

On Target



Make no little plans;
they have no magic to stir men's blood . . .
Make big plans, aim high in hope and work . . .
that is a most admirable target.

Daniel H. Burnham
U.S. architect & city planner (1846 - 1912)



TAR•GET

(tär'git)

noun **1** a marked surface that is shot at to test accuracy. **2** something aimed or fired at. **3a** an object of attack. **3b** something to be acted on with a view to transforming it. **4** a desired goal.

verb transitive (-get•ed, -get•ing, -gets) **1** to make a target of. **2** to aim at or for. **3** to establish as a goal or objective.

Front Cover

Far from feeling stressed by the endless variety of available information choices, creative messages and media pollution, the One-2-OneSM end user handpicks just the intelligence, entertainment, news, resource materials, commercial messages, announcements and data he or she wishes. Interest-based, affinity linked, multi-media and creative integrated products offer the AIMS client, product, brand or service unprecedented opportunity to reach the ideal buyer, customer or consumer on a One-2-One basis, providing a measurable return on marketing investment (ROMISM), or what we at AIMS refer to as being 'On Target.'

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President's Message

On Target

Dear Shareholders and Friends:

The concept of targeting is not new. Picture prehistoric man . . . our earliest targeting role model. Whether researching animal migratory grazing habits, analyzing nearby watering holes or tracking and 'targeting' the woolly mammoth for his next feast, our ancient ancestor constantly discovered, beta tested and refined survival and communication skills and used – or invented, when necessary – a brand new tool or communication technique to accomplish these target goals.

Fast forward tens of thousands of years to the present – a time when your company is reinventing the targeting model to bring accurate integrated marketing solutions (AIMS) to the annual \$1 trillion-plus marketing arena. In this new world, AIMS Worldwide, Inc. constantly researches, explores, tests, refines and, when necessary, imagines and develops fresh tools to accomplish targeted goals on behalf of our clients as well as our shareholders.

Traditional archery target.

By the late 20th Century, more than 10 million Americans actively participated in all forms of the sport of archery with the express goal of placing their shots dead-center as often as possible. From prehistoric times until the late 1600s, the bow with arrow was the principal weapon for both hunting and war.



On Target

At AIMS, your management is target-, goal- and objectives-driven. Through our in-depth research, we have discovered a massive target-rich business opportunity. We have established a defined set of quantitative financial and shareholder forward-looking targets. We apply target-specific methods of corporate development, including target acquisitions that meet predetermined criteria. We use One-2-OneSM target principles in our unique AIMS client return on marketing investment (ROMISM) process, practices and services.

This target practice enabled us to become an 'ongoing business' in the 2004 fiscal year, moving past the development stage as we realized many near-term financial goals and set the targeted stage for sustainable scale in 2005. We also completed beta testing our business model, enjoyed our first profitable month (in October), developed the Internet search product, Help Me NORA¹, and acquired ATB Media.

Really good business models set realistic targets, goals and objectives. As you will see, AIMS is on target with the goals of our five-year business plan.

¹Note: NORA is an acronym for i-N-dividual Online Research Assistant.

Target: Development

During fiscal 2004, your company executed its plan of growth through the first of a targeted series of select core competency acquisitions by purchasing ATB Media, Inc. and issuing a number of definitive purchase agreements.

At this writing, AIMS has added Prime Time Broadband and Harrell Woodcock Linkletter to our corporate family.

The balance of our first-round acquisitions – Target America, Inc., a cutting edge digital marketing company; a leading Washington, D.C. public affairs firm; a Top 25² New York public relations agency; the grassroots marketing educators at Street Fighter Marketing headquartered in Ohio; and a West Coast-based premier strategy, planning and training organization – are anticipated to close by December 31, 2005 and could result in a profitable year-end outcome for AIMS Worldwide.

I am pleased to report that all of these companies currently are experiencing significant growth and earnings. However, it should be remembered that even with the appropriate targets such as our candidate acquisitions, there may be unexpected variables and conditions (i.e., market) such that AIMS cannot guarantee it will strike dead center on each and every purchase.

In 2004, AIMS established defined targets for our new client proposals as an objective of predictable forward-looking revenues. Further in this targeting process, we identified future desired market segments for development, including 'Public Policy' where we focused our AIMS process test program in 2003-2004.

As a result of this targeting, in the latter part of 2004 and into 2005, AIMS issued more than \$30 million in new client proposals. Included in these new business

²Note: Top 25 independent public relations, publicity and marketing communications firms (not advertising agency owned). Source: O'Dwyer Annual Report 2004.

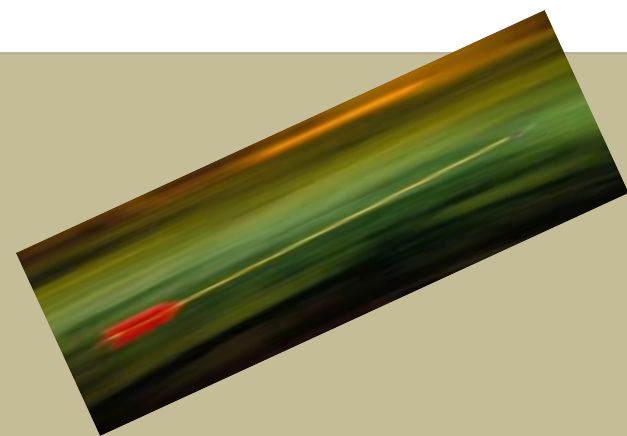


propositions was a major public issue initiative for the Strengthen and Save Our Social Security (SOS) project valued at more than \$15 million gross revenue. AIMS anticipates receipt of SOS project income commencing in the third quarter of fiscal year 2005. To date in 2005, your company has researched, developed, prepared and issued additional proposals for more than \$100 million in potential gross revenues from prospective clients in nonprofit, healthcare and commercial business segments.

