

Caspian Publishing Limited

Report and Financial Statements

Year Ended

30 June 2009

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Caspian Publishing Limited

Annual report and financial statements for the year ended 30 June 2009

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Directors

S P Rock
M J Rock
K L Andrews

Secretary and registered office

K L Andrews, 198 Kings Road, London, SW3 5XP

Company number

03157774

Auditors

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

Caspian Publishing Limited

Report of the directors for the year ended 30 June 2009

The directors present their report together with the audited financial statements for the year ended 30 June 2009

Results and dividends

The profit and loss account is set out on page 6 and shows the loss for the year

The directors do not recommend the payment of any dividends (2008 - £Nil)

Principal activities

The principal activities of the company in the year under review were those of print and web-based magazine publishing, contract publishing and conference and events management. There have been no changes in the company's activities in the year under review.

Review of business

The results for the year and financial position of the company are as shown in the annexed financial statements.

In common with all other publishing companies, the company was affected by the recession during the 12 months to 30 June 2009. Advertising and sponsorship income were most seriously affected, leading to a fall in revenue from proprietary activity of 36%. Revenue from contract titles also fell as some titles are dependent on advertising revenue.

The business will continue to be affected by the economic climate in the coming financial year. The directors have reviewed the activities of business to ensure that it is well positioned to take advantage of any upturn in the market.

Charitable and political contributions

During the year the company made charitable contributions of £400 (2008 - £3,200). There were no political contributions.

Directors

The directors of the company during the year were

M Bokaie (resigned 31 December 2008)
S P Rock
M J Rock
K L Andrews (appointed 13 November 2008)

In addition R Beckett was appointed as a director of the company on 18 November 2009 and subsequently resigned on 31 May 2010.

Caspian Publishing Limited

Report of the directors for the year ended 30 June 2009 (continued)

Principal risks and uncertainties

The company, in common with other publishing companies, is exposed to the possibility of a downturn in the global advertising market as part of a wider economic downturn. Other key risks include the risk of a loss of key contracts and the risk of being unable to attract and retain suitable staff.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on all new customers, accepting only prepayments if necessary and by monitoring payments against contractual agreements.

The company had an overdraft facility with Royal Bank of Scotland in place during the year. The company monitors cashflow as part of its day to day control procedures to ensure that appropriate facilities are available to be drawn upon as necessary. Post year end the overdraft facility was removed following the rights issue as it was no longer required.

Key Performance Indicators

The company uses a range of performance measures to monitor and manage the business effectively. These are both financial and non-financial and the most significant of these are the key performance indicators (KPIs).

The key financial performance indicators are turnover, gross profit and margin and EBITDA. The key non-financial performance indicator is the number of staff employed by the company.

The KPIs for the year ended 30 June 2009, with comparatives for the year ended 30 June 2008, are set out below.

	2009	2008
Turnover (£000s)	7,283	9,173
Gross profit (£000s)	2,892	4,006
Gross margin (%)	39.7	43.7
EBITDA (£000s)	(99)	546
Average no of employees	58	66

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Caspian Publishing Limited

Report of the directors for the year ended 30 June 2009 (*continued*)

Directors' responsibilities (*continued*)

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

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.

The auditors, BDO LLP, have been deemed to have been reappointed in accordance with section 407 of the Companies Act 2006.

On behalf of the Board



K Andrews
Director

Date 3 JUNE 2010

Caspian Publishing Limited

Report of the independent auditors

Independent Auditor's Report to the members of Caspian Publishing Ltd

We have audited the financial statements of Caspian Publishing Ltd for the year ended 30 June 2009 which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses, the note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 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 (APB's) Ethical Standards for Auditors.

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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year 30 June 2009 then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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.

