

Companies House copy

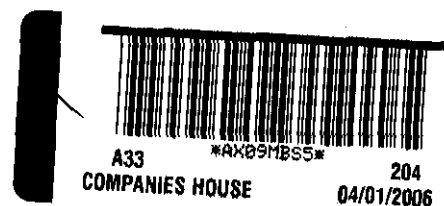
---

**IMAGO INVESTMENTS LIMITED**

---

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 March 2005**



**RAWLINSON & HUNTER**

Chartered Accountants  
Eagle House 110 Jermyn Street London SW1Y 6RH

---

## IMAGO INVESTMENTS LIMITED

---

### COMPANY INFORMATION

**DIRECTORS**

R G Hayes  
E M Pordes

**SECRETARY**

R G Hayes

**COMPANY NUMBER**

02747934

**REGISTERED OFFICE**

Albury Court  
Albury  
Thame  
Oxfordshire  
OX9 2LP

**AUDITORS**

Rawlinson & Hunter  
Chartered Accountants & Registered Auditors  
Eagle House  
110 Jermyn Street  
London  
SW1Y 6RH

**BANKERS**

Barclays Bank Plc  
102 High Street  
Thame  
Oxon  
OX9 3DU

---

## IMAGO INVESTMENTS LIMITED

---

### CONTENTS

	Page
<b>Directors' report</b>	1 - 2
<b>Auditors' report</b>	3 - 4
<b>Consolidated profit and loss account</b>	5
<b>Statement of total recognised gains and losses</b>	6
<b>Note of historical cost profits and losses</b>	6
<b>Consolidated balance sheet</b>	7
<b>Company balance sheet</b>	8
<b>Consolidated cash flow statement</b>	9
<b>Notes forming part of the financial statements</b>	10 - 25
<i>The following pages do not form part of the statutory accounts:</i>	
<b>Company detailed profit and loss account</b>	26 - 27

---

## IMAGO INVESTMENTS LIMITED

---

### DIRECTORS' REPORT For the year ended 31 March 2005

---

The directors present their report and the financial statements for the year ended 31 March 2005.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors have had regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

#### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the group continues to be that of printing and publishing consultants.

The directors consider the level of business and the current year end financial position to be in line with expectations and the directors do not anticipate any material changes in the present level of activity.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £30,327 (2004 - £367,834) .

The directors do not recommend the payment of a dividend.

#### DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	31/3/05	1/4/04
R G Hayes	2,000	2,000
E M Pordes	2,000	2,000

#### AUDITORS

During the year Rawlinson & Hunter were appointed as auditors, Rawlinson & Hunter will be proposed for reappointment at the Annual General Meeting in accordance with section 385 of the Companies Act 1985.

---

**IMAGO INVESTMENTS LIMITED**

---

**DIRECTORS' REPORT**  
**For the year ended 31 March 2005**

---

This report was approved by the board on

8 December 2005

and signed on its behalf.

  
Director

---

## **IMAGO INVESTMENTS LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IMAGO INVESTMENTS LIMITED**

---

We have audited the consolidated financial statements of Imago Investments Limited for the year ended 31 March 2005 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet and the Consolidated Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

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 auditor's 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 described in the Statement of Directors' Responsibilities 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

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 group 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 and other members of the Group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT 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 circumstances of the company and the group, 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.

---

## IMAGO INVESTMENTS LIMITED

---

---

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF IMAGO INVESTMENTS LIMITED

---

#### OPINION

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group as at 31 March 2005 and of the profit of the Group for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as amended.

Chartered Accountants  
Registered Auditors  
Eagle House  
110 Jermyn Street  
London  
SW1Y 6RH



Date:

28<sup>th</sup> December 2005

# IMAGO INVESTMENTS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT For the year ended 31 March 2005

	Note	2005 £	2004 £
<b>TURNOVER</b>	1,2	<b>30,034,741</b>	<b>30,104,612</b>
Cost of sales		<u>(24,691,442)</u>	<u>(25,041,326)</u>
<b>GROSS PROFIT</b>		<b>5,343,299</b>	<b>5,063,286</b>
Administrative expenses		<u>(4,853,122)</u>	<u>(4,548,411)</u>
<b>OPERATING PROFIT</b>	3	<b>490,177</b>	<b>514,875</b>
<b>EXCEPTIONAL ITEMS</b>			
Other exceptional items	8	<u>(328,585)</u>	<u>-</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>161,592</b>	<b>514,875</b>
Interest receivable	6	<b>85,637</b>	<b>136,870</b>
Interest payable	7	<u>(120,995)</u>	<u>(137,130)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>126,234</b>	<b>514,615</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	9	<u>(71,669)</u>	<u>(60,684)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>54,565</b>	<b>453,931</b>
Minority interest		<u>(24,238)</u>	<u>(86,097)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	18	<b>£ 30,327</b>	<b>£ 367,834</b>

All amounts relate to continuing operations.

