

Elaph Publishing Limited

FINANCIAL STATEMENTS

for the year ended

31 December 2001

Company Registration No. 3872914



Elaph Publishing Limited

DIRECTOR AND OFFICERS

DIRECTOR

O Al-Omeir

(Managing Director)

SECRETARY

J Whipps

COMPANY NUMBER

3872914 (England and Wales)

REGISTERED OFFICE

2 Bloomsbury Street
London
WC1B 3ST

Elaph Publishing Limited

DIRECTOR'S REPORT

The director presents his report and financial statements of Elaph Publishing Limited for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES

The company produces an internet newspaper in Arabic, which is went online in May 2001.

DIRECTOR

The following director has held office since 1 January 2001:

O Al-Omeir

DIRECTOR'S INTERESTS IN SHARES

Director's interests in the shares of the company, including family interests, were as follows:

	<i>Ordinary shares of £1 each</i>	
	31.12.01	1.1.01
O Al-Omeir	-	-

CHARITABLE DONATIONS	2001	2000
	£	£

During the year the company made the following payments:
Charitable donations

10,000	-
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This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Date: 22 Oct 2002.

Elaph Publishing Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2001

	Notes	2001 £	2000 £
Other operating expenses	1	759,878	280,339
OPERATING LOSS		(759,878)	(280,339)
Investment income	2	449	1,636
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(759,429)	(278,703)
Taxation		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	(759,429)	(278,703)

The operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Elaph Publishing Limited

BALANCE SHEET

31 December 2001

	Notes	2001 £	2000 £
FIXED ASSETS			
Tangible assets	4	152,005	180,545
Investments	5	60	60
		<u>152,065</u>	<u>180,605</u>
CURRENT ASSETS			
Debtors	6	175,331	125,047
Cash at bank and in hand		29,630	37,848
		<u>204,961</u>	<u>162,895</u>
CREDITORS: Amounts falling due within one year	7	51,491	75,873
		<u>153,470</u>	<u>87,022</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		305,535	267,627
CREDITORS: Amounts falling due after more than one year	8	(1,343,567)	(546,230)
		<u>(1,038,032)</u>	<u>(278,603)</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	(1,038,132)	(278,703)
SHAREHOLDERS' FUNDS			
	11	<u>(1,038,032)</u>	<u>(278,603)</u>

In preparing these financial statements:

- The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The director acknowledges his responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - preparing accounts which give a true and fair view of the state of affairs of the company as 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 this Act relating to accounts, so far as applicable to the company.

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

Approved by the board on 28/10/2002

Director

Elaph Publishing Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Plant and machinery	25% straight line
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INVESTMENTS

Fixed asset investments are stated at cost less provision for diminution in value.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

GROUP ACCOUNTS

The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

1. OTHER OPERATING EXPENSES	2001 £	2000 £
Administrative expenses	<u>759,878</u>	<u>280,339</u>
2. INVESTMENT INCOME	2001 £	2000 £
Bank interest	<u>449</u>	<u>1,636</u>
3. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2001 £	2000 £
Loss on ordinary activities before taxation is stated after charging/(crediting):		
Depreciation of tangible assets:		
Charge for the year:		
owned assets	52,203	14,340
Loss on foreign exchange transactions	<u>7,207</u>	<u>2,929</u>
4. TANGIBLE FIXED ASSETS		
		<i>Plant and machinery</i> £
Cost		
1 January 2001		194,885
Additions		<u>23,663</u>
31 December 2001		<u>218,548</u>
Depreciation		
1 January 2001		14,340
Charge in the year		<u>52,203</u>
31 December 2001		<u>66,543</u>
Net book value		
31 December 2001		<u>152,005</u>
31 December 2000		<u>180,545</u>

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

5. FIXED ASSET INVESTMENTS

	<i>Shares in group undertakings and participating interests</i>
	£
Cost	
1 January 2001 and 31 December 2001	60

In the opinion of the director the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

<i>Company</i>	<i>Country of registration or incorporation</i>	<i>Shares held</i>	
		<i>Class</i>	<i>%</i>
Subsidiary undertakings			
Arab Motoring & Publishing Associates Limited	England	Ordinary	60

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	<i>Capital and reserves</i>	<i>Profit/(loss) for the year</i>
	£	£
Arab Motoring & Publishing Associates Limited	(8,702)	(4,686)

6. DEBTORS

	2001	2000
	£	£
Due within one year:		
Other debtors	175,331	125,047

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

7. CREDITORS: Amounts falling due within one year	2001	2000
	£	£
Bank loans and overdrafts	-	16,516
Trade creditors	45,695	2,747
Taxes and social security costs	3,755	-
Other creditors	2,041	56,610
	<u>51,491</u>	<u>75,873</u>

8. CREDITORS: Amounts falling due in more than one year	2001	2000
	£	£
Other loans	<u>1,343,567</u>	<u>546,230</u>
Loans		
Wholly repayable within five years	<u>1,343,567</u>	<u>546,230</u>
Loan maturity analysis:		
In more than two years but not more than five years	<u>1,343,567</u>	<u>546,230</u>

9. SHARE CAPITAL	2001	2000
	£	£
Authorised:		
100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

10. STATEMENT OF MOVEMENT ON RESERVES

	<i>Profit and loss account</i>
	£
1 January 2001	(278,703)
Retained loss for the year	<u>(759,429)</u>
31 December 2001	<u>(1,038,132)</u>

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2001

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2001	2000
	£	£
Loss for the financial year	(759,429)	(278,703)
Proceeds from issue of shares	-	100
	<hr/>	<hr/>
Net depletion in shareholders' funds	(759,429)	(278,603)
Opening shareholders' funds	(278,603)	-
	<hr/>	<hr/>
Closing shareholders' funds	<u>(1,038,032)</u>	<u>(278,603)</u>

12. CONTROL

The ultimate controlling party is Saif Media Establishment.

13. RELATED PARTY TRANSACTIONS

The company has received a loan of £1,343,567 from its parent company, Saif Media Establishment. This loan is interest free and is included in other creditors falling due after more than one year.