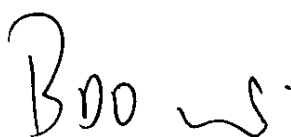
Caspian Publishing Limited

Report of the independent auditors

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



Russell Field (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom

Date 3 June 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Caspian Publishing Limited

Profit and loss account for the year ended 30 June 2009

	Note	2009 £	2008 £
Turnover	2	7,282,793	9,173,307
Cost of sales		4,390,781	5,166,924
Gross profit		2,892,012	4,006,383
Administrative expenses		3,066,898	3,533,085
Operating (loss) / profit	5	(174,886)	473,298
Interest receivable and similar income		835	4,436
Interest payable		(5,973)	(8,735)
(Loss) / Profit on ordinary activities before taxation		(180,024)	468,999
Taxation on profit on ordinary activities	6	-	-
(Loss) / Profit on ordinary activities after taxation		(180,024)	468,999

All amounts relate to continuing activities

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

The notes on pages 8 to 16 form part of these financial statements

Caspian Publishing Limited

Balance sheet at 30 June 2009

Company Number 03157774	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		217,403		181,625
Investments	8		19		19
			<hr/>		<hr/>
			217,422		181,644
Current assets					
Stock		38,786		52,696	
Debtors – due within one year	9	2,455,247		3,071,379	
Debtors – due after more than one year	9	1,007,760		1,028,559	
Cash at bank and in hand		-		213,239	
		<hr/>		<hr/>	
		3,501,793		4,365,873	
Creditors: amounts falling due within one year	10	2,220,771		2,849,761	
		<hr/>		<hr/>	
Net current assets			1,281,022		1,516,112
			<hr/>		<hr/>
Total assets less current liabilities			1,498,444		1,697,756
Creditors, amounts falling due after more than one year	11		6,708		25,996
			<hr/>		<hr/>
Net assets			1,491,736		1,671,760
			<hr/>		<hr/>
Capital and reserves					
Called up share capital	13		131,756		131,756
Share premium	14		410,338		410,338
Profit and loss account	14		949,642		1,129,666
			<hr/>		<hr/>
Shareholders' funds	16		1,491,736		1,671,760
			<hr/>		<hr/>

The financial statements were approved by the Board of Directors and authorised for issue on *3 JUNE 2010*



K Andrews
Director

The notes on pages 8 to 16 form part of these financial statements

Caspian Publishing Limited

Notes forming part of the financial statements for the year ended 30 June 2009

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

Turnover

Turnover represents the value, excluding value added tax, of goods sold and services provided to customers. There are four main revenue streams:

- Advertising (print-based and online) where income is recognised when the relevant publication is distributed or the campaign is run
- Subscriptions which are recognised evenly on a time basis over the subscription period
- Event revenues which are recognised in the period the events take place
- Publishing fees which are recognised when the relevant publication is distributed

In each case, customers may be invoiced in advance of income recognition, in which case the proportion of invoiced income relating to subsequent periods is included in deferred income

Tangible fixed assets

Fixed assets are stated at historical cost

Depreciation is provided at the following annual rates in order to write off each asset over its expected useful life, as follows:

Leasehold property	-	Over the lease term
Office equipment	-	Over 5 years
Fixtures and fittings	-	Over 5 years
Computer equipment	-	Over 4 years

Fixed asset investments

Fixed asset investments are shown at cost

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Stock

Paper stock is included in the accounts at the lower of cost and net realisable value. Cost is determined on a first in, first out basis.

Caspian Publishing Limited

Notes forming part of the financial statements for the year ended 30 June 2009 (continued)

1 Accounting policies (continued)

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the purchase value of the assets acquired. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

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 of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as a consolidated cash flow statement is included in the financial statements of Caspian Media Holdings Limited.

Group financial statements

Group financial statements are not presented because the company has taken advantage of the exemption under section 400 of the Companies Act 2006.

2 Turnover

	2009 £	2008 £
Turnover consists of		
Proprietary publishing and events (including online)	3,019,782	4,715,560
Contract publishing and events	4,263,011	4,457,747
	<hr/>	<hr/>
	7,282,793	9,173,307
	<hr/>	<hr/>

All turnover derives from activities undertaken in the United Kingdom.

Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (continued)

3 Employees

	2009 £	2008 £
Staff costs consist of		
Wages and salaries	2,082,230	2,365,238
Social security costs	250,359	271,321
	<u>2,332,589</u>	<u>2,636,559</u>

The average number of employees during the year was	Number	Number
Management and finance	7	8
Editorial and design	25	29
Conference and events	8	7
Sales and marketing	15	19
Online publishing	3	3
	<u>58</u>	<u>66</u>

The above figures include 3 executive directors for the year (2008 - 3)

4 Directors

	2009 £	2008 £
Directors' remuneration consists of		
Directors' emoluments	<u>403,806</u>	<u>366,725</u>
Highest paid director		
Emoluments	<u>133,119</u>	<u>173,490</u>

Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (*continued*)

5 Operating (loss) / profit

	2009 £	2008 £
This has been arrived at after charging		
Depreciation - owned assets	51,627	56,343
Depreciation – leased assets	24,018	16,408
Goodwill amortisation	-	-
Auditors' remuneration – audit services	18,600	21,500
Auditors' remuneration – non audit services	2,000	3,200
Foreign exchange differences	(2,057)	2,356
Operating leases		
- property	233,000	233,000
- other	15,363	8,110

6 Taxation on (loss) / profit on ordinary activities

	2009 £	2008 £
(Loss) / profit on ordinary activities before tax	(180,024)	468,999
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2008 - 19%)	(36,005)	93,800
Effects of		
Disallowed expenses	6,774	9,629
Excess of depreciation over capital allowances	(7,065)	1,521
Group relief	-	(71,415)
Losses carried forward	36,296	-
Utilisation of losses	-	(30,247)
Other timing differences	-	(3,288)
Current tax charge for year	-	-

Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (*continued*)

7 Tangible assets

	Leasehold property £	Office equipment £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>					
At 1 July 2008	36,845	29,035	38,090	413,958	517,928
Additions	-	-	-	111,424	111,424
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	36,845	29,035	38,090	525,382	629,352
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 July 2008	36,845	28,475	33,531	237,452	336,303
Charge for the year	-	135	2,151	73,360	75,646
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	36,845	28,610	35,682	310,812	411,949
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 30 June 2009	-	425	2,408	214,570	217,403
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2008	-	560	4,559	176,506	181,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of computer equipment above includes an amount of £43,194 (2008 - £67,212) in respect of assets held under finance leases. The related depreciation charge on these assets was £24,018 (2008 -£16,408)

Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (continued)

8 Fixed asset investments

Unlisted
investments
£

Cost and net book value

At 1 July 2008 and 30 June 2007

19

The undertakings in which the company's interest at the year end is 20% or more are as follows

	Country of incorporation	Proportion of voting rights held	Nature of business
Real Business Limited	UK	100%	Dormant
Real Deals Limited	UK	100%	Dormant
Real Finance Limited	UK	100%	Dormant
Real Business Events Limited	UK	100%	Dormant
Real Business Conferences Limited	UK	100%	Dormant
Caspian Conferences Limited	UK	100%	Dormant
Real IR Limited	UK	100%	Dormant
Real Investor Relations Limited	UK	100%	Dormant
Real Publishing Limited	UK	100%	Dormant
Real FD Limited	UK	100%	Dormant

9 Debtors

2009
£

2008
£

Amounts due within one year

Trade debtors	688,056	1,333,745
Other debtors	53,938	65,509
Prepayments and accrued income	313,253	572,125
Amounts owed by group undertakings	1,400,000	1,100,000

2,455,247 3,071,379

Amounts due after one year

Amounts owed by group undertakings	1,007,760	1,028,559
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Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (continued)

