

Registered number: 03807789

ALAMY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2012

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ALAMY LIMITED

COMPANY INFORMATION

DIRECTORS	Mr MD Fischer Mr JL West Mr TR Pearson (appointed 10 July 2012)
COMPANY SECRETARY	Mr JS Schilizzi
REGISTERED NUMBER	03807789
REGISTERED OFFICE	Units 6 & 8 127 Olympic Avenue, Milton Park Milton Abingdon Oxfordshire OX14 4SA
INDEPENDENT AUDITORS	James Cowper LLP Chartered Accountants and Statutory Auditors 2 Chawley Park Cumnor Hill Oxford Oxfordshire OX2 9GG

ALAMY LIMITED

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ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of an internet picture agency

The company has two subsidiaries, Alamy Images India Private Limited which is based in India and provides various administrative services to Alamy Limited, and Alamy Inc which manages the sales operations in the US market

BUSINESS REVIEW

In the climate of worldwide recession the group has managed to increase turnover by 2.1% and maintain its gross profit margin. The operating profit fell from 3.5% in 2011 to 0.7% in 2012.

Specifically, turnover increased from £14,853,670 in 2011 to £15,167,540 in 2012. The gross profit percentage improved from 37.2% in 2011 to 37.4% in 2012.

Due to the perpetual increase in the number of photographers contributing images and the group's contributor payment policy, trade creditors (comprising predominantly of contributor balances) still remain higher than trade debtors this year.

The company has a subsidiary based in India to which it outsources administrative and development work. In keeping with the general economic climate, the company continued to outsource further work to the subsidiary at the same time as implementing efficiency savings resulting in a lower work force doing the same volume of work.

The US sales office (Alamy Inc) which opened in March 2009 has continued to grow its sales force. The company is happy with the performance of this office.

The directors of the company did not recommend the payment of a dividend for the year under review.

RESULTS

The profit for the year, after taxation, amounted to £2,226 (2011 - £452,979).

DIRECTORS

The directors who served during the year were

Mr MD Fischer

Mr JL West

Mr TR Pearson (appointed 10 July 2012)

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made contributions totalling £75,000 (2011 - £150,000) to the Fischer Family Charitable Trust.

PRINCIPAL RISKS AND UNCERTAINTIES

As with many businesses, the group is exposed to macro economic factors of an uncertain nature such as changes in inflation and interest rates, consumer spending patterns and levels of disposable income.

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

Financial Risk Management

Credit Risk – The group has implemented policies that require appropriate credit checks on potential customers before credit is offered. Credit limits are set according to the level of assessed credit risk, in some instances this can lead to the rejection of credit.

Market Risk – Web-based image selling is a competitive industry. Whilst retaining a wide range of images (34.1 million as at 31 December 2012) is important, the group's established client-base is a more pertinent factor.

Foreign Exchange Rate Risk - Alamy Limited is exposed to exchange rate risk given the high volume of transactions in foreign currency especially with its contributors whose balances are denominated in US dollars, and also with its Indian subsidiary, Alamy Images India Private Limited, whose functional currency is Indian Rupees.

Forward swaps are used by Alamy Limited to hedge against the risk of adverse movements in US dollar exchange rates. The net balance of US dollar debtors and creditors is monitored on a fortnightly basis and is reviewed to assess the anticipated required balance of foreign currency required should any significant fluctuations occur one way or the other. This policy has been running since the end of 2008 and continues to be successful, to the extent that the exchange rate movement in the year for Alamy Limited was an overall loss of £2,531 (2011 - £4,864) even with sharp fluctuations in the value of sterling during the year.

The Indian subsidiary has also adopted billing Alamy Limited in US Dollars and sells in advance that currency through forward contracts to limit the short to medium term fluctuations in US Dollars to the Indian Rupee.

The group continually reviews its cost base and processes to ensure that, even if there is a downturn in the market, the group is still in a position to maintain an operating profit. Alamy Limited retains a cash reserve of about £1,000,000 so that it can plan accordingly for any long term downturn in the market.

