

Hali Publications Limited

(Registered number 1391142)

Annual report

For the year ended 30 June 2006



Hali Publications Limited

Annual report for the year ended 30 June 2006

Contents	Pages
Company information	1
Directors' report	2 - 3
Independent auditors' report	4
Profit and loss account	5
Balance sheet	6
Principal accounting policies	7 - 8
Notes to the financial statements	9 - 15

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
B Evans (appointed 31 August 2005)
H Sharman (appointed 14 December 2005)

Secretary

IPH Roberts

Bankers

National Westminster Bank PLC

Auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

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 2006.

Principal activities

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

Review of the year

Revenue increased by 9% to £1 million and whilst activity levels among the core customers of Hali magazine – buyers and sellers of antique carpets and textiles – remained relatively flat during the year the launch of a new quarterly magazine – Modern Carpets & Textiles – has enabled additional growth to be derived from a closely related sector with a growing international market.

Trading results and dividends

The profit for the financial year is £57,315 (2005: £109,696). The directors do not recommend the payment of a dividend (2005: nil).

Future developments

The company is continually looking at new publishing and online opportunities. In addition there is clear evidence that this market is starting to embrace the web and the Directors are confident this will create further opportunities going forward.

Directors

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

GV Sherren
GTD Wilmot
FS Ghandchi
DL Shaffer
R Coates
B Evans (appointed 31 August 2005)
H Sharman (appointed 14 December 2005)

Directors' interests

GV Sherren and GTD Wilmot are also directors of Centaur Media plc ("Centaur"), the ultimate parent undertaking, and their interests in the shares of Centaur group companies are given in Centaur's annual report. None of the other directors held shares in Centaur's group companies.

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 2006 and that applicable accounting standards have been followed.

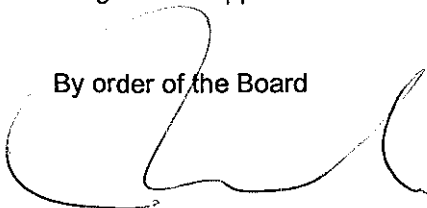
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

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

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
30 January 2007

Independent auditors' report to the members of Hali Publications Limited

We have audited the financial statements of Hali Publications Limited for the year ended 30th June 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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). 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 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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th June 2006 and of its profit 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

30 January 2007

Hali Publications Limited

Profit and loss account for the year ended 30 June 2006

	Notes	2006 £	2005 £
Continuing operations			
Turnover	1	1,110,526	1,022,307
Cost of sales		(778,555)	(718,027)
Gross profit		331,971	304,280
Distribution costs		(105,698)	(68,681)
Administrative expenses		(258,747)	(246,505)
Operating profit	2	(32,474)	(10,906)
Interest receivable and similar charges	4	86,887	109,102
Profit on ordinary activities before taxation		54,413	98,196
Tax on profit on ordinary activities	5	2,902	11,500
Retained profit for the financial year	13	57,315	109,696

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


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

Hali Publications Limited

Balance sheet at 30 June 2006

	Notes	2006 £	2005 £
Fixed assets			
Tangible fixed assets	6	54,955	78,249
Current assets			
Stock	7	38,069	12,928
Debtors	8	1,836,386	1,818,802
Cash at bank and in hand		217,897	115,557
		2,092,352	1,947,287
Creditors: amounts falling due within one year	9	(543,312)	(478,856)
Net current assets		1,549,040	1,468,431
Net assets		1,603,995	1,546,680
Capital and reserves			
Equity share capital		41,031	41,031
Non-equity share capital		127	127
Called up share capital	11	41,158	41,158
Share premium account	12	383,218	383,218
Profit and loss account	13	1,179,619	1,122,304
Total shareholders' funds	14	1,603,995	1,546,680
Represented by:			
Equity shareholders' funds		1,603,868	1,546,553
Non-equity shareholders' funds		127	127

The financial statements on pages 5 to 15 were approved by the board of directors on 30 January 2007 and were signed on its behalf by:



GTD Wilmot
Director

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.

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 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.

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 Media plc, 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:

	2006 £	2005 £
United Kingdom	318,873	323,039
Overseas	791,653	699,268
	<hr/> 1,110,526	<hr/> 1,022,307

2 Operating profit

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

	2006 £	2005 £
Staff costs (note 3)	473,700	421,107
Depreciation of tangible assets	31,124	41,647
Auditors' remuneration		
	<hr/>	<hr/>

The auditors' remuneration for the current and prior year has been borne by the ultimate parent undertaking.

3 Employees and directors

Staff costs

	2006 £	2005 £
Wages and salaries	425,872	370,977
Social security costs	38,476	41,122
Other pension costs	9,352	9,008
	<hr/> 473,700	<hr/> 421,107

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:

	2006 Number	2005 Number
Editorial	5	5
Administration	2	2
Production	2	2
Sales	3	3
	12	12

Directors' emoluments

	2006 £	2005 £
Aggregate emoluments	165,717	64,070
Pension contributions to money purchase scheme	7,930	4,437
	173,647	68,507

During the year one director (2005: one) participated in money purchase schemes.