The notes on pages 10 to 25 form part of these financial statements.



---

**IMAGO INVESTMENTS LIMITED**

---

---

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 March 2005**

---

	2005 £	2004 £
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>54,565</b>	<b>453,931</b>
Exchange differences	(2,089)	98,354
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>£ 52,476</b>	<b>£ 552,285</b>

---

**NOTE OF HISTORICAL COST PROFITS AND LOSSES**  
**For the year ended 31 March 2005**

---

	2005 £	2004 £
<b>REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>126,234</b>	<b>514,615</b>
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	61,282	-
<b>HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>£ 187,516</b>	<b>£ 514,615</b>
<b>HISTORICAL PROFIT FOR THE YEAR RETAINED AFTER TAXATION AND DIVIDENDS</b>	<b>£ 91,609</b>	<b>£ 367,834</b>

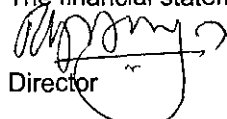
The notes on pages 10 to 25 form part of these financial statements.

# IMAGO INVESTMENTS LIMITED

## CONSOLIDATED BALANCE SHEET As at 31 March 2005

	Note	2005		2004	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible fixed assets	10		1,954,335		2,002,005
Investments	11		87,834		87,834
			<u>2,042,169</u>		<u>2,089,839</u>
<b>CURRENT ASSETS</b>					
Debtors	12	8,700,903		8,529,193	
Investments	13	195,228		172,144	
Cash at bank and in hand		487,065		811,674	
		<u>9,383,196</u>		<u>9,513,011</u>	
<b>CREDITORS:</b> amounts falling due within one year	14	(9,503,977)		(9,506,467)	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(120,781)</u>		<u>6,544</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,921,388		2,096,383
<b>CREDITORS:</b> amounts falling due after more than one year	15		(678,999)		(811,220)
<b>NET ASSETS</b>			<u>£ 1,242,389</u>		<u>£ 1,285,163</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		4,000		4,000
Revaluation reserve	18		94,238		157,757
Other reserves	18		520		488,842
Profit and loss account	18		1,059,114		479,035
<b>SHAREHOLDERS' FUNDS - ALL EQUITY</b>	19		<u>1,157,872</u>		<u>1,129,634</u>
<b>MINORITY INTERESTS - EQUITY</b>	20		84,517		155,529
			<u>£ 1,242,389</u>		<u>£ 1,285,163</u>

The financial statements were approved by the board on 8 December 2005 and signed on its behalf.

  
Director

The notes on pages 10 to 25 form part of these financial statements.

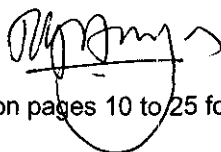
# IMAGO INVESTMENTS LIMITED

## COMPANY BALANCE SHEET As at 31 March 2005

	Note	2005 £	2004 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	10	1,565,123	1,600,074
Investments	11	516,008	516,008
		<u>2,081,131</u>	<u>2,116,082</u>
<b>CURRENT ASSETS</b>			
Debtors	12	757,619	217,869
<b>CREDITORS:</b> amounts falling due within one year	14	<u>(1,121,920)</u>	<u>(932,864)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(364,301)</u>	<u>(714,995)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,716,830</u>	<u>1,401,087</u>
<b>CREDITORS:</b> amounts falling due after more than one year			
	15	(581,886)	(718,629)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	16	<u>(27,832)</u>	<u>(5,982)</u>
<b>NET ASSETS</b>		<u><u>£ 1,107,112</u></u>	<u><u>£ 676,476</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	4,000	4,000
Investment property reserve		423,924	423,924
Profit and loss account	18	679,188	248,552
<b>SHAREHOLDERS' FUNDS - All Equity</b>	19	<u><u>£ 1,107,112</u></u>	<u><u>£ 676,476</u></u>

The financial statements were approved by the board on 8/12/05 and signed on its behalf.

