

REGISTERED COPY

2056779

COMPANY REGISTRATION

**G E Publishing Limited**

Report and Financial Statements

Year Ended

31 December 2005



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COMPANIES HOUSE 16/03/2007

**BDO**

BDO Stoy Hayward  
Chartered Accountants

**G E PUBLISHING LIMITED**

**Annual report and financial statements for the year ended 31 December 2005**

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**Directors**

P L Edwards  
E C P Glaze  
P A Costick

**Secretary and Registered Office**

P A Costick, 8 Baker Street, London, W1U 3LL.

**Company number**

2056979

**Auditors**

BDO Stoy Hayward LLP, 8 Baker Street, London, W1U 3LL

## **G E PUBLISHING LIMITED**

### **Report of the directors for the year ended 31 December 2005**

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The directors present their report together with the audited financial statements for the year ended 31 December 2005.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the result for the year.

The directors recommend no final ordinary dividend (2004 - £Nil).

#### **Principal activities, trading review and future developments**

The principal activity of the company is the research and development and publishing of magazines and partworks.

The company made a profit during the year, however the directors anticipate that the group will trade profitably in the future.

There have been no events since the balance sheet date which materially affect the position of the company.

#### **Directors**

The directors of the company during the year and their interests in the ordinary share capital of the company at the beginning and end of the year were:

	<b>Ordinary shares of £1 each</b>
P L Edwards	<b>375</b>
E C P Glaze	<b>375</b>
P A Costick	<b>250</b>

## **G E PUBLISHING LIMITED**

### **Report of the directors for the year ended 31 December 2005 (Continued)**

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#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the group and company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

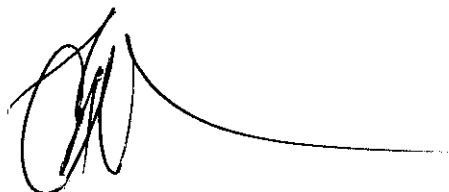
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

#### **Auditors**

BDO Stoy Hayward LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

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

#### **By order of the Board**



P L Edwards  
**Director**

Date:

2/3/07

## **G E PUBLISHING LIMITED**

### **Report of the independent auditors**

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#### **To the shareholders of G E Publishing Limited**

We have audited the financial statements of G E Publishing Limited for the year ended 31 December 2005 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).

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 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.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

#### *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.

**G E PUBLISHING LIMITED**

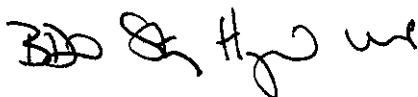
**Report of the independent auditors (*Continued*)**

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*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 31 December 2005 and of its profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



**BDO STOY HAYWARD LLP**

*Chartered Accountants*

*and Registered Auditors*

London

Date: 14 March 2007

**G E PUBLISHING LIMITED**

**Profit and loss account for the year ended 31 December 2005**

	Note	2005 £	2004 £
<b>Turnover</b>	2	-	-
Administrative expenses		(2,329)	(5,555)
<b>Operating profit</b>		<b>2,329</b>	<b>5,555</b>
Income from shares in group companies	4	-	110,197
Interest receivable		8,146	3,022
Interest payable		(51)	(382)
<b>Profit on ordinary activities before taxation</b>	3	<b>10,424</b>	<b>118,392</b>
Taxation	6	-	-
<b>Profit on ordinary activities after taxation</b>		<b>10,424</b>	<b>118,392</b>
Retained profit brought forward		955,437	837,045
<b>Retained profit carried forward</b>		<b>965,860</b>	<b>955,437</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the prior year are included in the profit and loss account.

The notes on pages 7 to 13 form part of these financial statements

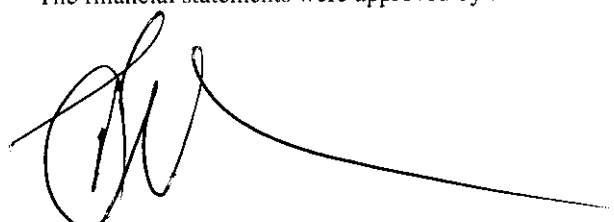
**G E PUBLISHING LIMITED**

**Balance sheet at 31 December 2005**

	Note	2005 £	2005 £	2004 £	2004 £
<b>Fixed assets</b>					
Investments	7		28,724		28,724
<b>Current assets</b>					
Debtors	8	1,432,803		380,854	
Cash at bank and in hand		141,936		913,877	
		1,574,739		1,294,731	
<b>Creditors: amounts falling due within one year</b>	9	(636,603)		(367,018)	
<b>Net current assets</b>			938,136		927,713
<b>Total assets less current liabilities</b>			966,860		956,437
<b>Capital and reserves</b>					
Called up share capital	10		1,000		1,000
Profit and loss account	11		965,860		955,437
<b>Shareholders' funds - equity</b>			966,860		956,437

