

Registered number 03807789

ALAMY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

THURSDAY



A1FFI85L

A27

16/08/2012

#106

COMPANIES HOUSE

ALAMY LIMITED

COMPANY INFORMATION

DIRECTORS

Mr MD Fischer
Mr JL West

COMPANY SECRETARY

Mr JS Schilizzi

COMPANY NUMBER

03807789

REGISTERED OFFICE

Units 6 & 8
West 127 Milton Park
Milton
Abingdon
Oxfordshire
OX14 4SA

AUDITORS

James Cowper LLP
Chartered Accountants and Statutory Auditors
2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

ALAMY LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Consolidated profit and loss account	6
Consolidated balance sheet	7
Company balance sheet	8
Consolidated cash flow statement	9
Notes to the financial statements	10 - 23

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and the financial statements for the year ended 31 December 2011

DIRECTORS' RESPONSIBILITIES STATEMENT

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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of an internet picture agency.

The company has two subsidiaries, Alamy Images India Private Limited which is based in India and provides various administrative services to Alamy Limited, and Alamy Inc which manages the sales operations in the US market.

BUSINESS REVIEW

In the climate of worldwide recession the group has managed to increase turnover by 5%, increase its gross profit by 1.2% and increase operating profit by 51%.

Specifically, turnover increased from £14,139,495 in 2010 to £14,853,670 in 2011. The gross profit percentage improved from 36% in 2010 to 37.2% in 2011.

Due to the perpetual increase in the number of photographers contributing images and the group's contributor payment policy, trade creditors (comprising predominantly of contributor balances) still remain higher than trade debtors this year.

The company has a subsidiary based in India to which it outsources administrative and development work. In keeping with the general economic climate, the company continued to outsource further work to the subsidiary at the same time as implementing efficiency savings resulting in a lower work force doing the same volume of work.

The US sales office (Alamy Inc) which opened in March 2009 has continued to grow its sales force. The company is happy with the performance of this office.

The directors of the company did not recommend the payment of a dividend for the year under review.

RESULTS

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The profit for the year, after taxation, amounted to £452,979 (2010 - £216,024)

DIRECTORS

The directors who served during the year were

Mr MD Fischer
Mr JL West

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made contributions totalling £150,000 (2010 £150,000) to the Fischer Family Charitable Trust

PRINCIPAL RISKS AND UNCERTAINTIES

As with many businesses, the group is exposed to macro economic factors of an uncertain nature such as changes in inflation and interest rates, consumer spending patterns and levels of disposable income

Financial risk management

Credit Risk – The group has implemented policies that require appropriate credit checks on potential customers before credit is offered. Credit limits are set according to the level of assessed credit risk, in some instances this can lead to the rejection of credit

Market Risk – Web-based image selling is a competitive industry. Whilst retaining a wide range of images (27.1 million as at 31 December 2011) is important, the group's established client-base is a more pertinent factor

Foreign Exchange Rate Risk - Alamy Limited is exposed to exchange rate risk given the high volume of transactions in foreign currency especially with its contributors whose balances are denominated in US dollars, and also with its Indian subsidiary, Alamy Images India Private Limited, whose functional currency is Indian Rupees

Forward swaps are used by Alamy Limited to hedge against the risk of adverse movements in US dollar exchange rates. The net balance of US dollar debtors and creditors is monitored on a fortnightly basis and is reviewed to assess the anticipated required balance of foreign currency required should any significant fluctuations occur one way or the other. This policy has been running since the end of 2008 and continues to be successful, to the extent that the exchange rate movement in the year for Alamy Limited was an overall loss of £4,864 (2009 - £17,874) even with sharp fluctuations in the value of sterling during the year

The Indian subsidiary has also adopted selling in advance Sterling through forward contracts to limit the short to medium term fluctuations in Sterling to the Indian Rupee

The group continually reviews its cost base and processes to ensure that, even if there is a downturn in the market, the group is still in a position to maintain an operating profit. Alamy Limited retains a cash reserve of about £1,000,000 so that it can plan accordingly for any long term downturn in the market

