



Accountants &
business advisers

GABRIEL COMMUNICATIONS LIMITED

Company Number: 2012469

ANNUAL REPORT

YEAR ENDED 31 DECEMBER 2004



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COMPANIES HOUSE

28/10/2005

GABRIEL COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors	CW Leach CBE DC Bould JA Kelly NT Condon WB Ayling
Secretary	DC Bould
Company Number	2012469
Registered Office	1st Floor St James's Buildings Oxford Street Manchester M1 6FP
Accountants	PKF (UK) LLP 52 Mount Pleasant Liverpool L3 5UN
Bankers	HSBC Bank plc 33 Park Row Leeds LS1 1LD

GABRIEL COMMUNICATIONS LIMITED

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The following pages do not form part of the statutory accounts:

DETAILED PROFIT AND LOSS ACCOUNT	Appendices 1 & 2
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GABRIEL COMMUNICATIONS LIMITED
DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2004

The directors submit their report and the financial statements for the year ended 31 December 2004.

Principal activity

The principal activities of the company continued to be the publication and distribution of religious newspapers and magazines and selling advertising space therein.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year (or date of appointment, if later) were:

CW Leach CBE
DC Bould
JA Kelly
NT Condon
WB Ayling

CW Leach CBE, DC Bould, JA Kelly, NT Condon and WB Ayling have an interest in the share capital of the company through the ultimate parent undertaking, Daisyyellow Ltd.

Basis of preparation

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

By order of the board


DC Bould
Secretary

15 September 2005

INDEPENDENT AUDITORS' REPORT (continued)

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF GABRIEL COMMUNICATIONS LIMITED

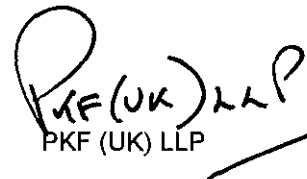
In accordance with the engagement letter dated 8 October 2002, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet for the year ended 31 December 2004 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.


PKF (UK) LLP

Liverpool, UK

15 September 2005

GABRIEL COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT YEAR ENDED 31 DECEMBER 2004

	Notes	2004 £	2003 £
TURNOVER	2	3,552,757	3,642,867
Cost of sales		(1,044,003)	(1,057,321)
GROSS PROFIT		2,508,754	2,585,546
Administrative expenses		(2,460,304)	(2,382,079)
OPERATING PROFIT	3	48,450	203,467
Interest payable and similar charges		(40,900)	(45,413)
PROFIT FOR THE FINANCIAL YEAR		7,550	158,054

GABRIEL COMMUNICATIONS LIMITED

BALANCE SHEET 31 DECEMBER 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Intangible	5	842,032	889,788
Tangible	6	73,895	76,985
		<u>915,927</u>	<u>966,773</u>
CURRENT ASSETS			
Debtors	7	495,295	604,105
Cash at bank and in hand		19,172	19,954
		<u>514,467</u>	<u>624,059</u>
CREDITORS: amounts falling due within one year	8	<u>(872,936)</u>	<u>(980,924)</u>
NET CURRENT LIABILITIES		<u>(358,469)</u>	<u>(356,865)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>557,458</u>	<u>609,908</u>
CREDITORS: amounts falling due after more than one year	9	<u>(415,000)</u>	<u>(475,000)</u>
NET ASSETS		<u>142,458</u>	<u>134,908</u>
CAPITAL AND RESERVES			
Called up share capital	10	15,910	15,910
Share premium account		1,244,304	1,244,304
Profit and loss account	11	(1,117,756)	(1,125,306)
		<u>142,458</u>	<u>134,908</u>

The company is entitled to the exemption from audit conferred by subsection 1 of section 249A of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of section 249B.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Act relating to small companies.

The financial statements were approved by the board on *15 September 2005*

Signed on behalf of the board of directors

DC Bould

Director

GABRIEL COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

1 ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

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

(b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

(c) Intangible fixed assets

Goodwill represents the purchase of newspaper titles published by the company. The titles are considered to have a life of 20 years and the goodwill and related legal expenses are being amortised over this period.

(d) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant, machinery, fixtures& fittings	10 % on cost
Motor vehicles	20 - 33 % on cost
Computer software	33 % on cost
Office and computer equipment	20 % on cost

(e) Operating leases

Operating lease rentals are charged in the profit and loss account on a straight line basis over the lease term.

(f) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(g) Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

(h) Pensions

The company is operating a defined contribution pension scheme. The pension charge in the profit and loss account represents the amount payable by the company to the fund in respect of the year.

2 TURNOVER

2% of turnover (2003 - 2%) is attributable to geographical markets outside the United Kingdom.

