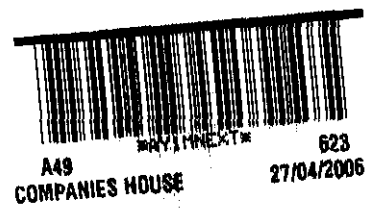


**REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2005
FOR
ACTIVITY WORLD LIMITED**



ACTIVITY WORLD LIMITED

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for the Year Ended 30 September 2005

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ACTIVITY WORLD LIMITED

COMPANY INFORMATION
for the Year Ended 30 September 2005

DIRECTORS:

Mr M A Boyle
Mr M Williams

SECRETARY:

Mrs B Ellis

REGISTERED OFFICE:

Padholme Road East
Peterborough
Cambridgeshire
PE1 5XH

REGISTERED NUMBER:

2512682 (England and Wales)

ACCOUNTANTS:

Foxley Kingham Chartered Accountants
Prospero House
46-48 Rothesay Road
Luton
Bedfordshire
LU1 1QZ

ACTIVITY WORLD LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 30 September 2005

The directors present their report with the financial statements of the company for the year ended 30 September 2005.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the installation and operation of activity centres for children.

DIRECTORS

The directors during the year under review were:

Mr M A Boyle
Mr M Williams

The beneficial interests of the directors holding office on 30 September 2005 in the issued share capital of the company were as follows:

	30.9.05	1.10.04
Ordinary £1 shares		
Mr M A Boyle	249	249
Mr M Williams	13	122

COMPANY BUY BACK OF OWN SHARES

In accordance with agreement dated 29 September 2000 the company, during the year purchased 109 Ordinary £1 shares for a total consideration of £52,500. The shares represented 29.65% of the called up share capital at the beginning of the year. These shares were subsequently cancelled by the company.

All 738 ordinary £1 shares have now been purchased back by the company. The final purchase of 36 ordinary £1 shares took place on the 24th June 2005.

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:



Mrs B Ellis - Secretary

Date: 20/3/06

ACTIVITY WORLD LIMITED
PROFIT AND LOSS ACCOUNT
for the Year Ended 30 September 2005

		2005	2004
	Notes	£	£
TURNOVER		754,527	845,737
Cost of sales		148,914	198,487
GROSS PROFIT		605,613	647,250
Administrative expenses		485,898	507,748
OPERATING PROFIT	2	119,715	139,502
Interest receivable and similar income		2,580	3,167
		122,295	142,669
Interest payable and similar charges		11,565	13,052
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		110,730	129,617
Tax on profit on ordinary activities	3	22,567	26,262
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		88,163	103,355
Dividends	4	36,000	24,000
		52,163	79,355
Retained profit brought forward		438,575	429,220
		490,738	508,575
Purchase of own shares		(52,500)	(70,000)
RETAINED PROFIT CARRIED FORWARD		£438,238	£438,575

The notes form part of these financial statements

ACTIVITY WORLD LIMITED

BALANCE SHEET

30 September 2005

		2005		2004	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		679,196		689,663
CURRENT ASSETS:					
Stocks		27,300		22,239	
Debtors	6	55,701		86,731	
Cash at bank and in hand		21,300		55,284	
		<u>104,301</u>		<u>164,254</u>	
CREDITORS: Amounts falling due within one year	7	<u>184,958</u>		<u>205,074</u>	
NET CURRENT LIABILITIES:			<u>(80,657)</u>		<u>(40,820)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			598,539		648,843
CREDITORS: Amounts falling due after more than one year	8		<u>159,301</u>		<u>209,268</u>
			<u><u>£439,238</u></u>		<u><u>£439,575</u></u>
CAPITAL AND RESERVES:					
Called up share capital	11		262		371
Capital redemption reserve	12		738		629
Profit and loss account			<u>438,238</u>		<u>438,575</u>
SHAREHOLDERS' FUNDS:			<u><u>£439,238</u></u>		<u><u>£439,575</u></u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 September 2005.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2005 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

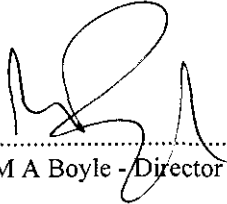
- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year 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.

ACTIVITY WORLD LIMITED

BALANCE SHEET
30 September 2005

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:



.....
Mr M A Boyle - Director

Approved by the Board on 20/03/06

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2005

1. ACCOUNTING POLICIES

Accounting convention

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).