ENVIRONMENTAL MATTERS

The group continues to purchase solar powered lamps to distribute rather than buying mainstream carbon offsets to mitigate their greenhouse gas emissions. This year the group purchased 1,565 lights at a cost of £12,540 (2010 1,565 lights) for distribution in India, as an alternative to kerosene burner lamps where there is no electricity supply. This has a two fold benefit of reducing CO2 emissions as well as having a proven health benefit by stopping the use of burners within the home

ALAMY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2011**

FUTURE DEVELOPMENTS

The company has made important improvements in several key areas and has begun to operate in new markets with new products

The number of images for sale has dramatically increased, now up to 27.1 million at the end of 2011 (21.5m in Dec 2010)

The company website has been improved both in its speed and design, so that it continues to provide a better experience for customers than that offered by the competition. The whole site is now also available in German, so that it can directly compete in this large market without any language problems

The company has begun to operate in Australia, the Middle East and Germany with dedicated staff in each area

The company continues to undertake research and development in information technology to support its activities

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditors in connection with preparing their report and to establish that the company and the group's auditors are aware of that information

AUDITORS

The auditors, James Cowper LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *6th August 2012* and signed on its behalf


Mr JS Schilizzi
Secretary

ALAMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY LIMITED

We have audited the financial statements of Alamy Limited for the year ended 31 December 2011, set out on pages 6 to 23. 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, 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 group's and the parent 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.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2011 and of the group's 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.

ALAMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Mrs Sue Staunton MA, ACA, CF (Senior Statutory Auditor)

for and on behalf of
James Cowper LLP

Chartered Accountants and Statutory Auditors

2 Chawley Park
Cumnor Hill
Oxford
Oxfordshire
OX2 9GG

Date

14 August 2012

ALAMY LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	2011 £	2010 £
TURNOVER	2	14,853,670	14,139,495
Cost of sales		<u>(9,331,597)</u>	<u>(9,058,494)</u>
GROSS PROFIT		5,522,073	5,081,001
Distribution costs		<u>(399,423)</u>	<u>(360,031)</u>
Administrative expenses		<u>(4,607,549)</u>	<u>(4,471,116)</u>
Other operating income		<u>2,840</u>	<u>2,540</u>
OPERATING PROFIT	3	517,941	252,394
Income from other fixed asset investments		-	8,737
Interest receivable and similar income		<u>27,036</u>	<u>14,782</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		544,977	275,913
Tax on profit on ordinary activities	6	<u>(91,998)</u>	<u>(59,889)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>452,979</u>	<u>216,024</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the Profit and loss account

The notes on pages 10 to 23 form part of these financial statements

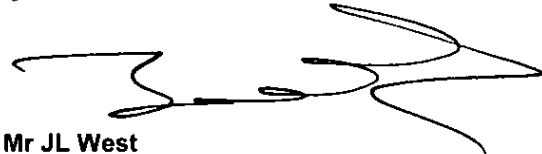
ALAMY LIMITED
REGISTERED NUMBER: 03807789

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Intangible assets	7		8,754		9,483
Tangible assets	8		315,618		299,173
			<u>324,372</u>		<u>308,656</u>
CURRENT ASSETS					
Debtors	11	2,355,144		2,097,091	
Investments	12	-		573,818	
Cash at bank and in hand		3,039,434		2,056,037	
		<u>5,394,578</u>		<u>4,726,946</u>	
CREDITORS amounts falling due within one year	13	(3,869,961)		(3,671,172)	
NET CURRENT ASSETS			<u>1,524,617</u>		<u>1,055,774</u>
NET ASSETS			<u>1,848,989</u>		<u>1,364,430</u>
CAPITAL AND RESERVES					
Called up share capital	14		1,300		1,300
Share premium account	15		675,121		675,121
Other reserves	15		(67,830)		(99,410)
Profit and loss account	15		1,240,398		787,419
SHAREHOLDERS' FUNDS	17		<u>1,848,989</u>		<u>1,364,430</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

