



Annual Report and Accounts

FOR THE YEAR ENDED

30 September 2005

Key performance indicators

Year ended 30 September

	2005 Audited	2004 Unaudited ¹
Continuing profit before tax (£'000)	338	2,689
Continuing profit after tax (£'000)	67	1,930
EPS continuing (pence)	0.4	11.8
EPS continuing diluted (pence)	0.4	11.7
Dividend (pence)	5.5	5.5
Closing net funds (£'000)	2,125	2,030

¹ Audited period for 2004 was for the 18 months to 30 September 2004

Contents

- 1 Chairman's statement
- 2 Review of Operations
- 4 Directors' report
- 6 Directors and advisers
- 7 Independent auditors' report
- 8 Consolidated profit and loss account
- 9 Balance sheets
- 9 Consolidated reconciliation of movement in equity shareholders' funds
- 10 Consolidated cash flow statement
- 11 Notes to the financial statements
- 19 Notice of meeting

Chairman's statement

I have pleasure in presenting the results of InvestinMedia for the year ended 30 September 2005. These show a profit before tax of £338,000 (eighteen months to 30 September 2004 from continuing operations: £4,086,000). This has been a year of considerable investment for our principal associate, Complete Communications Corporation Limited ("Complete"). Our other associate Medal Entertainment & Media plc ("MEM") performed in line with our expectations and continues to grow its business.

Complete, owner of the worldwide rights to "Who Wants To Be A Millionaire?" and "You Are What You Eat" invested, through its subsidiaries (branded "Celador"), in a number of new areas during the year. One effect of this investment has been a significant reduction in profits for the year; however, it is planned that 2006 will be a year of lower investment for Complete.

MEM, an AIM quoted media company, published its Interim Announcement, for the six months to 30 September 2005, on 15 December 2005. Its Chairman commented: "As we announced on 21st September 2005 the seasonality of our business combined with the increased scale of operations, has resulted in the loss for the half year being greater than in 2004. However, the strong trading in the current period and indications for the rest of the year mean that we remain confident that we will meet market expectations for the full year."

Your board views the future of your company and both our associate company investments with confidence. The board is proposing paying a final dividend of 3.5 pence per share on 6 April 2006, which together with the interim dividend will make a total for the year to 30 September 2005 of 5.5 pence per share.

Richard Murray

Chairman

17 January 2006

Review of Operations

Complete

Key Performance Indicators

Year ended 30 September

	2005 Audited	2004 Unaudited ¹
Turnover — Who Wants To Be A Millionaire? (£'000)	24,088	22,811
Turnover — Other (£'000)	10,633	10,428
Turnover — Total (£'000)	34,721	33,239
Gross profit — Who Wants To Be A Millionaire? (£'000)	11,566	10,939
Gross (loss)/profit — Other (£'000)	(1,562)	2,097
Gross profit — Total (£'000)	10,004	13,036
Overhead (£'000)	9,575	8,538
Operating profit (£'000)	429	4,498
Operating profit attributable to InvestinMedia plc (£'000)	206	2,204

¹ Audited period for 2004 was for the 18 months to 30 September 2004

Last year was not a typical year for Complete, which engaged in a substantial investment programme. The cost of this investment, much of which was expensed as incurred, has impacted profits in the period under review.

The Operating Profit for the year has been affected by losses in respect of a number of unusual and non-recurring items. Losses of £1,042,000 arose on the live theatre production of "Who Wants To Be A Millionaire?" and £1,167,000 on a major awards ceremony. In addition, Celador Radio spent £778,000 in applying for major FM broadcasting licences advertised by Ofcom. To date, these applications have been unsuccessful but the company remains confident that its proposed radio format has substantial appeal and currently awaits a decision in respect of the North East of England. Complete also continues with its policy of expensing all costs relating to programme development and externally acquired intellectual properties unless there is a clear future income stream and exceptional expenditure in this connection amounted to £1,429,000. All these items, some of which have also incurred additional overheads, resulted in a reduction in the Operating profit of £4,712,000.

Celador Films had a successful year with the release of "The Descent" in July 2005 and "Separate Lies" in November 2005. Neither of these contributed to gross profit in the year although "The Descent" has been a great success at the box office in a number of countries. Celador Productions has many programmes commissioned for broadcast on Television and Radio in the UK in the next 12 months in addition to several projects being piloted for Broadcasters. Celador International has entered into a number of new licensing partnerships in respect of "Who Wants To Be A Millionaire?" which Complete anticipate will bring increased rewards from 2006 onwards.

