

Hali Publications Limited

(Registered number 1391142)

Annual report

For the year ended 30 June 2005



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Hali Publications Limited

Annual report for the year ended 30 June 2005

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Hali Publications Limited

Company information

Company registration number

1391142

Registered office

St Giles House
50 Poland Street
London
W1F 7AX

Directors

GV Sherren
R Coates
FS Ghandchi
DL Shaffer
GTD Wilmot
J Mann Selley (resigned 12 October 2004)

Secretary

IPH Roberts

Bankers

National Westminster Bank PLC

Auditors

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans, Herts
AL1 3JX

Hali Publications Limited

Directors' report

The directors have pleasure in presenting their report and financial statements of Hali Publications Limited ("the Company") for the year ended 30 June 2005.

Principal activities

The principal activities of the Company during the year were those of publishing and distributing magazines and books. It is intended to continue to develop these activities.

Review of the year

During the year the Company experienced a downturn in its advertising market, which adversely affected its turnover performance. The Company's brand maintained its market position and the directors consider that the Company is well placed to take advantage of a recovery in the market.

Trading results and dividends

The profit for the financial year is £109,696 (2004: £174,471). The directors do not recommend the payment of a dividend (2004: nil).

Future developments

The company is continually looking at new publishing and online opportunities. In September 2005 the Company launched Modern Carpets and Textiles. This new publication is expected to trade close to break even in its first year, before moving to profit in the following year.

Directors

The directors who have served during the year are as follows:

G V Sherren
G T D Wilmot
F S Ghandchi
D L Shaffer
J Mann Selley (resigned 12 October 2004)
R Coates

Directors' interests

The Directors holding office during the period together with their interest in the share capital of the Company were as follows:

	Held at 30 June 2005	Held at 30 June 2004
G V Sherren (see note below)	-	-
G T D Wilmot (see note below)	-	-
F S Ghandchi	-	-
D L Shaffer	-	-
R Coates	-	-

GV Sherren and GTD Wilmot are also directors of Centaur Holdings plc ("Centaur"), the ultimate parent undertaking as at 30 June 2005, and their interests in the shares of Centaur are given in that Company's annual report.

Hali Publications Limited

Directors' report (continued)

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 of its profit or loss for that year. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

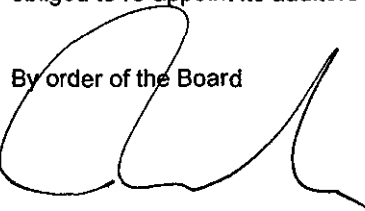
The directors confirm that suitable accounting policies have been used and applied consistently. The directors also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 30 June 2005 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Pursuant to a shareholders' resolution under section 386 of the Companies Act 1985, the Company is not obliged to re-appoint its auditors annually.

By order of the Board



IPH Roberts
Secretary

27 April 2006

Independent auditors' report to the members of Hali Publications Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes, and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and 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 issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

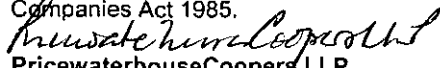
Basis of audit opinion

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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
St Albans
27 April 2006

Hali Publications Limited

Profit and loss account for the year ended 30 June 2005

	Notes	2005 £	2004 £
Turnover	1	1,022,307	1,208,013
Cost of sales		(718,027)	(757,511)
Gross profit		304,280	450,502
Distribution costs		(68,681)	(81,575)
Administrative expenses		(246,505)	(199,192)
Operating profit	2	(10,906)	169,735
Interest receivable and similar charges	4	109,102	-
Interest payable and similar charges	5	-	(538)
Profit on ordinary activities before taxation		98,196	169,197
Tax on profit on ordinary activities	6	11,500	5,274
Retained profit for the financial year	14	109,696	174,471

All turnover and profit arises from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents.

The Company has no recognised gains and losses other than the profit for the year.

The accounting policies on pages 7 and 8 and notes on pages 9 to 15 form an integral part of these financial statements.

Hali Publications Limited

Balance sheet at 30 June 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	7	78,249	107,690
Current assets			
Stock	8	12,928	42,968
Debtors	9	1,818,802	1,646,030
Cash at bank and in hand		115,557	212,040
		1,947,287	1,901,038
Creditors: amounts falling due within one year	10	(478,856)	(561,201)
Net current assets		1,468,431	1,339,837
Total assets less current liabilities		1,546,680	1,447,527
Provisions for liabilities and charges	11	-	(10,543)
		1,546,680	1,436,984
Capital and reserves			
Equity share capital		41,031	41,031
Non-equity share capital		127	127
Called up share capital	12	41,158	41,158
Share premium account	13	383,218	383,218
Profit and loss account	14	1,122,304	1,012,608
Total shareholders' funds	15	1,546,680	1,436,984
Represented by:			
Equity shareholders' funds		1,546,553	1,436,857
Non-equity shareholders' funds		127	127

The financial statements on pages 5 to 14 were approved by the board of directors on and were signed on its behalf by:

27 April 2006



GTD Wilmot
Director

The accounting policies on pages 7 and 8 and notes on pages 9 to 15 form an integral part of these financial statements.

