

**HALI PUBLICATIONS LIMITED**  
**(Registered Number 1391142)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 30 JUNE 1995**



## **HALI PUBLICATIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995**

The directors have pleasure in presenting their report and accounts for the year ended 30 June 1995.

#### **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.

#### **TRADING RESULTS AND DIVIDENDS**

The loss after taxation for the year was £122,327 (1994 - profit of £69,379) which, when added to the retained loss brought forward of £383,580 gives a retained loss of £505,907 to be carried forward on the profit and loss account.

The directors do not recommend the payment of a dividend.

#### **TANGIBLE ASSETS**

Details of changes in tangible assets are shown in note 9 to the accounts.

#### **DIRECTORS**

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

GV Sherren	(Chairman)
JW Raw	
AH Marcuson	(Resigned 23 March 1995)
FS Ghandchi	
DL Shaffer	(Appointed 26 April 1995)
H Sharman	(Appointed 19 September 1994)

#### **DIRECTORS' INTERESTS**

Mr AH Marcuson had a beneficial interest of 320 ordinary shares in the company at the beginning of the year. On 23 March 1995 Mr AH Marcuson disposed of all 320 ordinary shares and at the year end had no interest in the shares of the company. Messrs Sherren and Raw are also directors of the ultimate parent undertaking, Centaur Communications Limited, and their interests in the shares of group undertakings are given in that company's directors' report.

None of the directors had any interest in the shares of the company during the year.

## **HALI PUBLICATIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995 (CONTINUED)**

#### **DIRECTORS' RESPONSIBILITIES**

The directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss of the company for that period.

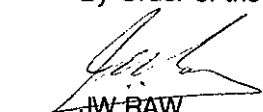
The directors confirm that suitable accounting policies supported by reasonable and prudent judgements and estimates have been used and consistently applied in the preparation of the financial statements for the year ended 30 June 1995. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

Price Waterhouse have indicated their willingness to be re-appointed as auditors to the company.

By Order of the Board



JW RAW  
Secretary

23 January 1996

Registered Office:

St Giles House  
49/50 Poland Street  
London W1V 4AX

*Price Waterhouse*



## **AUDITORS' REPORT TO THE MEMBERS OF HALI PUBLICATIONS LIMITED**

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### **Basis of 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 as at 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*  
PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors  
London

23 January 1996

## **HALI PUBLICATIONS LIMITED**

### **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995**

	Continuing operations <u>1995</u> £	Continuing operations <u>1994</u> £
<b>TURNOVER</b> (Notes 2(1) and 3)	1,328,120	1,423,367
Cost of sales	<u>(983,498)</u>	<u>(882,759)</u>
<b>GROSS PROFIT</b>	344,622	540,608
Distribution costs	(110,345)	(118,348)
Administrative expenses	<u>(410,300)</u>	<u>(347,524)</u>
<b>OPERATING (LOSS)/PROFIT</b>	(176,023)	74,736
Interest receivable (Note 5)	1,098	-
Interest payable (Note 6)	<u>(409)</u>	<u>(5,357)</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> (Note 4)	(175,334)	69,379
Taxation (Note 8)	<u>53,007</u>	<u>-</u>
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>	(122,327)	69,379
<b>RETAINED LOSS BROUGHT FORWARD</b>	<u>(383,580)</u>	<u>(452,959)</u>
<b>RETAINED LOSS CARRIED FORWARD</b>	<u>(505,907)</u>	<u>(383,580)</u>

### **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains and losses other than those included in the profit/(loss) above, and therefore no separate statement of total recognised gains and losses has been presented.

### **NOTE OF HISTORICAL COST PROFITS AND LOSSES**

The reported profit/(loss) for 1995 and 1994 is stated under the historical cost convention and therefore represents the true historical profit/(loss) without the need for any adjustment.

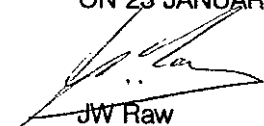
The notes on pages 6 to 11 form part of these accounts.

# HALI PUBLICATIONS LIMITED

## BALANCE SHEET - 30 JUNE 1995

	<u>1995</u>		<u>1994</u>	
	£	£	£	£
<b>FIXED ASSETS</b>				
Tangible assets-(Note 9)		178,104		172,305
<b>CURRENT ASSETS</b>				
Stock (Note 2(3) and 10)	42,772		31,742	
Debtors (Note 11)	543,185		531,326	
Cash at bank and in hand	<u>3,910</u>		<u>39,709</u>	
	589,867		602,777	
<b>CREDITORS (amounts falling due within one year)</b>				
(Note 12)	<u>(849,502)</u>		<u>(734,286)</u>	
<b>NET CURRENT LIABILITIES</b>		<u>(259,635)</u>		<u>(131,509)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(81,531)</u>		<u>40,796</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital (Note 13)	41,158		41,158	
Share premium account	383,218		383,218	
Profit and loss account	<u>(505,907)</u>		<u>(383,580)</u>	
	(81,531)		40,796	

APPROVED BY THE BOARD  
ON 23 JANUARY 1996



JW Raw

DIRECTOR

The notes on pages 6 to 11 form part of these accounts.