Hardly a week goes by that AIMS doesn't create new targeted ways to integrate the talents and strengths of our strategic partners. For instance, an affiliation with Brad W. Baker Advertising Services allows us to offer media buying for clients at substantially reduced prices, yielding improved targeted ROMI for clients. In addition to jointly developing the online search product Help Me NORA, AIMS and Target America have teamed frequently to cross-promote and use existing assets in new ways. As we acquire additional businesses, we expect to multiply this effect many times over, again achieving the unique business, revenue and earnings target of leveraging client income across AIMS companies, subsidiaries and alliances.

Target: The Numbers

Fiscal 2004 was the financial springboard to achieving your company's business and economic goals. The first of a series of financial-centric targets was to become a 'going concern' and business. The second was to establish a business model to create demonstrated organic client profits on a monthly basis. The third was to target appropriate financial capital partners, institutions and instruments to underwrite our acquisitions, growth and expansion. Based on the targets established and hard work undertaken in 2004, I can report that we hit the bull's eye on these stated objectives.



Aim High

2005

- Lock in investment capital platform
- Close acquisitions under existing Letters of Intent
- Establish a network of corporate finance partners
- Create sustainable economic scale
- Become a profitable enterprise

2006

- Increase revenues, EBITDA, earnings and earnings per share (EPS) value by 15 percent

2007

- Increase revenue EBITA, profits and EPS target goals to achieve annualized 20 percent

2008

- Increase revenue EBITA, profits and EPS target goals to achieve annualized 22 percent

Based on our groundwork, thus far in 2005 we are completing our private placement investment underwriting commitment program. We structured and signed an investment manager agreement for a \$10 million two-year convertible debenture subordinate note private placement and we signed a secured equities distribution agreement (SEDA) for a two-year \$35 million equity credit line from Cornell Capital Partners LLC.

Finally, in 2004, your management established our economic, financial and shareholder targets for the next five years as outlined in the 'AIM High' illustration on the previous page. These qualitative targets are objectives that AIMS has established from which we will be measured and diligently endeavor to achieve in the earnest belief that if we set meaningful targets, AIMS will be a most enriching venture.

Target: The Right Stuff

As we move forward, our vision for AIMS Worldwide is clear and unwavering and our targets are specific:

First, we recognize that continued success in these exciting and fast-moving times takes the work of talented and enthusiastic people who are committed to One-2-One marketing solutions. Your AIMS intrapreneurial³ management team members are dyed-in-the-wool One-2-Oners and I thank them for their passion, talent, hours of hard work and contribution to our targeted AIMS. They will be the target for all future AIMS employees.

Second, we will continue to target like-minded companies, identifying not just the right acquisition at the right time with the right core competency in our AIMS platforms, but the right corporate temperament, style and personality to fit into our cultural AIMS.

³Note: Intra • preneur; entrepreneur with broad professional management skills, talent and credentials.

Third, just as the Target Corporation brand and symbol are instantly recognizable, we will work toward comparable identity, recognition and respect for the AIMS Worldwide target symbol as a visual statement of our target-driven One-2-One image, identity and recognition objective.

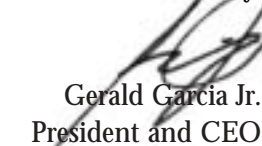
Fourth, we pledge ourselves to the targeted principles of sound corporate governance, responsible management of company resources, strict ethical practices and financial compliance within the more costly, but vital public requirements of Sarbanes-Oxley.

And fifth, we continue our target of open, timely and informative interchange with you, as principals, shareholders and owners of AIMS Worldwide, Inc. We sincerely appreciate your emails, letters, questions, suggestions and calls and it is our objective to be the open target of your ongoing inquiries.

Thank you again for your patience and support as your company – in the style of our earliest forebears – targets and AIMS to revolutionize and transform the \$1 trillion-plus marketing paradigm.



Sincerely,


Gerald Garcia Jr.
President and CEO



Target: 'Men in their prime'

The bold target image draws attention to the cover of a recent issue of *Best Life Magazine*, which calls itself a savvy, sophisticated guide directed at 'men in their prime.'

Best Life is published by Rodale, Emmaus, PA. The July/August 2005 issue is shown.



Consolidated Balance Sheet December 31, 2004

Olympic history

abounds with tales of athletes who overcame crippling adversity to target and win gold medals, but Karoly Takacs' comeback is one of the best. Takas was a member of Hungary's 1938 world-champion pistol-shooting team, but later that year a defective grenade exploded in his right (shooting) hand. After teaching himself to shoot left-handed, he won back-to-back golds in Rapid-Fire Pistol in 1948 and 1952.



Karoly Takacs

In target accuracy sports where the bullseye looks about the size of the period at the end of this sentence and where shooters must concentrate on firing between heartbeats, in spite of earsplitting noise, Takacs' achievement tests the imagination.