Director



The notes on pages 10 to 25 form part of these financial statements.

# IMAGO INVESTMENTS LIMITED

## CASH FLOW STATEMENT For the year ended 31 March 2005

	Note	2005 £	2004 £
Net cash flow from operating activities	21	267,275	325,300
Returns on investments and servicing of finance	22	(35,358)	1,425
Taxation		(135,604)	(138,881)
Capital expenditure and financial investment	22	(80,754)	(19,055)
Equity dividends paid		(24,994)	(140,256)
<b>CASH (OUTFLOW)/INFLOW BEFORE FINANCING</b>		<b>(9,435)</b>	<b>28,533</b>
Financing	22	(229,667)	(298,585)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>£ (239,102)</b>	<b>£ (270,052)</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT For the year ended 31 March 2005

	2005 £	As restated 2004 £
Decrease in cash in the year	(239,102)	(270,052)
Cash outflow from decrease in debt and lease financing	229,667	298,585
<b>MOVEMENT IN NET DEBT IN THE YEAR</b>	<b>(9,435)</b>	<b>28,533</b>
Net debt at 1 April 2004	(1,776,022)	(1,804,555)
<b>NET DEBT AT 31 MARCH 2005</b>	<b>£(1,785,457)</b>	<b>£(1,776,022)</b>

The comparative figures are shown "as restated" due to the change in current asset investments not being shown within the reconciliation of net cash to movement in net debt note. This is due to the current asset investment, which relates to a life assurance policy, not being considered as a liquid resource.

The notes on pages 10 to 25 form part of these financial statements.

---

# IMAGO INVESTMENTS LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

---

### 1. ACCOUNTING POLICIES

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land and buildings and in accordance with applicable accounting standards.

#### 1.2 Basis of consolidation

The financial statements consolidate the accounts of Imago Investments Limited and all of its subsidiary undertakings made up to 31 March 2005. Intra-group sales and profits are eliminated fully on consolidation.

#### 1.3 Investments

##### (i) Subsidiary Undertakings

Share in subsidiaries are valued at cost less provision for permanent impairment.

##### (ii) Other investments

Investments held as fixed assets are shown at cost less provisions for their permanent impairment.

#### 1.4 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

#### 1.5 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:

Land and buildings	-	2% and 3%	straight line
Leasehold improvements	-	20%	reducing balance
Plant and machinery	-	20% and 30%	reducing balance
Motor Vehicles	-	25%	reducing balance

#### 1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

---

## IMAGO INVESTMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.8 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for timing differences arising on revaluations of fixed assets which are not intended to be sold and gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

##### 1.9 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

##### 1.10 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.

#### 2. TURNOVER

The whole of the turnover is attributable to the group's principal activity.

A geographical analysis of turnover is as follows:

	2005 £	2004 £
United Kingdom	18,173,239	17,313,383
Europe	2,118,751	2,064,600
United States	8,010,087	8,552,925
Australia and Far East	1,732,664	2,173,704
	<u>£30,034,741</u>	<u>£30,104,612</u>

---

## IMAGO INVESTMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

---

#### 3. OPERATING PROFIT

The Operating profit is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets:		
- owned by the group	113,986	111,602
- held under finance leases	4,414	2,434
Auditors' remuneration	25,197	18,052
Operating lease rentals:		
- other operating leases	122,926	128,698
Difference on foreign exchange	56,676	113,720
	<u>          </u>	<u>          </u>

Auditors remuneration for the Company was £4,667 (2004:£4,000)

#### 4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2005 £	2004 £
Wages and salaries	2,662,458	2,464,374
Social security costs	230,946	232,283
Other pension costs	177,004	194,776
	<u>          </u>	<u>          </u>
	<u>£ 3,070,408</u>	<u>£ 2,891,433</u>

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

	2005 No.	2004 No.
Sales and Administration	<u>92</u>	<u>92</u>

The total cost of wages and salaries as shown for the year ended 31 March 2004 has been restated due to £198,314 being reclassified as consultancy fees.

---

## IMAGO INVESTMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

---

#### 5. DIRECTORS' REMUNERATION

	2005 £	2004 £
Emoluments	£ 221,268	£ 216,774
Company pension contributions to defined contribution pension schemes	£ 50,000	£ 50,000

During the year retirement benefits were accruing to 2 directors (2004 - 2) in respect of money purchase pension schemes.

