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Registration number 2604039

**Investment Management Group Limited**  
**Directors' report and financial statements**  
**for the year ended 31 December 2004**



## **Investment Management Group Limited**

### **Company information**

Directors	I S Wilson S G El-Batrawy N Papadopoulos C Vickery - appointed 4 February 2004
Secretary	Reed Smith Corporate Services Limited
Company number	2604039
Registered office	5th Floor 103 - 105 Jermyn Street London SW1Y 6EE
Auditors	Davis Bonley Northside House Mount Pleasant Barnet Herts EN4 9EE
Business address	5th Floor 103 - 105 Jermyn Street London SW1Y 6EE
Bankers	National Westminster Bank Plc 1-4 Berkeley Square House Berkeley Square London W1A 1SN
Solicitors	Reed Smith Warner Cranston Minerva House 5 Montague Close London SE1 9BB

## **Investment Management Group Limited**

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# **Investment Management Group Limited**

## **Directors' report for the year ended 31 December 2004**

The directors present their report and the financial statements for the year ended 31 December 2004.

### **Principal activity and review of the business**

The principal activity of the company involves identifying, evaluating and monitoring European investment opportunities for its parent company, Amiz EC.

The directors report that the profit achieved on ordinary activities for the year under review is satisfactory.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend payment of a final dividend.

### **Directors and their interests**

The directors who served during the year and their interests in the company are as stated below:

	<b>Ordinary shares</b>	
	<b>31/12/04</b>	<b>01/01/04 or date of appointment</b>
I S Wilson	-	-
S G El-Batrawy	-	-
N Papadopoulos	-	-
C Vickery	-	-
- appointed 4 February 2004		

### **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 the affairs of the company and of the profit or loss of the company for that year. In preparing these 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 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 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 and detection of fraud and other irregularities.

**Investment Management Group Limited**

**Directors' report  
for the year ended 31 December 2004**

**Auditors**

Davis Bonley were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report was approved by the Board on .....27 April 2005..... and signed on its behalf by

I. S. Wilson

**I S Wilson  
Director**

## **Investment Management Group Limited**

### **Independent auditors' report to the shareholders of Investment Management Group Limited**

We have audited the financial statements of Investment Management Group Limited for the year ended 31 December 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. *These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.*

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 the 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 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 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 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.

**Investment Management Group Limited**

**Independent auditors' report to the shareholders of Investment Management Group Limited continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2004 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Davis Bonley**  
**Chartered Accountants and**  
**Registered Auditors**

28/4/05

**Northside House**  
**Mount Pleasant**  
**Barnet**  
**Herts**  
**EN4 9EE**

# Investment Management Group Limited

## Profit and loss account for the year ended 31 December 2004

		Continuing operations	
		2004	2003
	Notes	£	£
<b>Turnover</b>	<b>2</b>	843,265	584,670
Distribution costs		(1,969)	(1,502)
Administrative expenses		(731,303)	(508,411)
<b>Operating profit</b>	<b>3</b>	109,993	74,757
Other interest receivable and similar income	<b>4</b>	3,627	4,302
Interest payable and similar charges	<b>5</b>	(2,283)	-
<b>Profit on ordinary activities before taxation</b>		111,337	79,059
Tax on profit on ordinary activities	<b>7</b>	(38,966)	(22,225)
<b>Profit on ordinary activities after taxation</b>		72,371	56,834
<b>Retained profit for the year</b>		72,371	56,834
Retained profit brought forward		163,249	106,415
<b>Retained profit carried forward</b>		235,620	163,249

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 15 form an integral part of these financial statements.



# Investment Management Group Limited

## Balance sheet as at 31 December 2004

		2004		2003	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	8		50,741		57,724
<b>Current assets</b>					
Debtors	9				
falling due after more than one year		65,630		63,962	
falling due within one year		201,665		156,735	
Cash at bank and in hand		99,532		32,095	
		<u>366,827</u>		<u>252,792</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(131,948)</u>		<u>(97,267)</u>	
<b>Net current assets</b>			234,879		155,525
<b>Net assets</b>			<u>285,620</u>		<u>213,249</u>
<b>Capital and reserves</b>					
Called up share capital	12		50,000		50,000
Profit and loss account			235,620		163,249
<b>Equity shareholders' funds</b>	13		<u>285,620</u>		<u>213,249</u>

The financial statements were approved by the Board on 27 April 2005 and signed on its behalf by

I.S. Wilson  
I S Wilson  
Director

C Vickery  
C Vickery  
Director

The notes on pages 8 to 15 form an integral part of these financial statements.

