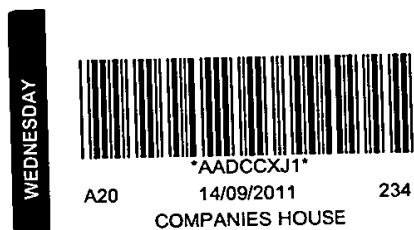

Company Registration No. 04028821 (England and Wales)

CREATIVE LYNX LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2011



CREATIVE LYNX LIMITED

COMPANY INFORMATION

Directors	S Nicholas L Young S Crossley N Martin D E Whittingham D Hunt
Secretary	S Nicholas
Company number	04028821
Registered office	Fifth Floor 52 Princess Street Manchester M1 6JX
Auditors	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	Fifth Floor 52 Princess Street Manchester M1 6JX
Bankers	National Westminster Bank plc 33 Piccadilly Manchester M1 1LR

CREATIVE LYNX LIMITED

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CREATIVE LYNX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2011

The directors present their report and financial statements for the year ended 30 April 2011

Principal activities and review of the business

The principal activity of the company continued to be that of brand consultancy, e-commerce and advertising

The directors are extremely pleased with the company's performance in the year. The growth which the company has achieved in recent years continued with turnover up well over 25% on the previous year despite a challenging economic headwind.

The company's financial risk management objectives are to ensure sufficient working capital for the company. This is achieved by careful management of the company's cash balances and retention of profit to fund further growth and expansion. Other than this, the company's use of financial instruments is not material for the assessment of assets, liabilities, profit and financial position of the company.

The company has maintained its strategy of delivering market leading, innovative digital solutions, predominantly to the Healthcare industry. The directors expect that in the current year turnover should increase further as new clients gained in 2010 impact on the current year.

The company's return on capital employed (calculated as operating profit divided by total assets less current liabilities) remained largely unchanged at 32% (2010 - 33%).

Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £167,533. The directors do not recommend payment of a final dividend.

Future developments

The company continues to invest in new talent, and explore ways to bring innovative new solutions to its clients. The company will continue its expansion in Europe and has recently begun operating successfully in the US.

Directors

The following directors have held office since 1 May 2010:

S Nicholas
L Young
S Crossley
N Martin
D E Whittingham
D Hunt

CREATIVE LYNX LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



N Martin

Director

15-8-11

CREATIVE LYNX LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CREATIVE LYNX LIMITED

We have audited the financial statements of Creative Lynx Limited for the year ended 30 April 2011 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CREATIVE LYNX LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CREATIVE LYNX LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or



David Symonds
(Senior Statutory Auditor)
for and on behalf of

5 September 2011

UHY Hacker Young Manchester LLP
Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

CREATIVE LYNX LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 APRIL 2011

	Notes	2011 £	2010 £
Turnover	2	5,360,715	4,151,797
Cost of sales		(3,254,755)	(2,256,106)
Gross profit		2,105,960	1,895,691
Administrative expenses		(1,148,013)	(1,030,004)
Operating profit	3	957,947	865,687
Other interest receivable and similar income	4	851	441
Interest payable and similar charges	5	(21,063)	(24,148)
Profit on ordinary activities before taxation		937,735	841,980
Tax on profit on ordinary activities	6	(250,881)	(240,877)
Profit for the year	15	686,854	601,103

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

CREATIVE LYNX LIMITED

BALANCE SHEET

AS AT 30 APRIL 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Intangible assets	8	844,969		909,973	
Tangible assets	9	263,363		143,259	
			1,108,332		1,053,232
Current assets					
Stocks	10	26,313		46,040	
Debtors	11	2,536,949		2,138,230	
Cash at bank and in hand		1,003,148		803,914	
		3,566,410		2,988,184	
Creditors amounts falling due within one year	12	(1,693,598)		(1,442,359)	
Net current assets			1,872,812		1,545,825
Total assets less current liabilities			2,981,144		2,599,057
Creditors amounts falling due after more than one year	13	(299,839)		(437,073)	
			2,681,305		2,161,984
Capital and reserves					
Called up share capital	14	100		100	
Profit and loss account	15	2,681,205		2,161,884	
Shareholders' funds	16	2,681,305		2,161,984	

Approved by the Board and authorised for issue on

15-8-11



N Martin
Director

Company Registration No. 04028821

CREATIVE LYNX LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL 2011

	2011	2010
	£	£
Net cash inflow from operating activities	1,083,528	755,223
Returns on investments and servicing of finance		
Interest received	851	441
Interest paid	(21,063)	(24,109)
Net cash outflow for returns on investments and servicing of finance	(20,212)	(23,668)
Taxation	(255,848)	(238,400)
Capital expenditure		
Payments to acquire tangible assets	(110,437)	(37,501)
Receipts from sales of tangible assets	8,000	-
Net cash outflow for capital expenditure	(102,437)	(37,501)
Equity dividends paid	(167,533)	(104,341)
Net cash inflow before management of liquid resources and financing	537,498	351,313
Financing		
Repayment of long term bank loan	(184,241)	(219,996)
Repayment of other short term loans	(17,422)	-
Capital element of hire purchase contracts	(23,199)	(8,253)
Net cash outflow from financing	(224,862)	(228,249)
Increase in cash in the year	312,636	123,064