MEM**Key Performance Indicators**
Year ended 30 September

	2005 Audited	2004 Unaudited ¹
Turnover — Total (£'000)	15,769	12,141
Gross profit (£'000)	9,502	7,672
Overhead (£'000)	9,718	6,442
Operating (loss)/profit (£'000)	(216)	1,230
Operating (loss)/profit attributable to InvestinMedia plc (£'000)	(34)	207

¹ Audited period for 2004 was for the 18 months to 30 September 2004

Although this year produced a loss for MEM, it has achieved a 29.9% growth in turnover compared to the previous year. In its Interim Announcement for the six months to 30 September 2005, published on 15 December 2005, MEM's Chairman commented: "We have continued to make progress in each of our operational divisions. In our DVD publishing business, we acquired the rights to distribute the DVD of the 2005 Ashes cricket series. Unprecedented public interest in the Test series has led to very strong sales which will be reflected in the results for the second half of the financial year. The first six months of the year are traditionally quieter for our television studio business, as broadcasters shift to broadcasting sport and repeats in the summer months. We are, however, encouraged by the high level of returning bookings and the strong current trading. In our production division we made good progress in developing formats and were commissioned in July by BBC2 to produce a new panel show *Petrolheads*, airing from February 2006." He also commented: "Our trading since the period end has been strong with sales for October and November alone approximately double those for the preceding entire half year. We are encouraged by strong DVD sales, high occupancy rates at Fountain, and a number of potentially profitable commissions for our production arm. We continue to seek opportunities to develop the business to create shareholder value. We remain confident that we will meet market expectations for the full year."

Cash

At 30 September 2005 we had £2,125,000 (2004: £2,030,000) invested in short-term deposits available for investment in existing or new ventures should an appropriate opportunity arise to enhance shareholder value.

Cameron Maxwell

Executive Director

17 January 2006

Directors' report

The directors have pleasure in presenting their report and the financial statements for the year to 30 September 2005.

Principal activity and review of the business and future developments

The company and its subsidiaries engage principally in the management of their investments. The business is reviewed in the Chairman's statement on page 1 and the Review of Operations on pages 2 and 3 which also include references to the group's future prospects.

Results and dividends

The results of the group are set out in detail on page 8. The directors recommend payment of a final dividend for the year ended 30 September 2005 of 3.5 pence per ordinary share to be paid on 6 April 2006 to shareholders on the Register on 3 March 2006, making a total dividend for the year of 5.5 pence per ordinary share (for the eighteen months ended 30 September 2004: 5.5 pence).

Share capital

Details of the changes in the company's share capital during the year are given in note 16 to the financial statements.

Directors and their interests

The interests of the directors, who held office at 30 September 2005, in the share capital of the company, all of which are beneficial, were as follows:

	At 30 September 2005 and 17 January 2006		At 30 September 2004	
	Ordinary shares	Options over ordinary shares	Ordinary shares	Options over ordinary shares
RA Murray	3,216,074	652,652	3,216,074	652,652
CA Maxwell	50,000	489,489	50,000	489,489
AP Stirling	14,000	326,326	14,000	326,326

The directors' options over ordinary shares were all granted at 71.1667 pence on 24 February 2004 and are exercisable between 24 February 2007 and 24 February 2011. The closing share price on 30 September 2005 was 96 pence. Mr Murray's full surname is Murray-Obodyski but he is referred to in the annual report by the name under which he is generally known in the industry.

Substantial interests

At 15 January 2006, the company had been notified of the following holdings of 3% or more in accordance with sections 198 to 208 of the Companies Act 1985:

	Ordinary shares	Percentage of allotted
		Ordinary shares
Talpa Beheer B.V.	3,487,500	21.37%
RA Murray	3,216,074	19.71%
Prudential plc	2,405,711	14.74%
The Fleming Mercantile Investment Trust PLC	1,514,600	9.28%
Complete Communications Corporation Limited	1,225,000	7.51%
Schroder Investment Management Limited	955,000	5.85%

The holding of Prudential plc includes the shareholding of M&G Investment Management Limited of 1,631,654 ordinary shares, representing 10.00% of the allotted ordinary shares.

Political and charitable contributions

The group made no contributions for charitable or political purposes during the year.

Annual General Meeting

Shareholders will see from the notice of the Annual General Meeting as set out on pages 19 and 20 that they are being asked, *inter alia*, to renew the authority given to the directors to allot relevant securities (Resolution 5) and the disapplication of pre-emption rights (Resolution 6). Shareholders are also being asked to pass a resolution to authorise the company to make market purchases of its own shares (Resolution 7). These resolutions comply with ABI guidelines. The directors have no present intention to make any more such purchases. If, however, the directors do exercise such authority the ordinary shares purchased will either be cancelled or held in treasury in accordance with the Companies Act 1985.

Statement of 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 the group and of the profit or loss of the group 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; and
- 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 maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the InvestinMedia plc website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

Corporate governance

The board of directors is accountable to shareholders for the good corporate governance of the group. The principles of corporate governance and a code of best practice are set out in the Combined Code. Under the rules of the AIM market the group is not required to comply in full with the Code nor to state where it derogates from it. The board has reviewed the requirements of the Combined Code and comply with its principles where possible given the size and nature of the group.

