

Amana Images International Limited
Annual Report
for the period ended 31 December 2002



Amana Images International Limited

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Amana Images International Limited

Directors and advisors

Directors

**D.Neilson
T.Talerman
S.Sato**

Secretary

T.Talerman

Registered office

**10 Regents Wharf
All Saints Street
London
N1 9RL**

Auditors

**PricewaterhouseCoopers
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX**

Amana Images International Limited

Directors' report for the period ended 31 December 2002

The directors present the first report and audited financial statements of the Company for the period ended 31 December 2002.

Principal activities, review of business and future developments

The Company was incorporated on the 19th December 2001 and in the period to 31 December 2002 the website was being constructed.

The Company has not yet commenced operating the website.

Amana Images International Limited's principle activity is to provide visual content to advertising and design agencies, magazine, newspaper, book and news media publishers, and other corporations through the Iconica.com website.

In the period Amana Images International Limited made a loss of £283,764.

Directors' interests

At the date of signing the directors of the company, all of whom, unless otherwise indicated, served for the whole of the period ended 31 December 2002 were:

D Neilson	(appointed 19 December 2001)
T Talerman	(appointed 19 December 2001)
S Sato	(appointed 19 September 2002)

The directors holding office at 31 December 2002 did not hold any beneficial interest in the issued share capital of Amana Europe Limited at any point during the period.

Auditors

PricewaterhouseCoopers LLC were appointed as the first auditors of the company, and a resolution proposing their re-appointment under Section 384 of the Companies Act 1985 will be put to the Annual General Meeting.

Amana Images International Limited

Directors' report for the period ended 31 December 2002 (continued)

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will remain in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

By order of the Board on 10 February 2002



T. Talerman
Director

Amana Images International Limited

Independent auditors' report to the members of Amana Images International Limited

We have audited the financial statements which comprise of the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

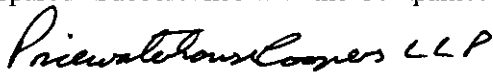
Basis of audit opinion

We conducted our audit in accordance with 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. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2002 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
10 Bricket Road, St Albans

10 February 2002

Amana Images International Limited

Profit and loss account for the period ended 31 December 2002

		2002 £
	Notes	
Administrative expenses		(285,686)
Operating loss	4	(285,686)
Net interest receivable and similar income		1,922
Loss on ordinary activities before taxation		(283,764)
Taxation on loss on ordinary activities	5	-
Loss for the financial year	10	(283,764)

There is no difference between the result disclosed in the profit and loss account above and the result on an historical cost basis.

The company has no recognised gains or losses other than those included in the profit and loss account above. Therefore, no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 11 form part of these financial statements.

Amana Images International Limited

Balance sheet as at 31 December 2002

	Notes	2002 £
Fixed assets		
Tangible fixed assets	6	406,430
		<u>406,430</u>
Current assets		
Debtors	7	110,994
Cash at bank and in hand		179,714
		<u>290,708</u>
Creditors		
Amounts falling due within one period	8	<u>(374,902)</u>
Net current liabilities		<u>(84,194)</u>
Total assets less current liabilities		<u><u>322,236</u></u>
Capital and reserves		
Called up share capital	9	606,000
Profit and loss account	10	<u>(283,764)</u>
Equity shareholders' funds	11	<u><u>322,236</u></u>

The financial statements on pages 6 to 11 were approved by the Board of directors on 10 February 2002 and were signed on its behalf by:



T. Talerman
Director

The notes on pages 8 to 11 form part of these financial statements.

Amana Images International Limited

Notes to the financial statements for the period ended 31 December 2002

1. Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards in the United Kingdom.

The following principal accounting policies have been applied consistently.

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition. Depreciation has not been charged for the period as the website is still in development. Depreciation will commence when the website goes live.

Depreciation will be provided to write off the cost of tangible fixed assets, less their estimated residual values, over their expected useful lives.

Depreciation will be charged on a straight line basis at the following rates:

	%
Office equipment, fixtures and fitting	25
Digital images	25

Management annually assess the net book value of fixed assets and compare this with the estimated current net realisable value. Where, in the opinion of the directors, there is a permanent impairment, tangible fixed asset values are written down accordingly through the profit and loss account. The amount written down is included in the depreciation charge in the accounts.

Taxation

Deferred taxation liabilities are provided on all timing differences, calculated at the rate at which it is estimated that tax will be payable. A deferred tax asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Foreign currency

Transactions in foreign currencies are recorded in sterling at the date of each transaction.

Amana Images International Limited

Notes to the financial statements for the period ended 31 December 2002 (continued)

2. Employee Compensation costs

There were no employees for the period to 31 December 2002.

3. Directors' emoluments

The directors did not receive any remuneration in the period in respect of services rendered to the company.

4. Operating loss

Operating loss is stated after charging:

	2002 £
Auditors' remuneration	6,000

5. Taxation

No taxation liability arose on ordinary activities for the period ended 31 December 2002 as the company has taxable losses arising for the period. A deferred tax asset in respect of trading losses of £85,129 has not been recognised.

6. Tangible fixed assets

	Equipment £	Digital images £	Total £
Cost			
Additions	143,071	263,359	406,430
At 31 December 2002	143,071	263,359	406,430
Depreciation			
Charged in the period	-	-	-
At 31 December 2002	-	-	-
Net book amount			
At 31 December 2002	143,071	263,359	406,430

The company had no capital commitments at the balance sheet date.

Amana Images International Limited

Notes to the financial statements for the period ended 31 December 2002 (continued)

7. Debtors

	2002 £
Other debtors	110,994

8. Creditors falling due within one period

	2002 £
Amounts owed to other group undertakings	366,002
Other creditors	2,900
Accruals and deferred income	6,000
	374,902

9. Share capital

	2002 Number of Shares
Authorised Ordinary shares £1 nominal value	1,000,000
Allotted, called up and fully paid Ordinary shares £1 nominal value	606,000
Total allotted and called up shares	606,000

£606,000 £1 ordinary shares were allotted and fully paid for cash during the period

10. Profit and loss account

	2002 £
At 19 December 2001	-
Retained loss for the year	(283,764)
At 31 December 2002	(283,764)

Amana Images International Limited

Notes to the financial statements for the period ended 31 December 2002 (continued)

11. Reconciliation of movement in shareholders' funds

	2002 £
Loss for the financial year	(283,764)
Shares issued in the period	606,000
Net addition to shareholders' funds	<hr/> 322,236
Opening shareholders' funds	-
Closing shareholders' funds	<hr/> <hr/> 322,236

12. Financial commitments

As at 31 December 2002 the company had no annual commitments under annual non-cancellable operating leases.

13. Ultimate controlling party

Amana Europe Limited is dependant on the financial support of its parent, Amana Corporation. Amana Corporation, a company incorporated in Japan, is the ultimate parent company and the ultimate controlling party.

Amana Corporation's registered address is:
2-2-43 Higashishinagawa
Shinagawa-ku
Tokyo 140-002
Japan