4 Interest receivable and similar income

	2006 £	2005 £
Interest receivable from group companies	86,887	109,102
	86,887	109,102

Hali Publications Limited

Notes to the financial statements (continued)

5 Tax on profit on ordinary activities

	2006 £	2005 £
Current tax at 30% (2005:30%)		
- current year	-	-
- adjustment in respect of prior years	(199)	-
Total current tax	(199)	-
Deferred tax		
- current year (origination and reversal of timing differences)	(2,622)	(4,300)
- adjustment in respect of prior years	(81)	(7,200)
Total deferred tax	(2,703)	(11,500)
Tax on profit on ordinary activities	(2,902)	(11,500)
Profit on ordinary activities before tax	54,413	98,196
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 2006: 30% (2005: 30%)	16,324	29,459
Effects of:		
Expenses/(income) not deductible for tax purposes	1,958	(4,659)
Timing differences in respect of capital allowances	2,622	4,300
Group relief received not paid for	(20,904)	(29,100)
Adjustments to tax charge in respect of previous periods	(199)	-
Current tax credit for the period	(199)	-

Hali Publications Limited

Notes to the financial statements (continued)

6 Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost			
At 1 July 2005	101,356	71,723	173,079
Additions	-	7,830	7,830
Disposals	-	-	-
At 30 June 2006	101,356	79,553	180,909
Depreciation			
At 1 July 2005	51,741	43,089	94,830
Charge for the year	9,906	21,218	31,124
Disposals	-	-	-
At 30 June 2006	61,647	64,307	125,954
Net book amount			
At 30 June 2006	39,709	15,246	54,955
At 30 June 2005	49,615	28,634	78,249

7 Stock

	2006 £	2005 £
Work in progress	30,524	5,383
Goods for resale	7,545	7,545
	38,069	12,928

8 Debtors

	2006 £	2005 £
Trade debtors	154,197	296,727
Amounts owed by group undertakings	1,499,416	1,505,630
Other debtors	6,643	6,435
Deferred tax asset	3,660	957
Prepayments and accrued income	172,470	9,053
	1,836,386	1,818,802

Hali Publications Limited

Notes to the financial statements (continued)

9 Creditors: amounts falling due within one year

	2006 £	2005 £
Trade creditors	43,386	17,790
Corporation tax	-	200
Amounts owed to group undertakings	22,930	-
Other creditors	1,033	-
Accruals and deferred income	475,963	460,866
	543,312	478,856

10 Deferred tax

The deferred tax asset in the Company represents:

	2006 £	2005 £
Accelerated capital allowances	3,660	957
Deferred tax asset	3,660	957

	Deferred tax £
Deferred tax asset at 1 July 2005	957
Origination and reversal of timing differences	2,703
At 30 June 2006 (see note 8)	3,660

11 Called up share capital

	Ordinary shares of £1 each £	Non-redeemable preference shares of £1 each £	Total £
Authorised at 1 July 2005 and 30 June 2006	99,500	500	100,000
Allotted, called up and fully paid at 1 July 2005 and 30 June 2006	41,031	127	41,158

The non-redeemable preference shares have the following rights:

- i) No voting rights except on the winding up of the Company at which time they have voting rights equivalent to ordinary shares.
- ii) No right to a dividend.
- ii) 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)

12 Share premium account

	2006 £	2005 £
At 30 June 2006	383,218	383,218

13 Profit and loss account

	£
At 1 July 2005	1,122,304
Retained profit for the financial year	57,315
At 30 June 2006	1,179,619

14 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Retained profit for the financial year	57,315	109,696
Opening shareholders' funds	1,546,680	1,436,984
Closing shareholders' funds	1,603,995	1,546,680

15 Capital commitments

There were no capital commitments at 30 June 2006 (2005: nil).

16 Contingent liabilities

At 30 June 2006, the Company has granted a cross guarantee in favour of its bankers in respect of the bank borrowings of the ultimate parent undertaking (Centaur Media plc) and of its fellow subsidiary undertakings. The guarantee is secured by fixed and floating charges over the Company's assets.

17 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 (2005: nil) payable in respect of the money purchase pension schemes.

Hali Publications Limited

Notes to the financial statements (continued)

18 Related party transactions

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

19 Ultimate parent undertaking

The ultimate controlling party and parent company (as defined in FRS 8) during the year was Centaur Media plc, a company incorporated in England and Wales. Copies of the reports and financial statements of Centaur Media plc may be obtained from Centaur Media plc, St Giles House, 50 Poland Street, London W1F 7AX.