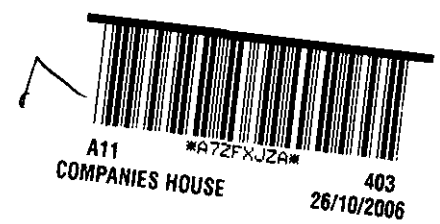


Registered number
04371448

Angel Magazines Limited

Report and Accounts

30 June 2006



Angel Magazines Limited
Report and accounts
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Angel Magazines Limited
Company Information

Directors

J A Fry

A D Jeakings

Secretary

J O Ellison

Auditors

Linn Maggs Goldwin

2-4 Great Eastern Street

London

EC2A 3NT

Registered office

Prospect House

Rouen Road

Norwich

Norfolk

NR1 1RE

Registered number

04371448

Angel Magazines Limited Directors' Report

The directors present their report and accounts for the period ended 30 June 2006.

Principal activities and review of the business

The company's principal activity during the period continued to be that of magazine publishing.

On 20 January 2006 the company was acquired by Archant Life Limited, and its activity was immediately hived-up to that company. Subsequently the company has been dormant.

Results and dividends

The loss for the period, after taxation, amounted to £62,398. The directors do not recommend the payment of a dividend for the period under review.

Future developments

The company will remain dormant for the foreseeable future.

Directors

The directors who served during the period and their interests in the share capital of the company were as follows:

	£1 Ordinary shares	
	30 Jun 2006	1 Jan 2005
J D G Isaac (resigned 20 January 2006)	-	-
J A Fry (appointed 20 January 2006)	-	-
A D Jeakings (appointed 20 January 2006)	-	-

The interests of the directors in the shares of the ultimate parent undertaking, Archant Limited, were as follows:

	£1 Ordinary shares	
	At date of	
	30 Jun 2006	appointment
J A Fry	33,549	24,072
A D Jeakings	15,598	10,074

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the board on 23 October 2006



J O Ellison
Company Secretary

Angel Magazines Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the report and accounts in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any *material departures disclosed and explained in the accounts*;
- prepare the accounts 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 accounts 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.

Angel Magazines Limited

Independent auditors' report to the shareholder of Angel Magazines Limited

We have audited the accounts of Angel Magazines Limited for the period from 1 January 2005 to 30 June 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, 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 transactions with the company 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.

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts:

- 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 30 June 2006 and of its loss for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

Linn Maggs Goldwin
Linn Maggs Goldwin
Registered auditors

23 OCT 2006

2-4 Great Eastern Street
London
EC2A 3NT

Angel Magazines Limited
Profit and Loss Account
for the period from 1 January 2005 to 30 June 2006

	Notes	01/01/05 to 30/06/06 £	Year to 31/12/04 £
Turnover	2	584,339	568,061
Cost of sales		(207,810)	(174,258)
Gross profit		<u>376,529</u>	<u>393,803</u>
Distribution costs		(39,308)	(41,843)
Administrative expenses		(461,153)	(437,661)
Other operating income		4,939	-
Operating loss	3	<u>(118,993)</u>	<u>(85,701)</u>
Exceptional items: profit on disposal of business		55,641	-
		<u>(63,352)</u>	<u>(85,701)</u>
Interest receivable		1,004	1,102
Interest payable	5	(50)	(2)
Loss on ordinary activities before taxation		<u>(62,398)</u>	<u>(84,601)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the period		<u>(62,398)</u>	<u>(84,601)</u>

Discontinued operations

The company's activities were discontinued on 20 January 2006.

Statement of total recognised gains and losses

The company has no recognised gains or losses other than the loss for the above two periods.