The board comprises the non-executive Chairman, one other non-executive director and the executive director. Because of the board's size, there are currently no separate audit or remuneration committees and the board as a whole considers all matters. The board will continue to review the level of corporate governance appropriate to the group.

The board undertakes a formal assessment of the auditors' independence each year, which includes a review of non-audit services provided to the group, the related fees and a discussion with the auditors about any relationships with the group or its directors that could affect their independence or the perception of independence.

Payment policy to suppliers

Although the company does not follow a code, the company's policy, which is also applied to the group, is to negotiate payment terms with its suppliers and to abide by the agreed payment terms provided that the supplier has provided the goods and services in accordance with the agreed terms and conditions. The company had no outstanding trade creditors at 30 September 2005 (2004: nil).

Auditors

Baker Tilly is willing to continue in office. A resolution to reappoint Baker Tilly and to authorise the directors to determine their remuneration will be proposed at the forthcoming annual general meeting.

By order of the board

Watlington Securities Limited

Company Secretary

17 January 2006

Directors and advisers

Richard Alan Murray

Non-executive Chairman, aged 55, founded the company in 1984 and is a non-executive director of Complete and MEM. He is chairman of Charlton Athletic plc and a non-executive director of Avesco plc and Welsh Industrial Investment Trust plc.

Cameron Anderson Maxwell FCA

Executive director, aged 63, joined the Board in 1985 and is a non-executive director of Complete. He was Finance Director of Avesco plc until 1998 and a non-executive director from then until the Demerger in February 2004. He is a member of the Council of the Institute of Chartered Accountants in England and Wales.

Alfred Patrick Stirling FCA

Non-executive director, aged 69, was appointed to the board in 1984. He is Chairman and Managing Director of Gresham House plc and Welsh Industrial Investment Trust plc.

Company Secretary and Registered Office

Secretary: Watlington Securities Ltd, *Registered Office*: 36 Elder Street, London E1 6BT

E-mail: mail@InvestinMedia.com **Website:** www.InvestinMedia.com

Registered Number 1788363

Share Quotation

The company's shares are quoted on AIM

Registrars and Transfer Office

Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU

Auditors

Baker Tilly, Chartered Accountants, 2 Bloomsbury Street, London WC1B 3ST

Stockbrokers and Financial Advisers

Panmure Gordon (Broking) Limited, 155 Moorgate, London EC2M 6XB

Solicitors

DMH Stallard, Centurion House, 37 Jewry Street, London EC3N 2ER

Principal Bankers

HSBC Bank plc

Anglo Irish Bank Corporation plc

Independent auditors' report to the members of InvestinMedia plc

We have audited the financial statements on pages 8 to 18.

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 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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards 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 United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and have been 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 group is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Statement, the Review of Operations and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with 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 group'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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 September 2005 and of the group profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Registered Auditor

Chartered Accountants

2 Bloomsbury Street, London WC1B 3ST

17 January 2006

Consolidated profit and loss account

	Note	For the year ended	For the eighteen months ended		
		30 September 2005	30 September 2004		
		All Continuing £'000	Continuing £'000	Discontinued £'000	Total £'000
Group and share of associates' turnover	2	19,716	28,743	46,242	74,985
Less: Share of associates' turnover		(19,666)	(28,293)	—	(28,293)
Group turnover		50	450	46,242	46,692
Cost of sales		—	—	(29,705)	(29,705)
Gross profit		50	450	16,537	16,987
Distribution costs		—	—	(2,422)	(2,422)
Administrative expenses		(235)	(393)	(20,416)	(20,809)
Group operating (loss)/profit		(185)	57	(6,301)	(6,244)
Share of associates' operating profit		172	3,653	—	3,653
Group and share of associates' operating (loss)/profit		(13)	3,710	(6,301)	(2,591)
Loss on demerger		—	—	(7,722)	(7,722)
Loss on disposal of operations		—	—	(235)	(235)
(Loss)/profit on ordinary activities					
before interest and taxation		(13)	3,710	(14,258)	(10,548)
Net investment income/(interest payable)	3	351	376	(528)	(152)
Profit/(loss) on ordinary activities before taxation	4	338	4,086	(14,786)	(10,700)
Taxation on ordinary activities	8	(271)	(1,281)	(20)	(1,301)
Profit/(loss) on ordinary activities after taxation		67	2,805	(14,806)	(12,001)
Equity minority interest		—	—	75	75
Profit/(loss) for the period		67	2,805	(14,731)	(11,926)
Dividends	9	(894)	(897)	—	(897)
Retained (loss)/profit for the financial period	16	(827)	1,908	(14,731)	(12,823)
Earnings/(loss) per share —					
Basic	10	0.4p	17.2p	(90.3p)	(73.1p)
Diluted	10	0.4p	17.0p	(90.3p)	(73.1p)
Dividends per share	9	5.5p	5.5p		5.5p

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account.