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided
Leasehold property	- Over the term of the lease
Play apparatus	- 10% on reducing balance
Equipment	- 10% on reducing balance
Motor vehicles	- 25% on reducing balance

In the directors opinion, the residual value of the freehold property is at least equal to cost because of the company's policy to fully maintain and improve the property. As a result, depreciation charged on the property in these accounts is £nil (2004: £nil).

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	19,388	20,942
Loss on disposal of fixed assets	846	1,286
Pension costs	6,429	7,272
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	7,440	6,900
	<u> </u>	<u> </u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1
	<u> </u>	<u> </u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2005

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005 £	2004 £
Current tax:		
UK corporation tax	22,567	26,262
Tax on profit on ordinary activities	<u>22,567</u>	<u>26,262</u>

UK corporation tax has been charged at 19% (2004 - 19%).

4. DIVIDENDS

	2005 £	2004 £
Dividend - interim	<u>36,000</u>	<u>24,000</u>

5. TANGIBLE FIXED ASSETS

	Freehold property £	Leasehold property £	Improvements to property £
COST:			
At 1 October 2004	522,769	30,781	1,147
At 30 September 2005	<u>522,769</u>	<u>30,781</u>	<u>1,147</u>
DEPRECIATION:			
At 1 October 2004	-	22,738	-
Charge for year	-	1,509	-
At 30 September 2005	-	<u>24,247</u>	-
NET BOOK VALUE:			
At 30 September 2005	<u>522,769</u>	<u>6,534</u>	<u>1,147</u>
At 30 September 2004	<u>522,769</u>	<u>8,044</u>	<u>1,147</u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 2005

5. TANGIBLE FIXED ASSETS - continued

	Play apparatus	Equipment	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 October 2004	436,884	101,095	9,444	1,102,120
Additions	995	4,075	5,220	10,290
Disposals	-	-	(2,430)	(2,430)
At 30 September 2005	437,879	105,170	12,234	1,109,980
DEPRECIATION:				
At 1 October 2004	316,732	67,799	5,190	412,459
Charge for year	12,115	3,737	2,027	19,388
Eliminated on disposals	-	-	(1,063)	(1,063)
At 30 September 2005	328,847	71,536	6,154	430,784
NET BOOK VALUE:				
At 30 September 2005	109,032	33,634	6,080	679,196
At 30 September 2004	120,152	33,296	4,255	689,663

6. DEBTORS

	2005 £	2004 £
Amounts falling due within one year:		
Trade debtors	12,604	31,804
Other debtors	20,000	20,000
Prepayments	22,897	27,786
Amount due from associated company	200	200
	55,701	79,790
Amounts falling due after more than one year:		
Prepaid rent	-	6,941
Aggregate amounts	55,701	86,731

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2005

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Bank loans and overdrafts	85,839	69,110
Trade creditors	12,724	24,575
Other creditors	26,159	29,666
Directors' current accounts	680	680
Social security & other taxes	27,179	31,486
Taxation	22,567	26,245
Accrued expenses	9,810	23,312
	<u>184,958</u>	<u>205,074</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Bank loans	101,051	151,018
Debentures	58,250	58,250
	<u>159,301</u>	<u>209,268</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2005	2004
	£	£
Expiring:		
Between one and five years	<u>28,700</u>	<u>28,700</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2005	2004
	£	£
Bank overdrafts	36,339	21,110
Bank loans	<u>150,551</u>	<u>199,018</u>
	<u>186,890</u>	<u>220,128</u>

ACTIVITY WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 2005

11. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2005 £	2004 £
2,000	Ordinary	£1	<u>2,000</u>	<u>2,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2005 £	2004 £
371	Ordinary	£1	<u>262</u>	<u>371</u>

12. CAPITAL REDEMPTION RESERVE

	2005 £	2004 £
Brought forward	629	481
Purchase of own shares	<u>109</u>	<u>148</u>
	<u>738</u>	<u>629</u>

13. RELATED PARTY DISCLOSURES

The company is controlled by Mr M Boyle by virtue of his shareholdings.

At the year end the amounts due to the directors by the company and due within one year were:

Mr M Boyle	£3
Mr M Williams	£677

Mr M Boyle has pledged personal assets to the bankers as security for the bank loan.

During the year, the company sold goods amounting of £6,347 (2004 - £3,206) to D & B Amusements, a business in which Mr. M Boyle has a material interest.

During the year, the company made sales of £Nil (2004 - £800) to, and purchases of £70 (2004 - £1,510) from Activity World Services Limited, a company in which Mr M Boyle has a material interest.

At the balance sheet date, Activity World Services Limited owed Activity World Limited £200.