COMPANY NUMBER 2718821

LIMELIGHT ENTERTAINMENTS LTD

FINANCIAL STATEMENTS

For the Year Ended 30th June 2004

Coult & Co.,
Public Accountant,
Room 4, Foremost House,
Radford Business Centre,
Radford Way,
Billericay,
Essex, CM12 OBT

20th September 2004



LIMELIGHT ENTERTAINMENTS LTD

INDEX

For the Year Ended 30th June 2004

	Page
Company Information	1
Director's Report	2-3
Balance Sheet	4
Profit & Loss Account	5
Notes to the Financial Statements	6-9
Trading Profit & Loss Account	10

LIMELIGHT ENTERTAINMENTS LTD

COMPANY INFORMATION

DIRECTORS:	R. Lewis J. Demsey, Mrs J. Trotter
SECRETARY:	R.M. Coult
REGISTERED OFFICE:	Room 4 Foremost House Radford Business Centre Radford Way Billericay Essex CM12 OBT

LIMELIGHT ENTERTAINMENTS LTD

DIRECTOR'S REPORT

For the Year Ended 30th June 2004

The directors present their report with the financial statements of the company for the year ended 30th June 2004.

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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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 maintaining 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 Section 221 of the Companies Act 1985.

They are also responsible for safeguarding the assets of the company and hence for making reasonable steps for the prevention and detection of fraud and other irregularities.

ACTIVITIES AND FUTURE DEVELOPMENTS

The activity of the company continues to be suppliers of merchandise and other goods to the entertainment business. The company's activities are continuing to increase and the directors are confident that this improvement will continue.

The directors consider the financial state of the company to be in accordance with their expectations.

RESULTS

The results for the year and the state of the company's affairs at 30th June 2004 are shown in the attached financial statements. The directors do not recommend the payment of any dividend.

LIMELIGHT ENTERTAINMENTS LTD

DIRECTOR'S REPORT (continued)

For the Year Ended 30th June 2004

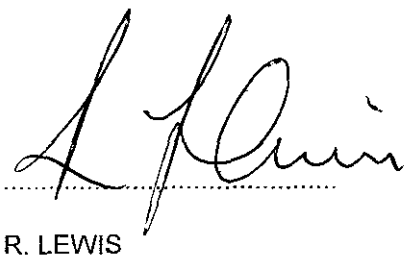
DIRECTORS AND THEIR INTEREST

The directors in office in the year and their beneficial interests in the share capital of the company were as follows:

	2003	2004
	Ordinary Shares of £1 Each	
R. Lewis	45	45
J. Trotter	43	43

Approved by the Board on:

And signed on its behalf by:



R. LEWIS
Director

LIMELIGHT ENTERTAINMENTS LTD

BALANCE SHEET

As at 30th June 2004

	Note	2004	
		£	£
Fixed Assets			
Intangible Assets	(9)		52,664
Tangible Assets	(8)		16,724
Investments	(10)		2
			69,390
Current Assets			
Cash at Bank and In Hand		6,349	
Debtors	(4)	10,918	
Stock	(3)	53,000	
		70,267	
Current Liabilities			
Creditors Falling Due Within One Year	(5)	32,996	
Net Current Assets (Liabilities)			37,271
			106,661
LESS Creditors Due			
Creditors: Amounts Falling Due After More Than One Year	(6)		-
Net Assets (Liabilities)			106,661
Represented by:			
CAPITAL & RESERVES			
Called Up Share Capital			100
Profit & Loss Account			106,561
			106,661

LIMELIGHT ENTERTAINMENTS LTD

BALANCE SHEET (continued)

As at 30th June 2004

SHAREHOLDERS' FUNDS

In preparing these financial statements, the Directors have:-

(i) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) [total exemption];

(ii) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985;

(iii) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985;

(iv) acknowledge their responsibilities for preparing accounts which give a true and fair view of the company and of its profit for the year then ended in accordance with the requirements of this Act relating to accounts, so far as applicable to this company;

(v) the accounts are prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies [Section 246(8)] of the Act.