Angel Magazines Limited
Balance Sheet
as at 30 June 2006

	Notes	30/06/06 £	31/12/04 £
Fixed assets			
Intangible assets	7	-	534,094
Tangible assets	8	-	4,633
		-	538,727
Current assets			
Debtors	9	39,521	117,351
Cash at bank and in hand		-	13,391
		39,521	130,742
Creditors: amounts falling due within one year	10	-	(867,549)
Net current assets/(liabilities)		39,521	(736,807)
Net assets/(liabilities)		39,521	(198,080)
Capital and reserves			
Called up share capital	11	300,000	1
Profit and loss account	12	(260,479)	(198,081)
Shareholder's funds	13	39,521	(198,080)

A D Jeakings
Director

Approved by the board on

23 October 2006

Angel Magazines Limited
Cash Flow Statement
for the period from 1 January 2005 to 30 June 2006

	Notes	01/01/05 to 30/06/06 £	Year to 31/12/04 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(118,993)	(85,701)
Depreciation charges		3,384	4,084
Amortisation of goodwill		31,735	30,423
Decrease/(increase) in debtors		77,830	(33,101)
(Decrease)/increase in creditors		(867,549)	54,743
Net cash outflow from operating activities		<u>(873,593)</u>	<u>(29,552)</u>
CASH FLOW STATEMENT			
Net cash outflow from operating activities		(873,593)	(29,552)
Returns on investments and servicing of finance	14	954	1,100
Capital expenditure	14	<u>559,249</u> (313,390)	<u>(2,892)</u> (31,344)
Financing	14	299,999	-
Decrease in cash		<u>(13,391)</u>	<u>(31,344)</u>
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the period		(13,391)	(31,344)
Change in net debt	15	<u>(13,391)</u>	<u>(31,344)</u>
Net funds at 1 January		13,391	44,735
Net funds at 30 June / 31 December		<u>-</u>	<u>13,391</u>

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Generally Accepted Accounting Practice.

Intangible fixed assets

On the acquisition of a business, fair values are attributable to the assets acquired. Where the cost of acquisition exceeds the fair values attributable to such assets, the difference is treated as purchased goodwill and capitalised in the balance sheet in the year of acquisition.

Purchased goodwill is amortised over its estimated useful life up to a maximum of 20 years. The directors regard 20 years as a reasonable maximum for the estimated useful life of goodwill since it is difficult to make projections exceeding this period.

The directors review the carrying values of intangible fixed assets annually, and where an impairment is identified they are written down to their recoverable amounts, representing value in use to the business.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 3 to 5 years
---------------------	-------------------

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Leasing and hire purchase commitments

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Revenue and cost recognition

Advertising revenue is recognised in the month of issue publication, and direct costs in respect of that issue are also recognised in that particular month.

All other running costs are recognised in the period to which they relate.

All revenue is net of value added tax and trade discounts.

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

2 Turnover

Turnover represents the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Turnover is attributable to one continuing activity, that of magazine activity.

3 Operating loss	2006 £	2004 £
This is stated after charging:		
Depreciation of owned fixed assets	3,384	4,084
Amortisation of goodwill	31,735	30,423
Operating lease rentals - land and buildings	26,507	13,550
Auditors' remuneration	<u>1,500</u>	<u>-</u>

4 Staff costs	2006 £	2004 £
Wages and salaries	199,422	170,047
Social security costs	<u>14,317</u>	<u>12,339</u>
	<u>213,739</u>	<u>182,386</u>

Average number of employees during the year

	Number	Number
Administration	1	1
Production and design	1	1
Editorial	1	1
Sales	<u>4</u>	<u>4</u>
	<u>7</u>	<u>7</u>

5 Interest payable	2006 £	2004 £
Bank loans and overdrafts	<u>50</u>	<u>2</u>

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

6 Taxation

2006
£

2004
£

Analysis of charge in period

Tax on profit on ordinary activities

-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

2006
£

2004
£

Loss on ordinary activities before tax

(62,398)	(84,601)
----------	----------

Standard rate of corporation tax in the UK

30% 30%

£ **£**

Profit on ordinary activities multiplied by the standard rate of corporation tax

(18,719)	(25,380)
----------	----------

Effects of:

Group relief not paid over

34,550	23,536
--------	--------

Expenses not deductible for tax purposes

143	843
-----	-----

Capital allowances for period in excess of depreciation

718	1,001
-----	-------

Intra-group sale of business not taxable

(16,692)	-
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Current tax charge for period

-	-
---	---

Factors affecting future tax charges

The company's tax losses of £137,521 were transferred to its parent undertaking on acquisition.