ENVIRONMENTAL MATTERS

The group continues to purchase solar powered lamps to distribute rather than buying mainstream carbon offsets to mitigate their greenhouse gas emissions. This year the group put aside £12,000 to purchase lights (2011 1,565 lights) for distribution in India, as an alternative to kerosene burner lamps where there is no electricity supply. This has a twofold benefit of reducing CO2 emissions as well as having a proven health benefit by stopping the use of burners within the home.

FUTURE DEVELOPMENTS

The company has made important improvements in several key areas and has begun to operate in new markets with new products.

The company has announced an increase in its commission rates of 10 percentage points to all contributors, which will ensure that a higher gross and operating profit margin in 2013 will be achieved.

The number of images for sale has dramatically increased, now up to 34.1 million at the end of 2012 (27.1m in Dec 2011).

The company website continues to be improved both in its speed and design, so that it can provide a better experience for customers than that offered by the competition. The site was rebranded in the early part of 2013 and has received positive feedback. The whole site continues to be available in German, so that it can directly compete in this large market without any language problems.

The company has continued to operate in Australia and Germany with dedicated staff in each area.

In addition the website can now be tailored to suit all clients and allows them to view all images and videos bought across all offices in a seamless way. This has contributed to an increase in both sales and positive customer feedback.

The company continues to undertake research and development in information technology to support its activities.

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

AUDITORS

The auditors, James Cowper LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *26 July 2013* and signed on its behalf


.....
Mr JS Schilizzi
Secretary

ALAMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY LIMITED

We have audited the financial statements of Alamy Limited for the year ended 31 December 2012, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

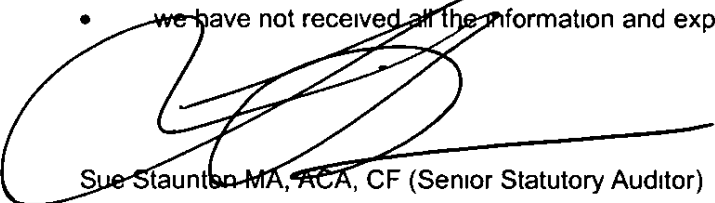
ALAMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sue Staunton MA, ACA, CF (Senior Statutory Auditor)

for and on behalf of
James Cowper LLP

Chartered Accountants and Statutory Auditors

2 Chawley Park
Cumnor Hill
Oxford

Oxfordshire

OX2 9GG

Date *26 July 2013*

ALAMY LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
TURNOVER	2	15,197,203	14,853,670
Cost of sales		<u>(9,514,112)</u>	<u>(9,331,597)</u>
GROSS PROFIT		5,683,091	5,522,073
Distribution costs		<u>(485,137)</u>	<u>(399,423)</u>
Administrative expenses		<u>(5,104,837)</u>	<u>(4,607,549)</u>
Other operating income		<u>-</u>	<u>2,840</u>
OPERATING PROFIT	3	93,117	517,941
Interest receivable and similar income		<u>25,015</u>	<u>27,036</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		118,132	544,977
Tax on profit on ordinary activities	6	<u>(115,906)</u>	<u>(91,998)</u>
PROFIT FOR THE FINANCIAL YEAR	14	<u>2,226</u>	<u>452,979</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the Profit and Loss Account

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED
REGISTERED NUMBER: 03807789

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Intangible assets	7		8,025		8,754
Tangible assets	8		280,066		315,618
			<u>288,091</u>		<u>324,372</u>
CURRENT ASSETS					
Debtors	11	2,741,893		2,355,144	
Cash at bank and in hand		2,567,389		3,039,434	
		<u>5,309,282</u>		<u>5,394,578</u>	
CREDITORS: amounts falling due within one year	12	<u>(3,897,407)</u>		<u>(3,869,961)</u>	
NET CURRENT ASSETS			<u>1,411,875</u>		<u>1,524,617</u>
NET ASSETS			<u><u>1,699,966</u></u>		<u><u>1,848,989</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		1,301		1,300
Share premium account	14		675,121		675,121
Foreign exchange reserve	14		(86,116)		-
Other reserves	14		(62,064)		(67,830)
Profit and loss account	14		<u>1,171,724</u>		<u>1,240,398</u>
SHAREHOLDERS' FUNDS	16		<u><u>1,699,966</u></u>		<u><u>1,848,989</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26 July 2013

