

**ALAMY LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31 DECEMBER 2003**

**Company Registration Number: 3807789**



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**ALAMY LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2003**

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**ALAMY LIMITED**

**COMPANY INFORMATION  
FOR THE PERIOD ENDED 31 DECEMBER 2003**

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**DIRECTORS**

Michael David Fischer  
James Lee West  
Monica Hart

**SECRETARY**

John Schilizzi

**REGISTERED OFFICE**

Unit 6F  
Milton Park  
Abingdon  
Oxon  
OX14 4RR

**COMPANY REGISTRATION NUMBER**

3807789

**AUDITORS**

The MGroup Partnership  
Registered Auditors  
Cranbrook House  
287-291 Banbury Road  
Oxford  
OX2 7JQ

**AUDITORS' REPORT TO THE DIRECTORS OF ALAMY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985 FOR THE PERIOD ENDED 31 DECEMBER 2003**

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We have examined the abbreviated accounts set out on pages 4 to 7, together with the financial statements of the company for the period ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND 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 accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**BASIS OF OPINION**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**OPINION**

In our opinion the company is entitled under Section 247 of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, in respect of the period ended 31 December 2003, and the abbreviated accounts have been properly prepared in accordance with those provisions.

**OTHER INFORMATION**

On 22 September 2004 we reported, as auditors of Alamy Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the period ended 31 December 2003, and our audit report was as follows:

We have audited the financial statements of Alamy Limited for the period ended 31 December 2003 on pages 6 to 12 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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's members as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

**AUDITORS' REPORT TO THE DIRECTORS OF ALAMY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985 FOR THE PERIOD ENDED 31 DECEMBER 2003**

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We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or other material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited as the previous financial period's accounts were not audited. In consequence, we were unable to carry out audit procedures necessary to obtain adequate assurance regarding opening balances at 1 April 2003. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2003. Except for any adjustments to the financial statements that might have been found to be necessary had we been able to obtain sufficient evidence concerning opening balances, in our opinion the financial statements give a true and fair view of the company's loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to opening balances:

- We have not obtained all the information and explanations that we considered necessary for the purposes of our audit;
- We were unable to determine whether proper accounting records have been kept.



**THE MGROUP PARTNERSHIP**  
REGISTERED AUDITORS  
OXFORD

22 SEPTEMBER 2004

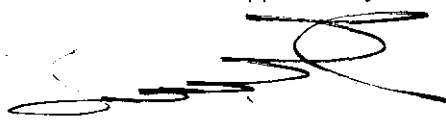
**ALAMY LIMITED**

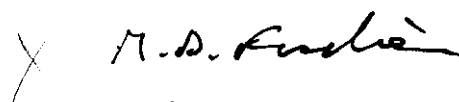
**BALANCE SHEET  
AS AT 31 DECEMBER 2003**

	Notes	31 December 2003 £	31 March 2003 as restated £
<b>FIXED ASSETS</b>			
Tangible assets	2	86,832	96,336
Investments	3	10,000	10,000
		<u>96,832</u>	<u>106,336</u>
<b>CURRENT ASSETS</b>			
Debtors		588,546	337,884
Cash at bank and in hand		584,263	274,301
		<u>1,172,809</u>	<u>612,185</u>
<b>CREDITORS:</b> Amounts falling due within one year		<u>767,950</u>	<u>456,305</u>
<b>NET CURRENT ASSETS</b>		<u>404,859</u>	<u>155,880</u>
<b>NET ASSETS</b>		<u><u>501,691</u></u>	<u><u>262,216</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	1,300	1,250
Share premium account	5	4,366,400	3,799,450
Other reserve	6	(100,000)	(100,000)
Profit and loss account		(3,766,009)	(3,438,484)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>501,691</u></u>	<u><u>262,216</u></u>

The accounts are prepared in accordance with the special provisions of part VII of the Companies Act 1985, applicable to small companies.

These accounts were approved by the board on 13 September 2004 and signed on its behalf by the following:

  
**JAMES WEST**  
 Director 28.10.2004

  
**MICHAEL DAVID FISCHER**  
 Director 28.10.2004

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2003**

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**1 STATEMENT OF ACCOUNTING POLICIES**

**Accounting convention**

These accounts have been prepared under the historical cost convention and are based on financial statements prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

**Going concern**

The accounts have been drawn up on the going concern basis. The company has retained losses of £3,766,009 and is dependent upon the continued support and cash injections from its founder, Michael David Fischer. The director does not consider his own support likely to be withdrawn.

If the going concern basis was not appropriate, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for additional liabilities that might arise and to reclassify fixed assets as current assets.

**Depreciation**

Depreciation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Computer hardware	2 years straight line basis
Computer software	2 years straight line basis
Fixture & fittings	5 years straight line basis
Website	3 years straight line basis

**Leases**

Rentals under operating leases are charged and credited on a straight line basis over the lease term.

**Pensions**

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Foreign currencies**

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

**Group accounts exemption**

The company has relied upon the exemption conferred by section 248 of the Companies Act 1985 not to produce group accounts as the group headed by this company qualifies as a small sized group.

**ALAMY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2003**

**2 TANGIBLE FIXED ASSETS**

	<b>Tangible assets £</b>
<b>Cost</b>	
At 1 April 2003	526,470
Additions	54,628
Disposals	(21,064)
At 31 December 2003	<u>560,034</u>
<b>Accumulated depreciation</b>	
At 1 April 2003	430,134
Charge for period	56,712
Disposals	(13,644)
At 31 December 2003	<u>473,202</u>
<b>Net book value</b>	
At 1 April 2003	<u>96,336</u>
At 31 December 2003	<u>86,832</u>

**3 FIXED ASSET INVESTMENTS**

	<b>Investment in subsidiary £</b>
<b>Costs</b>	
At 1 April 2003 and at 31 December 2003	<u>10,000</u>
<b>Net book value</b>	
At 1 April 2003 and at 31 December 2003	<u>10,000</u>

The company owns 100% of the ordinary share capital of Alamy.com Holdings (Jersey) Limited, a company incorporated in Jersey.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2003**

**4 SHARE CAPITAL**

	<b>31 Dec 2003</b>	<b>31 Mar 2003</b>
	<b>£</b>	<b>£</b>
Authorised:		
5,000,000 Ordinary shares of 0.1p each	5,000	5,000
Allotted, called up and fully paid:		
1,300,000 Ordinary shares of 0.1p each	1,300	1,250

During the period, the company issued 50,000 ordinary shares with a nominal value of £50 to Michael David Fischer for consideration of £566,950.

**5 SHARE PREMIUM ACCOUNT**

	<b>31 Dec 2003</b>	<b>31 Mar 2003</b>
	<b>£</b>	<b>£</b>
Balance brought forward	3,799,450	2,699,550
Premium on issued share capital	566,950	1,099,900
Balance carried forward	4,366,400	3,799,450

**6 EMI SHARE RESERVE**

	<b>31 Dec 2003</b>	<b>31 Mar 2003</b>
	<b>£</b>	<b>£</b>
Balance brought forward	100,000	-
Own shares purchased by ESOP Trust	-	100,000
Balance carried forward	100,000	100,000

169,000 shares purchased for and valued at 59 pence per share are held by a Trust which is legally separate from the company and for the benefit of employees of the company. In accordance with Urgent Issues Task Force Abstract 38, 'Accounting For ESOP Trusts', the balance transferred to the Trust and used to purchase these shares has been reported as a reduction of shareholders' funds. This change of accounting policy has been treated as a prior year adjustment.