Balance sheets

As at 30 September	Note	Group		Company	
		2005 £'000	2004 £'000	2005 £'000	2004 £'000
Investments in associates	11	5,174	5,468	—	—
Other investments	11	—	—	15,000	15,000
Fixed assets		5,174	5,468	15,000	15,000
Debtors: Other debtors		16	—	16	—
Debtors: Prepayments and accrued income		21	767	21	32
Debtors: Total		37	767	37	32
Cash at bank and in hand		2,125	2,030	2,125	2,030
Current assets		2,162	2,797	2,162	2,062
Creditors: amounts falling due within one year	13	(630)	(641)	(630)	(641)
Net current assets		1,532	2,156	1,532	1,421
Net assets		6,706	7,624	16,532	16,421
Capital and reserves					
Called up share capital	14	1,632	1,632	1,632	1,632
Treasury shares	16	(91)	—	(91)	—
Share premium account	16	12,489	12,489	12,489	12,489
Profit and loss account	16	(7,324)	(6,497)	2,502	2,300
Equity shareholders' funds		6,706	7,624	16,532	16,421

The financial statements on pages 8 to 18 were approved by the Board of directors on 17 January 2006 and were signed on its behalf by:

Richard Murray
Cameron Maxwell
Directors

Consolidated reconciliation of movement in equity shareholders' funds

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Profit/(loss) for the period	67	(11,926)
Dividends	(894)	(897)
Retained loss for the financial period	(827)	(12,823)
Goodwill previously eliminated against reserves	—	8,642
Shares purchased into treasury	(91)	—
Reduction in share capital	—	(18,780)
Net reduction in equity shareholders' funds	(918)	(22,961)
Opening equity shareholders' funds	7,624	30,585
Closing equity shareholders' funds	6,706	7,624

Consolidated cash flow statement

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Net cash flow from operating activities	(200)	5,512
Dividends from associate	1,175	2,784
Interest received	106	39
Interest paid	—	(312)
Interest element of hire purchase payments	—	(220)
Returns on investments and servicing of finance	106	(493)
Taxation	—	76
Net cash flow before capital expenditure	1,081	7,879
Purchase of tangible assets	—	(5,540)
Sale of tangible assets	—	2,581
Capital expenditure	—	(2,959)
Disposal of subsidiaries and businesses	—	(166)
Net overdraft disposed of with subsidiaries	—	1,582
Acquisitions and disposals	—	1,416
Equity dividends paid	(895)	(1,141)
Net cash flow before use of liquid resources and financing	186	5,195
Management of liquid resources: Increase in bank term deposits	(1,050)	—
Purchase of own shares into treasury	(91)	—
Change in bank loans	—	1,033
Change in hire purchase obligations	—	(3,792)
Financing	(91)	(2,759)
Change in cash in the period	(955)	2,436
Closing net funds: Cash at bank and in hand	2,125	2,030

Net cash flow from operating activities

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Group operating loss	(185)	(6,244)
Depreciation, amortisation and impairment	—	11,538
Profit on sale of tangible assets	—	(223)
Change in stocks	—	(320)
Change in debtors	(5)	521
Change in creditors	(10)	240
Net cash flow from operating activities	(200)	5,512

Notes to the financial statements

1 Accounting Policies

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

Basis of consolidation

The consolidated financial statements include the financial statements of the company and its subsidiaries made up to 30 September 2005. The results of subsidiaries or businesses acquired are included from the date control passes to the group and the results of subsidiaries or businesses disposed of are included up to the date control passes from the group. All intra-group transactions and balances are eliminated on consolidation.

The group accounts for entities in which it has a long-term interest and over which it exercises significant influence, rather than control, as associates. The group uses the equity method of consolidation to account for its associates including the group's share of the profits less losses of the associates in the consolidated profit and loss account and including its interest in their net assets as investments in the consolidated balance sheet.

Associates — Complete Communications Corporation Limited ("Complete") The following additional accounting policy on turnover is relevant to the television programme production and rights exploitation business of Complete.

- a) Programme income is recognised as follows:
 - i) Short-term productions made shortly before delivery are recognised on delivery.
 - ii) Income on long-term productions is recognised in proportion to the production work completed.
- b) Licence fees from programmes not produced by the group are spread evenly over the term of the licence or until the group has fulfilled its contractual obligations and collection is reasonably assured.
- c) Additional merchandise and other royalties are recognised on an accruals basis to the extent that the amounts can be estimated reliably based on statements and reports received from licensees.
- d) Income in respect of film production is recognised on final delivery of the film. Before delivery, costs incurred are recognised in work in progress to the extent that they are considered to be recoverable in future periods.