.....
Mr JL West
Director

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED
REGISTERED NUMBER: 03807789

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	8		180,950		219,062
Investments	9		444,033		444,033
			<u>624,983</u>		<u>663,095</u>
CURRENT ASSETS					
Debtors	11	3,229,484		2,630,543	
Cash at bank and in hand		1,086,035		1,823,752	
		<u>4,315,519</u>		<u>4,454,295</u>	
CREDITORS amounts falling due within one year	12	(3,901,452)		(3,936,312)	
NET CURRENT ASSETS			<u>414,067</u>		<u>517,983</u>
NET ASSETS			<u><u>1,039,050</u></u>		<u><u>1,181,078</u></u>
CAPITAL AND RESERVES					
Called up share capital	13		1,301		1,300
Share premium account	14		675,121		675,121
Other reserves	14		(99,410)		(99,410)
Profit and loss account	14		462,038		604,067
SHAREHOLDERS' FUNDS	16		<u><u>1,039,050</u></u>		<u><u>1,181,078</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

26 July 2013



.....
Mr JL West
 Director

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	Note	2012 £	2011 £
Net cash flow from operating activities	17	(201,582)	712,733
Returns on investments and servicing of finance	18	25,015	27,036
Taxation	18	(74,403)	(193,215)
Capital expenditure and financial investment	18	(221,076)	(136,975)
CASH (OUTFLOW)/INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(472,046)	409,579
Management of liquid resources	18	-	573,818
Financing	18	1	-
(DECREASE)/INCREASE IN CASH IN THE YEAR		(472,045)	983,397

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(472,045)	983,397
Cash inflow from increase in liquid resources	-	(573,818)
MOVEMENT IN NET DEBT IN THE YEAR	(472,045)	409,579
Net funds at 1 January 2012	3,039,434	2,629,855
NET FUNDS AT 31 DECEMBER 2012	2,567,389	3,039,434

The notes on pages 10 to 23 form part of these financial statements

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

Basis of consolidation

The financial statements consolidate the accounts of Alamy Limited and all of its subsidiary undertakings ('subsidiaries')

Turnover

Turnover comprises revenue recognised by the company in respect of images sold on the company's website, stated net of value added tax

Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life.

Amortisation is provided at the following rates

Goodwill	-	20 years straight line
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Research and development

Research and development expenditure is written off in the year in which it is incurred

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

Leasehold improvements	-	33% straight line
Motor vehicles	-	20% straight line
Fixtures & fittings	-	20% straight line
IT equipment & website	-	50% straight line

Investments

Investments in subsidiaries are valued at cost less provision for impairment

Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES (continued)

Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Currency swaps are used by Alamy Limited to hedge against foreign currency exchange rate risks. The currency exchange gain or loss is accrued when the agreement is made.

Forward exchange contracts are used by Alamy Images India Private Limited to hedge against exchange rate risk. The exchange rate gain or loss is realised when the forwarded contracts mature. Alamy Inc is not exposed to currency exchange rate risk as the subsidiary only trades in US dollars.

Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at 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 gains and losses are recognised in the Profit and Loss Account.

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.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2. TURNOVER

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	5,889,294	5,467,891
Europe (not including the UK)	1,789,301	1,945,441
Rest of the World	2,194,425	2,058,725
United States	5,324,183	5,381,613
	<u>15,197,203</u>	<u>14,853,670</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Amortisation - intangible fixed assets	729	729
Depreciation of tangible fixed assets		
- owned by the group	286,350	269,077
Auditors' remuneration	9,348	9,625
- Land and buildings		
- other operating leases	166,515	163,357
Difference on foreign exchange	500	(89,798)
	<u>500</u>	<u>(89,798)</u>

Auditors' fees for the company were £7,500 (2011 - £7,500)

4. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	3,458,632	3,200,362
Social security costs	277,776	262,957
Other pension costs	108,344	100,020
	<u>3,844,752</u>	<u>3,563,339</u>

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

	2012 No.	2011 No.
	<u>43</u>	<u>45</u>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

5. DIRECTORS' REMUNERATION

	2012 £	2011 £
Remuneration	<u>567,691</u>	<u>370,458</u>
Company pension contributions to defined contribution pension schemes	<u>7,500</u>	<u>7,500</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