6 August 2012



Mr J.L. West
Director

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED
REGISTERED NUMBER 03807789

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		219,062		165,538
Investments	9		444,033		444,033
			<u>663,095</u>		<u>609,571</u>
CURRENT ASSETS					
Debtors	11	2,630,543		2,177,988	
Investments	12	-		573,818	
Cash at bank and in hand		1,823,752		1,158,678	
		<u>4,454,295</u>		<u>3,910,484</u>	
CREDITORS amounts falling due within one year	13	(3,936,312)		(3,727,485)	
NET CURRENT ASSETS			<u>517,983</u>		<u>182,999</u>
NET ASSETS			<u><u>1,181,078</u></u>		<u><u>792,570</u></u>
CAPITAL AND RESERVES					
Called up share capital	14		1,300		1,300
Share premium account	15		675,121		675,121
Other reserves	15		(99,410)		(99,410)
Profit and loss account	15		604,067		215,559
SHAREHOLDERS' FUNDS	17		<u><u>1,181,078</u></u>		<u><u>792,570</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

6 AUGUST 2012

Mr JL West
Director

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	18	712,733	733,629
Returns on investments and servicing of finance	19	27,036	23,519
Taxation	19	(193,215)	(9,385)
Capital expenditure and financial investment	19	(136,975)	(220,067)
CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES		409,579	527,696
Management of liquid resources	19	573,818	(118,331)
INCREASE IN CASH IN THE YEAR		983,397	409,365

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 £	2010 £
Increase in cash in the year	983,397	409,365
Cash (inflow)/outflow from (increase)/decrease in liquid resources	(573,818)	118,331
MOVEMENT IN NET DEBT IN THE YEAR	409,579	527,696
Net funds at 1 January 2011	2,629,855	2,102,159
NET FUNDS AT 31 DECEMBER 2011	3,039,434	2,629,855

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Basis of consolidation

The financial statements consolidate the accounts of Alamy Limited and all of its subsidiary undertakings ('subsidiaries')

Turnover

Turnover comprises revenue recognised by the company in respect of images sold on the company's website, stated net of value added tax

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss account over its estimated economic life.

Amortisation is provided at the following rates

Goodwill	-	20 years straight line
----------	---	------------------------

Research and development

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

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold improvements	-	33% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
IT equipment & website	-	50% straight line

Investments

Investments in subsidiaries are valued at cost less provision for impairment

Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Currency swaps are used by Alamy Limited to hedge against foreign currency exchange rate risks. The currency exchange gain or loss is accrued when the agreement is made.

Forward exchange contracts are used by Alamy Images India Private Limited to hedge against exchange rate risk. The exchange rate gain or loss is realised when the forwarded contracts mature. Alamy Inc is not exposed to currency exchange rate risk as the subsidiary only trades in US dollars.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss account.

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2 TURNOVER

A geographical analysis of turnover is as follows

	2011 £	2010 £
United Kingdom	5,467,891	5,408,638
Europe (not including the UK)	1,945,441	2,054,018
Rest of the world	2,058,725	2,132,412
United States	5,381,613	4,544,427
	<u>14,853,670</u>	<u>14,139,495</u>

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2011 £	2010 £
Amortisation - intangible fixed assets	729	729
Depreciation of tangible fixed assets		
- owned by the group	269,077	251,179
Auditors' remuneration	7,500	11,296
Operating lease rentals		
- Land and buildings	163,357	99,663
Difference on foreign exchange	(89,798)	42,686
	<u></u>	<u></u>

Auditors fees for the company were £7,500 (2010 - £11,296)

4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	3,200,362	2,903,293
Social security costs	262,957	240,435
Other pension costs	100,020	82,079
	<u>3,563,339</u>	<u>3,225,807</u>

The average monthly number of employees, including the directors, during the year was as follows

	2011 No	2010 No
	<u>45</u>	<u>47</u>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5. DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	<u>370,458</u>	<u>516,797</u>
Company pension contributions to defined contribution pension schemes	<u>7,500</u>	<u>35,000</u>