Company profit and loss account

The company has taken advantage of the exemption from presenting its own profit and loss account in accordance with section 230(4) of the Companies Act 1985. The profit for the year of the company was £1,096,000 (eighteen months to 30 September 2004: £3,464,000 loss).

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Post-retirement benefits

The group has no defined benefit pension arrangements.

Turnover and revenue recognition

Turnover represents the value of services and goods supplied to customers excluding Value Added Tax and net of customer discounts. Revenue is recognised as follows:

- (a) Supply of services — Proportionally over the duration of the service or hire period.
- (b) Supply of goods — When the goods are dispatched to the customer.

Revenue from the disposal of fixed assets is not treated as turnover.

Web site costs

The group uses web sites principally for communication purposes. Accordingly, all web site costs are recognised in the profit and loss account as incurred.

Goodwill

Goodwill representing the excess of the purchase price compared with the fair value of net assets acquired is capitalised and written off evenly over its useful economic life as in the opinion of the directors this represents the period over which the goodwill is effective. Goodwill arising before 30 September 1998 has been eliminated against reserves in the year of acquisition. If the related business is subsequently disposed of, the goodwill is written back and included in the calculation of the profit or loss on disposal.

Notes to the financial statements, continued

2 Segmental analysis

The group's continuing business consists of the management of its investments, principally in its two associated companies, Complete Communications Corporation Limited ("Complete"), a television programme production and rights exploitation business based in the United Kingdom, and Medal Entertainment & Media plc ("MEM"), an AIM quoted media company. The Demerger discontinued the rest of the group's business on 18 February 2004. The results are shown after costs directly relating to each class of business.

	For the year ended 30 September 2005			For the eighteen months ended 30 September 2004		
	Turnover £'000	Profit/(loss) before tax	Net assets	Turnover £'000	Profit/(loss) before tax	Net assets
		£'000	£'000		£'000	£'000
Our share of Complete	17,013	519	3,703	24,563	3,870	3,861
Our share of MEM	2,653	(102)	1,471	3,730	124	1,607
Other continuing activities	50	(79)	1,532	450	92	2,156
Total continuing activities	19,716	338	6,706	28,743	4,086	7,624
Discontinued activities	—	—	—	46,242	(14,786)	—
Total	19,716	338	6,706	74,985	(10,700)	7,624
Less: share of associates	(19,666)	(417)	(5,174)	(28,293)	(3,994)	(5,468)
Group total	50	(79)	1,532	46,692	(14,694)	2,156

Turnover by destination

	For the year ended 30 September 2005	For the eighteen months ended 30 September 2004
	£'000	£'000
	United Kingdom	50
Mainland Europe	—	8,987
United States of America	—	19,948
Rest of the World	—	95
Group turnover	50	46,692

Turnover by origin

	For the year ended 30 September 2005	For the eighteen months ended 30 September 2004
	£'000	£'000
	United Kingdom	50
Mainland Europe	—	8,355
United States of America	—	19,360
Group turnover	50	46,692

3 Net investment income and interest payable

	For the year ended 30 September 2005	For the eighteen months ended 30 September 2004
	£'000	£'000
	Bank loans and overdrafts	—
Hire purchase obligations	—	220
Other	—	1
Group interest payable	—	532
Share of associates' interest payable	78	96
Group and share of associates' interest payable	78	628
Group interest receivable	106	39
Share of associates' investment income	323	437
Group and share of associates' investment income	429	476
Net investment income/(interest payable)	351	(152)

4 Profit/(loss) on ordinary activities before taxation

Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Operating lease payments		
— Land and buildings	—	1,017
— Plant and equipment	—	181
Depreciation charge		
— Owned tangible assets	—	8,339
— Assets held under hire purchase arrangements	—	1,281
Amortisation of goodwill	—	1,918
Profit on disposal of tangible assets	—	(223)
The amounts payable to Baker Tilly by the group in respect of both audit and non-audit services are set out below.		
Services as auditors	16	15
Further assurance services	17	35
Tax compliance and advisory services	13	8
	46	58

5 Employee information

The average number of persons employed by the group was:

	For the year ended 30 September 2005 Number	For the eighteen months ended 30 September 2004 Number
Operations	—	201
Administration	—	37
Total employees	—	238

The group had no employees at 30 September 2004 or 2005.

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
The aggregate payroll costs of the former employees were:		
Wages and salaries	—	12,701
Social security costs	—	1,329
Other pension costs	—	240
Total payroll costs	—	14,270

6 Post-retirement benefits

The group previously operated defined contribution type pension arrangements for certain of its employees both in the UK and overseas. Financial institutions hold the assets of these arrangements entirely separately from those of the group. The cost of these pension arrangements was nil (2004: £240,000), and no contributions were unpaid at the period ends. The group provides no other post-retirement benefits.