## **HALI PUBLICATIONS LIMITED**

### **NOTES TO THE ACCOUNTS - 30 JUNE 1995**

#### **1 ULTIMATE PARENT UNDERTAKING AND BASIS OF ACCOUNTING**

The ultimate parent undertaking, Centaur Communications Limited, which is registered in England, has confirmed that it intends to support the company to enable it to continue its activities and pay its third party liabilities, in full, as and when they fall due. Consequently these accounts have been prepared on a going concern basis.

The only consolidated accounts which include the results of the company are the consolidated accounts prepared by the ultimate parent undertaking. Copies of the consolidated accounts can be obtained from the registered office, the address of which is shown in the directors report.

#### **2 ACCOUNTING POLICIES**

The accounts, which have been drawn up under the historical cost convention in accordance with applicable accounting standards, have been prepared using the following accounting policies:

##### **(1) Turnover**

Turnover represents sales of magazines, advertising space and other revenue, excluding Value Added Tax.

##### **(2) Depreciation**

Depreciation of tangible assets is provided on a straight line basis at the following rates based on the estimated useful lives of the assets:

Leasehold improvements	10%
Fixtures and fittings	10%
Computer equipment	20%
Plant and machinery	20%
Motor vehicles	25%

Depreciation is not provided on the library as the directors are of the opinion that the value of the assets concerned do not diminish with time.

##### **(3) Stock**

Stocks of finished goods are valued at the lower of cost and net realisable value. Cost comprises expenditure directly incurred in production of the stock and bringing it to its current condition and location.

Work in progress is valued as the translation, designing and production costs of books to be printed plus attributable profit to the extent that this is reasonably certain after making provision for contingencies.

##### **(4) 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.

# **HALI PUBLICATIONS LIMITED**

## **NOTES TO THE ACCOUNTS - 30 JUNE 1995 (CONTINUED)**

### **2 ACCOUNTING POLICIES (CONTINUED)**

#### **(5) Deferred taxation**

Provision is made for deferred taxation to the extent that timing differences are expected to reverse in the foreseeable future.

#### **(6) Operating leases**

Rentals payable under operating leases are charged to the profit and loss account as they are incurred.

### **3 SEGMENTAL REPORTING**

Turnover and operating profit is attributable to the one principal activity of the company.

An analysis of turnover by market is given below:

	<u>1995</u>	<u>1994</u>
	£	£
United Kingdom	227,892	283,371
Overseas	<u>1,100,228</u>	<u>1,139,996</u>
	1,328,120	1,423,367
	<u>          </u>	<u>          </u>

### **4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

This is stated after charging the following amounts:

	<u>1995</u>	<u>1994</u>
	£	£
Leasehold property rent	19,000	19,000
Hire of equipment	15,248	8,069
Depreciation of tangible assets	36,777	32,869
Wages and salaries	387,866	352,043
Social security costs	38,481	35,768
Other pension costs	11,255	10,078
Auditors' remuneration		
- Audit	4,000	4,000
- Non audit	4,200	4,200
Profit on disposal of fixed assets	-	(2,650)
	<u>          </u>	<u>          </u>

The average number of employees during the year was 21 (1994: 20).

# HALI PUBLICATIONS LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (CONTINUED)

### 5 INTEREST RECEIVABLE

	<u>1995</u>	<u>1994</u>
	£	£
Interest on bank accounts	1,098	-
	<u>          </u>	<u>          </u>

### 6 INTEREST PAYABLE

	<u>1993</u>	<u>1994</u>
	£	£
Repayable within five years:		
Bank loans and overdrafts	409	5,357
	<u>          </u>	<u>          </u>

### 7 DIRECTORS' EMOLUMENTS

The aggregate emoluments, including pension contributions, of the directors were £89,776 (1994 - £87,953).

No emoluments were received by the Chairman (1994 - £Nil).

The emoluments, excluding pension contributions, of the highest paid director were £42,196 (1994 - £46,480).

