

REGISTRAR'S COPY

COMPANY NUMBER 2056979

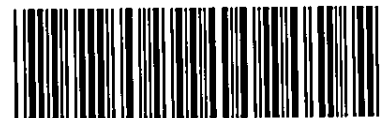
G E Publishing Limited

Report and Financial Statements

Year Ended

31 December 2006

MONDAY



AMUXJ2RZ

A18

01/09/2008

151

COMPANIES HOUSE



BDO Stoy Hayward
Chartered Accountants

G E PUBLISHING LIMITED

Annual report and financial statements for the year ended 31 December 2006

Contents

Page:

1	Report of the directors
3	Independent auditor s report
5	Profit and loss account
6	Balance sheet
7	Notes forming part of the financial statements

Directors

P L Edwards
E C P Glaze
P A Costick

Secretary and Registered Office

P A Costick, 55 Baker Street, London, W1U 7EU

Company number

2056979

Auditors

BDO Stoy Hayward LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

G E PUBLISHING LIMITED

Report of the directors for the year ended 31 December 2006

The directors present their report together with the audited financial statements for the year ended 31 December 2006

Results and dividends

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

The directors paid a final ordinary dividend of £1,100,000 (2005 - £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, together with the provision of management/group services to other group companies for which recharges are raised. The company has not received any revenue during the year, except for income from its share in group companies.

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

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

G E PUBLISHING LIMITED

Report of the directors for the year ended 31 December 2006 (*Continued*)

Directors' responsibilities

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, and
- 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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

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 10/7/2008

G E PUBLISHING LIMITED

Report of the independent auditors

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 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).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with these financial statements. We also report to you 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*)

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 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

BDO Stoy Hayward LLP

BDO STOY HAYWARD LLP

*Chartered Accountants
and Registered Auditors*

Gatwick

Date *26 August 2008*

G E PUBLISHING LIMITED

Profit and loss account for the year ended 31 December 2006

	Note	2006 £	2005 £
Turnover	2	-	-
Administrative expenses		(848,489)	2,329
Operating (loss)/profit		(848,489)	2,329
Income from shares in group companies		1,222,500	-
Interest receivable		4,528	8,146
Interest payable and similar charges		(12,042)	(51)
Profit on ordinary activities before taxation	3	366,497	10,424
Taxation	6	(30,730)	-
Profit on ordinary activities after taxation		335,767	10,424

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 2006

	Note	2006 £	2006 £	2005 £	2005 £
Fixed assets					
Investments	7		28,724		28,724
Current assets					
Debtors	8	432,484		1,432,803	
Cash at bank and in hand		252,900		141,936	
		<u>685,384</u>		<u>1,574,739</u>	
Creditors: amounts falling due within one year	9	(511,481)		(636,603)	
Net current (liabilities)/assets			<u>173,903</u>		<u>938,136</u>
Total assets less current liabilities			<u>202,627</u>		<u>966,860</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		201,627		965,860
			<u>202,627</u>		<u>966,860</u>
Shareholders' funds - equity	12		<u>202,627</u>		<u>966,860</u>

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 10/7 2008



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 2006

1 Accounting policies

The financial statements have been prepared under the historical cost convention. 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 external customers at invoiced amounts less value added tax.

Management fees and group recharges are accounted for as items are invoiced and included in turnover.

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.

Investments

Investments are valued at cost less any provisions for impairment.

Dividends

Equity dividends are recognised when they become legally payable.

Pension costs

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

G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2006 *(Continued)*

1 Accounting policies *(Continued)*

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 arises solely within the United Kingdom.

3 Profit on ordinary activities before taxation

	2006 £	2005 £
This is arrived at after (crediting)		
Foreign currency exchange gain	-	(2,329)
	<u> </u>	<u> </u>

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

4 Directors remuneration

No directors received any emoluments during the period.

5 Dividends

	2006 £	2005 £
Dividends paid	1,100,000	-
	<u> </u>	<u> </u>

G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

6 Taxation on profit on ordinary activities

	2006 £	2006 £	2005 £	2005 £
<i>Corporation tax</i>				
Current tax on profits for the year	30,730		-	
Adjustment in respect of prior years	-		-	
Total current tax		30,730		-
<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	-		-	
		-		-
Taxation on profit on ordinary activities		30,730		-

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

	2006 £	2005 £
Profit on ordinary activities before tax	366,497	10,424
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30%	109,949	3,127
Effect of:		
Difference in tax rate	(9,511)	(1,500)
Group relief	(1,358)	(175)
Share of JVC's income / (losses)	29,550	(1,452)
Expenses not deductible for tax purposes	254,547	-
Non taxable income	(366,750)	-
Overseas tax paid	30,730	-
Double taxation relief	(16,427)	-
Current tax charge for the year	30,730	-

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 2006 (*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 2006 and at 31 December 2006	800,002	28,722	828,724
<i>Provision</i>			
At 1 January 2006 and at 31 December 2006	800,000	-	800,000
<i>Net book value</i>			
At 31 December 2006 and at 31 December 2006	2	28,722	28,724

G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2006 (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		(Loss) for the year	
	2006 £	2005 £	2006 £	2005 £
G E Magazines Limited	(4,514,189)	(4,339,870)	(174,319)	(440,087)
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	
	2006 £	2005 £	2006 £	2005 £
G E Popworld Publishing Limited	1,000	1,000	-	-
G E Fabbri Limited	12,235,000	9,070,000	5,694,000	4,764,597

G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2006 (*Continued*)

8 Debtors

	2006 £	2005 £
Trade debtors	-	300,816
Amounts due from subsidiary undertakings	257,290	989,639
Amounts due from associated undertakings	70,106	-
Other debtors	4,325	6,778
Prepayments and accrued income	75,378	79,455
Corporation tax	25,385	56,115
	<u>432,484</u>	<u>1,432,803</u>

All amounts shown above fall due for payment within one year

9 Creditors, amounts falling due within one year

	2006 £	2005 £
Trade creditors	35,351	99,623
Amounts due to associated undertakings	85,192	4,103
Taxation and social security	198,292	192,446
Accruals and deferred income	29,818	262,348
Other creditors	162,828	78,083
	<u>511,481</u>	<u>636,603</u>

10 Called up share capital

	2006 £	2005 £
<i>Authorised, allotted and fully paid</i> Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

G E PUBLISHING LIMITED

Notes forming part of the financial statements for the year ended 31 December 2006 (Continued)

11 Reserves

	Profit and loss account £
At 1 January 2006	965,860
Profit for the year	335,767
Less dividend paid	(1,100,000)
	<hr/>
At 31 December 2006	201,627
	<hr/>

12 Reconciliation of movements in shareholders' funds

	2006 £	2005 £
Profit for the year	335,767	10,424
Opening shareholders' funds	966,860	956,436
Dividends paid to shareholders	(1,100,000)	-
	<hr/>	<hr/>
Closing shareholders' funds	202,627	966,860
	<hr/>	<hr/>

13 Related party transactions

At the year end a net amount of £15,086 (2005 – (£229,026)) was due to G E Fabbri Limited

As at the year end, the company was owed £4,856,459 (2005 - £5,095,729) from GE Magazines. This amount has been fully provided for based on the estimated recoverability of this debtor.