# Investment Management Group Limited

## Cash flow statement for the year ended 31 December 2004

	Notes	2004 £	2003 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		109,993	74,757
Depreciation		16,901	6,295
(Increase) in debtors		(44,930)	(82,544)
Increase in creditors		37,443	23,757
<b>Net cash inflow from operating activities</b>		<u>119,407</u>	<u>22,265</u>
<b>Cash flow statement</b>			
Net cash inflow from operating activities		119,407	22,265
Returns on investments and servicing of finance	17	1,344	4,302
Taxation	17	(37,968)	(21,573)
Capital expenditure	17	(9,918)	(57,170)
<b>Increase/(Decrease) in cash in the year</b>		<u>72,865</u>	<u>(52,176)</u>
<b>Reconciliation of net cash flow to movement in net funds (Note 18)</b>			
<b>Increase/(Decrease) in cash in the year</b>		72,865	(52,176)
<b>Net funds at 1 January</b>		<u>26,667</u>	<u>78,843</u>
<b>Net funds at 31 December</b>		<u>99,532</u>	<u>26,667</u>

## **Investment Management Group Limited**

### **Notes to the financial statements for the year ended 31 December 2004**

#### **1. Accounting policies**

##### **1.1. Accounting convention**

The financial statements are prepared under the historical cost convention .

The company has consistently applied all relevant accounting standards.

##### **1.2. Turnover**

The sole client of Investment Management Group Ltd is its ultimate parent company, AMIZ EC. Pursuant to a service agreement between the two companies dated 1 January 2002, AMIZ EC pays fees to Investment Management Group Ltd equal to 115% of the amount of costs incurred by Investment Management Group Ltd in rendering services to AMIZ EC.

##### **1.3. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Furniture and fittings                -     4 years (straight-line basis)

Office equipment                    -     4 years (straight-line basis)

##### **1.4. Leasing**

The company has entered into an operating lease in respect of its existing premises. Rental under the operating lease is charged on an accruals basis.

##### **1.5. Deferred taxation**

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. FRS19 "Deferred Tax" has been adopted in these financial statements and a provision is made on all material timing differences arising from the different treatment of items for accounting and tax purposes.

A deferred tax asset is recognised only to the extent that it is more likely than not that there will be taxable profits in the future against which the asset can be offset.

#### **2. Turnover**

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in Europe.

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

<b>3. Operating profit</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	23,677	2,479
Operating lease rentals		
- Land and buildings	73,058	81,488
Auditors' remuneration	3,750	7,500
Auditors' remuneration from non-audit work	725	-
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on disposal of tangible fixed assets	6,776	(3,816)
	<u>          </u>	<u>          </u>
<b>4. Interest receivable and similar income</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Bank interest	1,290	513
Other interest	2,337	3,789
	<u>          </u>	<u>          </u>
	<u>3,627</u>	<u>4,302</u>
<b>5. Interest payable and similar charges</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
On overdue tax	2,283	-
	<u>          </u>	<u>          </u>

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

### 6. Employees

<b>Number of employees</b>	<b>2004</b>	<b>2003</b>
The average monthly numbers of employees (including the directors) during the year were:		
Directors	4	2
Administration	1	1
	<u>5</u>	<u>3</u>
<b>Employment costs</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Wages and salaries	375,097	224,885
Social security costs	45,296	26,481
	<u>420,393</u>	<u>251,366</u>
<b>6.1. Directors' emoluments</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	<u>331,814</u>	<u>181,323</u>
<b>Highest paid director</b>	<b>£</b>	<b>£</b>
Amounts included above:		
Emoluments and other benefits	<u>137,000</u>	<u>154,000</u>

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

### 7. Tax on profit on ordinary activities

Analysis of charge in period	2004 £	2003 £
<b>Current tax</b>		
UK corporation tax	41,891	22,225
Adjustments in respect of previous periods	(1,257)	-
	<u>40,634</u>	<u>22,225</u>
Total current tax charge	40,634	22,225
<b>Deferred tax</b>		
Timing differences, origination and reversal	(1,668)	-
Total deferred tax	<u>(1,668)</u>	<u>-</u>
Tax on profit on ordinary activities	<u>38,966</u>	<u>22,225</u>

### Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>111,337</u>	<u>79,059</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 December 2003 : 30%)	33,401	23,718
<b>Effects of:</b>		
Expenses not deductible for tax purposes	9,048	4,916
Capital allowances for period in excess of depreciation	(558)	(5,768)
Adjustments to tax charge in respect of previous periods	<u>(1,257)</u>	<u>(641)</u>
Current tax charge for period	<u>40,634</u>	<u>22,225</u>

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

8. Tangible fixed assets	Office equipment £	Furniture and fittings £	Total £
<b>Cost</b>			
At 1 January 2004	35,592	62,527	98,119
Additions	9,470	963	10,433
Disposals	(15,877)	-	(15,877)
At 31 December 2004	29,185	63,490	92,675
<b>Depreciation</b>			
At 1 January 2004	21,028	19,367	40,395
On disposals	(16,045)	(6,093)	(22,138)
Charge for the year	6,311	17,366	23,677
At 31 December 2004	11,294	30,640	41,934
<b>Net book values</b>			
At 31 December 2004	17,891	32,850	50,741
At 31 December 2003	14,564	43,160	57,724

9. Debtors	2004 £	2003 £
Amounts falling due within one year:		
Trade debtors	-	95
Amounts owed by group undertakings	142,781	119,217
VAT	6,219	12,938
Other debtors	2,240	9,082
Prepayments and accrued income	50,425	15,403
	201,665	156,735

Amounts falling due after more than one year:

Rent deposit	63,962	63,962
Deferred tax (Note 11)	1,668	-
	65,630	63,962

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

10. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	-	5,428
Trade creditors	6,018	23,727
Corporation tax	24,891	22,225
Other taxes and social security costs	15,884	14,399
Other creditors	26,395	-
Accruals and deferred income	58,760	31,488
	<u>131,948</u>	<u>97,267</u>

11. Provision for deferred taxation	2004 £	2003 £
Accelerated capital allowances	<u>(1,668)</u>	<u>-</u>
Deferred tax credit in profit and loss account	<u>(1,668)</u>	
Deferred tax asset at 31 December 2004	<u>(1,668)</u>	

A deferred tax asset has been recognised on accelerated capital allowances because there is sufficient evidence that the asset will be recoverable.

The recoverability of the deferred tax asset is dependent on future taxable profits in excess of those arising from the reversal of deferred tax liabilities.

12. Share capital	2004 £	2003 £
<b>Authorised</b>		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>



# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

<b>13. Reconciliation of movements in shareholders' funds</b>	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
Profit for the year	72,371	56,834
Opening shareholders' funds	213,249	156,415
Closing shareholders' funds	<u>285,620</u>	<u>213,249</u>

### 14. Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>	
	<b>2004</b>	<b>2003</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between one and five years	<u>85,950</u>	<u>85,950</u>

### 15. Related party transactions

The company's entire turnover of £843,265 (2003 - £584,670) was received from AMIZ EC, its parent company. At the year end, a balance of £140,674 (2003 - £109,445) was owed to the company by AMIZ EC, its parent.

### 16. Ultimate parent undertaking

The company is a subsidiary undertaking of AMIZ EC incorporated in Bahrain, whose registered office is at 607 Diplomat Tower, P.O. Box 10040, Manama 317, Bahrain. The largest and smallest group in which the results of Investment Management Group Ltd are consolidated is that headed by AMIZ EC. The consolidated financial statements of this group are not available to the public.

# Investment Management Group Limited

## Notes to the financial statements for the year ended 31 December 2004

..... continued

### 17. Gross cash flows

	2004 £	2003 £
<b>Returns on investments and servicing of finance</b>		
Interest received	3,627	4,302
Interest paid	(2,283)	-
	<u>1,344</u>	<u>4,302</u>
<b>Taxation</b>		
Corporation tax paid	<u>(37,968)</u>	<u>(21,573)</u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(10,433)	(57,170)
Receipts from sales of tangible assets	515	-
	<u>(9,918)</u>	<u>(57,170)</u>

### 18. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	32,095	67,437	99,532
Overdrafts	(5,428)	5,428	-
	<u>26,667</u>	<u>72,865</u>	<u>99,532</u>
<b>Net funds</b>	<u>26,667</u>	<u>72,865</u>	<u>99,532</u>