The emoluments, excluding pension contributions, of the other directors were within the following ranges:

	<u>1995</u>	<u>1994</u>
	<u>Number</u>	<u>Number</u>
Nil	2	1
£5,001 - £10,000	1	-
£35,001 - £40,000	1	1
	<u>          </u>	<u>          </u>

### 8 TAXATION

The credit for taxation comprises:

	<u>1995</u>	<u>1994</u>
	£	£
Group tax relief receivable	53,007	-
	<u>          </u>	<u>          </u>

# HALI PUBLICATIONS LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (CONTINUED)

### 9 TANGIBLE ASSETS

	<u>Leasehold improvements</u>	<u>Plant and machinery</u>	<u>Fixtures &amp; fittings</u>	<u>Library</u>	<u>Motor vehicles</u>	<u>Computer equipment</u>	<u>Total</u>
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 July 1994	20,799	5,016	132,707	69,342	19,901	135,764	383,529
Additions	9,805	-	4,013	7,319	-	23,236	44,373
Disposals	-	-	-	-	(3,000)	(869)	(3,869)
At 30 June 1995	<u>30,604</u>	<u>5,016</u>	<u>136,720</u>	<u>76,661</u>	<u>16,901</u>	<u>158,131</u>	<u>424,033</u>
<b>Depreciation</b>							
At 1 July 1994	13,987	5,016	89,990	6,022	18,214	77,995	211,224
Charge for the year	5,524	-	7,315	-	687	23,251	36,777
Disposals	-	-	-	-	(2,000)	(72)	(2,072)
At 30 June 1995	<u>19,511</u>	<u>5,016</u>	<u>97,305</u>	<u>6,022</u>	<u>16,901</u>	<u>101,174</u>	<u>245,929</u>
<b>Net book amount</b>							
At 30 June 1995	<u>11,093</u>	<u>-</u>	<u>39,415</u>	<u>70,639</u>	<u>-</u>	<u>56,957</u>	<u>178,104</u>
At 30 June 1994	<u>6,812</u>	<u>-</u>	<u>42,717</u>	<u>63,320</u>	<u>1,687</u>	<u>57,769</u>	<u>172,305</u>

### 10 STOCK

	<u>1995</u>	<u>1994</u>
	£	£
Finished goods	18,298	31,392
Work in progress	18,340	350
Consumables	<u>6,134</u>	<u>-</u>
	<u>42,772</u>	<u>31,742</u>

### 11 DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	362,340	408,281
Other debtors	7,609	14,541
Prepayments	30,198	15,933
Amounts owed by group undertakings	<u>143,038</u>	<u>92,571</u>
	<u>543,185</u>	<u>531,326</u>

# HALI PUBLICATIONS LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (CONTINUED)

### 12 CREDITORS (amounts falling due within one year)

	<u>1995</u>	<u>1994</u>
	£	£
Bank overdraft (Note 16)	90,553	-
Trade creditors	20,478	84,438
Accruals and deferred income	156,188	159,007
Subscriptions received in advance	163,519	193,862
Taxation and social security	3,995	1,952
Amounts owed to group undertakings	<u>414,769</u>	<u>295,027</u>
	<u>849,502</u>	<u>734,286</u>

### 13 CALLED UP SHARE CAPITAL

	Ordinary shares of £1 each	Non-redeemable preference shares of £1 each	Total
	£	£	£
Authorised	<u>99,500</u>	<u>500</u>	<u>100,000</u>
Allotted and fully paid	<u>41,031</u>	<u>127</u>	<u>41,158</u>

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
(Loss)/profit for the year attributable to shareholders	(122,327)	69,379
Opening shareholders' funds	<u>40,796</u>	<u>(28,583)</u>
Closing shareholders' funds	<u>(81,531)</u>	<u>40,796</u>

# HALI PUBLICATIONS LIMITED

## NOTES TO THE ACCOUNTS - 30 JUNE 1995 (CONTINUED)

### 15 FINANCIAL COMMITMENTS

#### (1) Capital commitments

The capital commitments at the year end were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Contracted	4,844	-
Authorised but not contracted	<u>-</u>	<u>-</u>
	4,844	-
	<u>          </u>	<u>          </u>

#### (2) Operating lease commitments

The operating lease rentals which are payable within one year are as follows:

	<u>Land and buildings</u>		<u>Equipment</u>	
	<u>1995</u>	<u>1994</u>	<u>1995</u>	<u>1994</u>
Leases expiring				
- within one year	-	-	-	3,948
- within two to five years	19,000	19,000	10,007	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 16 GUARANTEES AND BANK OVERDRAFT

The company has granted a cross guarantee in favour of National Westminster Bank PLC in respect of the bank borrowings of the ultimate parent undertaking and of its fellow subsidiary undertakings. The guarantee is secured by specific and floating charges over the company's assets.