During the year retirement benefits were accruing to 1 director (2010 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £250,000 (2010 - £250,000)

6 TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
	<u>-</u>	<u>-</u>
Foreign tax on income for the year	92,545	63,921
Total current tax	<u>92,545</u>	<u>63,921</u>
Deferred tax		
Deferred tax assets	(547)	(4,032)
Tax on profit on ordinary activities	<u>91,998</u>	<u>59,889</u>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

6 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2010 - higher than) the standard rate of corporation tax in the UK of 26.5% (2010 - 29.7%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>544,977</u>	<u>275,913</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.5% (2010 - 29.7%)	144,419	81,914
Effects of		
Expenses not deductible for tax purposes	(4,143)	28,539
Capital allowances for year in excess of depreciation	3,592	(11,574)
Utilisation of tax losses	(14,715)	(1,679)
Research & Development enhanced expenditure relief	(64,281)	(33,399)
Tax losses carried forward	-	7,304
Adjustments to tax charge in respect of prior periods	12	(7,184)
Differing tax rates in different jurisdictions	27,661	-
	<u>92,545</u>	<u>63,921</u>
Current tax charge for the year (see note above)		

The average rate of taxation applicable to the group for the year is 37.8% (2010 - 29.7%)

7 INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2011 and 31 December 2011	<u>14,586</u>
Amortisation	
At 1 January 2011	5,103
Charge for the year	729
At 31 December 2011	<u>5,832</u>
Net book value	
At 31 December 2011	<u>8,754</u>
At 31 December 2010	<u>9,483</u>

On 26 February 2004, Alamy Limited acquired 100% of Alamy Images India Private Limited. Goodwill of £14,568 arises from the surplus of the purchase price over the value of the net assets of Alamy Images India Private Limited as at that date.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

8 TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures & fittings £	IT equipment & website £	Leasehold improve- ments £	Total £
Cost					
At 1 January 2011	20,717	550,712	1,874,782	72,155	2,518,366
Additions	-	10,891	274,631	-	285,522
At 31 December 2011	20,717	561,603	2,149,413	72,155	2,803,888
Depreciation					
At 1 January 2011	9,817	443,458	1,715,581	50,337	2,219,193
Charge for the year	6,283	61,466	181,314	20,014	269,077
At 31 December 2011	16,100	504,924	1,896,895	70,351	2,488,270
Net book value					
At 31 December 2011	4,617	56,679	252,518	1,804	315,618
At 31 December 2010	10,900	107,254	159,201	21,818	299,173

Company	Fixtures & fittings £	IT equipment & website £	Total £
Cost			
At 1 January 2011	139,348	1,482,614	1,621,962
Additions	-	219,848	219,848
At 31 December 2011	139,348	1,702,462	1,841,810
Depreciation			
At 1 January 2011	110,393	1,346,031	1,456,424
Charge for the year	11,332	154,992	166,324
At 31 December 2011	121,725	1,501,023	1,622,748
Net book value			
At 31 December 2011	17,623	201,439	219,062
At 31 December 2010	28,955	136,583	165,538

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

9. FIXED ASSET INVESTMENTS

Company	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2011 and 31 December 2011	444,033
Net book value	
At 31 December 2011	444,033
At 31 December 2010	444,033

Details of the principal subsidiaries can be found under note number 10

10. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
Alamy Images India Private Limited	India	100 %
Alamy Inc	USA	100 %

Capital and reserves of Alamy Images India Private Limited

	2011 £	2010 £
Shareholder funds	949,499	836,563
Profit for the year	84,396	108,543

Capital and reserves of Alamy Inc

	2011 £	2010 £
Shareholder funds	192,383	118,849
Profit for the year	75,152	61,945

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

11 DEBTORS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,812,339	1,419,421	2,174,350	1,553,824
Amounts owed by group undertakings	-	-	197,694	198,570
Other debtors	164,798	371,324	24,795	213,611
Prepayments and accrued income	378,007	306,346	233,704	211,983
	2,355,144	2,097,091	2,630,543	2,177,988

Included within trade debtors of the company is an amount owed by Alamy Inc of £1,438,629 (2010 - £726,058). The amounts owed from group undertakings all relate to a loan from Alamy Inc of \$300,000 (2010 - \$300,000). Interest of £3,922 (2010 - £4,068) was charged to Alamy Limited at a rate of 2.04% per annum. This loan is not secured and has no fixed date of repayment.