The highest paid director received remuneration of £313,500 (2011 - £250,000)

6 TAXATION

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	-	-
	<u>-</u>	<u>-</u>
Foreign tax on income for the year	118,020	92,545
	<u>118,020</u>	<u>92,545</u>
Total current tax		
Deferred tax		
Deferred tax assets	(8,247)	(547)
Exchange rate difference	6,133	-
	<u>(2,114)</u>	<u>(547)</u>
Total deferred tax		
Tax on profit on ordinary activities	<u>115,906</u>	<u>91,998</u>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 TAXATION (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	118,132	544,977
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	28,942	144,419
Effects of:		
Expenses not deductible for tax purposes	20,806	(4,143)
Capital allowances for year in excess of depreciation	-	3,592
Utilisation of tax losses	67,830	(14,715)
Research & Development enhanced expenditure relief	(77,562)	(64,281)
Adjustments to tax charge in respect of prior periods	-	12
Differences in timing of allowances	26,487	-
Other short term timing differences	4,689	-
Differing tax rates in different jurisdictions	46,828	27,661
Current tax charge for the year (see note above)	118,020	92,545

The average rate of taxation applicable to the group for the year is 24.5% (2011 - 37.8%)

7. INTANGIBLE FIXED ASSETS

	Goodwill £
Group	
Cost	
At 1 January 2012 and 31 December 2012	14,586
Amortisation	
At 1 January 2012	5,832
Charge for the year	729
At 31 December 2012	6,561
Net book value	
At 31 December 2012	8,025
At 31 December 2011	8,754

On 26 February 2004, Alamy Limited acquired 100% of Alamy Images India Private Limited. Goodwill of £14,568 arises from the surplus of the purchase price over the value of the net assets of Alamy Images India Private Limited as at that date.

ALAMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

8. TANGIBLE FIXED ASSETS

Group	Motor vehicles £	Fixtures & fittings £	IT equipment & website £	Leasehold improvements £	Total £
Cost					
At 1 January 2012	20,717	561,603	2,150,586	72,155	2,805,061
Additions	-	2,450	220,001	-	222,451
Disposals	-	-	(1,173)	-	(1,173)
Foreign exchange movement	2,259	19,472	(27,460)	(1,428)	(7,157)
At 31 December 2012	22,976	583,525	2,341,954	70,727	3,019,182
Depreciation					
At 1 January 2012	16,100	504,924	1,898,068	70,351	2,489,443
Charge for the year	5,520	49,217	231,613	-	286,350
On disposals	-	-	(1,173)	-	(1,173)
Foreign exchange movement	(214)	(6,884)	(27,740)	(666)	(35,504)
At 31 December 2012	21,406	547,257	2,100,768	69,685	2,739,116
Net book value					
At 31 December 2012	1,570	36,268	241,186	1,042	280,066
At 31 December 2011	4,617	56,679	252,518	1,804	315,618

Company	Fixtures & fittings £	IT equipment & website £	Total £
Cost			
At 1 January 2012	139,348	1,703,635	1,842,983
Additions	-	167,359	167,359
Disposals	-	(1,173)	(1,173)
At 31 December 2012	139,348	1,869,821	2,009,169
Depreciation			
At 1 January 2012	121,725	1,502,196	1,623,921
Charge for the year	10,355	195,116	205,471
On disposals	-	(1,173)	(1,173)
At 31 December 2012	132,080	1,696,139	1,828,219
Net book value			
At 31 December 2012	7,268	173,682	180,950
At 31 December 2011	17,623	201,439	219,062

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

9 FIXED ASSET INVESTMENTS

Company Cost or valuation	Investments in subsidiary companies £
At 1 January 2012 and 31 December 2012	<u>444,033</u>
Net book value	
At 31 December 2012	<u>444,033</u>
At 31 December 2011	<u>444,033</u>

Details of the principal subsidiaries can be found under note number 10

10 PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding
Alamy Images India Private Limited	India	100 %
Alamy Inc	USA	100 %

