2003 - £15,000) were paid during the year to Tangerine Media Consulting Limited, a company controlled by Mr R Jarman Price.

At 31 March 2004, Mr B J P Cotton and Mr P F Miller were owed £20,000 (2003 - £26,822) and £20,000 (2003 - £36,952) respectively, by the company. Interest at a rate of 7.5% (2003 - 7.5%) per annum is payable on these balances. Mr B J P Cotton and Mr P F Miller waived interest charges of £19,181 (2003 - £Nil) charged during the year and accrued in previous years.

During the year fees of £Nil (2003 - £20,380) were charged by Dragonfire Entertainment Limited, a company in which Mr R Jarman Price and Chris Perry are directors.

At 31 March 2004, the company owed £28,456 (2003 - £39,520 owed by DNA Connect Limited) to DNA Connect Limited. During the year sales to DNA Connect Limited totalled £101,403 (2003 - £46,619) and purchases from the company totalled £84,314 (2003 - £37,078). In addition, DNA Connect Limited also proposed a dividend payment of £Nil (2003 - £30,000) to the company.