12 CURRENT ASSET INVESTMENTS

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Listed investments	-	573,818	-	573,818

Group listed investments

The market value of the listed investments at 31 December 2011 was £Nil (2010 - £682,041).

Company listed investments

The market value of the listed investments at 31 December 2011 was £Nil (2010 - £682,041).

13 CREDITORS

Amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade creditors	2,848,850	2,652,791	3,117,547	2,988,610
Corporation tax	10,411	111,081	-	-
Social security and other taxes	176,606	185,659	171,480	168,435
Other creditors	109,490	169,236	90,147	120,752
Accruals and deferred income	724,604	552,405	557,138	449,688
	3,869,961	3,671,172	3,936,312	3,727,485

Included within trade creditors are amounts which may be the subject of retention of title clauses.

Included within trade creditors of the company is an amount owed by Alamy Limited to Alamy Images India Private Limited of £318,307 (2010 - £346,731).

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

14 SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,300,000 Ordinary shares of £0.001 each	<u>1,300</u>	<u>1,300</u>

15 RESERVES

Group	Share premium account £	EMI share reserve £	Profit and loss account £
At 1 January 2011	675,121	(99,410)	787,419
Profit for the year			452,979
Movement on other reserves		31,580	
At 31 December 2011	<u>675,121</u>	<u>(67,830)</u>	<u>1,240,398</u>

Company	Share premium account £	EMI share reserve £	Profit and loss account £
At 1 January 2011	675,121	(99,410)	215,559
Profit for the year			388,508
At 31 December 2011	<u>675,121</u>	<u>(99,410)</u>	<u>604,067</u>

16 EMI SHARE OPTIONS

During the year ended 31st March 2003, 169,000 ordinary shares were purchased at a value of 59 pence per share and are held by a Trust which is legally separate from the company and for the benefit of the employees of the company. In accordance with Urgent Issues Task Force Abstract 38, "Accounting of ESOP Trusts", the balance transferred to the Trust and used to purchase these shares has been reported as a reduction of the shareholders' funds. There are no performance conditions attached to these options.

Options were granted to a number of employees of the company enabling 157,000 (2010 – 157,000) of the 168,000 shares (2010 - 168,000) owned by the Trust at the year end to be bought by the employees at any time up to their expiry date of 11th October 2012.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Group		
Opening shareholders' funds	1,364,430	1,148,406
Profit for the year	452,979	216,024
Movement on other reserves	31,580	-
	<u>1,848,989</u>	<u>1,364,430</u>
Closing shareholders' funds		
	<u>1,848,989</u>	<u>1,364,430</u>
Company		
Opening shareholders' funds	792,570	740,800
Profit for the year	388,508	51,770
	<u>1,181,078</u>	<u>792,570</u>
Closing shareholders' funds		
	<u>1,181,078</u>	<u>792,570</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account

The profit for the year dealt with in the accounts of the company was £388,508 (2010 - £51,770)

18 NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	517,941	252,394
Amortisation of intangible fixed assets	729	729
Depreciation of tangible fixed assets	269,077	253,137
Profit on disposal of tangible fixed assets	(148,547)	(212)
(Increase)/decrease in trade debtors	(392,918)	128,745
(Increase)/decrease in other debtors, prepayments and accrued income	135,412	(48,414)
Increase/(decrease) in trade creditors	196,059	112,681
Increase/(decrease) in other taxation creditors	(9,053)	(10,226)
Increase/(decrease) in other creditors, accruals and deferred income	112,453	44,795
Other reserve non cash movement	31,580	-
	<u>712,733</u>	<u>733,629</u>
Net cash inflow from operating activities		
	<u>712,733</u>	<u>733,629</u>

ALAMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

19 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	27,036	14,782
Dividends received	-	8,737
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	27,036	23,519
	<hr/>	<hr/>
	2011 £	2010 £
Taxation		
Corporation tax	(193,215)	(9,385)
	<hr/>	<hr/>
	2011 £	2010 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(285,522)	(220,279)
Sale of investment	148,547	212
	<hr/>	<hr/>
Net cash outflow from capital expenditure	(136,975)	(220,067)
	<hr/>	<hr/>
	2011 £	2010 £
Management of liquid resources		
Purchase of short term listed investments	-	(118,331)
Sale of short term listed investments	573,818	-
	<hr/>	<hr/>
Net cash inflow/(outflow) from management of liquid resources	573,818	(118,331)
	<hr/>	<hr/>

20 ANALYSIS OF CHANGES IN NET DEBT

	1 January 2011 £	Cash flow £	Other non-cash changes £	31 December 2011 £
Cash at bank and in hand	2,056,037	983,397	-	3,039,434
Liquid resources				
Current asset investments	573,818	(573,818)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net funds	2,629,855	409,579	-	3,039,434
	<hr/>	<hr/>	<hr/>	<hr/>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

21 PENSION COMMITMENTS

The company operates a defined contribution scheme. During the year, the group made pension contributions of £107,520 (2010 - £82,079) on behalf of its employees. At the year end, there were contributions owing to the pension scheme of £12,536 (2010 - £10,745).

22. OPERATING LEASE COMMITMENTS

At 31 December 2011 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2011	2010	2011	2010
	£	£	£	£
Group				
Expiry date:				
Between 2 and 5 years	-	-	1,102	-
After more than 5 years	107,152	97,933	-	-

At 31 December 2011 the Company had annual commitments under non-cancellable operating leases as follows

	Land and buildings			Other
	2011	2010	2011	2010
	£	£	£	£
Company				
Expiry date				
Between 2 and 5 years	-	-	1,102	-
After more than 5 years	107,152	97,933	-	-

Amounts falling due next year under hedging derivatives

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Cost of currency committed to purchase/sell	291,049	671,387	291,049	531,387

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

23 DEFERRED TAX

Deferred taxation

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Decelerated capital allowances	58,961	56,857	-	-

Movements on deferred taxation provision

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Balance brought forward	56,857	50,128	-	-
Transfer during the year	547	4,032	-	-
Currency exchange gain	1,557	2,697	-	-
Total	58,961	56,857	-	-

Deferred taxation

	Group Not Provided		Company Not Provided	
	2011	2010	2011	2010
	£	£	£	£
Losses	252,335	319,801	225,335	319,801

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

24. RELATED PARTY TRANSACTIONS

During the year, the following transactions with related parties took place

Alamy Limited made contributions totalling £150,000 (2010 - £150,000) to the Fischer Family Charitable Trust of which Mr MD Fischer, a director of the company, is a Trustee

Alamy Limited was owed £Nil (2010 - £100,000) by Systems Biology Laboratory UK CIC Limited, a company owned by Fischer Medical Project Limited Mr MD Fischer is a director of both Systems Biology Laboratory UK CIC Limited and Fischer Medical Project Limited

Mr MD Fischer made a loan to Alamy Limited of £Nil (2010 - £26,898) The loan was interest free, unsecured and had no fixed date of repayment At the end of the year, Alamy Limited owed Mr MD Fischer £Nil (2010 - £Nil)

Mr JL West, a director of the company, made a loan to Alamy Limited of £Nil (2010 - £60,000) The loan was interest free, unsecured and had no fixed date of repayment At the end of the year, Alamy Limited owed Mr JL West £Nil (2010 - £Nil)

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr MD Fischer by way of his majority shareholding of the issued share capital of the company