

ALAMY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008**

**The MGroup Partnership
Registered Auditors
Cranbrook House
287-291 Banbury Road, Oxford
OX2 7JQ**

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Company Registration Number: 3807789

ALAMY LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

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ALAMY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2008**

DIRECTORS

Michael David Fischer
James Lee West

SECRETARY

Stephen John Schilizzi

REGISTERED OFFICE

Units 6 & 8
127 Milton Park
Abingdon
Oxon
OX14 4SA

COMPANY REGISTRATION NUMBER

3807789

AUDITORS

The MGroup Partnership
Registered Auditors
Cranbrook House
287-291 Banbury Road
Oxford
OX2 7JQ

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their annual report with the financial statements of the company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

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 provide various administrative services, and Alamy Inc which manages the sales operations in the US market.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties that it faces.

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed financial statements.

We consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole.

Turnover increased from £15,196,818 in 2007 to £17,298,103 in 2008 while the gross profit percentage remained comparable to previous years at 32.9% (2007 - 33.5%). The net loss after tax for the year amounted to £5,904 (2007 - loss of £526,549). The operating loss for the year was £133,576 (2007 - loss of £627,908). The operating loss is due to large charitable donations made in the year, as mentioned below.

Due to the increasing number of artists who contribute images to the company; 50,193 contributors as at 31 December 2008 (33,395 - 2007), and the company's contributor payment policy, trade creditors (which comprise predominantly of contributor balances) have increased more than trade debtors this year.

The company purchases carbon offsets to mitigate their greenhouse gas emissions from electrical equipment and motor fuel. Offsets are typically generated from emission-reducing projects, the most common of which is renewable energy, such as wind farms and hydroelectric dams.

The company has a subsidiary based in India to which it outsources administrative work. In keeping with the company's strategic plan, an increased volume of administrative work has been outsourced to the subsidiary during the year.

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

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

RISKS AND UNCERTAINTIES

As with many businesses, the company 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.

In particular, the company is exposed to exchange rate risk given the high volume of transactions in foreign currency especially with its Indian subsidiary, Alamy Images India Private Limited, and also its contributors who are paid in US dollars.

Forward contracts are used to hedge against the risk of adverse movements in exchange rates. Despite this the company made currency exchange losses of £171,490, due to the significant weakening of sterling during the year.

A new hedging policy was initiated at the start of 2009, whereby currency required to fulfil payments to contributors in US dollars is bought in advance to mitigate any sharp falls in exchange rates. This should protect against any significant exchange rate losses as occurred in 2008.

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

FUTURE DEVELOPMENTS

Likely future developments in the business of the company are that the company will continue to develop its trade.

The company has opened a subsidiary, Alamy Inc, which is based in the US. Sales operations commenced during March 2009, with the company assuming all billing to US customers from that date. Alamy Inc will pay a distribution fee to Alamy Limited based on sales billed.

As a result of expanding into the US market the company has changed its commission structure for contributors from a 65:35 split to 60:40. This will increase the gross profit percentage in 2009 and allow the company to cover the increased cost of expansion in this market and other markets in the future.

DIRECTORS

The directors who held office during the year were:

Michael David Fischer
James Lee West

POLITICAL AND CHARITABLE DONATIONS

During the year, the company made contributions totalling £1,016,000 all to the Fischer Family Charitable Trust.

ALAMY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit 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 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 and for the maintenance and integrity of the corporate and financial information included on the company's website. 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.

So far as the directors are aware, there is no relevant audit information of which the auditors are unaware. The directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

CLOSE COMPANY PROVISIONS

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors The MGroup Partnership, have expressed their willingness to continue in office, and in accordance with section 385 of the Companies Act 1985 a resolution proposing their reappointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD

John Schilizzi
Secretary



01/09/09

ALAMY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY LIMITED FOR THE YEAR ENDED 31 DECEMBER 2008

TO THE SHAREHOLDERS OF ALAMY LIMITED

We have audited the financial statements of Alamy Limited for the year ended 31 December 2008 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 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume any 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 opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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.

ALAMY LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ALAMY LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2008**

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



THE MGROUP PARTNERSHIP
REGISTERED AUDITORS
OXFORD

8 September 2009

ALAMY LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
TURNOVER	2	17,298,103	15,196,818
Cost of sales		11,608,863	10,103,533
GROSS PROFIT		5,689,240	5,093,285
Distribution costs		275,291	253,265
Administrative expenses		5,547,767	5,467,928
		(133,818)	(627,908)
Other operating income		242	-
OPERATING (LOSS)	3	(133,576)	(627,908)
Income from other fixed asset investments		75,041	39,842
Other interest receivable and similar income	6	52,780	61,517
		(5,755)	(526,549)
Interest payable and similar charges	7	149	-
(LOSS) FOR THE FINANCIAL YEAR		(5,904)	(526,549)
Retained (loss) brought forward		(146,329)	(3,311,059)
Transfer from share premium account to profit and loss reserve		-	3,691,279
RETAINED (LOSS) CARRIED FORWARD		(152,233)	(146,329)

There were no acquisitions and no discontinued operations in either of the periods.

