

IMAGINATIK LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2005

Company Registration Number 3936915



Tenon Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

IMAGINATIK LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

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Tenon audit

IMAGINATIK LIMITED

INDEPENDENT AUDITORS' REPORT TO IMAGINATIK LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Imaginatik Limited for the year ended 31 March 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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 for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with those provisions.



Tenon Audit Limited
Registered Auditor
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

Date:- 11 July 2006

IMAGINATIK LIMITED
ABBREVIATED BALANCE SHEET

31 MARCH 2005


	Note	2005 £	£	2004 (restated) £	£
Current assets					
Debtors		80,650		58,798	
Creditors: amounts falling due within one year		<u>(567,891)</u>		<u>(321,158)</u>	
Net current liabilities			<u>(487,241)</u>		<u>(262,360)</u>
Total assets less current liabilities			<u>(487,241)</u>		<u>(262,360)</u>
Capital and reserves					
Called-up share capital	2		1		1
Profit and loss account			<u>(487,242)</u>		<u>(262,361)</u>
Shareholder's funds			<u>(487,241)</u>		<u>(262,360)</u>

These abbreviated accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The director acknowledges his responsibility for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These abbreviated accounts were approved by the directors on 7 July 2006 and are signed on their behalf by:


Mr S Taylor
Director

The notes on pages 3 to 5 form part of these abbreviated accounts.

IMAGINATIK LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

1. Accounting policies

Basis of accounting

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).

Going Concern

At 31 March 2005 the company had net liabilities of £487,241. The company sustained a deficit for the period of £224,881. Based on their long term business plan the directors are confident that the Company will trade profitably in future periods.

The directors therefore consider it appropriate that the financial statements are prepared on a going concern basis.

Turnover

Income for the Company is derived from a number of different sources. Following the principles of FRS 5 Application Note G, the policies for income recognition in respect of each of the different sources of income are such that income is recognised to the extent that the Company has obtained the right to consideration through its performance or delivery of a service in the period of account. Certain forms of income require a contractual obligation to be entered into between the Company and the customer. In applying the income recognition policies below where there is a requirement for a contract to be signed, income is recognised in accordance with the policy when the contract has been signed or there is persuasive evidence that the contract will be signed.

a) Conference Income:

Income receivable for any conferences organised by the Company shall be recognised in the month that the conference occurs. Any income arising from the subsequent sale of DVD recordings of the conferences are recognised as they are shipped to the customer.

b) Consulting:

Income derived from consulting workshops subject to contracts is recognised in the month in which the workshops take place. Longer term consulting arrangements shall be recognised evenly over the term of the contract.

c) Development:

Custom development work income is recognised in the month in which the work is performed and enhancements delivered to the client.

d) Hosting:

Hosting income is recognised evenly over the term of the contract. Where hosting is included as part of a bundle within a contract and is not specifically itemised, an apportionment is taken as the hosting element of the contract. This amount is accrued over the period of the hosting.

IMAGINATIK LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

1. Accounting policies *(continued)*

e) Hosting Setup:

Income derived from the initial hosting setup of a customer environment is recognised in the period in which the work is performed.

f) Licence Fees - Annual & Perpetuity:

Income that arises from annual and perpetuity licence fees is recognised in the period in which the contractual arrangement has been signed or where there is persuasive evidence that the contract will be signed.

g) Actual User Licence:

Income that arises from actual user licences is recognised at the point(s) where there is persuasive evidence that income has been generated by actual users of the system and the Company is entitled to consideration.

h) Maintenance:

Income derived from maintenance fees is recognised over the term of the contract. Where a maintenance fee is not itemised in the contract but is still provided as part of the contractual arrangement, an apportionment is taken as the maintenance amount.

i) Support:

Income derived from technical support services is recognised in the period in which the support or service is provided to the client.

j) Software Rental:

Income derived from the rental of software is recognised in the month in which the client uses the software for an event.

k) User Training:

Income derived from the provision of training is recognised in the month during which that training is provided to the client. The same principle applies whether the training is supplied by in-house personnel or is delivered by a subcontractor.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

IMAGINATIK LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 MARCH 2005

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. Share capital

Authorised share capital:

	2005	2004 (restated)
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005		2004
	No	£	No
			£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>

3. Prior year adjustment

During the year the directors identified that the financial statements prepared for the year ended 31 March 2004 incorrectly reflected a number of underlying transactions. Accordingly the financial statements in respect of the year ended 31 March 2004 have been restated to reflect the correcting adjustments. These adjustments impact all the prior year financial statement statutory headings. The profit for the year ended 31 March 2004 has been increased by £28,200 and the net assets decreased by £139,974 as a result of the restatement. The errors arose as a result of non-operation of certain accounting controls and the directors are satisfied that the remedial actions taken will prevent any reoccurrence.