The highest paid director received remuneration, excluding pension contributions, of £112,915 (2004 - £111,650).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £25,000 (2004 - £25,000).

#### 6. INTEREST RECEIVABLE

	2005 £	2004 £
Other interest receivable	£ 85,637	£ 136,870

#### 7. INTEREST PAYABLE

	2005 £	2004 £
On bank overdrafts	120,704	134,794
On other loans	-	2,276
On finance leases and hire purchase contracts	291	60
	£ 120,995	£ 137,130

#### 8. EXCEPTIONAL ITEMS

	2005 £	2004 £
Costs related to the restructuring of the group and subsequent proposed sale of the group	£ 328,585	£ -

The exceptional item principally comprises of professional fees in relation to the restructuring of the group and subsequent proposed sale of the group.



# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 9. TAXATION

	2005 £	2004 £
<b>Analysis of tax charge in year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profits of the year	34,839	122,698
Adjustments in respect of prior periods	25,473	(59,754)
	<u>60,312</u>	<u>62,944</u>
	60,312	62,944
Foreign tax on income for the year	12,359	12,084
	<u>72,671</u>	<u>75,028</u>
<b>Total current tax</b>		
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,002)	(14,344)
	<u>(1,002)</u>	<u>(14,344)</u>
<b>Total deferred tax</b> (see note 16)		
<b>Tax on profit on ordinary activities</b>	<u>£ 71,669</u>	<u>£ 60,684</u>

### Factors affecting tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applicable to the group (30%). The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	<u>126,234</u>	<u>514,615</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2004 - 30)	37,870	154,385
<b>Effects of:</b>		
Expenses not deductible for tax purposes	105,998	(44,112)
Capital allowances for period in excess of depreciation	3,636	(4,583)
Utilisation of tax losses	(50,114)	(34,952)
Dividends and distributions received	-	20,862
Foreign tax and consolidation adjustments	(50,192)	43,663
Adjustments to tax charge in respect of prior periods	25,473	(60,235)
	<u>72,671</u>	<u>75,028</u>
<b>Current tax charge for year</b> (see note above)	<u>£ 72,671</u>	<u>£ 75,028</u>

There were no factors that may affect future tax charges.

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 10. TANGIBLE FIXED ASSETS

Group	Land and buildings £	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2004	1,993,044	124,733	635,049	44,738	2,797,564
Additions	-	-	58,965	21,789	80,754
Disposals	-	-	(45,697)	-	(45,697)
Foreign exchange movement	(4,266)	-	(7,257)	-	(11,523)
At 31 March 2005	<u>1,988,778</u>	<u>124,733</u>	<u>641,060</u>	<u>66,527</u>	<u>2,821,098</u>
<b>Depreciation</b>					
At 1 April 2004	192,550	61,205	512,661	29,143	795,559
Charge for the year	45,469	12,706	53,047	7,178	118,400
On disposals	-	-	(39,009)	-	(39,009)
Foreign exchange movement	(1,264)	-	(6,867)	(56)	(8,187)
At 31 March 2005	<u>236,755</u>	<u>73,911</u>	<u>519,832</u>	<u>36,265</u>	<u>866,763</u>
<b>Net book value</b>					
At 31 March 2005	<u>£ 1,752,023</u>	<u>£ 50,822</u>	<u>£ 121,228</u>	<u>£ 30,262</u>	<u>£ 1,954,335</u>
At 31 March 2004	<u>£ 1,800,494</u>	<u>£ 63,528</u>	<u>£ 122,388</u>	<u>£ 15,595</u>	<u>£ 2,002,005</u>

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 10. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Motor vehicles	<b>£ 17,431</b>	<b>£ -</b>

The freehold land and buildings, held in Imago Productions (Far East) Pte Ltd, were revalued on 31 March 2003 by Colliers International Consultancy & Valuation (Singapore) Pte Ltd, on an open market existing use basis.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

<b>Group</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Cost	<b>220,502</b>	<b>220,502</b>
Accumulated depreciation	<b>98,501</b>	<b>92,605</b>
<b>Net book value</b>	<b>£ 122,001</b>	<b>£ 127,897</b>

<b>Company</b>	<b>Land and buildings</b>
<b>Cost or valuation</b>	<b>£</b>
At 1 April 2004 and 31 March 2005	<b>1,747,539</b>
<b>Depreciation</b>	
At 1 April 2004	<b>147,465</b>
Charge for the year	<b>34,951</b>
At 31 March 2005	<b>182,416</b>
<b>Net book value</b>	
At 31 March 2005	<b>£ 1,565,123</b>
At 31 March 2004	<b>£ 1,600,074</b>

In April 2004 the company's freehold property was revalued by Cluttons, a firm of Chartered Surveyors on an open market value of £1,615,000. The directors have not revalued the property as they consider the current amount recorded to materially reflect the market valuation.