The only recognised gains or losses for both periods are the (losses) reported above.

ALAMY LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Tangible assets	8	145,869	136,492
Investments	9	444,033	344,805
		<u>589,902</u>	<u>481,297</u>
CURRENT ASSETS			
Debtors	10	2,493,361	2,055,134
Cash at bank and in hand		1,755,893	1,583,986
		<u>4,249,254</u>	<u>3,639,120</u>
CREDITORS: Amounts falling due within one year	11	4,414,378	3,689,735
		<u>(165,124)</u>	<u>(50,615)</u>
NET CURRENT (LIABILITIES)			
NET ASSETS		<u>424,778</u>	<u>430,682</u>
CAPITAL AND RESERVES			
Called up share capital	14	1,300	1,300
Share premium account	15	675,121	675,121
EMI share reserve	16	(99,410)	(99,410)
Profit and loss account		(152,233)	(146,329)
SHAREHOLDERS' FUNDS		<u>424,778</u>	<u>430,682</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985, relating to medium companies.

These accounts were approved by the board on *1st September 2009* and signed on its behalf by the following:



James Lee West
Director

ALAMY LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

RECONCILIATION OF OPERATING (LOSS) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Notes	2008 £	2007 £
Operating (loss)		(133,576)	(627,908)
Depreciation		151,028	164,873
(Increase) in trade debtors		(286,569)	(206,839)
(Increase) in other debtors, prepayments and accrued income		(135,618)	(36,135)
Increase in trade creditors		529,130	343,648
(Decrease) / increase in other taxation creditors		(57,311)	51,723
Increase in other creditors, accruals and deferred income		259,745	79,608
Net cash flow from operating activities		326,829	(231,030)

CASH FLOW STATEMENT

		2008 £	2007 £
Net cash flow from operating activities		326,829	(231,030)
Returns on investments and servicing of finance	19	127,672	101,359
Capital expenditure and financial investment	20	(259,633)	(112,701)
		194,868	(242,372)
Management of liquid resources			
Financing	21	(16,040)	(6,067)
Increase / (decrease) in cash		178,828	(248,439)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2008 £	2007 £
Increase / (decrease) in cash		178,828	(248,439)
Net funds brought forward		1,577,065	1,825,504
Net funds carried forward	22	1,755,893	1,577,065

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 STATEMENT OF ACCOUNTING POLICIES

Accounting convention

These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards. There were no material departures from those standards.

Turnover

Turnover represents the value of images sold on the company's website, stated net of value added tax.

Research and development

Expenditure on research and development is written off in the period in which it is incurred.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Depreciation has been provided at the following rates so as to write off the cost less residual value of the assets over their estimated useful lives.

Computer hardware	2 years straight line basis per annum
Computer software	2 years straight line basis per annum
Fixtures and fittings	5 years straight line basis per annum
Website	Fully depreciated

Investments

Fixed asset investments are shown at cost less provision for permanent diminution in value.

Leases

Rentals under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged and credited on a straight line basis over the lease term.

Deferred taxation

Deferred taxation is the taxation attributable to timing differences between profits computed for taxation purposes and profits as stated in the financial statements and is fully provided for, except in circumstances where losses are deemed irrecoverable.

Pensions

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the amount payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

1 STATEMENT OF ACCOUNTING POLICIES (continued...)

Foreign currencies

Transactions in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rate of exchange prevailing at that date. Exchange differences are taken into account in arriving at the operating profit or loss.

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.

Hedging

Forward exchange contracts are used to hedge against exchange rate risk. The currency exchange gain or loss is realised when the forward contracts mature.

Group accounts

The company is exempt from producing group accounts under section 248 of the Companies Act 1985 'exemption for small and medium-sized groups'. As such these accounts present information about the company as an individual undertaking and not about its group.