These financial statements have been prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board and authorised for issue on 7/3/2007.

  
P L Edwards  
Director

The notes on pages 7 to 13 form part of these financial statements



## G E PUBLISHING LIMITED

### Notes forming part of the financial statements for the year ended 31 December 2005

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#### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

##### *Consolidated financial statements*

The company is exempt from the requirement to prepare consolidated financial statements by virtue of Section 248 of the Companies Act 1985 as the group it heads qualifies as a 'small sized' group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

##### *Turnover*

Turnover represents sales to outside customers at invoiced amounts less value added tax.

##### *Goodwill*

Goodwill arising on the acquisition of the associated undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. This position goodwill is not amortised as the directors consider its useful economic life to be indefinite. Impairment tests on the carrying value of goodwill are carried out annually.

##### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives on a straight line basis, calculated at the following rates:

Furniture, fixtures and fittings	-	20% per annum
Office equipment	-	20% per annum
Motor vehicles	-	25% per annum
Computer equipment	-	30% per annum

##### *Deferred taxation*

Deferred taxation balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

##### *Leased assets*

Leases are treated as 'operating leases' when the leasing agreement does not give rights approximating to ownership. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

## G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

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### 1 Accounting policies (*Continued*)

#### *Pension costs*

Contributions made to employees' personal pension schemes are charged to the profit and loss account at the agreed rate.

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

#### *Stocks and work in progress*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based estimated selling price less additional costs to completion and disposal.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Profit on ordinary activities before taxation

	2005 £	2004 £
This is arrived at after (crediting):		
Foreign currency exchange gain	(2,329)	(8,671)
	<hr/>	<hr/>

The auditors' remuneration was borne by other group companies in both the current and preceding year.

### 4 Income from investments

	2005 £	2004 £
Dividend from subsidiary undertakings	-	110,197
	<hr/>	<hr/>

### 5 Directors remuneration

No directors received any emoluments during the period.

# **G E PUBLISHING LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

## **6 Taxation on profit on ordinary activities**

	2005 £	2005 £	2004 £	2004 £
<i>Corporation tax</i>				
Current tax on profits for the year	-		-	
Adjustment in respect of prior years	-		-	
	<hr/>		<hr/>	
Total current tax		-		-
<i>Deferred tax</i>				
Origination and reversal of timing				
Differences relating to share of Associate		-		-
<i>Other tax</i>				
Current share of joint ventures tax charge	-		-	
Adjustment in respect of prior year share of joint ventures tax charge	-		-	
	<hr/>		<hr/>	
		-		-
		<hr/>		<hr/>
Taxation on profit on ordinary activities		-		-
		<hr/>		<hr/>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2005 £	2004 £
Profit on ordinary activities before tax	10,424	118,392
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30%	3,127	35,518
Effect of:		
Difference in tax rate	(1,500)	-
Group relief	(175)	-
Share of JVC's losses	(1,452)	-
Dividend income	-	(33,059)
Capital allowances in excess of depreciation group relief claimed	-	(2,459)
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

## G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

### 7 Fixed asset investments

The following were subsidiary and associated undertakings at the end of the year.

Name of company	Proportion of ordinary share capital held by company	Country of incorporation	Nature of business
G E Magazines Limited	100%	Great Britain	Production of editorial copy and layouts
Inspirations Publishing Limited	100%	Great Britain	Dormant
G E Fabbri Limited	48.9%	Great Britain	Production and sale of partwork magazines
Fabbri Publishing Limited	48.9%*	Great Britain	Production and sale of partwork magazines
G E Fabbri Phoenix sp.z.o.o.	32.8%*	Poland	Publisher of partworks
G E Fabbri Editions (Ukraine)	100%*	Ukraine	Publisher of partworks
G E Fabbri Editions (Russia)	100%*	Russia	Publisher of partworks

\* Held by G E Fabbri Limited, an associated undertaking.