Hali Publications Limited

Principal accounting policies

a) Basis of preparation

The financial information has been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. The principal accounting policies of the Group, which have been applied consistently throughout the period are given below.

b) Turnover

Turnover represents sales of advertising space, subscriptions and individual publications and revenue from exhibitions and conferences, exclusive of value added tax.

Sales of advertising space are recognised in the period in which publication occurs. Sales of publications are recognised in the period in which the sale is made. Revenue received in advance for exhibitions and conferences is deferred and recognised in the period in which the event takes place.

Revenue from subscriptions to publications and online services is deferred and recognised in the profit and loss account on a straight-line basis over the subscription period.

c) Tangible fixed assets

Tangible fixed assets are stated at cost. Depreciation of tangible assets is provided on a straight-line basis over the following estimated useful lives of the assets:

Fixtures and fittings	-	10 years
Computer equipment	-	3 - 5 years

d) Deferred tax

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

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

Hali Publications Limited

Principal accounting policies (Continued)

e) Stocks

Stocks are stated at the lower of cost and net realisable value. For raw materials, cost is the purchase price. Work in progress comprises costs incurred relating to the production of publications, exhibitions and conferences prior to the publication date or the date of the event. For goods for resale, cost is the purchase price, or, in the case of publications, direct cost of production.

f) Pensions

Pension costs charged to the profit and loss account represent the amount of contributions payable to the Centaur Group's defined contribution scheme in respect of the accounting period.

g) Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates prevailing at the transaction date. Assets and liabilities are translated at exchange rates prevailing at the year end date. Any gains or losses arising on exchange are reflected in the profit and loss account.

h) Cash flow statement

As a wholly owned subsidiary of Centaur Holdings Ltd, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard ("FRS") 1 "Cash Flow Statements" (revised 1996).

Hali Publications Limited

Notes to the financial statements

1 Segmental reporting

All turnover and operating profit arise from the principal activity of the Company. All net assets are located in the United Kingdom.

An analysis of turnover by market is given below:

	2005 £	2004 £
United Kingdom	323,039	251,350
Overseas	699,268	956,663
	1,022,307	1,208,013

2 Operating profit

The profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Staff costs (note 3)	421,107	409,240
Depreciation of tangible assets	41,647	39,290
Auditors' remuneration		
- audit	-	-
- non audit	-	-

The auditors' remuneration has been borne by the ultimate parent undertaking.

3 Employees and directors

Staff costs

	2005 £	2004 £
Wages and salaries	370,977	359,270
Social security costs	41,122	41,995
Other pension costs	9,008	7,975
	421,107	409,240

Hali Publications Limited

Notes to the financial statements (continued)

3 Employees and directors (continued)

The average monthly number of persons employed by the Company during the year including executive directors was:

	2005 Number	2004 Number
Editorial	5	5
Administration	2	2
Production	2	2
Sales	3	3
	12	12

Directors' emoluments

	2005 £	2004 £
Aggregate emoluments	64,070	64,762
Pension contributions to money purchase scheme	4,437	4,329
	68,507	69,091

During the year one director (2004: one) participated in money purchase schemes.

4 Interest receivable and similar income

	2005 £	2004 £
Interest receivable from group companies	109,102	-
	109,102	-

5 Interest payable and similar charges

	2005 £	2004 £
Interest on taxation	-	538
	-	538

Hali Publications Limited

Notes to the financial statements (continued)

6 Tax on profit on ordinary activities

	2005 £	2004 £
Corporation tax at 30% (2004:30%)		
- current year	-	-
- adjustment in respect of prior years	-	(742)
Total current tax	-	(742)
Deferred tax		
- current year (origination and reversal of timing differences)	(4,300)	(4,532)
- adjustment in respect of prior years	(7,200)	-
	(11,500)	(4,532)
Total tax credit	(11,500)	(5,274)
Profit on ordinary activities before tax	98,204	169,197
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 2005: 30% (2004: 30%)	29,461	50,759
Effects of:		
Income not taxable/ Expenses not deductible for tax purposes	(4,661)	1,233
Timing differences in respect of capital allowances	4,300	4,532
Group relief received not paid for	(29,100)	(56,524)
Adjustments to tax charge in respect of previous periods	-	(742)
Current tax for the period	-	(742)