From just three shooting events at the 1896 Games to 17 today, shooting sports have grown steadily, due to advances in technology and equipment – and the will of competitors to master each new challenge.

Assets

Current Assets	
Cash	\$ 923,518
Prepaid expense	1,839
Other current assets	5,816
Total current assets	931,173
Equipment, at cost, net of accumulated depreciation of \$2,380	4,370
Other Assets	
Advance to merger candidate (Note 7)	25,000
Total Assets	\$ 960,543

Liabilities and Shareholders' Equity

Current Liabilities	
Accounts payable	\$ 162,520
Accounts payable to related parties (Note 2)	196,202
Accrued salaries (Note 2)	1,123,380
Notes payable, related parties (Note 2)	975,969
Accrued interest payable, related parties (Note 2)	543,120
Notes payable, other (Note 4)	1,224,493
Accrued interest payable, other	538,439
Other current liabilities	117,031
Total current liabilities	4,881,154
Commitment (Note 6)	—
Shareholders' Deficit (Note 6)	
Preferred stock, \$.001 par value, 5,000,000 shares authorized, no shares issued and outstanding	—
Common stock, \$.001 par value, 50,000,000 shares authorized, 22,077,452 shares issued and outstanding	22,077
Retained deficit	(3,942,688)
Total Shareholders' Deficit	(3,920,611)
Total Liabilities and Shareholders' Deficit	\$ 960,543

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

	Year Ended December 31,	
	2004	2003
Revenue		
Related parties	\$ 131,463	\$ 270,958
Others	520,971	10,000
	652,434	280,958
Costs and expenses		
Stock issued to employees and for services	326,033	5,000
Asset impairment charge (Note 2)	1,010,573	125,000
General and administrative expense	2,117,750	762,605
General and administrative expenses, related parties (Note 2)	184,847	60,891
Total costs and expenses	3,639,203	953,496
Operating Loss	(2,986,769)	(672,538)
Interest Expense, net	(102,659)	(4,514)
Interest Expense, net - related parties	(27,319)	—
Loss before provision for income taxes	(3,116,747)	(677,052)
Income taxes (Note 5)	—	—
Net Loss	\$ (3,116,747)	\$ (677,052)
Basic and diluted loss per share	\$ (.20)	\$ (0.05)
Weighted average number of shares outstanding	15,725,275	14,069,753

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Shareholders' Deficit

	Common Stock		Additional Paid-in Capital	Retained Deficit	Total
	Shares	Amount			
Balance, December 31, 2002	13,310,000	\$ 13,310	\$ 12,191	\$ (92,927)	\$ (67,426)
Common stock issued for cash	1,714,286	1,714	723,055	—	724,769
Common Stock issued for technology license (Note 3)	500,000	500	249,500	—	250,000
Common stock issued for services	10,000	10	4,990	—	5,000
Stock options granted (Note 6)	—	—	4,300	—	4,300
Net Loss for year	—	—	—	(677,052)	(677,052)
Balance, December 31, 2003	15,534,286	\$ 15,534	\$ 994,036	\$ (769,979)	\$ 239,591
Common stock issued for services	338,150	338	238,293	—	238,631
Common stock issued to acquire affiliate (Note 2)	1,936,891	1,937	(3,729,903)	(55,962)	(3,783,928)
Common stock issued for cash	3,061,904	3,062	1,171,938	—	1,175,000
Common stock issued in debt conversion (Note 2)	1,206,221	1,206	1,325,636	—	1,326,842
Net Loss for year	—	—	—	(3,116,747)	(3,116,747)
Balance, December 31, 2004	22,077,452	\$ 22,077	\$ —	\$(3,942,688)	\$(3,920,611)

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

	Year Ended December 31,	
	2004	2003
Cash flows from operating activities		
Net loss	\$ (3,116,747)	\$ (677,052)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation and amortization	67,659	59,722
Asset impairment charge	1,010,573	125,000
Stock options granted	6,500	4,300
Stock issued to employees and others for services	326,033	5,000
	(1,705,982)	(483,030)
Changes in current assets and liabilities		
Accounts receivable and other current assets	147,927	(127,886)
Accounts payable and other current liabilities	918,827	138,126
Net cash used in operating activities	(639,228)	(472,790)
Cash flows from investing activities		
Purchase of equipment	(6,751)	—
Advance to merger candidate (Note 7)	(25,000)	—
Net cash used in investing activities	(31,751)	—
Cash flows from financing activities		
Proceeds from sale of common stock	1,175,000	750,000
Offering costs for sale of common stock	—	(25,231)
Proceeds from investor deposit	117,033	—
Proceeds from notes payable - stockholders	50,000	30,000
Repayment of note payable - stockholders	—	(30,000)
Net cash provided by financing activities	1,342,033	724,769
Net increase in cash	671,054	251,979
Cash, beginning of year	252,464	101
Cash, end of year	\$ 923,518	\$ 252,080
Cash paid during the year for:		
Interest	\$ —	\$ 300
Income taxes	\$ —	\$ —
Non-cash financing activities:		
Stock issued to acquire technology license	\$ —	\$ 250,000
Stock issued in reorganization	\$ 963,446	\$ —

See accompanying notes to consolidated financial statements.