\*\* Held by Fabbri Publishing Limited, an associated undertaking.

The company has a 50% interest in the ordinary share capital GE Popworld Publishing Limited, a joint venture formed between G E Magazines Limited and Popworld Limited, a company incorporated in the UK.

	Subsidiary undertakings £	Associated undertakings £	Total £
<i>Cost</i>			
At 1 January 2005 and at 31 December 2005	800,002	28,722	828,724
<i>Provision</i>			
At 1 January 2005 and at 31 December 2005	800,000	-	800,000
<i>Net book value</i>			
At 31 December 2005 and at 31 December 2004	2	28,722	28,724

## G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

### 7 Fixed asset investments (*Continued*)

#### *Subsidiaries*

The principal undertakings in which the company's interest at the year end is 50% or more is as follows:

Name	Class of Share capital held	Proportion of share capital held	Nature of business		
G E Magazines Limited	£1 ordinary	100%	Magazine publishing		
Inspirations Publishing Limited	£1 ordinary	100%	Dormant		
		Aggregate share capital and reserves	Losses for the year		
		2005 £	2004 £	2005 £	2004 £
G E Magazines Limited	(4,339,870)	(3,899,783)	(440,087)	(1,077,617)	
Inspirations Publishing Limited	2	2	-	-	

#### *Associates*

The principal undertaking in which the company's interest at the year end is 20% or more is as follows:

Name	Class of Share capital held	Proportion of share capital held	Nature of business		
G E Popworld Publishing Limited	£1 ordinary 'B' shares £1 ordinary, £1 preference 'B', £1 preference 'A' shares	50%	Magazine publishing		
GE Fabbri Limited	-	48.9%	-		
		Aggregate share capital and reserves	Profits for the year		
		2005 £	2004 £	2005 £	2004 £
G E Popworld Publishing Limited		1,000	1,000	-	520,763
G E Fabbri Limited		9,070,000	4,284,000	4,764,597	(1,094,359)

# **G E PUBLISHING LIMITED**

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

## **8 Debtors**

	2005 £	2004 £
Trade debtors	300,817	147,127
Amounts due from subsidiary undertakings	989,639	78,001
Other debtors	6,778	6,234
Prepayments and accrued income	79,455	107,537
Corporation tax	56,115	41,955
	<hr/>	<hr/>
	1,432,804	380,854
	<hr/>	<hr/>

All amounts shown above fall due for payment within one year.

## **9 Creditors: amounts falling due within one year**

	2005 £	2004 £
Trade creditors	99,623	148,645
Amounts due to associated undertakings	4,103	6,516
Taxation and social security	192,446	93,117
Accruals and deferred income	262,348	44,285
Other creditors	78,083	74,455
	<hr/>	<hr/>
	636,603	367,018
	<hr/>	<hr/>

## **10 Called up share capital**

	2005 £	2004 £
<i>Authorised, allotted and fully paid</i>		
Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>

## G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2005 (*Continued*)

### 11 Reserves

	Profit and loss account £
At 1 January 2005	955,437
Profit for the year	10,424
	<hr/>
At 31 December 2005	<b>965,860</b>
	<hr/>

### 12 Reconciliation of movements in shareholders' funds

	2005 £	2004 £
Profit for the year	10,424	118,392
Opening shareholders' funds	956,437	838,045
	<hr/>	<hr/>
Closing shareholders' funds	<b>966,860</b>	956,437
	<hr/>	<hr/>

### 13 Related party transactions

During the year, the company entered into the following arrangements with G E Fabbri Limited, an associated undertaking and carried out the following transactions with that company:

- a) Rent and overhead charge of £1,363,200 (2004 - £1,464,000)
- b) Management and development charges of £350,000 (2004 - £154,143)
- c) Staff cost recharges of £1,025,575 (2004 - £741,496)
- d) Trade sales of £142,591 (2004 - £172,586)

It also made purchases of £72,788 (2004 - £nil) from the company.

At the year end a net amount of £229,026 (2004 - £134,384) was due from G E Fabbri Limited.