Capital and reserves of Alamy Images India Private Limited

	2012 £	2011 £
Shareholder funds	767,578	949,499
Profit for the year	51,497	84,396

Capital and reserves of Alamy Inc

	2012 £	2011 £
Shareholder funds	184,310	192,383
Profit for the year	93,537	75,152

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

11. DEBTORS

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	1,991,683	1,812,339	2,598,559	2,174,350
Amounts owed by group undertakings	-	-	191,608	197,694
Other debtors	391,409	164,798	215,872	24,795
Prepayments and accrued income	358,801	378,007	223,445	233,704
	2,741,893	2,355,144	3,229,484	2,630,543

Included within trade debtors of the company is an amount owed by Alamy Inc of £1,605,052 (2011 - £1,438,629). The amounts owed from group undertakings all relate to a loan to Alamy Inc of \$300,000 (2011 - \$300,000). Interest of £3,909 (2011 - £3,922) was charged by Alamy Limited at a rate of 2.04% per annum. This loan is not secured and is due for repayment on 31 December 2013.

12. CREDITORS

Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	2,933,852	2,848,850	3,187,340	3,117,547
Corporation tax	54,028	10,411	-	-
Other taxation and social security	213,690	176,606	208,815	171,480
Other creditors	111,235	109,490	70,488	90,147
Accruals and deferred income	584,602	724,604	434,809	557,138
	3,897,407	3,869,961	3,901,452	3,936,312

Included within trade creditors are amounts which may be the subject of retention of title clauses.

Included within trade creditors of the company is an amount owed by Alamy Limited to Alamy Images India Private Limited of £246,112 (2011 - £318,307).

13. SHARE CAPITAL

	2012	2011
	£	£
Allotted, called up and fully paid		
1,300,000 'A' Ordinary shares of £0.001 each	1,300	1,300
1 'B' share of £1	1	-
	1,301	1,300

On 7 August 2012, the group issued 1 'B' share with a nominal value of £1. Consideration of £1 in cash was received in respect of this share issue.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14 RESERVES

	Share premium account £	Foreign exchange reserve £	Other reserves £	Profit and loss account £
Group				
At 1 January 2012	675,121		(67,830)	1,240,398
Profit for the year				2,226
Movement on foreign exchange		(86,116)		
Proposed dividend				(65,134)
Transfer to other reserves				(5,766)
Other reserves - allocated profit			5,766	
At 31 December 2012	<u>675,121</u>	<u>(86,116)</u>	<u>(62,064)</u>	<u>1,171,724</u>
Company				
At 1 January 2012	675,121		(99,410)	604,067
Loss for the year				(142,029)
At 31 December 2012	<u>675,121</u>		<u>(99,410)</u>	<u>462,038</u>

15. EMI SHARE OPTIONS

During the year ended 31st March 2003, 169,000 ordinary shares were purchased at a value of 59 pence per share and are held by a Trust which is legally separate from the company and for the benefit of the employees of the company. In accordance with Urgent Issues Task Force Abstract 38, "Accounting of ESOP Trusts", the balance transferred to the Trust and used to purchase these shares has been reported as a reduction of the shareholders' funds. There are no performance conditions attached to these options.

Options were granted to a number of employees of the company enabling 152,000 (2011 - 157,000) of the 168,000 shares (2011 - 168,000) owned by the Trust at the year end to be bought by the employees at any time up to their expiry date of 26th April 2022.

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

16. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Group		
Opening shareholders' funds	1,848,989	1,396,010
Profit for the financial year	2,226	452,979
Share issued during the year	1	-
Proposed dividend	(52,165)	-
Tax on proposed dividend	(12,969)	-
Movement on foreign exchange reserve	(86,116)	-
Closing shareholders' funds	<u>1,699,966</u>	<u>1,848,989</u>

	2012 £	2011 £
Company		
Opening shareholders' funds	1,181,078	792,570
(Loss)/profit for the financial year	(142,029)	388,508
Share issued during the year	1	-
Closing shareholders' funds	<u>1,039,050</u>	<u>1,181,078</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and Loss account

The loss for the year dealt with in the accounts of the company was £142,029 (2011 - profit of £388,508)

