

3971549

GLOW DESIGNS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 31 DECEMBER 2004



Glow Designs Limited

Content

Directors and advisers	1
Report of the directors	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6-8

Glow Designs Limited
Directors and Advisers

Directors

Christopher Ahrens (resigned 8th December 2004)

Simon Harrison

Secretary and Registered office

William Grove

18 Mansell Street, London, E1 8AA

Auditors

Menzies

Chartered Accountants

Company registration number

3971549

Glow Designs Limited

Report of the Directors

The director presents his report and the audited financial statements for the year ended 31 December 2004.

Principal activity

The principal activity of the Company is web site design and IT support.

Results and dividend

The profit for the year on ordinary activities before taxation, amounted to £40,163 (2003: £40,272). The director does not recommend the payment of a dividend for the year.

Directors and their interests

S Harrison is a director of the parent company and his interest is disclosed in the accounts of that company.

No other director had interests in the Ordinary Share Capital of the company.

There were no share options granted to the director.

Directors Responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. In preparing these 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
- 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 enable them to ensure that the financial statements comply with the Companies Act 1985*. They are also responsible for taking reasonable steps to safeguard the assets of the Company and to prevent fraud and other irregularities. The financial statements comply with Part 7 of the Companies Act 1985 relating to small companies.



BY ORDER OF THE BOARD

William Grove
Secretary
30 June 2005

Glow Designs Limited
Independent Auditors' Report to the Shareholders
31 December 2004

We have audited the financial statements on pages 4 to 8 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 page 6.

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 auditor's 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 auditors and directors

As described on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility 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 December 2004 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Menzies
Menzies

Chartered Accountants
Registered Auditors
Kingston upon Thames

14 July 2005

Glow Designs Limited
Profit and Loss Account
For the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover	2	161,038	38,446
Cost of sales and administrative expenses		<u>(120,875)</u>	<u>1,826</u>
Profit on ordinary activities before taxation	4	40,163	40,272
Taxation on ordinary activities	6	<u>(4,095)</u>	<u>-</u>
Profit for the financial year		<u><u>36,068</u></u>	<u><u>40,272</u></u>

There were no recognised gains or losses other than the profit on ordinary activities above.

All amounts relate to continuing activities.

The notes on pages 6 to 8 form part of these accounts.

Glow Designs Limited
Balance Sheet
As at 31 December 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible fixed assets	7	<u>331</u>	<u>3,801</u>
CURRENT ASSETS			
Debtors	8	40,596	14,323
Cash at bank		<u>736</u>	<u>980</u>
		41,332	15,303
CREDITORS			
Amounts falling due within one year	9	<u>(5,595)</u>	<u>(19,104)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>35,737</u>	<u>(3,801)</u>
NET ASSETS		<u>36,068</u>	<u>-</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	<u>35,968</u>	<u>(100)</u>
EQUITY SHAREHOLDERS' FUND	12	<u>36,068</u>	<u>-</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).

The financial statements on pages 4 to 8 were approved by the Board of Directors on ~~24~~ June 2005 and were signed on its behalf by:

S Harrison



) Director

The notes on pages 6 to 8 form part of these accounts.

Glow Designs Limited
Notes to the Financial Statements
For the year ended 31 December 2004

1 ACCOUNTING POLICIES

The principal accounting policies of the company are set out below.

Basis of preparation

The financial statements have been prepared and are in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) applicable in the United Kingdom. In accordance with the provisions of Financial Reporting Standard 1 (Revised), a cash flow statement has not been included.

The financial statements have been prepared on a going concern basis as Hyde Holdings Limited, the parent company, has confirmed that it will continue to support the Company.

Fixed assets and depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost less estimated residual value of each asset over their expected useful lives. The rates generally applicable are: -

Computer equipment - 33.33% per annum on original cost
 Fixtures and fittings - 25% per annum on written down cost.

Pensions

The company contributes 6% of employee salary to either a Group Personal Pension Plan set up by the company, or to an employees personal pension.