Military Targets



Target: Mt. Surabachi on the island of Iwo Jima.

February 19, 1945: D-Day in the Pacific . . .

Marines fought yard by punishing yard to reach their target — the summit of 550-foot volcanic Mt. Surabachi where AP photographer Joe Rosenthal took the famous photograph, 'Raising the Flag on Iwo Jima.'



More than a quarter of Medals of Honor awarded to Marines during World War II were given for conduct in the invasion of Iwo Jima — aiming for and reaching a target in the face of near certain death.

Notes to Consolidated Financial Statements

Note 1: Organization, Basis of Presentation and Summary of Significant Accounting Policies

Organization

Description of Operations

AIMS Worldwide, Inc. provides integrated marketing and media services to businesses. We have recently commenced operations.

Background

We were incorporated in Nevada on October 7, 2002 to act as the successor to AIMS Group, LLC (the "LLC"). Effective October 7, 2002, the LLC reorganized and the existing members exchanged 100 percent of their memberships in the LLC for an aggregate of 10,000,000 common shares of our company. This transaction was a reorganization of companies under common control, and accordingly, it was accounted for at historical cost.

Effective December 17, 2002, Accurate Integrated Marketing Solutions Worldwide, Inc. ("AIMSWI") merged with ETG Corporation ("ETG"), which was incorporated in the state of Nevada on March 13, 1996. Subsequent to the merger, ETG changed its name to AIMS Worldwide, Inc. In 1999, ETG filed a Form SB-2 registration statement with the Securities and Exchange Commission relating to the registration of up to 200,000 shares of common stock at a price of \$1.00 per share. ETG closed the offering in April 2000 and realized approximately \$158,250 in proceeds from the public offering, net of related offering costs.

Basis of Presentation

The consolidated financial statements include the accounts of AIMS Worldwide, Inc. and its subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

When we refer to "we," "our," or "us" in this document, we mean AIMS Worldwide, Inc. and its Nevada predecessor. When we refer to "ETG" we mean the predecessor.

We have incurred significant operating losses since our inception and we have a net working capital deficiency at December 31, 2004. We are currently seeking equity capital in order to proceed with our business plan. While we have been successful in the past in raising equity capital, the unique nature of our business concept has limited our ability to acquire additional equity capital. We believe that we are not a viable candidate for commercial bank debt financing due to our lack of operating history and our lack of tangible assets. There is no assurance that we will meet the objectives of our business plan or that we will be successful in obtaining additional financing. Because there is no guarantee that we will succeed in accomplishing our objectives, substantial doubt exists about our ability to continue as a going concern.

As of December 31, 2003, we no longer classify ourselves as a development stage enterprise in accordance with Statement of Financial Accounting Standard No. 7, *Accounting and Reporting by Development Stage Enterprises* ("SFAS No. 7").

Cash and cash equivalents

For financial accounting purposes and the statement of cash flows, cash equivalents include all highly liquid debt instruments purchased with an original maturity of three months or less. We had \$300,000 on cash equivalents as of December 31, 2004.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect certain reported amounts of assets

and liabilities; disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Accounts Receivable

After reviewing and assessing our accounts receivable for collectibility, we have determined that all receivables are collectible.

Intangibles

Our software technology license is stated at cost and the license is amortized over its term of three years. Our software technology license is amortized using the straight-line method.

Income Taxes

We report income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes", which requires the liability method in accounting for income taxes. Deferred tax assets and liabilities arise from the difference between the tax basis of an asset or liability and its reported amount on the financial statements. Deferred tax amounts are determined by using the tax rates expected to be in effect when the taxes will actually be paid or refunds received, as provided under currently enacted law. Valuation allowances are established when necessary to reduce the deferred tax assets to the amounts expected to be realized. Income tax expense or benefit is the tax payable or refundable, respectively, for the period plus or minus the change during the period in the deferred tax assets and liabilities.

Earnings/(loss) per share

Basic net income per share is computed by dividing the net income available to common shareholders (the numerator) for the period by the weighted average number of common shares outstanding (the denominator) during the period. The

computation of diluted earnings is similar to basic earnings per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if potentially dilutive common shares had been issued.

At December 31, 2004, there was no variance between basic and diluted loss per share as the exercise of outstanding warrants to purchase common stock would be potentially anti-dilutive.

Fair Value of Financial Instruments

Our financial instruments consist of cash, receivables, and accounts payable and accrued expenses. The carrying values of cash, receivables, and accounts payable and accrued expenses approximate fair value because of their short maturities.

The carrying value of the term loans and demand note payable approximates fair value since the interest rate associated with the debt approximates the current market interest rate.

Revenue Recognition

Our revenue policies meet the criteria for realizing and earning revenues set forth in SEC Staff Bulletin ("SAB") 101 because, when applicable, we recognize revenue and earnings only when (1) persuasive evidence of an arrangement exists, (2) delivery has occurred or services have been rendered, (3) our vendor's price is fixed or determinable, and (4) collectibility is reasonably assured.

Revenue for service fees is recognized at the time the service is performed. Revenue for product sales is recognized at the time the product is delivered. Advertising revenue is earned as the advertisements are aired. Revenue from speaking engagements is recognized after the speech is delivered.

A substantial portion of our 2004 service revenue was derived from a cost-plus service contract with a related entity. In accordance with Emerging Issues Task

Military Targets



Target: The enemy (11/04).