Notes to the financial statements, continued

7 Directors' remuneration

The emoluments of the directors of the company were:	For the year ended 30 September 2005			For the eighteen months ended 30 September 2004		
	Fees/Salary £'000	Pension £'000	Total £'000	Fees/Salary £'000	Pension £'000	Total £'000
Executive director						
CA Maxwell*	57	—	57	81	—	81
Non-executive directors						
RA Murray*	36	—	36	103	—	103
AP Stirling*	5	—	5	10	—	10
Former directors						
DJ Nicholson†	—	—	—	159	17	176
GP Andrewst	—	—	—	137	12	149
DG Brocksomt	—	—	—	120	10	130
NS Connt	—	—	—	82	7	89
DA Crumpt	—	—	—	131	12	143
IP Martint	—	—	—	46	-	46
Total	98	—	98	869	58	927

* The fees of those directors marked with an asterisk were paid to companies connected with the directors.

† Messrs Andrews, Brocksom, Conn, Crump, Martin and Nicholson resigned from the board on completion of the Demerger on 18 February 2004.

The company made contributions to defined contribution pension arrangements in respect of five directors during 2004.

8 Taxation

Analysis of taxation charge for the period

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Overseas taxation	—	20
Share of associates' current taxation	193	1,279
Group and share of associates' current taxation	193	1,299
Share of associates' deferred taxation	78	2
Group and share of associates' deferred taxation	78	2
Group taxation	—	20
Share of associates' taxation	271	1,281
Group and share of associates' taxation	271	1,301

Factors affecting the taxation charge

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
The taxation charge for the period is higher than the standard rate of corporation tax in the UK.	2005	2004
The differences are explained below.	£'000	£'000
Profit/(loss) on ordinary activities before taxation	338	(10,700)
Profit/(loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30%	101	(3,210)
Goodwill amortisation	32	3,168
Other non-deductible expenses	23	248
Depreciation in excess of capital allowances	17	780
Other timing differences	(59)	213
Other differences	79	100
Group and share of associates' current taxation	193	1,299

Factors which may affect future taxation charges

The group has tax losses carried forward which may be available to reduce future tax payments. None of these losses have been recognised as deferred tax assets due to uncertainties concerning the extent and timing of recoverability, which are dependent upon the generation of certain classes of taxable profits by certain of the group's operations.

9 Dividends

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Interim dividend of 2.0p per share (2004: 2.0p per share)	326	326
Final dividend of 3.5p per share (2004: 3.5p per share)	568	571
Total dividend of 5.5p per share (2004: 5.5p per share)	894	897

10 Earnings per share

Basic earnings per share ("EPS") have been calculated by dividing earnings (profit/(loss) after taxation and minority interests) by the weighted average number of ordinary shares in issue (excluding treasury shares) during the period.

Weighted average number of shares

	For the year ended 30 September 2005 Number	For the eighteen months ended 30 September 2004 Number
For basic earnings per share	16,304,640	16,316,297
Effect of dilutive share options	372,210	240,455
For diluted earnings per share	16,676,850	16,556,752

11 Fixed asset investments

	Group Investment in associates £'000	Company Shareholding in subsidiaries £'000
Cost/share of net assets		
At 1 October 2004	5,468	15,593
Share of associate's profit after tax	146	—
Dividends from associate	(440)	—
At 30 September 2005	5,174	15,593
Provisions for impairment		
At 1 October 2004 and at 30 September 2005	—	593
Net book value		
At 30 September 2005	5,174	15,000
At 1 October 2004	5,468	15,000

Principal subsidiaries

The group's subsidiaries at 30 September 2005, which are registered and operate in England and are investment holding companies, are: InvestinMedia Holdings Ltd (100% beneficially owned by InvestinMedia plc) and InvestinMedia Investments Ltd (100% beneficially owned by InvestinMedia Holdings Ltd).

Notes to the financial statements, continued

12 Associate undertakings

The group's associates were: Complete Communications Corporation Limited ("Complete"), a company registered in England and Wales and engaged in television programme production and rights exploitation and Medal Entertainment & Media plc ("MEM") an AIM quoted media company.

Complete

The group owns 100% of the A ordinary shares which gives the group a 49% economic interest in Complete together with 49% of the voting rights.

The group share of the results of Complete was as follows:

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Turnover	17,013	24,563
Profit on ordinary activities before taxation	519	3,870
Taxation on profit on ordinary activities	(237)	(1,292)
Profit on ordinary activities after taxation	282	2,578

At 30 September

The group share of the net assets of Complete was as follows:

	2005 £'000	2004 £'000
Fixed assets	3,718	1,173
Current assets	7,348	10,868
Creditors: amounts falling due within one year	(7,363)	(8,180)
Net assets	3,703	3,861

MEM

The group owns 16.83% of the ordinary shares in MEM. The market value of this investment at 30 September 2005 was £1.76 million (30 September 2004: £2.08 million).

