

Elaph Publishing Limited

FINANCIAL STATEMENTS

For the period ended

31 December 2003



Company Registration No. 3872914

Elaph Publishing Limited
DIRECTOR AND OFFICERS

DIRECTOR

O Al-Omeir (Managing Director)

SECRETARY

J Whipps (resigned May 2003)
S Isaac (appointed May 2003)

COMPANY NUMBER

3872914 (England and Wales)

REGISTERED OFFICE

2 Bloomsbury Street
London
WC1B 3ST

ACCOUNTANT

J Whipps ACMA
80 Mount Pleasant
Biggin Hill
Kent
TN16 3TR

**ACCOUNTANT'S REPORT TO THE DIRECTOR ON THE
UNAUDITED ACCOUNTS OF ELAPH PUBLISHING LIMITED**

I have prepared, on the basis of the information contained in the company's accounting records and provided by the company's director, and without carrying out an audit or examination, the accounts for the period ended 31 December 2003 set out on pages 4 to 9. The accounts have been prepared in accordance with the applicable requirements of the Companies Act 1985.

The company's director is responsible for the preparation of the accounts and for confirming that the company is exempt from the audit requirements of the Act.



JOSIE WHIPPS

Reporting Accountant
80 Mount Pleasant
Biggin Hill
Kent TN16 3TR

Date: 1 March 2004

Elaph Publishing Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2003

	Notes	2003 £	2002 £
Other operating expenses	1	316,838	437,310
OPERATING LOSS		(316,838)	(437,310)
Investment income	2	148	200
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(316,690)	(437,110)
Taxation		-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	10	(316,690)	(437,110)

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

for the year ended 31 December 2003

	Notes	31 December 2003 £	31 December 2002 £
FIXED ASSETS			
Tangible Assets	4	42,731	97,368
Investments	5	60	60
		<hr/>	<hr/>
		42,791	97,428
		<hr/>	<hr/>
CURRENT ASSETS			
Debtors	6	171,922	173,414
Cash at bank and in hand		33,563	3,333
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	7	205,485 34,597	176,747 70,194
		<hr/>	<hr/>
		170,888	106,553
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		213,679	203,981
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	8	2,005,511	1,679,123
		<hr/>	<hr/>
		(1,791,832)	(1,475,142)
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	(1,791,932)	(1,475,242)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	11	(1,791,832)	(1,475,142)
		<hr/>	<hr/>

In preparing these financial statements:

- (a) 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;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) 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

 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 the 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 2003

1	OTHER OPERATING EXPENSES	2003 £	2002 £
	Administrative expenses	316,838	437,310
2	INVESTMENT INCOME	2003 £	2002 £
	Bank interest	148	200
3	LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2003 £	2002 £
	Loss on ordinary activities before taxation is stated after charging/ (crediting):		
	Depreciation of tangible assets:		
	Charge for the year:		
	owned assets	54,637	54,637
	Loss on foreign exchange transactions	-	-
4	TANGIBLE FIXED ASSETS		<i>Plant and machinery</i> £
	Cost		
	01 January 2003		218,548
	Additions		
	31 December 2003		218,548
	Depreciation		
	01 January 2003		121,180
	Charge in the year		54,637
	31 December 2003		175,817
	Net book value		
	31 December 2003		42,731
	31 December 2002		97,368

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

5 FIXED ASSET INVESTMENTS

*Shares in group undertakings
and participating interests*
£

Cost	
1 January 2003 and 31 December 2003	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>Class</i>	<i>Shares held</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	(15,867)	(2,636)

6 DEBTORS

	2003 £	2002 £
Due within one year	-	-
Other debtors	171,922	173,414

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

7	CREDITORS: Amounts falling due within one year	2003 £	2002 £
	Bank loans and overdrafts	-	1,271
	Trade creditors	34,378	47,333
	Taxes and social security costs	219	4,321
	Other creditors	-	17,269
		<hr/> 34,597	<hr/> 70,194
8	CREDITORS: Amounts falling due in more than one year	2003 £	2002 £
	Other loans	<hr/> 2,005,511	<hr/> 1,679,123
	Loans		
	Wholly repayable within five years	<hr/> 2,005,511	<hr/> 1,343,567
	Loan maturity analysis:		
	In more than two years but not more than five years	<hr/> 2,005,511	<hr/> 1,343,567
9	SHARE CAPITAL	2003 £	2002 £
	Authorised 100,000 Ordinary shares of £1 each	<hr/> 100,000	<hr/> 100,000
	Allotted, issued and fully paid 100 Ordinary shares of £1 each	<hr/> 100	<hr/> 100
10	STATEMENT OF MOVEMENT ON RESERVES		<i>Profit and loss account £</i>
	01 January 2003		(1,475,242)
	Retained loss for the period		<hr/> (316,690)
	31 December 2003		<hr/> (1,791,932)

Elaph Publishing Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2003

11	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	2003 £	2002 £
	Loss for the financial year	(316,690)	(437,110)
	Proceeds from issue of shares	-	-
		<hr/>	<hr/>
	Net depletion in shareholders' funds	(316,690)	(437,110)
	Opening shareholders' funds	(1,475,142)	(1,038,032)
		<hr/>	<hr/>
	Closing shareholders' funds	(1,791,832)	(1,475,142)
		<hr/>	<hr/>

12 CONTROL

The ultimate controlling party is Saif Media Establishment.

13 RELATED PARTY TRANSACTIONS

The company has received a loan of £1,730,511 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.