A soldier in the Army's M2A2 Bradley Fighting Vehicle trains his 25mm chain gun on enemy targets in Samarra, Iraq.



Target: Research and reconnaissance.

The E-8C Joint Surveillance Target Attack Radar System is an Air Force - Army program, which uses a multi-mode side looking radar to detect, track, and classify moving ground vehicles in all conditions deep behind enemy lines. The aircraft is the only airborne platform in operation that can maintain realtime target surveillance over a corps-sized area of the battlefield.

Business Targets



AMERICA'S MOST ADMIRABLE COMPANIES



Inc. Magazine is published by Gruner + Jahr USA Publishing.

The FORTUNE 500
The 100 Fastest-Growing Companies

Fortune Magazine is published by Time Warner, Inc.

Force (EITF) Issue 99-19 "Reporting Revenue Gross as a Principal Versus Net as an Agent," we recognize the net amount of revenue retained under the contract because we have earned a management fee.

Stock-based Compensation

We account for stock-based employee compensation issued under compensatory plans using the intrinsic value method, which calculates compensation expense based on the difference, if any, on the date of the grant, between the fair value of our stock and the option exercise price. Generally accepted accounting principles require companies who choose to account for stock option grants using the intrinsic value method to also determine the fair value of option grants using an option-pricing model, such as the Black-Scholes model, and to disclose the impact of fair value accounting in a note to the financial statements. In December 2002, the Financial Accounting Standards Board, or FASB, issued Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation Transition and Disclosure, an Amendment of FASB Statement No. 123." We did not elect to voluntarily change to the fair value based method of accounting for stock based employee compensation and record such amounts as charges to operating expense.

We account for stock-based consulting compensation under the fair value based method which calculates compensation expense based on the fair value of the options expected to vest on the date the option is granted.

However, the FASB revised Statement No. 123 in 2004. Statement No. 123, as revised, requires recognition of the cost of employee services provided in exchange for stock options and similar equity instruments based on the fair value of the instrument at the date of grant. Statement 123, as originally issued, is effective until the provisions of Statement 123(R) are fully

adopted. Statement 123(R) is effective the first interim reporting period after December 15, 2005. The Company will adopt this guidance as of June 15, 2005 and begin recognizing compensation expense related to stock options should any be issued. The requirements of SFAS No. 123 will also be applied to stock options granted subsequent to December 15, 2005.

Impairment or Disposal of Long-Lived Assets

We evaluate long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." An asset is considered impaired if its carrying amount exceeds the future net cash flow the asset is expected to generate. If an asset is considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds its fair market value. We assess the recoverability of our long-lived and intangible assets by determining whether the unamortized balances can be recovered through undiscounted future net cash flows of the related assets. The amount of impairment, if any, is measured based on projected discounted future net cash flows.

Note 2: Related Party Transactions

We accrued stock-based compensation totaling \$1,123,380 as of December 31, 2004 for services performed by our officers during 2004. In January 2005, we issued those officers a total of 1.8 million shares of common stock valued \$1,123,380 in satisfaction of our liability.

In 2004, we exchanged equity interests with ATB Media, Inc. ("ATB"). ATB was formed in 1997 in Delaware to participate in the acquisition and operation of radio and television stations. We accounted for this

transaction at historical cost because prior to the acquisition, ATB was an entity under common control. We issued 1,936,891 shares of our common stock for all of the outstanding common stock of ATB, which had net liabilities of \$3,783,983.

Through December 2004, ATB had advanced \$1,010,573 to entities acquiring

certain of these radio stations. In addition, ATB had acquired interests in other entities totaling \$201,659. Because of uncertainty in recovering these investments, management has written them off.

Unsecured notes payable, due on demand, and related accrued interest to related parties as of December 31, 2004 follow:

	Principal	Interest
Max E. Miller, 15% interest	\$ 125,000	\$ 39,376
Michael Foudy, -0% interest	125,000	—
Michael Foudy, 15% interest	282,744	286,668
Denison E. Smith, 12% interest	248,710	142,171
Gerald Garcia, 10% interest	30,000	24,000
Media Partners, 6.5% interest	164,515	34,150
Foudy/Miller	—	16,755
	<u>\$ 975,969</u>	<u>\$ 543,120</u>

In 2004, certain debt holders forgave debt totaling \$1,326,843 of our notes payable and accrued interest in exchange for a total of 1,206,220 shares of our common stock as follows:

	Debt	Number of Shares
Max E. Miller, 15% interest	\$ 155,001	140,910
Michael Foudy, -0% interest	125,000	113,636
Michael Foudy, 15% interest	548,383	498,530
Denison E. Smith, 12% interest	375,959	341,781
Gerald Garcia, 10% interest	52,500	47,727
Edward Debolt, 10% interest	70,000	63,636
	<u>\$ 1,326,843</u>	<u>1,206,221</u>

In 2004 and 2003, respectively, we paid consulting fees totaling \$157,250 and \$60,891 to Directors, acting in the capacity of consultants.

In 2004, we paid legal fees totaling \$25,000 to a shareholder acting in the capacity of an attorney. We are indebted to the shareholder in the amount of \$37,500 as of December 31, 2004.

Business Targets

W. Edwards Deming

Target: Quality

"To manage, one must lead. To lead, one must understand the work that he and his people are responsible for. Who is the customer [target], and how can we better serve the customer?"