CREATIVE LYNX LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
		£	£
	Operating profit	957,947	865,687
	Depreciation of tangible assets	73,256	60,437
	Amortisation of intangible assets	65,004	65,004
	Loss on disposal of tangible assets	1,252	-
	Decrease in stocks	19,727	35,736
	Increase in debtors	(398,719)	(52,902)
	Increase/(decrease) in creditors within one year	365,061	(218,739)
	Net cash inflow from operating activities	1,083,528	755,223

2	Analysis of net funds	1 May 2010	Cash flow	Other non-cash changes	30 April 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	803,914	199,234	-	1,003,148
	Bank overdrafts	(113,402)	113,402	-	-
		<u>690,512</u>	<u>312,636</u>	<u>-</u>	<u>1,003,148</u>
	Debt				
	Finance leases	(22,959)	23,199	(92,175)	(91,935)
	Debts falling due within one year	(219,996)	17,631	-	(202,365)
	Debts falling due after one year	(421,679)	184,032	-	(237,647)
		<u>(664,634)</u>	<u>224,862</u>	<u>(92,175)</u>	<u>(531,947)</u>
	Net funds	25,878	537,498	(92,175)	471,201

CREATIVE LYNX LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

3	Reconciliation of net cash flow to movement in net funds	2011	2010
		£	£
	Increase in cash in the year	312,636	123,064
	Cash outflow from decrease in debt and lease financing	224,862	232,474
	Change in net debt resulting from cash flows	537,498	355,538
	New finance lease	(92,175)	-
	Movement in net funds in the year	445,323	355,538
	Opening net funds/(debt)	25,878	(329,660)
	Closing net funds	471,201	25,878

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for good and services provided net of VAT and discounts. Turnover is recognised on contracts, if the final outcome can be assessed with reasonable certainty, by recognising in the profit and loss account turnover and related costs as contract activity progresses.

1.3 Goodwill

Goodwill, being the amount paid in connection with the acquisition of Creative Lynx Partnership in 2004, is being amortised evenly over its estimated useful life of twenty years.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	20% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock and work in progress

Work in progress represents the lower of cost incurred on contracts that are not sufficiently complete to recognise profit.

1.7 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the income recognised after provision for contingencies and anticipated future losses on contract, less amount invoiced on account.

Where invoices raised exceed the value recognised the excess is included within accruals as deferred income.

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

1 Accounting policies (continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2011 £	2010 £
Operating profit is stated after charging		
Amortisation of intangible assets	65,004	65,004
Depreciation of tangible assets	73,256	60,437
Loss on disposal of tangible assets	1,252	-
Loss on foreign exchange transactions	-	1,864
Operating lease rentals	97,997	127,789
Auditors' remuneration (including expenses and benefits in kind)	7,200	6,595
and after crediting		
Profit on foreign exchange transactions	(54,269)	-

4 Investment income	2011 £	2010 £
Bank interest	851	441
	851	441

5 Interest payable	2011 £	2010 £
On other loans wholly repayable within five years	17,631	22,330
Hire purchase interest	3,432	1,779
On overdue tax	-	39
	21,063	24,148

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	UK corporation tax	251,012	255,991
	Adjustment for prior years	(131)	(5,379)
	Total current tax	<u>250,881</u>	<u>250,612</u>
	Deferred tax		
	Deferred tax charge/credit current year	-	(9,735)
		<u>250,881</u>	<u>240,877</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>937,735</u>	<u>841,980</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.84% (2010 - 28.00%)	<u>261,065</u>	<u>235,754</u>
	Effects of		
	Non deductible expenses	(358)	11,577
	Depreciation add back	36,104	35,123
	Capital allowances	(36,058)	(17,886)
	Adjustments to previous periods	(131)	(5,248)
	Capital items expensed	-	947
	Marginal relief	(9,741)	(9,655)
		<u>(10,184)</u>	<u>14,858</u>
	Current tax charge for the year	<u>250,881</u>	<u>250,612</u>
7	Dividends	2011 £	2010 £
	Ordinary interim paid	<u>167,533</u>	<u>104,341</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 May 2010 & at 30 April 2011	1,300,000
Amortisation	
At 1 May 2010	390,027
Charge for the year	65,004
At 30 April 2011	455,031
Net book value	
At 30 April 2011	844,969
At 30 April 2010	909,973