The group share of the results of MEM was as follows:

	For the year ended 30 September 2005 £'000	For the eighteen months ended 30 September 2004 £'000
Turnover	2,653	3,730
(Loss)/profit on ordinary activities before taxation	(102)	124
Taxation on profit/(loss) on ordinary activities	(34)	11
(Loss)/profit on ordinary activities after taxation	(136)	135

At 30 September

The group share of the net assets of MEM was as follows:

	2005 £'000	2004 £'000
Fixed assets	1,824	1,603
Current assets	1,768	1,295
Creditors: amounts falling due within one year	(1,571)	(916)
Creditors: amounts falling due after one year	(550)	(375)
Net assets	1,471	1,607

13 Creditors: amounts falling due within one year

At 30 September	Group and Company	
	2005	2004
	£'000	£'000
Other taxation and social security	—	8
Other creditors	15	18
Accruals and deferred income	31	30
Dividends payable	584	585
	630	641

14 Share capital

As at 30 September	2005		2004	
	Number	£'000	Number	£'000
Authorised: Ordinary shares of 10p each	21,000,000	2,100	21,000,000	2,100
Allotted, called up and fully paid: Ordinary shares of 10p each	16,316,297	1,632	16,316,297	1,632

15 Share options

At 30 September 2005, there were 1,468,467 options under the 1997 unapproved executive share option scheme at 71.1667 pence each. These options are exercisable between 24 February 2007 and 24 February 2011. The right to exercise these options was subject to a performance condition that has now been satisfied (2004: 1,468,467).

16 Capital and reserves

	Share capital account	Shares held in treasury	Share premium account	Profit and loss account	2005 Total	2004 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
At 1 October 2004	1,632	—	12,489	(6,497)	7,624	30,585
Demerger	—	—	—	—	—	(18,780)
Shares purchased into treasury	—	(91)	—	—	(91)	—
Retained loss for the financial period	—	—	—	(827)	(827)	(12,823)
Goodwill previously eliminated against reserves	—	—	—	—	—	8,642
At 30 September 2005	1,632	(91)	12,489	(7,324)	6,706	7,624
Company						
At 1 October 2004	1,632	—	12,489	2,300	16,421	39,562
Demerger	—	—	—	—	—	(18,780)
Shares purchased into treasury	—	(91)	—	—	(91)	—
Retained profit/(loss) for the financial period	—	—	—	202	202	(4,361)
At 30 September 2005	1,632	(91)	12,489	2,502	16,532	16,421

On 16 August 2005, the company purchased a total of 92,500 ordinary shares of 10 pence each of InvestinMedia plc at a price of 98 pence per share. These shares are held in treasury and total 0.57% of the ordinary share capital in issue as at 30 September 2005.

Notes to the financial statements, continued

17 Financial instruments

The group does not trade in financial instruments. Financial assets and liabilities referred to in this note exclude short-term debtors and creditors. There were no financial liabilities at 30 September 2005 or at 30 September 2004.

Financial assets comprise Sterling deposits of £2,125,000 (2004: £2,030,000). Variable rate interest receivable on the cash balances is based on the relevant banks' base rates. All financial assets are receivable within one year or less, or on demand.

18 Related party disclosures

As disclosed in note 12, Complete Communications Corporation Limited ("Complete") and Medal Entertainment & Media plc ("MEM") are both associated undertakings of the group. During the period, the group provided services to Complete totalling £50,000 (2004: £776,000), of which nil (2004: nil) was included within debtors at the year end. Over the same period, the group made no sales to MEM (2004: £34,000, none of which were included within debtors at the year end).

There were no other transactions with related parties requiring disclosure under FRS 8. The company has taken advantage of the exemption under FRS 8, which permits the non-disclosure of inter-group transactions with 90% subsidiaries.

19 Commitments and contingent liabilities

The company has given indemnities to and received indemnities from certain former subsidiaries in connection with the Demerger in 2004 and certain transactions prior thereto. It is the view of the Directors that such indemnities are not expected to result in financial loss to the group.

The group had no capital commitments at the balance sheet date (2004: nil). The company has no operating lease commitments.

Notice of meeting

NOTICE is hereby given that the twenty-second Annual General Meeting of InvestinMedia plc will be held at 36 Elder Street, London E1 6BT on the 3rd day of March 2006 at 11.00 a.m. for the following purposes:

Ordinary business

1. To receive the Report of the directors and the Accounts for the year ended 30 September 2005, together with the Report of the auditors.
2. To declare a final dividend on the ordinary 10p shares of the company of 3.5p per share.
3. To re-elect AP Stirling as director.
4. (a) To reappoint the auditors, Baker Tilly, as auditors of the company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the company.
(b) To authorise the directors to determine the auditors' remuneration.