Peter Drucker

Target: Management by Objectives

"... answers to most questions are still largely hidden in the womb of the future. What the future society will look like depends on leaders in all sectors... This is a time for self-assessment, clear-minded decisions, and, above all, a time for action [the target]."

"Now effectiveness can no longer be taken for granted. Now it can no longer be neglected."

In 2004 and 2003, respectively, we paid consulting fees totaling \$5,693 and \$0- to a shareholder. We are indebted to the shareholder in the amount of \$33,333 as of December 31, 2004.

In 2004 and 2003, respectively, we paid consulting fees totaling \$21,904 and \$0- to a shareholder. We are indebted to the shareholder in the amount of \$32,340 as of December 31, 2004.

We are indebted to affiliates in the amount of \$30,923 as of December 31, 2004.

In 2003, we paid legal and other costs on behalf of ATB Media Services, Inc., an affiliate, totaling \$65,319. We incurred these costs in connection with a proposed business combination.

In 2004 and 2003, respectively, we recorded \$131,463 and \$270,958 in revenue from related entities, representing a concentration of 20 percent and 96 percent of total revenue. In addition, we recorded \$115,788 and \$191,276, respectively in revenue from a related organization that the Company is managing under a cost plus fee arrangement, representing 75 percent and 61 percent of total revenue.

We subleased office space from the organization that we managed at a cost of \$1,733 per month under an agreement that ran through December 2003. Total sublease payments were \$4,720 and \$28,269 for the years ended December 31, 2004 and 2003, respectively. We obtain office support, equipment and services under cost sharing agreements with this organization and an unrelated Company with which it shares subleased office space accrued at a total monthly cost of \$8,750. Total payments under the cost-sharing arrangements were \$0- and \$105,000 for the years ended December 31, 2004 and 2003, respectively. We are indebted to the organization in the amount of \$42,136 as of December 31, 2004.

We have a license agreement with a partnership that includes our officers and shareholders under which the partnership will pay an initial fee of \$1,500 and a royalty of one percent of revenue for the use of business methods, processes and intellectual property developed by the constituent partners, including the "Accurate Integrated Marketing Solutions" business services model and related trade secret systems and processes, URLs, logos and trade names.

Note 3: Technology License Agreement

In April 2003, we issued 500,000 shares of our common stock in exchange for a license to use certain technology. We valued the license at \$250,000. In the fourth quarter of 2003, we completed a review of our assets that identified the license as an asset whose carrying amount was not fully recoverable. As a result of this review, we recorded an asset impairment charge of \$125,000. We fully amortized the remaining balance in 2004. As of December 31, 2004, the carrying value of the license is \$0-.

Note 4: Notes Payable

Notes payable consist of the following notes payable at December 31, 2004:

Various individuals, 10% interest	\$ 100,000	\$ 44,759
Denton Hall, 10% interest	50,000	7,171
Angela Noble, 11% interest	500,000	220,000
Christopher Phillips, 11% interest	500,000	220,000
Keith D. Stein, 10% interest	30,000	12,637
Gene Jewett, 10% interest	4,493	1,872
Edward Debolt, 10% interest	40,000	32,000
	<u>\$ 1,224,493</u>	<u>\$ 538,439</u>

Except for the Denton Hall promissory note, the notes are the obligation of our subsidiary, ATB, and are in default.

Note 5: Income Taxes

Because we underwent an ownership change in 2002, as defined in Section 382 of the Internal Revenue Code, our tax net operating loss carryforwards generated prior to the ownership change will be subject to an annual limitation, which could reduce or defer the utilization of those losses.

A reconciliation of U.S. statutory federal income tax rate to the effective rate follows for the years ended December 31, 2004 and 2003 follows:

	Years Ended December 31,	
	2004	2003
U.S. statutory federal rate	31.96%	31.59%
State income tax rate, net NOL for which no tax benefit is currently available	6.00%	7.10%
	(37.96%)	(38.69%)
	<u>0.00%</u>	<u>0.00%</u>

The benefit for income taxes from operations consisted of the following components at December 31, 2004: current tax benefit of \$1,464,000 resulting from a net loss before income taxes, and deferred tax expense of \$1,464,000 resulting from the valuation allowance recorded against the deferred tax asset resulting from net operating losses.

The benefit for income taxes from operations consisted of the following components at December 31, 2003: current tax benefit of \$281,000 resulting from a net loss before income taxes, and deferred tax expense of \$281,000 resulting from the valuation allowance recorded against the deferred tax asset resulting from net operating losses.

The change in the valuation allowance for the year ended December 31, 2004 was \$1,183,000. The change in the valuation allowance for the year ended December 31, 2003 was \$262,000. Net operating loss carryforwards at December 31, 2004 will expire in 2024. The valuation allowance will be evaluated at the end of each year, considering positive and negative evidence about whether the asset will be realized.

At that time, the allowance will either be increased or reduced; reduction could result in the complete elimination of the allowance if positive evidence indicates that the value of the deferred tax asset is no longer impaired and the allowance is no longer required.

Note 6: Stockholders' Deficit

Preferred stock

The preferred stock may be issued in series as determined by the Board of Directors. As required by law, each series must designate the number of shares in the series and each share of a series must have identical rights of (1) dividend, (2) redemption, (3) rights in liquidation, (4) sinking fund provisions for the redemption of the shares, (5) terms of conversion and (6) voting rights.

