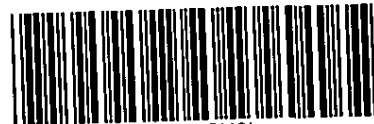


GARNET PUBLISHING LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2011

SATURDAY



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COMPANIES HOUSE

GARNET PUBLISHING LIMITED

INDEPENDENT AUDITOR'S REPORT TO GARNET PUBLISHING LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 4 to 7, together with the financial statements of Garnet Publishing Limited for the year ended 31 December 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special Auditor's 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, for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

QUALIFIED OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 4 to 7 have been properly prepared in accordance with the regulations made under that section.

OTHER INFORMATION

On 29 January 2013 we reported as auditor to the members of the company on the financial statements prepared under section 396 of the Companies Act 2006 and our audit report was as follows:

We have audited the financial statements of Garnet Publishing Limited for the year ended 31 December 2011, set out on pages 1 to 7. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

GARNET PUBLISHING LIMITED

INDEPENDENT AUDITOR'S REPORT TO GARNET PUBLISHING LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board, except that the scope of work was limited as explained below.

The evidence available to use was limited because we were not appointed as auditors of the company until 17 July 2012 and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate evidence as regards trade creditors included in the preceding year's financial statements at £276,952. Any adjustments to these balances would have a consequential effect on the profit for the year ended 31 December 2011.

QUALIFIED OPINION ON FINANCIAL STATEMENTS ARISING FROM LIMITATION OF SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning trade creditors balances as at 1 January 2011 and the impact on the profit for the year ended 31 December 2011, in our opinion the financial statements

-give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,

-have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and

-have been prepared in accordance with the requirements of the Companies Act 2006.

In respect alone of the limitation on our work relating to opening trade creditor balances

-we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and

-we were unable to determine whether proper accounting records had been maintained.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

GARNET PUBLISHING LIMITED

**INDEPENDENT AUDITOR'S REPORT TO GARNET PUBLISHING LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)

for and on behalf of

James Cowper LLP

Chartered Accountants and Statutory Auditor

3 Wesley Gate

Queen's Road

Reading

Berkshire

RG1 4AP

Date 29/1/13

GARNET PUBLISHING LIMITED
REGISTERED NUMBER: 02587010

ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	£	2011 £	As restated 2010 £
FIXED ASSETS				
Tangible assets	2		38,788	43,774
CURRENT ASSETS				
Debtors	3	132,367		119,577
Cash at bank and in hand		50,738		72,554
		<u>183,105</u>		<u>192,131</u>
CREDITORS * amounts falling due within one year		<u>(481,528)</u>		<u>(512,855)</u>
NET CURRENT LIABILITIES			<u>(298,423)</u>	<u>(320,724)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(259,635)</u>	<u>(276,950)</u>
CREDITORS : amounts falling due after more than one year			<u>(4,381,514)</u>	<u>(4,458,992)</u>
NET LIABILITIES			<u><u>(4,641,149)</u></u>	<u><u>(4,735,942)</u></u>
CAPITAL AND RESERVES				
Called up share capital	4		1,000	1,000
Profit and loss account			<u>(4,642,149)</u>	<u>(4,736,942)</u>
SHAREHOLDERS' DEFICIT			<u><u>(4,641,149)</u></u>	<u><u>(4,735,942)</u></u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by

.....
Mr K Khayat
 Director

Date 21-01-2013

The notes on pages 5 to 7 form part of these financial statements

GARNET PUBLISHING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

1.2 Going concern

As at 31 December 2011 the company had net liabilities of £4,641,149 and was fully reliant on the support of its ultimate parent company, International Investments S A L, for ongoing support

This support is provided through ongoing funding of all expenses relating to the education business of the company. An agreement dated 1 January 2009 is in place with International Investments S A L which states that the parent company will reimburse the company for all expenses incurred in this division of the business

The directors see no reason why the parent company will not continue to provide this support for the foreseeable future and for this reason the accounts have been prepared on a going concern basis

1.3 Turnover

Turnover from educational titles represent a sales commission of 7% which is payable from the company's parent International Investments. The company acts as agent for the parent company in this respect

Turnover from publishing titles represent the value of goods supplied during the year excluding value added tax and trade discounts

1.4 Tangible fixed assets and depreciation

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

Plant & machinery	-	20% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Computer equipment	-	20% straight line
Warehouse equipment	-	25% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

GARNET PUBLISHING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. ACCOUNTING POLICIES (continued)

1.6 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at 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 gains and losses are recognised in the Profit and loss account

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 January 2011	373,037
Additions	26,151
Disposals	(97,252)
At 31 December 2011	301,936
Depreciation	
At 1 January 2011	329,263
Charge for the year	31,137
On disposals	(97,252)
At 31 December 2011	263,148
Net book value	
At 31 December 2011	38,788
At 31 December 2010	43,774

GARNET PUBLISHING LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2011

3. DEBTORS

Debtors include £44,918 (2010 - £43,924) falling due after more than one year

4. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

5. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent company is International Investments S A L, a company incorporated in Lebanon. No group accounts including Garnet Publishing Limited are available to the public.

The ultimate controlling party is considered to be Tahsseen Khayat by virtue of his shareholding in the ultimate parent company.