Special business

To consider and, if thought fit, to pass the following resolutions, of which Resolution 5 will be proposed as an ordinary resolution and Resolutions 6 and 7 as special resolutions:

5. THAT the directors be generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 (the "Act") to exercise all powers of the company to allot relevant securities (within the meaning of Section 80 of the Act) up to an aggregate nominal amount of £468,370.30. This authority shall expire at the conclusion of the next Annual General Meeting after the passing of this resolution (or 15 months from the passing of this resolution (if sooner)) except that after the date when it expires the directors may use this authority to allot relevant securities in accordance with the terms of any offer or agreement made by the company before that date. All outstanding general authorities under Section 80 of the Act shall be revoked.
6. THAT in accordance with section 95 of the Companies Act 1985 (the "Act"), the directors be given power:
 - (i) to allot equity securities (within the meaning of section 94 of the Act as at the date hereof) pursuant to the authority given by Resolution 5 above; and
 - (ii) to allot equity securities (within the meaning of section 94 of the Act as amended by the Regulations) which are held by the company in treasury;

as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of such equity securities:

- (a) in connection with or which are the subject of an offer or invitation, open for acceptance for a period fixed by the directors, to holders of ordinary shares of 10p each and such other equity securities of the company as the directors may determine on a fixed record date in proportion (as nearly as may be) to their respective holdings of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the directors may deem necessary or expedient to deal with fractional entitlements that would otherwise arise or legal or practical problems under the laws or requirements of any regulatory body or any stock exchange in any territory); and
- (b) (otherwise than pursuant to subparagraph (a) above) up to an aggregate nominal value of £81,581.40;

and shall expire at the conclusion of the next Annual General Meeting of the company after the passing of this resolution (or 15 months from the passing of this resolution (if sooner)) except that after the date when it expires the directors may use this authority to allot such equity securities in accordance with the terms of any offer or agreement made by the company before that date. All outstanding powers under Section 95 of the Act shall be revoked.

For the purposes of this resolution, "the Regulations" means The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2004.

7. THAT the company be and is generally and unconditionally authorised to make a market purchase or market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of its own ordinary shares of 10p each ("shares") in such a manner and on such terms as the directors may from time to time determine provided that:
 - (a) the maximum aggregate number of shares hereby authorised to be so acquired is 1,631,629 or, if the shares have a nominal value other than 10p each, such number as has an aggregate nominal value equal to £163,162.90;
 - (b) the minimum price which may be paid for each share is 10p (exclusive of expenses) or, if each share has a nominal value other than 10p, that nominal value;

- (c) the maximum price (exclusive of expenses) which may be paid for each share is not more than 5 per cent above the average of the middle market quotations derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the date of purchase of the shares;
- (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the company to be held in 2007 or 18 months from the date this Resolution is passed, whichever is the earlier, unless such authority is revoked, varied or renewed prior to such time; and
- (e) the company may, prior to the expiry of the authority hereby conferred, enter into a contract to purchase shares which will or may be executed wholly or partly after such expiry, and may purchase shares pursuant to such contract.

TO TRANSACT ANY OTHER BUSINESS
BY ORDER OF THE BOARD

Watlington Securities Ltd, Secretary
Registered Office: 36 Elder Street, London E1 6BT

17 January 2006

NOTES:

1. A member entitled to vote at the Meeting is entitled to appoint one or more proxies to attend and, on a poll, vote on his/her behalf. The proxy need not be a member of the company. A form of proxy is enclosed with this Notice for use at the Meeting.
2. To be valid, the instrument appointing a proxy (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority) must be deposited at or posted to the office of the Registrars of the company, Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU to be received not less than 48 hours before the time fixed for the Meeting. Completion and return of the form of proxy will not preclude shareholders from attending or voting at the Meeting in person.
3. The company specifies, pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, that those shareholders registered on the register of members of the company as at 11.00 a.m. on 1 March 2006 shall be entitled to attend or vote at the Meeting in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after 11.00 a.m. on 1 March 2006 shall be disregarded in determining the rights of any person entitled to attend or vote at the Meeting.
4. The following documents are available for inspection by members at the registered office of the company on weekdays (except Saturdays) during normal business hours, and at the place of the meeting from not less than 15 minutes before the Meeting to its conclusion:
 - (i) the Register of Directors' Interests required to be kept under Section 325 Companies Act 1985; and
 - (ii) copies of the directors' contracts of service.
5. **Important notice to bearers of share warrants:** You will not be entitled to attend or vote at the Annual General Meeting unless your Share Warrant is converted to registered form by lodging it with the Company Secretary not later than 11.00 a.m. on 28 February 2006.