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 11. FIXED ASSET INVESTMENTS

Group	Unlisted investments £	Total £
Cost		
At 1 April 2004 and 31 March 2005	£ 87,834	£ 87,834

Company	Share in group undertaking £	Unlisted investments £	Total £
Cost			
At 1 April 2004 and 31 March 2005	£ 428,174	£ 87,834	£ 516,008

Details of the principal subsidiaries can be found under note 27.

### 12. DEBTORS

	Group		Company	
	2005 £	2004 £	2005 £	2004 £
<b>Due within one year</b>				
Trade debtors	8,585,496	8,424,784	-	-
Amounts owed by group undertakings	-	-	737,619	178,119
Other debtors	43,741	70,336	20,000	20,000
Prepayments and accrued income	61,358	5,127	-	19,750
Corporation tax debtor	-	19,640	-	-
Deferred tax asset (see note 16)	10,308	9,306	-	-
	<b>£ 8,700,903</b>	<b>£ 8,529,193</b>	<b>£ 757,619</b>	<b>£ 217,869</b>

Included within other debtors due within one year are loans payable by C Jaquet and C Risk, both directors of Imago Publishing Limited, amounting to £10,000 (2004 - £10,000) each. The maximum aggregate amount outstanding during the year was £20,000. There are no fixed repayment terms or interest levied on these loans.

Included within other debtors are loans to K C Ng and Y C Heng, directors of Imago Productions (Far East) Pte Ltd, amounting to a total of £6,497 (2004 - £9,520). The maximum aggregate amount outstanding during the year was £9,520. These loans, relating to the sale of company vehicles to the directors, are interest-free and repayable by equal monthly instalments over 5 years commencing April 2003.

The prior year figures have been amended to show the reclassification of £15,288 deferred tax assets included in prepayments last year. As a £5,982 deferred tax liability was recorded in Imago Investments Limited last year, this reclassification has caused the prior year comparatives for current assets and provisions for liabilities and charges within the consolidated balance sheet to be restated.

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 13. CURRENT ASSET INVESTMENTS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Unlisted investments	£ 195,228	£ 172,144	£ -	£ -

The unlisted investments relate to a life assurance policy held by Imago Sales (USA) Inc.

### 14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans and overdrafts	1,590,728	1,776,474	80,000	180,000
Net obligations under finance leases and hire purchase contracts	2,794	-	-	-
Trade creditors	5,600,968	5,588,340	-	-
Amounts owed to group undertakings	-	-	977,708	692,588
Corporation tax	60,312	142,885	-	-
Social security and other taxes	49,809	58,878	-	6,235
Proposed dividend	95,250	24,994	-	24,994
Other creditors	315,260	295,108	8,711	8,711
Accruals and deferred income	1,788,856	1,604,840	55,501	12,200
Directors' current accounts	-	14,948	-	8,136
	£ 9,503,977	£ 9,506,467	£ 1,121,920	£ 932,864

Imago Publishing Limited, a subsidiary of the group, and Imago Investments Limited, the ultimate holding company, have entered into a cross guarantee over their credit and banking facilities. These are secured by a fixed charge over Imago Publishing Limited's debtors and a floating charge of all other assets. At 31 March 2005, the combined borrowing secured was £2,163,537 (2004- £2,562,475).

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Bank loans	664,103	811,220	581,886	718,629
Net obligations under finance leases and hire purchase contracts	14,896	-	-	-
	<u>£ 678,999</u>	<u>£ 811,220</u>	<u>£ 581,886</u>	<u>£ 718,629</u>

Included within the above are amounts falling due as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Between one and two years	91,085	410,805	80,000	401,506
Between two and five years	268,146	277,194	234,890	240,000
After five years	304,872	123,221	266,996	77,123
	<u>£ 664,103</u>	<u>£ 811,220</u>	<u>£ 581,886</u>	<u>£ 718,629</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Repayable by instalments	<u>£ 308,592</u>	<u>£ 123,221</u>	<u>£ 266,996</u>	<u>£ 77,123</u>

The Imago Investments Ltd bank loan is repayable over a 15 year period with quarterly instalments from January 2000 and bears interest at LIBOR plus 1.4%, which at the year end was 6.15%.