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

7 Intangible fixed assets	£
Goodwill:	
Cost	
At 1 January 2005	604,633
Disposals	(604,633)
At 30 June 2006	-
Amortisation	
At 1 January 2005	70,539
Provided during the period	31,735
On disposals	(102,274)
At 30 June 2006	-
Net book value	
At 30 June 2006	-
At 31 December 2004	534,094

Goodwill was being written off in equal annual instalments over its estimated economic life of 20 years.

8 Tangible fixed assets	Plant and machinery £
Cost	
At 1 January 2005	12,943
Disposals	(12,943)
At 30 June 2006	-
Depreciation	
At 1 January 2005	8,310
Charge for the period	3,384
On disposals	(11,694)
At 30 June 2006	-
Net book value	
At 30 June 2006	-
At 31 December 2004	4,633

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

9 Debtors	2006 £	2004 £
Trade debtors	-	86,111
Amounts owed by group undertakings and undertakings in which the company has a participating interest	39,521	-
Other debtors	-	14,100
Prepayments and accrued income	-	17,140
	<u>39,521</u>	<u>117,351</u>

10 Creditors: amounts falling due within one year	2006 £	2004 £
Trade creditors	-	43,091
Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	805,678
Other taxes and social security costs	-	4,661
Other creditors	-	47
Accruals and deferred income	-	14,072
	<u>-</u>	<u>867,549</u>

11 Share capital	2006 £	2004 £
Authorised:		
Ordinary shares of £1 each	<u>300,000</u>	<u>1,000</u>
	2006 No	2004 No
2006		
2004		
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>300,000</u>	<u>1</u>

299,999 ordinary shares of £1 each were issued during the period at par value.

12 Profit and loss account	2006 £	2004 £
At 1 January	(198,081)	(113,480)
Loss for the period	(62,398)	(84,601)
	<u>(260,479)</u>	<u>(198,081)</u>
At 30 June / 31 December		

Angel Magazines Limited
Notes to the Accounts
for the period from 1 January 2005 to 30 June 2006

13 Reconciliation of movement in shareholder's funds	2006	2004
	£	£
At 1 January	(198,080)	(113,479)
Loss for the financial period	(62,398)	(84,601)
Shares issued	299,999	-
At 30 June / 31 December	<u>39,521</u>	<u>(198,080)</u>

14 Gross cash flows	2006	2004
	£	£
Returns on investments and servicing of finance		
Interest received	1,004	1,102
Interest paid	(50)	(2)
	<u>954</u>	<u>1,100</u>
Capital expenditure		
Payments to acquire intangible fixed assets	-	(2,892)
Receipts from sales of tangible fixed assets	1,249	-
Receipts from sale of business	558,000	-
	<u>559,249</u>	<u>(2,892)</u>
Financing		
Issue of share capital	<u>299,999</u>	<u>-</u>

15 Analysis of changes in net debt	At 1 Jan	Cash flows	Non-cash	At 30 Jun
	2005		changes	2006
	£	£	£	£
Cash at bank and in hand	13,391	(13,391)		-
Total	<u>13,391</u>	<u>(13,391)</u>	<u>-</u>	<u>-</u>

16 Immediate and ultimate parent undertakings, and controlling party

The immediate parent undertaking is Archant Life Limited, and the ultimate parent undertaking is Archant Limited. Both companies are registered in England and Wales. No one individual has a controlling interest in Archant Limited.