

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
DIRECTORS REPORT
YEAR ENDED 31 MARCH 2006

The directors present their report and unaudited financial statements for the year ended 31 March 2006.

DIRECTORS RESPONSIBILITIES

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent ;
- prepare the accounts 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 accounts 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.

DATE OF INCORPORATION

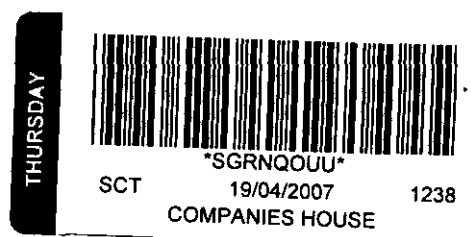
The company was incorporated on 17 June 2002 and is a company limited by guarantee.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the support and promotion of the digital content industries in the Highlands and Islands.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £6,935.
The company is limited by guarantee and in the absence of share capital no dividend is payable.



ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
DIRECTORS REPORT (CONTINUED)
YEAR ENDED 31 MARCH 2006

REVIEW OF THE BUSINESS

The company is a non profit making organisation. It was established to achieve the principal activities outlined above. In the circumstances the directors are satisfied with the results for the year.

There are no future developments planned other than continuing with the work undertaken in the year under review.

DIRECTORS

The directors in the year were as follows ;

Norrie Maclaren	
Phil Olson	(Resigned 1 July 2006)
Sue Anderson	(Resigned 31 May 2005)
Alison Holden	(Appointed 1 July 2006)
Robert Murray	
Gordon Douglas Ross	(Appointed 12 April 2005)
Charles Wilson	(Appointed 12 April 2005)
Michael Russell	(Appointed 05 September 2005)
Brian William Weaver	(Appointed 05 December 2005)

The company is limited by guarantee and consequently no director has an interest in the business.

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

By order of the Board



Dornoch Road
Bonar Bridge
Sutherland

Director

28 March 2007

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
Turnover	1	162,316	193,903
Cost of Sales		96,607	119,596
		--	--
Gross Profit		65,709	74,307
Administrative Expenses		72,781	66,298
		---	-
Operating (Loss)/Profit	2	(7,072)	8,009
Interest receivable and similar income		68	271
Interest payable and similar charges		-	-
		--	-
(Loss)/ Profit on ordinary activities before tax		(7,004)	8,280
Tax on Profit/loss on ordinary activities	3	(69)	
		---	--
Retained (Loss)/Profit for the financial year		(6,935)	8,280
Retained Profit Brought Forward		9,439	1,159
		--	-
Retained Profit Carried Forward		2,504	9,439
		=====	=====

All amounts relate to continuing activities.

All recognised gains and losses are included in the Profit and Loss account.

The notes on pages 7 to 8 form part of the financial statements.

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
BALANCE SHEET AS AT 31 MARCH 2006

	<u>Notes</u>	<u>2006</u> £	<u>2005</u> £
<u>Current Assets</u>			
Debtors	4	11,122	5,376
Cash at Bank and on hand		78,877	19,719
		-	-
		89,999	25,095
Creditors: Amounts falling due within one year	5	21,574	9,265
		-	-
Net Current Assets		68,425	15,830
Provision for Liabilities and Charges			
Deferred Income	7	59,530	
		---	----
		8,895	15,830
		=====	=====
<u>Capital and Reserves</u>			
Profit and Loss account		2,504	9,439
Capital Reserve	8	6,391	6,391
		-	-
		8,895	15,830
		=====	=====

The balance sheet is continued on page 5.

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
BALANCE SHEET AS AT 31 MARCH 2006

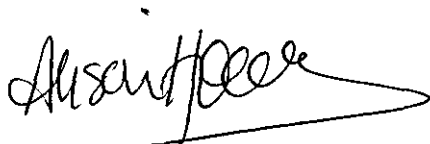
In preparing these unaudited financial statements advantage has been taken of the exemption under section 249A(1) of the Companies Act 1985. No notice requiring an audit has been deposited by members under section 249B(2).

Company law requires the directors to prepare financial statements for each financial year which give a fair and true view of the state of affairs of the company and of the profit and loss of the company for that year and which comply with the provisions of the Companies Act 1985. 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 the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These accounts were approved by the Board on 28 March 2007.

Director

A handwritten signature in black ink, appearing to read 'Alison Hester', with a long horizontal line extending from the end of the signature.

The notes on pages 7 to 8 form part of these financial statements.

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

The financial statements have been prepared in accordance with the Financial Reporting Standard For Smaller Entities (effective June 2002) under the historical cost convention.

(a) Turnover

Turnover consists of income from grant funding bodies, work done without charge, income from work done and membership fees.

(b) Taxation

The company may be entitled to apply to the Inland Revenue to be treated as a non profit making organisation for tax purposes. No such application has yet been made and until accepted and approved by the Inland Revenue corporation tax payable is provided as appropriate on taxable profits at the current rate.

(c) Grants

Much of the company's income is derived from grants from the Highlands and Islands Enterprise. This enables the company to fund its project costs and, as such, these grants have been included in turnover.

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

1 TURNOVER

Turnover is attributable entirely to markets within the United Kingdom.

2 OPERATING PROFIT/(LOSS)

	<u>2006</u>	<u>2005</u>
Operating profit/(Loss) is stated after charging:	£	£
Directors Remuneration	13,200	26,533
Accountants remuneration	881	675
	=====	=====

There are no directors emoluments.

3 TAXATION

The tax charge as appropriate for the year has been calculated at the current rate.

4 DEBTORS

	<u>2006</u>	<u>2005</u>
	£	£
Highlands and Islands Enterprise	6,000	4,565
VAT Account	5,122	811
	- -	- -
	11,122	5,376
	=====	=====

5 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2006</u>	<u>2005</u>
	£	£
Trade Creditors	18,368	8,590
Accruals	2,175	675
Inland Revenue	1,031	-
	---	-
	21,574	9,265
	=====	=====

ASSOCIATION OF INTEGRATED MEDIA
HIGHLANDS AND ISLANDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2006

6 SHARE CAPITAL

The company has no ordinary share capital, it being a company limited by guarantee.

7 DEFERRED INCOME

	<u>2006</u>	<u>2005</u>
	£	£
Income in Advance	59,530	-
	=====	=====

8 CAPITAL RESERVE

The capital reserve consists of bank balances introduced to the company from operating activities prior to incorporation of the company.

9. RELATED PARTY TRANSACTIONS

Mr D. Drysdale has received £2,442 in relation to expense claims in the year. The firm of Drysdale Media 4 was paid £7,342, of which £1,710 was repayable at 31 March 2006, for services in the year. Mr Drysdale is a director of the company.

Mrs M. Drysdale (wife of a director) has received £3,899 in relation to administrative assistance in the year.