The Imago Productions (Far East) Pte Limited's bank loan is secured by a legal charge over the subsidiary's freehold property and repayable by 120 monthly instalments from September 2003.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Between one and two years	2,794	-	-	-
Between two and five years	8,382	-	-	-
After five years	3,720	-	-	-
	<u>£ 14,896</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 16. DEFERRED TAXATION

	<b>Group</b>		<b>Company</b>	
		<i>As restated</i>		<i>As restated</i>
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	£	£	£	£
At 1 April 2004	(9,306)	(15,288)	5,982	-
(Released during)/charge for the year	(1,002)	5,982	21,850	5,982
At 31 March 2005	<u>£ (10,308)</u>	<u>£ (9,306)</u>	<u>£ 27,832</u>	<u>£ 5,982</u>

The (deferred tax asset)/provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
		<i>As restated</i>		<i>As restated</i>
	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>
	£	£	£	£
Accelerated capital allowances	12,639	5,907	27,832	17,909
Short term timing differences	(22,947)	(14,637)	-	16,133
Losses and other deductions	-	(28,060)	-	(28,060)
Undiscounted provision for deferred tax	<u>(10,308)</u>	<u>(36,790)</u>	<u>27,832</u>	<u>5,982</u>
Unrecognised deferred tax asset	-	27,484	-	-
Discounted provision for deferred tax	<u>£ (10,308)</u>	<u>£ (9,306)</u>	<u>£ 27,832</u>	<u>£ 5,982</u>

### 17. SHARE CAPITAL

	<b>2005</b>	<b>2004</b>
	£	£
<b>Authorised</b>		
5,000 Ordinary shares of £1 each	<u>£ 5,000</u>	<u>£ 5,000</u>
<b>Allotted, called up and fully paid</b>		
4,000 Ordinary shares of £1 each	<u>£ 4,000</u>	<u>£ 4,000</u>

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 18. RESERVES

Group	Revaluation reserve £	Other reserves £	Profit and loss account £
At 1 April 2004	157,757	488,842	479,035
Profit retained for the year			30,327
Exchange differences	(2,237)		148
Transfer between Revaluation reserve and P/L account	(61,282)		61,282
Movement on other reserves		(488,322)	488,322
At 31 March 2005	<u>£ 94,238</u>	<u>£ 520</u>	<u>£ 1,059,114</u>

The amount included in Other Reserves relates to distributable profits transferred from the Profit and Loss Reserve in a prior period. The directors consider these funds best shown under one heading and thus they have been transferred back to the Profit and Loss Reserve.

Company	Profit and loss account £
At 1 April 2004	248,552
Profit retained for the year	430,636
At 31 March 2005	<u>£ 679,188</u>



# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 19. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2005	2004
Group	£	£
Profit for the year	54,565	453,931
Foreign exchange differences	(2,089)	98,354
Minority Interest	(24,238)	(86,097)
	<u>28,238</u>	<u>466,188</u>
Opening shareholders' funds	1,129,634	663,446
Closing shareholders' funds	<u>£ 1,157,872</u>	<u>£ 1,129,634</u>
	<u>2005</u>	<u>2004</u>
Company	£	£
Profit for the year	430,636	(21,697)
	<u>430,636</u>	<u>(21,697)</u>
Opening shareholders' funds	676,476	698,173
Closing shareholders' funds	<u>£ 1,107,112</u>	<u>£ 676,476</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account.

The profit of the company for the year was £452,486 (2004: £21,697).

### 20. MINORITY INTERESTS

Equity	£
At 1 April 2004	155,529
Proportion of profit after taxation for the year	24,552
Proportion of dividends issued in the year	(95,250)
Foreign exchange movement	(314)
At 31 March 2005	<u>£ 84,517</u>

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 21. NET CASH FLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Operating profit	490,177	514,875
Exceptional items	(328,585)	-
Depreciation of tangible fixed assets	118,400	114,036
Loss/(profit) on disposal of tangible fixed assets	6,688	(135)
Increase in debtors	(190,350)	(1,448,400)
Exchange differences	1,247	122,224
Increase in current asset investment	(23,084)	(4,942)
Increase in creditors	192,782	1,027,642
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>£ 267,275</b>	<b>£ 325,300</b>