Deferred taxation

Deferred tax is provided for when timing difference occur due to the different treatment of transactions for tax and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise.

2 TURNOVER

Turnover represents the value of fees receivable and accrued for work done in the year, excluding value added tax and is all earned in the United Kingdom.

3 INTEREST RECEIVABLE

The Company is part of a group arrangement whereby the total cleared funds are pooled and offset against the Hyde Group overdraft facility. The interest is credited to the company on the basis of the funds held by each entity during the year.

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit is arrived at after charging :

	2004	2003
	£	£
Auditors' remuneration	1,000	1,000
Depreciation of tangible fixed assets	3,470	5,069
	<u>4,470</u>	<u>6,069</u>

Exceptional Item

In the year ended 31 December 2003, included within administration expenses was a credit of £56,982 relating to an intercompany loan which was irrecoverably released.

Glow Designs Limited

Notes to the Financial Statements (continued)

For the year ended 31 December 2004

5 DIRECTORS AND EMPLOYEES

All directors and employees were employed by a fellow subsidiary. The management fee payable to that subsidiary included the following directors' and employees' emoluments.

	2004 £	2003 £
Directors' emoluments		
Aggregate emoluments	-	11,732
Company contributions to Group Personal Pension Plan in respect of directors	-	704
Other pension contributions	-	1,983
	-	2,687

The number of directors accruing benefits under the Group Personal Pension Plan was Nil (2003: 1)

The Group provides pension benefits for its employees, details of which are provided in the Group accounts.

6 TAXATION ON ORDINARY ACTIVITIES

	2004 £	2003 £
Corporation tax charge for the year	4,095	-

Corporation tax is charged at 19% (2003: Nil)

7 FIXED ASSETS

	Computer equipment £	Fixtures & Fittings £	Total £
Cost			
Balance b/fwd	15,298	600	15,898
Additions	-	-	-
	15,298	600	15,898
Depreciation			
Balance b/fwd	11,938	159	12,097
Charge for the period	3,360	110	3,470
	15,298	269	15,567
Net book value			
As at 31 December 2004	-	331	331
As at 31 December 2003	3,360	441	3,801

8 DEBTORS

	2004 £	2003 £
Amounts falling due within one year		
Trade debtors	19,106	8,840
Amounts due from Group Companies	9,563	-
Prepayments and accrued income	11,927	5,483
	40,596	14,323

Glow Designs Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2004

9 CREDITORS	2004	2003
	£	£
Amounts falling due within one year		
Amounts owed to Group Companies	-	17,604
Corporation tax creditor	4,095	-
Accruals	1,500	1,500
	<u>5,595</u>	<u>19,104</u>
10 CALLED UP SHARE CAPITAL	2004	2003
	£	£
Authorised, issued and fully paid		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
11 PROFIT AND LOSS ACCOUNT		£
1 January 2004		(100)
Profit for the financial period		<u>36,068</u>
31 December 2004		<u>35,968</u>
12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2004	2003
	£	£
Retained profit for the financial year	36,068	40,272
Opening shareholders' funds / (deficit)	<u>-</u>	<u>(40,272)</u>
Closing shareholders' funds	<u>36,068</u>	<u>-</u>

13 GUARANTEES

The company is party to an unlimited multilateral guarantee with certain other group undertakings. At 31 December 2004 there was no contingent liability (2003: £Nil) in respect of this agreement.

14 ULTIMATE PARENT COMPANY

The ultimate parent company of Glow Designs Limited is Hyde Holdings Limited, a company registered in England and Wales.

At the year end Glow Designs Limited was controlled by S Harrison by virtue of his shareholding and directorship in Hyde Holdings Limited.

15 RELATED PARTY TRANSACTIONS

During the year the company paid management charges of £132,339 and made sales of £75,717 to J E Hyde & Co Limited. J E Hyde & Co Limited is a fellow subsidiary of Hyde Holdings Limited. At 31 December 2004 the company was owed by Hyde Holdings Limited group companies net balances of £9,563 (2003 - owed to £17,604).

16 STATUS

The Company is registered in England and Wales.