Hali Publications Limited

Notes to the financial statements (continued)

7 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 July 2004	103,102	97,453	200,555
Additions	1,387	10,819	12,206
Disposals	(3,133)	(36,549)	(39,682)
At 30 June 2005	101,356	71,723	173,079
Depreciation			
At 1 July 2004	44,613	48,252	92,865
Charge for the year	10,261	31,386	41,647
Disposals	(3,133)	(36,549)	(39,682)
At 30 June 2005	51,741	43,089	94,830
Net book amount			
At 30 June 2005	49,615	28,634	78,249
At 30 June 2004	58,489	49,201	107,690

8 Stock

	2005 £	2004 £
Work in progress	5,383	32,923
Goods for resale	7,545	10,045
	12,928	42,968

9 Debtors

	2005 £	2004 £
Trade debtors	296,727	301,946
Amounts owed by group undertakings	1,505,630	1,337,951
Other debtors	6,435	1,878
Corporation tax asset	-	504
Deferred tax asset	957	-
Prepayments and accrued income	9,053	3,751
	1,818,802	1,646,030

Hali Publications Limited

Notes to the financial statements (continued)

10 Creditors: amounts falling due within one year

	2005 £	2004 £
Trade creditors	17,790	76,005
Corporation tax	200	-
Accruals and deferred income	460,866	485,196
	478,856	561,201

11 Provision for liabilities and charges

The deferred tax (asset) / provision in the Company represents:

	2005 £	2004 £
Accelerated capital allowances	(957)	10,543
<i>Undiscounted (asset) / provision for deferred tax</i>	<i>(957)</i>	<i>10,543</i>

	Deferred tax £
Provision at 1 July 2004	10,543
Credit for the year	(11,500)
At 30 June 2005 (see note 9)	(957)

12 Called up share capital

	Ordinary shares of £1 each £	Non-redeemable preference shares of £1 each £	Total £
Authorised at 1 July 2004 and 30 June 2005	99,500	500	100,000
Allotted and fully paid at 1 July 2004 and 30 June 2005	41,031	127	41,158

The non-redeemable preference shares have the following rights:

- No voting rights except on the winding up of the Company at which time they have voting rights equivalent to ordinary shares.
- No right to a dividend.
- On the winding up of the Company a right to the payment of £1,810 per share followed by a share of the remaining net assets in proportion to the total number of shares, both ordinary and preference, in issue at that time.

Hali Publications Limited

Notes to the financial statements (continued)

13 Share premium account

	2005 £	2004 £
At 30 June 2005	383,218	383,218

14 Profit and loss account

At 1 July 2004	1,012,608
Retained profit for the financial year	109,696
At 30 June 2005	1,122,304

15 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Retained profit for the financial year	109,696	174,471
Opening shareholders' funds	1,436,984	1,262,513
Closing shareholders' funds	1,546,680	1,436,984

16 Capital commitments

There were no capital commitments at 30 June 2005 (2004: nil).

17 Contingent liabilities

At 30 June 2005, the Company has granted a cross guarantee in favour of its bankers in respect of the bank borrowings of the parent undertaking (Centaur Holdings plc) and of its fellow subsidiary undertakings. The guarantee is secured by fixed and floating charges over the Company's assets.

18 Pension costs

The Company contributes to individual and collective money purchase pension schemes in respect of employees once they have completed the requisite period of service. The charge for the year in respect of these pension schemes is shown in note 3. Included within other creditors is an amount of nil (2004: nil) payable in respect of the money purchase pension schemes.

Hali Publications Limited

Notes to the financial statements (continued)

19 Related party transactions

As a wholly owned subsidiary of Centaur Holdings plc, the Company is exempt from the requirements of Financial Reporting Standard ("FRS") 8 to disclose transactions with other members of the Centaur Group.

20 Ultimate parent undertaking

The ultimate controlling party and parent company (as defined in FRS 8) during the year was Centaur Holdings plc, a company incorporated in England and Wales. Copies of the reports and financial statements of Centaur Holdings plc may be obtained from Centaur Holdings plc, St Giles House, 50 Poland Street, London W1F 7AX. The company has decided to adopt the exemption available to it under FRS 8 not to disclose transactions within the group of which Centaur Holdings plc is the ultimate controlling party.