### 22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2005 £	2004 £
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	85,637	136,870
Interest paid	(120,704)	(135,385)
Hire purchase interest	(291)	(60)
<b>NET CASH (OUTFLOW)/INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>£ (35,358)</b>	<b>£ 1,425</b>
	2005 £	2004 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(80,754)	(64,048)
Sale of tangible fixed assets	-	3,743
Redemption of investments	-	41,250
<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>£ (80,754)</b>	<b>£ (19,055)</b>
	2005 £	2004 £
<b>FINANCING</b>		
Repayment of loans	(247,357)	(297,814)
New finance lease	18,778	-
Capital element of hire purchase and finance lease rentals	(1,088)	(771)
<b>NET CASH OUTFLOW FROM FINANCING</b>	<b>£ (229,667)</b>	<b>£ (298,585)</b>

# IMAGO INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

### 23. ANALYSIS OF CHANGES IN NET DEBT

	1 April 2004 £	Cash flow £	Other non-cash changes £	31 March 2005 £
Cash at bank and in hand:	811,674	(324,609)	-	487,065
Bank overdraft	(1,587,177)	85,507	-	(1,501,670)
	<u>(775,503)</u>	<u>(239,102)</u>	<u>-</u>	<u>(1,014,605)</u>
<b>DEBT :</b>				
Finance leases	-	(17,690)	-	(17,690)
Debts due within one year	(189,299)	247,357	(147,117)	(89,059)
Debts falling due after more than one year	(811,220)	-	147,117	(664,103)
	<u>(1,000,519)</u>	<u>229,667</u>	<u>147,117</u>	<u>(623,735)</u>
<b>NET DEBT</b>	<b>£(1,776,022)</b>	<b>£ (9,435)</b>	<b>£ -</b>	<b>£(1,785,457)</b>

### 24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £177,123 ( 2004 - £194,776)

### 25. OPERATING LEASE COMMITMENTS

At 31 March 2005 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
Group	2005 £	2004 £
<b>Expiry date:</b>		
Within 1 year	33,174	8,358
Between 2 and 5 years	<u>88,633</u>	<u>-</u>

---

## IMAGO INVESTMENTS LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2005

---

#### 26. RELATED PARTY TRANSACTIONS

During the year the company charged Imago Publishing Limited £132,000 (2004 - £132,000) for the rental of a property and was charged interest of £92,398 (2004 - £94,343) in reference to an intercompany account held with Imago Publishing Limited. At the year end the company owed Imago Publishing Limited £977,708 (2004 - £692,588) and was owed £197,869 (2004 - £178,119) by Imago Holdings Limited.

Mathew Price Limited is a company incorporated in England and Wales. It is a customer of Imago Publishing Limited and a director of the ultimate controlling company of Imago Publishing Limited is a director of Mathew Price Limited. During the year Mathew Price Limited was invoiced £322,591 (2004 - £398,847) under normal trading terms. The sum owed to Imago Publishing Limited at the year end was £112,905 (2004 - £35,127).

Duncan Baird Publishers Limited is a company incorporated in England. The ultimate parent company of Imago Publishing Limited is a minority shareholder in Duncan Baird Publishers Limited. During the year Duncan Baird Publishers Limited was invoiced £2,553,322 (2004 - £2,415,439) under normal trading terms. The sum owed to Imago Publishing Limited at the year end was £2,009,297 (2004 - £1,677,572).

During the year consultancy fees of £175,000 (2004 - £nil) were paid to NSMT Ventures Limited a company of which R I Lynam, a current director of Imago Holdings Limited, is a director.

At the balance sheet date Imago Investments Limited was owed £20,000 (2004 - £20,000) by the directors of one of its subsidiary companies (see note 12).

During the year £204,630 was paid to Imago Investments Limited by Imago Publishing Ltd for consultancy services provided. These transactions was conducted on an arms length basis.

#### 27. PRINCIPAL SUBSIDIARIES

##### Principal subsidiaries

Company name	Country	Percentage Shareholding	Class of Share	Principal Activity
Imago Holdings Limited	England and Wales	85	Ordinary	Holding company
Imago Publishing Limited	England and Wales	85	Ordinary	Publishing
Imago Productions (Far East) Pte Limited	Singapore	85	Ordinary	Publishing
Imago Services (HK) Limited	Hong Kong	85	Ordinary	Publishing
Imago Sales (USA) Inc	USA	85	Ordinary	Publishing