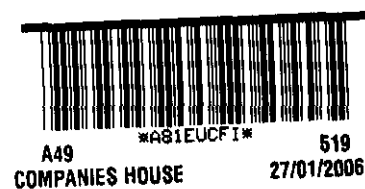


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IMAGES LEICESTER LIMITED

FINANCIAL STATEMENTS

**YEAR ENDED
31 MARCH 2005**



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IMAGES LEICESTER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2005

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Directors

M.M. Hosie
D.M. Hosie

Secretary

D.M. Hosie

Registered Office

Westfield
Leicester Road
Kibworth Harcourt
Leicestershire
LE8 0NP

Registered Number

02673522

IMAGES LEICESTER LIMITED

DIRECTORS' REPORT 31 MARCH 2005

The directors submit their report together with the financial statements for the year ended 31 March 2005.

RESULTS

The profit and loss account is set out on page 2 and shows the profit for the year.

PRINCIPAL ACTIVITIES

The company is engaged in organising exhibitions of children's artwork.

DIRECTORS

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	31 MARCH 2005	31 MARCH 2004
M.M. Hosie	40	40
D. M. Hosie	60	60

DIRECTORS' RESPONSIBILITIES

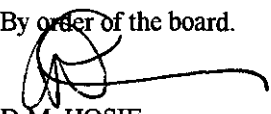
Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 continue in business.

The directors are responsible for maintaining 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report we have taken advantage of the special exemptions applicable to small companies in accordance with the special provisions of part VII of the Companies Act 1985.

By order of the board.


D.M. HOSIE
Secretary

Approved by the board on 23 January, 2006

IMAGES LEICESTER LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 2005

	Note	2005 £	2004 £
TURNOVER		19,093	22,481
Cost of sales		<u>8,685</u>	<u>10,527</u>
GROSS PROFIT		10,408	11,954
Administrative expenses		<u>8,878</u>	<u>7,685</u>
OPERATING PROFIT	2	1,530	4,269
Interest receivable		<u>58</u>	<u>16</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>1,588</u>	<u>4,285</u>
Tax on profit on ordinary activities		=	=
PROFIT FOR YEAR		<u>1,588</u>	<u>4,285</u>
Dividends		=	=
RETAINED PROFIT FOR THE YEAR		<u>1,588</u>	<u>4,285</u>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

IMAGES LEICESTER LIMITED

BALANCE SHEET Year ended 31 March 2005

	Note	2005	2004
		£	£
FIXED ASSETS			
Tangible assets	3	6,253	8,308
Intangible assets	7	<u>3,877</u>	<u>5,288</u>
		10,130	13,596
CURRENT ASSETS			
Stock		1,585	1,942
Debtors	4	1,045	10
Cash at bank and in hand		<u>6,955</u>	<u>11,197</u>
		9,585	13,149
CREDITORS : amounts falling due within one year	5	<u>25,000</u>	<u>33,618</u>
NET CURRENT LIABILITIES		<u>(15,415)</u>	<u>(20,469)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,285)</u>	<u>(6,873)</u>
CAPITAL AND RESERVES			
Called up share capital	6	100	100
Profit and loss account	8	<u>(5,385)</u>	<u>(6,973)</u>
		<u>(5,285)</u>	<u>(6,873)</u>

In preparing these financial statements advantage has been taken of the exemptions available for small companies conferred by Section 249A(1) of the Companies Act 1985 on the grounds:

- that for the year ended 31 March 2005 the company was entitled to the exemption from a statutory audit,
- that no notice has been deposited under section 249B(2) of the Companies Act 1985 in relation to the accounts for the financial year,

IMAGES LEICESTER LIMITED

BALANCE SHEET (contd.) Year ended 31 March 2005

- c. the directors acknowledge their responsibilities for:
- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of the affairs of the company as at 31 March 2005 and of its profit or loss for the year then ended in accordance with the requirement of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company,
- d. advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 and in the opinion of the directors, the company is entitled to those exemptions on the basis that it qualifies as a small company.

The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002). They were approved by the board on 23 January 2006.



D.M. HOSIE
Director

The notes on pages 5 to 7 form part of these financial statements.

IMAGES LEICESTER LIMITED

NOTES ON THE FINANCIAL STATEMENTS 31 MARCH 2005

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. They have been prepared on an ongoing basis which is subject to the continued support of the directors. The following accounting policies have been applied.

Turnover

Turnover represents sales to external customers invoiced during the year.

Depreciation

Depreciation is provided to write off the cost less estimated residual values of all fixed assets over their expected useful lives. It is calculated at the following rates:

Computer equipment	25% per annum straight line
Exhibition equipment	20% per annum straight line
Motor vehicles	25% per annum reducing balance

Amortisation

The Licence Fee is amortised over the five year period of the Images Franchise Agreement.

2. OPERATING PROFIT

	2005 £	2004 £
This is arrived at after charging:		
Depreciation on fixed assets	2,501	2,849
Loss on disposal of fixed assets	-	162
Amortisation of licence fee	<u>1,410</u>	<u>1,410</u>

IMAGES LEICESTER LIMITED

NOTES ON THE FINANCIAL STATEMENTS (contd.) 31 MARCH 2005

3. TANGIBLE ASSETS

	EXHIBITION EQUIPMENT	MOTOR VEHICLES	COMPUTER EQUIPMENT		TOTAL
	£	£	£		£
Cost					
At 31 March 2004	3,306	9,782	1,413		14,501
Additions	-	-	445		445
Disposals	-	-	-		-
At 31 March 2005	3,306	9,782	1,858		<u>14,946</u>
Depreciation					
At 31 March 2004	1,323	4,280	590		6,193
Provided in the period	661	1,375	464		2,501
Disposals	-	-	-		-
At 31 March 2005	1,984	5,655	1,054		<u>8,694</u>
Net book value					
At 31 March 2005	1,322	4,127	804		<u>6,253</u>

IMAGES LEICESTER LIMITED

NOTES ON THE FINANCIAL STATEMENTS (contd.) 31 MARCH 2005

4. DEBTORS

	2005	2004
	£	£
Amounts receivable within one year		
Prepayments	1,035	-
Taxation receivable	<u>10</u>	<u>10</u>
	<u>1,045</u>	<u>10</u>

5. CREDITORS

Amounts falling due within one year		
Directors' loan account	<u>25,000</u>	<u>33,618</u>

6. SHARE CAPITAL

Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

IMAGES LEICESTER LIMITED

NOTES ON THE FINANCIAL STATEMENTS (contd.) 31 MARCH 2005

7. INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 April 2004 and 31 March 2005	<u>7,050</u>
Amortisation	
At 31 March 2004	1,763
Charge for year	<u>1,410</u>
At 31 March 2005	<u>3,173</u>
Net Book Value	
At 31 March 2005	<u>3,877</u>

8. RESERVES

	Profit & Loss Account
	£
At 1 April 2004	(6,973)
Profit for the year	<u>1,588</u>
At 31 March 2005	<u>(5,385)</u>

9. RELATED PARTY TRANSACTIONS

Loans to the company by the directors amounted to £25,000 (note 5) as at 31 March, 2005. The Company is controlled by D M Hosie by virtue of his directorship and majority shareholding.