2 TURNOVER

The analysis of turnover, by geographical area is as follows:

	2008	2007
	£	£
United Kingdom	7,926,242	7,357,167
Rest of the world	1,514,321	1,378,640
Europe (not including the UK)	3,207,471	2,332,201
United States	4,650,069	4,128,810
	<u>17,298,103</u>	<u>15,196,818</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

3 OPERATING (LOSS)

	2008	2007
	£	£
The operating (loss) is stated after charging:		
Directors' remuneration (Note 4)	506,183	505,898
Company contributions to employee pension schemes	51,203	43,681
Auditors' remuneration - audit fees	9,075	9,075
Depreciation	151,028	164,873
Operating lease rentals - land and buildings	92,066	85,309
Currency exchange losses	171,490	-
and after crediting:		
Currency exchange gains	-	35,653
	<u> </u>	<u> </u>

4 DIRECTORS' REMUNERATION

	2008	2007
	£	£
The remuneration of the directors was as follows:		
Emoluments	500,000	495,822
Company contributions to pension schemes	5,963	10,000
Benefits in kind	220	76
	<u> </u>	<u> </u>
	506,183	505,898
	<u> </u>	<u> </u>

The remuneration of the highest paid director was as follows:

Emoluments	250,000	245,822
Company contributions to pension schemes	5,963	10,000
Benefits in kind	220	76
	<u> </u>	<u> </u>
	256,183	255,898
	<u> </u>	<u> </u>

One director (2007 - one) is a member of the pension scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

5 STAFF COSTS

	2008 Number	2007 Number
Average number of persons employed by the company, including directors, during the year:		
Sales and distribution	24	18
Administration	28	29
	<u>52</u>	<u>47</u>
	2008 £	2007 £
Staff costs incurred during the year in respect of these employees were:		
Wages and salaries	2,140,585	2,214,884
Social security costs	322,575	241,833
Other pension costs	57,166	53,681
	<u>2,520,326</u>	<u>2,510,398</u>

6 INTEREST RECEIVABLE

	2008 £	2007 £
Bank interest	52,382	61,517
Other interest	253	-
Interest derived from group undertakings	145	-
	<u>52,780</u>	<u>61,517</u>

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Interest on overdue taxation	149	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

8 TANGIBLE ASSETS

	Computer hardware £	Computer software £	Fixtures and fittings £	Website £	Total £
Cost					
At 1 January 2008	793,732	171,418	88,383	133,957	1,187,490
Additions	108,327	4,104	47,974	-	160,405
At 31 December 2008	<u>902,059</u>	<u>175,522</u>	<u>136,357</u>	<u>133,957</u>	<u>1,347,895</u>
Accumulated depreciation					
At 1 January 2008	709,113	142,610	65,318	133,957	1,050,998
Charge for year	107,955	29,784	13,289	-	151,028
At 31 December 2008	<u>817,068</u>	<u>172,394</u>	<u>78,607</u>	<u>133,957</u>	<u>1,202,026</u>
Net book value					
At 1 January 2008	<u>84,619</u>	<u>28,808</u>	<u>23,065</u>	<u>-</u>	<u>136,492</u>
At 31 December 2008	<u>84,991</u>	<u>3,128</u>	<u>57,750</u>	<u>-</u>	<u>145,869</u>

9 FIXED ASSET INVESTMENTS

	Investment in subsidiaries £
Cost	
At 1 January 2008	344,805
Additions	99,228
At 31 December 2008	<u>444,033</u>
Net book value	
At 1 January 2008	<u>344,805</u>
At 31 December 2008	<u>444,033</u>

ALAMY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008****9 FIXED ASSET INVESTMENTS (continued...)**

The company owns 100% of the ordinary share capital of Alamy Images India Private Limited, a company incorporated in India.

Capital and reserves of Alamy Images India Private Limited	2008	2007
	£	£
Called up share capital	330,219	330,219
General reserve	18,128	14,329
Profit and loss account	327,837	257,375
Shareholder's funds	676,184	601,923
Profit for the financial year / period	38,398	35,466

The capital and reserves of Alamy Images India Private Limited are based on audited accounts for the year ended 31 December 2008. These accounts were audited by Venkat Associates, an organisation based in India.

During the year, the company acquired 100% of the ordinary share capital of Alamy Inc, a company incorporated in USA, for £99,228.

Capital and reserves of Alamy Inc	2008
	£
Called up share capital	99,228
Profit and loss account	(67,114)
Shareholder's funds	32,114
(Loss) for the financial period	(67,114)

The capital and reserves of Alamy Inc are based on un-audited accounts for the period ended 31 December 2008 as the company's first accounts were drawn up to this date.

The directors consider that no impairment of the investment in Alamy Inc is necessary since the losses reported relate to initial setup costs before trading began. Alamy Inc commenced trading in March 2009.

10 DEBTORS

	2008	2007
	£	£
Trade debtors	2,114,541	1,827,972
Amounts owed from group undertakings	32,107	-
Prepayments and accrued income	263,073	165,874
Other debtors	83,640	61,288
	2,493,361	2,055,134

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11 CREDITORS: amounts falling due within one year

	2008	2007
	£	£
Bank loans and overdrafts	-	6,921
Trade creditors	3,477,855	2,948,725
Other taxation and social security	241,914	299,225
Accruals and deferred income	464,667	305,202
Other creditors	229,942	129,662
	<u>4,414,378</u>	<u>3,689,735</u>

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

Included within other taxation and social security is an outstanding pension contribution of £8,397 (2007 - £8,648).