Common stock

We issued 388,150 restricted shares of our common stock to employees and consultants in exchange for services in 2004. The value of these awards totalled \$238,631. The compensation expense was



Skeet Shooting

Target: A clay disk 4 5/16" x 1 1/8".

In 1920 in Andover, MA, a small group of hunters took to shooting clay targets as a means of practicing their 'wing' shooting. It was from this crude beginning that the modern day version of skeet shooting developed.

In skeet, athletes move through a range featuring eight shooting stations. At each station, single and/or double clay targets are thrown more than 200 feet into the air from the high (10 feet) or low (three feet) house on either side of the range. The four-inch clay disks travel at up to 55 miles per hour, and competitors may fire one shot per target.

Vincent Hancock, 16, of Eatonton, GA is the current international skeet shooting champ.

Sports Targets



measured based on the quoted market price of the stock on the date of issuance.

During the year ended December 31, 2004, we circulated a private offering memorandum relating to the private offering of shares of our common stock. The securities have not been registered pursuant to the Securities Act of 1933, as amended (the "Act"), nor have they been registered under the securities act of any state. These securities were offered pursuant to an exemption from registration requirements of the Act and exemptions from registration provided by applicable state securities laws. Our management, who was not paid any commission or compensation for offering or selling the securities, sold the securities. We sold 3,061,904 restricted shares of common stock for net proceeds of \$1,175,000, after deducting offering costs of \$17,293.

In August 2003, we issued 10,000 shares of our common stock for public relations services. The shares were valued by the Board of Directors at \$.50 per share based upon contemporaneous sales of stock for cash to unrelated third parties. Because the shares of common stock were not registered, the stock certificates bear certain legends regarding transferability. We recorded \$5,000 in compensation expense for the public relations services.

In April 2003, we issued 500,000 shares of our common stock to an unrelated third-party for an exclusive three-year software license. The shares were valued by the Board of Directors at \$.50 per share based upon contemporaneous sales of stock for cash to unrelated third parties. Because the shares of common stock were not registered, the stock certificates bear certain legends regarding transferability. We recorded \$5,000 in compensation expense for the public relations services.

During the year ended December 31, 2003, we circulated a private offering memorandum relating to the private offering of shares of our common stock.

The securities have not been registered pursuant to the Securities Act of 1933, as amended (the "ACT"), nor have they been registered under the securities act of any state. These securities were offered pursuant to an exemption from registration requirements of the Act and exemptions from registration provided by applicable state securities laws. Our management, who was not paid any commission or compensation for offering or selling the securities, sold the securities. We sold 1,714,286 shares of common stock for net proceeds of \$724,769, after deducting offering costs of \$25,231.

Contingent common shares

We are contractually bound to issue 500,000 shares to an unrelated third-party should certain conditions be met by ATB by April 2005. In addition, we contractually bound to issue 1,500,000 shares to an unrelated third-party should certain conditions be met by ATB by April 2008.

Options and warrants to purchase common stock

In November 2004, we granted to two employees, warrants to purchase 36,000 shares of our common stock at \$0.50 per share. The warrants vested in January 2005 and expire on December 31, 2006. We used an option-pricing model to value the warrants. Factors used to price the option were as follows:

Market price of stock	\$ 0.50
Estimated volatility of stock price	51%
Discount rate	2%
Dividends	None
Estimated option life	Three years

In March 2003, we granted an officer, an option to purchase 30,000 shares of our common stock at \$1.00 per share. The option vested immediately and expires in April 2006. We used an option-pricing

model to value the option. Factors used to price the option were as follows:

Market price of stock	\$ 0.50
Estimated volatility of stock price	69%
Discount rate	2%
Dividends	None
Estimated option life	Three years

Authorization to grant common stock options

During the year ended December 31, 2003, our Board of Directors authorized us to grant options to our officers to purchase up to a total of 1 million shares of common stock each year for the next five years. However, no options have been granted under this authorization.

Note 7: Subsequent Events

During the first quarter of 2005, we sold 2,453,571 shares of common stock for net proceeds of \$925,000.

On January 28, 2005, we purchased the assets of Prime Time Cable, Inc. in exchange for 1,576,086 unregistered shares of our common stock. We negotiated the right to re-purchase 788,043 of the shares for \$1.50 each for up to three years from the purchase date. The assets were recorded in our newly formed subsidiary, AIMS Broadband, Inc., which we organized in Nevada for specifically that purpose. Pro forma financial information will be provided in the first quarter of 2005. We had advanced \$25,000 to Prime Time Cable, Inc. in December 2004.

Sports Targets



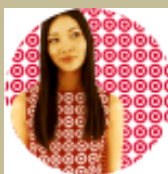


Target Brand

1962: Dayton Company enters the discount merchandising arena with the opening of its first Target store.

1990: The Target retail (Big Box/Discount) brand becomes fastest growing in 'stylish' discount niche.

2000: The Target symbol becomes such a nationally identified brand that the Dayton Hudson Corporation changes its name and logo to:



Today Target is one of America's most recognizable brands — not just retail — and is fully integrated into pop culture and consciousness.