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

9 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 May 2010	44,330	178,943	42,275	107,599	373,147
Additions	51,070	65,784	10,696	75,060	202,610
Disposals	-	-	-	(35,717)	(35,717)
At 30 April 2011	95,400	244,727	52,971	146,942	540,040
Depreciation					
At 1 May 2010	17,732	128,584	25,627	57,945	229,888
On disposals	-	-	-	(26,465)	(26,465)
Charge for the year	8,866	35,516	6,920	21,952	73,254
At 30 April 2011	26,598	164,100	32,547	53,432	276,677
Net book value					
At 30 April 2011	68,802	80,627	20,424	93,510	263,363
At 30 April 2010	26,598	50,359	16,648	49,654	143,259

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 30 April 2011	41,931
At 30 April 2010	31,682
Depreciation charge for the year	
At 30 April 2011	9,044
At 30 April 2010	10,561

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

10 Work in progress	2011 £	2010 £
Work in progress	26,313	46,040

11 Debtors	2011 £	2010 £
Trade debtors	737,689	681,325
Amounts recoverable on contracts	332,155	95,881
Other debtors	1,429,780	1,330,805
Prepayments and accrued income	37,325	30,219
	2,536,949	2,138,230

12 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	202,365	333,398
Net obligations under hire purchase contracts	29,743	7,565
Trade creditors	160,122	212,180
Corporation tax	251,063	256,030
Other taxes and social security costs	130,024	178,076
Directors' current accounts	780	1,075
Other creditors	139,610	-
Accruals and deferred income	779,891	454,035
	1,693,598	1,442,359

The bank loan is secured. Hire purchase creditors are secured against the asset to which they relate.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

13 Creditors amounts falling due after more than one year	2011 £	2010 £
Bank loans	237,647	421,679
Net obligations under hire purchase contracts	62,192	15,394
	<u>299,839</u>	<u>437,073</u>
Analysis of loans		
Wholly repayable within five years	440,012	641,675
	<u>440,012</u>	<u>641,675</u>
Included in current liabilities	(202,365)	(219,996)
	<u>237,647</u>	<u>421,679</u>
Loan maturity analysis		
In more than one year but not more than two years	202,364	219,996
In more than two years but not more than five years	35,283	220,225
	<u>237,647</u>	<u>437,073</u>
Hire purchase creditors are secured against the asset to which they relate		
The company has entered into an undertaking with its parent company to meet the obligations of a bank loan taken out in the name of the parent company. Consequently the company has a commercial obligation and the loan and its related transactions are included in these financial statements. The loan is secured on the assets of the company		
Net obligations under hire purchase contracts		
Repayable within one year	29,743	7,565
Repayable between one and five years	62,192	15,394
	<u>91,935</u>	<u>22,959</u>
Included in liabilities falling due within one year	(29,743)	(7,565)
	<u>62,192</u>	<u>15,394</u>
14 Share capital	2011 £	2010 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 May 2010	2,161,884
Profit for the year	686,854
Dividends paid	(167,533)
Balance at 30 April 2011	<u>2,681,205</u>

16 Reconciliation of movements in shareholders' funds

	2011 £	2010 £
Profit for the financial year	686,854	601,103
Dividends	(167,533)	(104,341)
Net addition to shareholders' funds	<u>519,321</u>	<u>496,762</u>
Opening shareholders' funds	2,161,984	1,665,222
Closing shareholders' funds	<u>2,681,305</u>	<u>2,161,984</u>

17 Financial commitments

At 30 April 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 April 2012

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Operating leases which expire				
Within one year	-	-	-	6,304
Between two and five years	-	-	15,000	-
In over five years	133,725	85,099	-	-
	<u>133,725</u>	<u>85,099</u>	<u>15,000</u>	<u>6,304</u>

At the year end the company had annual commitments relating to land and buildings amounting to £133,725. The earliest point of cancellation of the lease is 5 January 2016.

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

18 Capital commitments	2011	2010
	£	£

At 30 April 2011 the company had capital commitments as follows

Contracted for but not provided in the financial statements	18,000	-
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19 Directors' remuneration	2011	2010
	£	£

Remuneration for qualifying services	420,744	338,531
--------------------------------------	---------	---------

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	72,917	63,119
--------------------------------------	--------	--------

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011	2010
	Number	Number
Directors	6	6
Production	66	60
	72	66

Employment costs	2011	2010
	£	£

Wages and salaries	2,241,871	1,519,017
Social security costs	213,041	152,663
	2,454,912	1,671,680

CREATIVE LYNX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2011

21 Control

The ultimate parent company is Creative Lynx Group Limited, a company registered in England and Wales

There is no ultimate controlling party

22 Related party relationships and transactions

Included within other creditors are the following directors loan accounts
S Nicholas £780 (2010 - £1,075)

During the year the company traded with Creative Lynx, Jackson Et Associates, a company in which S Nicholas is a minority partner. The company purchased goods of £5,052 (2010 - £nil) in the year. At the year end there were no balances outstanding.

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.