Approved by the Board of Directors and signed on its behalf.

Director ..... Dated 29/12/04

The notes form part of these financial statements.

LIMELIGHT ENTERTAINMENTS LTD

PROFIT AND LOSS ACCOUNT

For the Year Ended 30th June 2004

	Notes	2003 £	2004 £
Turnover	(1)	675,735	596,235
Less: Cost of Sales		490,671	364,764
Gross Profit/(Loss)		185,064	231,471
Net Operating Expenses		183,861	225,445
Net Profit Before Interest & Tax		1,203	6,026
Interest Receivable		-	-
Interest Payable		-	-
Profit/(Loss) on Ordinary Activities Before Taxation		1,203	6,026
Taxation		-	-
Profit/(Loss) on Ordinary Activities After Taxation		1,203	6,026
Retained Profit/(Loss) Brought Forward		99,332	100,535
Retained (Losses)/Profit Carried Forward		100,535	106,561

The company made no recognised gain or losses in 2003 or 2004.

None of the company's activities were acquired or discontinued during the above two financial years.

The accompanying notes form part of these financial statements.

LIMELIGHT ENTERTAINMENTS LTD

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30th June 2004

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities. The principal accounting policies are set out below and remain unchanged from the previous year.

(a) **Turnover**
Turnover is the total amount receivable by the company, excluding value added tax, in the ordinary course of business for goods supplied and services provided.

(b) **Stocks**
Stocks are included in the financial statements at the lower of cost and net realisable value.

(c) ***Deferred Taxation***
Provision is made for deferred taxation at current rates in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

(d) **Tangible Fixed Assets**
Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Fixtures and fittings	- 20% Reducing Balance
Motor Vehicles	- 25% Straight Line
Office Equipment	- 20% Reducing Balance

2. SHARE CAPITAL

	Authorised		Allotted Called Up and Fully Paid	
	2003	**2004**	**2003**	**2004**
	nom	nom	£	£
Ordinary Shares of £1 each	100	100	100	100

3. STOCKS

	2003	**2004**
	£	£
Goods or Resale	79,000	53,000

		2004
		£
4.	**DEBTORS**	
	Trade	10,918
	VAT	-
		10,918
5.	**CREDITORS: Amounts Falling Due Within One Year**	
	Corporation Tax	-
	Trade Creditors	-
	Director's Loan	32,996
	Intercompany	-
		32,996
6.	**CREDITORS: Amounts Falling Due After More Than One Year**	
	Directors Loans	-
		-

7. **TAXATION**

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

UK Corporation Tax	(2004)	Nil

8. TANGIBLE/INTANGIBLE ASSETS

	20% Office Equipment	20% Fixtures & Fittings	25% Motor Vehicles	Total
	£	£	£	£
Cost 01.07.2003	14,686	6,822	20,500	42,008
Additions	3,010	-	10,100	13,110
Disposals	-	-	(20,500)	(20,500)
At 30.06.2004	17,696	6,822	10,100	34,618
Depreciation				
At 01.07.2003	9,173	5,439	20,499	35,111
Disposal	-	-	(20,499)	(20,499)
Depreciation	1,705	277	1,300	3,282
At 30.06.2004	10,878	5,716	1,300	17,894
Net Book Value 01.07.2004	6,818	1,106	8,800	16,724

The intangible assets consist of goodwill.

9. GOODWILL

The goodwill purchased on acquisition of the business is not amortised as in the opinion of the directors the goodwill has an indefinite useful economic life. This is a departure from the specific requirement of companies legislation to amortise goodwill over a finite period.

10. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2004
At cost	£2

The above investment is unlisted. Additional information on the subsidiaries:

Name	Country of Incorporation Registration & Operation	Class of Shares Shares Held	Percentage of Shares Held	Nature of Business
Ware on Earth Ltd.	UK	£1 Ordinary	100%	Organisation of Parties

Since the company, together with its subsidiary, is classed as a small group it is exempt from preparing group accounts.