"What if all those crop circle 'signs' are just huge ads for Target?"
Dennis Miller
Comedian

The Bullseye Design and Bullseye Dog are trademarks of Target Brands, Inc.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
AIMS Worldwide, Inc.:

We have audited the accompanying consolidated balance sheet of AIMS Worldwide, Inc., a Nevada corporation, and subsidiaries as of December 31, 2004, and the related consolidated statements of operations, changes in shareholders' deficit, and cash flows for each of the years in the two-year period then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of AIMS Worldwide, Inc. and subsidiaries as of December 31, 2004, and the results of their operations and their cash flows for each of the years in the two year period then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that AIMS Worldwide, Inc. will continue as a going concern. As discussed in Note 1 to the financial statements, the Company's significant operating losses and working capital deficiency raise substantial doubt about its ability to continue as a going concern. The financial statements do not contain any adjustments that might result from the outcome of this uncertainty.

As described in Note 2, 75 percent and 96 percent respectively, of the Company's net sales in the years ended December 31, 2004 and 2003 are concentrated in one customer. A reduction in the level of net sales to or the loss of this customer could have a material adverse effect on the Company's financial condition and results of operations.

In 2003, the Company emerged from the development stage.

Cordovano and Honeck

Cordovano and Honeck LLP

Denver, Colorado

April 13, 2005

Code of Ethics

The Company has adopted a code of ethics that applies to the Company's principal executive officer, principal financial officer, principal accounting officer or controller which was attached as Exhibit 99.3 to its 2002 Form 10KSB. The Company will provide, at no cost, a copy of the Code of Ethics to any shareholder of the Company upon receiving a written request sent to the Company's address shown on the back inside cover of this report.

Report of Management on the Financial Statements

Management is responsible for the consistency, integrity and presentation of the information in the Annual Report. The consolidated financial statements and other information presented in this Annual Report have been prepared in accordance with accounting principles generally accepted in the United States and include necessary judgements and estimates by management.

Report of Management on Internal Control and Procedures

Evaluation of Disclosure Controls and Procedures. The Company's management, with the participation of the chief executive officer and the chief financial officer, carried out an evaluation of the effectiveness of the Company's "disclosure, controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(3) and 15-d-15(3) as of the end of the period covered by this annual report (the "Evaluation Date"). Based upon that evaluation, the chief executive officer and the chief financial officer concluded that, as of the Evaluation Date, the Company's disclosure, controls and procedures are effective, providing them with material information relating to the Company as required to be disclosed in the reports the Company files or submits under the Exchange Act on a timely basis.

Changes in Internal Control over Financial Reporting. There were no changes in the Company's internal controls over financial reporting, known to the chief executive officer or the chief financial officer, that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

In accordance with the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AIMS Worldwide, Inc.

Date: April 15, 2004
[/s/ Gerald Garcia Jr.](#)
Gerald Garcia Jr.
Chief Executive Officer

Date: April 15, 2004
[/s/ Patrick J. Summers](#)
Patrick J. Summers
Chief Financial Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: April 15, 2004
[/s/ Michael Foudy](#)
Michael Foudy
Chairman

Date: April 15, 2004
[/s/ B. Joseph Vincent](#)
B. Joseph Vincent
Vice Chairman

Date: April 15, 2004
[/s/ Gerald Garcia Jr.](#)
Gerald Garcia, Jr.
Director

Company Information

Aim at heaven
and you get earth thrown in.

C.S. Lewis
British author, 1898 - 1963

Board and Management

Michael Foudy
Chairman of the Board
Director
Chief Consulting Officer

Gerald Garcia Jr.
President
Director
Chief Executive Officer

B. Joseph Vincent
Vice Chairman of the Board
Director
Chief Strategy Officer

Patrick J. Summers
Chief Financial Officer

Independent Auditors
Cordovano and Honeck, P.C.
201 Steele Street, Suite 300
Denver, Colorado 80206

**Registrar,
Stock Transfer Agent**
InterWest Transfer Co., Inc.
1981 East 4800 South, #100
P.O. Box 17136
Salt Lake City, Utah 84117
801-272-9294

**Shareholder Inquiries &
Executive Offices**
10400 Eaton Place, Suite 450
Fairfax, Virginia 22030
703-621-3875
www.AimsWorldwide.com

Stock Listing
AIMS Worldwide's common stock is
traded on the Over the Counter
Bulletin Board. The ticker symbol is
AMWW.

Shareholder Note

For a complete and detailed online review of the Company's 10K filing, visit our website at www.AimsWorldwide.com. Quarterly and annual shareholder information, including the Form 10-Q and Form 10-K Annual Report, which are filed with the Securities and Exchange Commission, are available at no charge to shareholders. To obtain copies of these materials, you may call 703-621-3875, ext. 2254, send an email to psummers@aimsworldwide.com, or write to Shareholder Relations at the corporate office: 10400 Eaton Place, Suite 450, Fairfax, VA 22030.

Forward Looking Statements

This annual report includes certain statements that may be deemed to be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements in this release, other than statements of historical facts, that address future activities, performance, events or developments are forward-looking statements. Although AIMS Worldwide, Inc. believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

AIMSSM, ROMISM, ROMI IndexTM, One-2-OneSM, Power1-2-1SM, MyAimsSM are intellectual property marks of AIMS Worldwide, Inc.

Target:

Higher
in '05
AIM