GABRIEL COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

3 OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Amortisation of intangible assets	47,756	46,830
Depreciation of tangible fixed assets:		
- owned by the company	44,519	47,366
Pension cost	17,290	18,678
	<u> </u>	<u> </u>

4 DIRECTORS' EMOLUMENTS AND BENEFITS

	2004	2003
	£	£
Aggregate of directors' emoluments and other benefits as defined in paragraph 1 of Sch 6 to the Companies Act 1985	186,040	185,521
	<u> </u>	<u> </u>

The number of directors accruing benefits under pension schemes were:

	No	No
Money purchase schemes	2	2
	<u> </u>	<u> </u>

5 INTANGIBLE FIXED ASSETS

	Goodwill
	£
Cost	
At 1 January 2004	
and 31 December 2004	1,243,262
	<u> </u>
Amortisation	
At 1 January 2004	353,474
Charge for the year	47,756
	<u> </u>
At 31 December 2004	401,230
	<u> </u>
Net book amount	
At 31 December 2004	842,032
	<u> </u>
At 31 December 2003	889,788
	<u> </u>

GABRIEL COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

6 TANGIBLE FIXED ASSETS

	Plant & machinery etc £
Cost	
At 1 January 2004	725,223
Additions	41,429
Disposals	(4,623)
	<hr/>
At 31 December 2004	762,029
	<hr/>
Depreciation	
At 1 January 2004	648,238
Charge for the year	44,519
On disposals	(4,623)
	<hr/>
At 31 December 2004	688,134
	<hr/>
Net book amount	
At 31 December 2004	73,895
	<hr/>
At 31 December 2003	76,985
	<hr/> <hr/>

7 DEBTORS

	2004 £	2003 £
Trade debtors	371,335	372,757
Other debtors	123,960	231,348
	<hr/>	<hr/>
	495,295	604,105
	<hr/> <hr/>	<hr/> <hr/>

GABRIEL COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

8 CREDITORS:

Amounts falling due within one year

	2004 £	2003 £
Bank loans and overdrafts	296,987	441,232
Trade creditors	330,065	298,481
Amounts owed to group undertakings	77,222	100,835
Other taxation and social security	30,739	30,245
Other creditors	137,923	110,131
	<u>872,936</u>	<u>980,924</u>

The overdraft is secured by a fixed and floating charge over the assets of the company.

9 CREDITORS:

Amounts falling due after more than one year

	2004 £	2003 £
Bank loans	415,000	475,000
	<u>415,000</u>	<u>475,000</u>

Included within creditors above are amounts falling due after more than five years as follows:

	2004 £	2003 £
Bank loans	175,000	235,000
	<u>175,000</u>	<u>235,000</u>

10 SHARE CAPITAL

	Authorised £	Allotted, called up and fully paid No	£
At 1 January 2004 and 31 December 2004			
Ordinary shares of 1p each	2,000,000	1,319,624	13,197
3% cumulative preference shares	700,000	271,350	2,713
	<u>2,700,000</u>	<u>1,590,974</u>	<u>15,910</u>

The amount payable on each preference share in the event of a winding up will be the subscription price paid of £1 plus any arrears of the preference dividend payable thereon. At 31 December 2003 the company had arrears of cumulative preference dividends accumulating from prior years of £50,877 (2002 - £42,736).

GABRIEL COMMUNICATIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2004

11 RESERVES

Profit and loss account	£
At 1 January 2004	(1,125,306)
Profit for the year	7,550
	<hr/>
At 31 December 2004	(1,117,756)
	<hr/> <hr/>

12 OTHER COMMITMENTS

At 31 December 2004 the company had annual commitments under operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Within one year	6,396	5,559
Between two and five years	39,591	33,094
After more than five years	91,000	92,743
	<hr/> <hr/>	<hr/> <hr/>

13 CONTINGENT LIABILITIES

The company entered into an unlimited cross guarantee dated 1 May 2001 with the bank to secure the borrowings of its holding company.

14 TRANSACTIONS WITH RELATED PARTIES

Included in debtors is £NIL (2003 - £116,339) due from Gabriel Communications Limited Retirement Benefit Scheme invested with the SLC Pension Fund. This relates to pension payments and other costs made to former employees by the company which are refundable to the company from the pension scheme along with costs refundable by the scheme. Included in creditors is £77,222 (2003 - £100,835) due to Daisyyellow Limited, the parent company. During the period Gabriel Communications paid expenses of £37 (2003 - £458) on behalf of Daisyyellow Limited and repaid £23,650 (2003 - £30,500) of the loan balance due to the parent company.

15 PARENT UNDERTAKINGS AND CONTROLLING PARTIES

The company is controlled by Daisyyellow Ltd.

In the opinion of the directors this is the company's ultimate parent company.

Daisyyellow Ltd is ultimately controlled by Mr CW Leach CBE through his controlling interest in the share capital of this company.