12 DEFERRED TAXATION ASSETS

	Not Provided		Provided	
Deferred Taxation	2008	2007	2008	2007
	£	£	£	£
Losses	<u>264,342</u>	<u>582,034</u>	-	-
Balance carried forward	<u>264,342</u>	<u>582,034</u>	-	-

It is expected that it will take some time for tax losses to be relieved, the recoverability of the resulting deferred tax asset is therefore relatively uncertain and, as such, it is not considered appropriate to recognise the deferred tax asset at present.

13 COMMITMENTS

Amounts falling due next year under operating leases for land and buildings:	2008	2007
	£	£
Expiring in more than five years	<u>91,300</u>	<u>87,800</u>
Amounts falling due next year under forward exchange contracts:	2008	2007
	£	£
Cost of currency committed to buy (in the next year) at the balance sheet date	<u>2,516,251</u>	<u>946,388</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

14 SHARE CAPITAL

	2008 £	2007 £
Authorised:		
5,000,000 Ordinary shares of 0.1p each	5,000	5,000
Allotted, called up and fully paid:		
1,300,000 Ordinary shares of 0.1p each	1,300	1,300

15 SHARE PREMIUM ACCOUNT

	2008 £	2007 £
Balance brought forward	675,121	4,366,400
Transfer to profit and loss reserve	-	(3,691,279)
Balance carried forward	675,121	675,121

16 EMI SHARE RESERVE

	2008 £	2007 £
Balance brought forward	(99,410)	(99,410)
Balance carried forward	(99,410)	(99,410)

169,000 ordinary shares were originally purchased at a value of 59 pence per share and held by a Trust which is legally separate from the company and for the benefit of 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 shareholders' funds.

Options were granted to a number of employees of the company enabling 149,000 (2007 - 150,000) of the 168,000 shares (2007 - 168,000 shares) owned by the Trust at the year end to be bought by the employees at any time up to their expiry date of 11 October 2012.

17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
(Loss) for the financial year after taxation	(5,904)	(526,549)
Opening shareholders' funds	430,682	957,231
Closing shareholders' funds	424,778	430,682

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

18 RELATED PARTY TRANSACTIONS

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

Alamy Images India Private Limited recharged £1,269,183 (2007 - £1,091,811) to Alamy Limited in respect of support costs. At the year end, the company owed Alamy Images India Private Limited £271,065 (2007 - £147,484) which is included in trade creditors.

Alamy Limited also recharged £28,455 (2007 - £33,116) to Alamy Images India Private Limited in respect of travel, subsistence and other overheads. At the year end, the company was owed £3,236 (2007 - £5,266) by Alamy Images India Private Limited which is included in trade debtors.

Alamy Limited received dividends from Alamy Images India Private Limited totalling £75,041 (2007 - 39,842).

Alamy Limited made contributions totalling £1,016,000 (2007 - £1,305,000) to the Fischer Family Charitable Trust of which Michael David Fischer is a Trustee.

Alamy Limited made a loan to Alamy Inc, a new wholly-owned subsidiary based in the USA, of £32,107. Interest of £145 was charged to Alamy Inc at a rate of 2.8% per annum. This loan is not secured and has no fixed date of repayment.

Alamy Limited also recharged £24,853 to Alamy Inc in respect of recruitment costs, consultancy fees and capital expenditure. At the year end, the company was owed £32,107 by Alamy Inc. This amount is included in amounts owed from group undertakings.

19 CASH FLOWS RELATING TO RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2008	2007
	£	£
Interest received	52,780	61,517
Interest paid	(149)	-
Income from fixed asset investments	75,041	39,842
	<u>127,672</u>	<u>101,359</u>
Net cash inflow	127,672	101,359

20 CASH FLOWS RELATING TO CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2008	2007
	£	£
Purchase of tangible fixed assets	(160,405)	(112,701)
Purchase of fixed asset investments	(99,228)	-
	<u>(259,633)</u>	<u>(112,701)</u>
Net cash (outflow)	(259,633)	(112,701)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

21 CASH FLOWS RELATING TO FINANCE

	2008	2007
	£	£
New group loans	(32,107)	-
New loans	16,067	(6,067)
	<u> </u>	<u> </u>
Net cash (outflow)	<u>(16,040)</u>	<u>(6,067)</u>

22 ANALYSIS OF CHANGES IN NET DEBT

	At 1/1/08	Cash flows	Other changes	At 31/12/08
	£	£	£	£
Cash at bank and in hand	1,583,986	171,907	-	1,755,893
Overdrafts	(6,921)	6,921	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>1,577,065</u>	<u>178,828</u>	<u>-</u>	<u>1,755,893</u>

23 ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Michael David Fischer by way of his majority shareholding of the issued share capital of the company.