10 Creditors' amounts falling due within one year

	2009 £	2008 £
Trade creditors	914,286	1,217,159
Bank overdraft	105,126	-
Other taxation and social security	73,336	150,033
Other creditors	105,745	158,942
Deferred income	765,041	969,093
Accrued expenses	237,949	331,594
Obligations under finance lease	19,288	22,940
	<u>2,220,771</u>	<u>2,849,761</u>

11 Creditors' amounts falling due after one year

	2009 £	2008 £
Obligations under finance lease	6,708	25,996
	<u>6,708</u>	<u>25,996</u>

12 Loans

An analysis of the maturity of loans is given below

	2009 £	2008 £
Amounts falling due within one year or on demand		
Obligations under finance lease	19,288	22,940
	<u>19,288</u>	<u>22,940</u>
Amounts falling due between one and two years		
Obligations under finance lease	6,708	19,288
	<u>6,708</u>	<u>19,288</u>
Amounts falling due between two and five years		
Obligations under finance lease	-	6,708
	<u>-</u>	<u>6,708</u>

Caspian Publishing Limited

Notes forming part of the financial statements
for the year ended 30 June 2009 (continued)

13 Share capital

	2009 Number	Authorised 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	200,000	200,000	200,000	200,000
	2009 Number	Allotted, issued and fully paid 2008 Number	2009 £	2008 £
Ordinary shares of £1 each	131,756	131,756	131,756	131,756

14 Reserves

	Profit and loss account £	Share premium £	Total £
At 1 July 2008	1,129,666	410,338	1,540,004
Retained loss for year	(180,024)	-	(180,024)
At 30 June 2009	949,642	410,338	1,359,980

15 Commitments under operating leases

As at 30 June 2009, the company had annual commitments under non-cancellable operating leases as set out below

	2009 Land and Buildings £	2009 Other £	2008 Land and buildings £	2008 Other £
Operating leases which expire				
After more than one year	233,000	12,573	233,000	12,000

16 Reconciliation of movements in shareholders' funds

	2009 £	2008 £
(Loss) / profit for the financial year	(180,024)	468,999
Net reduction of shareholders' funds	(180,024)	468,999
Opening shareholders' funds	1,671,760	1,202,761
Closing shareholders' funds	1,491,736	1,671,760

Caspian Publishing Limited

Notes forming part of the financial statements for the year ended 30 June 2009 (continued)

17 Contingent liabilities

The bank has a floating charge over all assets and a deed of priority over the first £200,000 of assets and this is guaranteed by the parent company

There is a cross guarantee with Caspian Media Holdings Limited. The debenture holders in Caspian Media Holdings Limited hold a fixed and floating charge over Caspian Publishing Limited's assets

18 Related parties

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 "Related party disclosures" not to disclose transactions with members of the group headed by Caspian Media Holdings Limited on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

Revenue includes £56,939 (2008 - £46,750) of sales to Lloyds TSB Development Capital who hold more than 20% of the share capital of Caspian Media Holdings Limited. The normal market price was charged on all transactions. At the balance sheet date the amount due from Lloyds TSB Development Capital was £Nil (2008 - £Nil)

Expenditure includes a payment of £5,967 (2008 - £12,116) to Crownmex Consultants Limited which relates to a shareholder, Munir Samji. The payment is for professional fees relating to the Asian Women of Achievement Awards event held by Caspian.

19 Immediate and ultimate parent company

At 30 June 2009 the company's immediate and ultimate parent company was Caspian Media Holdings Limited, which is the parent of both the smallest and largest groups of which the company is a member

Copies of the consolidated financial statements of Caspian Media Holdings Limited are available from Companies House

The company is under immediate and ultimate control of Caspian Media Holdings Limited, a company incorporated in England and Wales

20 Post balance sheet events

On 11 May 2010 the parent company, Caspian Media Holdings Limited completed a rights issue raising £1.9m of cash. The shares issued consisted of 1,881,188 ordinary shares of 1p each and 1,881,188 preference shares of £1 each. £1.4m of the funds was paid to the company in settlement of part of the balance due from the parent company.