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	93,117	517,941
Amortisation of intangible fixed assets	729	729
Depreciation of tangible fixed assets	286,350	269,077
Profit on disposal of tangible fixed assets	(1,375)	(148,547)
(Increase)/decrease in trade debtors	(179,344)	(392,918)
(Increase)/decrease in other debtors, prepayments and accrued income	(205,291)	135,412
Increase/(decrease) in trade creditors	85,002	196,059
Increase/(decrease) in other taxation creditors	37,084	(9,053)
Increase/(decrease) in other creditors, accruals and deferred income	(138,257)	112,453
Other reserve non cash movement	(151,250)	31,580
Non cash movements arising on foreign exchange rate movements in fixed assets	(28,347)	-
Net cash (outflow)/inflow from operating activities	<u>(201,582)</u>	<u>712,733</u>

ALAMY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

18. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	25,015	27,036
	<u>2012</u> £	<u>2011</u> £
Taxation		
Corporation tax	(74,403)	(193,215)
	<u>2012</u> £	<u>2011</u> £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	-	(285,522)
Purchase of tangible fixed assets	(222,451)	-
Sale of tangible fixed assets	1,375	-
Sale of listed investments	-	148,547
	<u>(221,076)</u>	<u>(136,975)</u>
Net cash outflow from capital expenditure		
	<u>2012</u> £	<u>2011</u> £
Management of liquid resources		
Sale of short term listed investments	-	573,818
	<u>2012</u> £	<u>2011</u> £
Financing		
Issue of ordinary share	1	-

19. ANALYSIS OF CHANGES IN NET DEBT

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	3,039,434	(472,045)	-	2,567,389
Net funds	<u>3,039,434</u>	<u>(472,045)</u>	<u>-</u>	<u>2,567,389</u>

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

20. PENSION COMMITMENTS

The company operates a defined contribution scheme. During the year, the group made pension contributions of £115,844 (2011 - £107,520) on behalf of its employees. At the year end, there were contributions owing to the pension scheme of £13,518 (2011 - £12,536).

21. OPERATING LEASE COMMITMENTS

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2012	Other
	2012	2011		
Group	£	£	£	£
Expiry date				
Within 1 year	-	-	138	-
Between 2 and 5 years	107,152	-	-	1,102
After more than 5 years	-	107,152	-	-

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2012	Other
	2012	2011		
Company	£	£	£	£
Expiry date				
Within 1 year	-	-	138	-
Between 2 and 5 years	107,152	-	-	1,102
After more than 5 years	-	107,152	-	-

Amounts falling due next year under hedging derivatives

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Cost of currency committed to purchase/sell	156,486	291,049	156,486	291,049

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

22 DEFERRED TAX

Deferred taxation

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Decelerated capital allowances	61,075	58,961	-	-

Movements on deferred taxation provision

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Balance brought forward	58,961	56,857	-	-
Transfer during the year	8,247	547	-	-
Currency exchange gain/(loss)	(6,133)	1,557	-	-
Total	61,075	58,961	-	-

Deferred taxation

	Group		Company	
	Not Provided		Not Provided	
	2012	2011	2012	2011
	£	£	£	£
Losses	287,962	252,335	287,962	225,335

ALAMY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

23. RELATED PARTY TRANSACTIONS

During the year, the following transactions with related parties took place

Alamy Limited made contributions totalling £75,000 (2011 - £150,000) to the Fischer Family Charitable Trust of which Mr MD Fischer, a director of the company, is a Trustee

Alamy Limited made a loan to Manything Systems Limited, a company incorporated in England and Wales, of which Mr MD Fischer, Mr JL West and Mr TR Pearson are Directors of £195,578 (2011 - £Nil) At the year end £195,578 (2011 - £Nil) was still outstanding The loan was interest free with no fixed date of repayment

Alamy Limited made sales to Manything Systems Limited totalling £33,513 (2011 - £Nil)

24. POST BALANCE SHEET EVENTS

On 11 April 2013, the group resolved to convert a debt owing at the year end from Manything Systems Limited of £195,578 into equity by way of a conversion from debt to share capital This gave the group a 30% shareholding in Manything Systems Limited

25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr MD Fischer by way of his majority shareholding of the issued share capital of the company