

**CITRUS PUBLISHING LIMITED**

**REPORT AND ACCOUNTS**

**For the year ended**

**31 MARCH 2003**



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## **CITRUS PUBLISHING LIMITED**

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# **CITRUS PUBLISHING LIMITED**

## **DIRECTORS AND ADVISERS**

DIRECTORS	JDW Brown AM Hirsch RC Baker
SECRETARY	C J Campkin
REGISTERED OFFICE	The New Boathouse 136-142 Bramley Road London W10 6SR
BANKERS	National Westminster Bank plc 24 Albermarle Street London W1X 4JS
AUDITORS	Nexia Audit Limited 1 Riding House Street London W1A 3AS
ACCOUNTANTS & FINANCIAL ADVISERS	Smith & Williamson Limited 1 Riding House Street London W1A 3AS
COMPANY'S REGISTERED NUMBER	1049793

## **CITRUS PUBLISHING LIMITED**

### **DIRECTORS' REPORT**

The directors submit their report and the accounts of Citrus Publishing Limited for the year ended 31 March 2003.

#### **Principal activities**

The principal activity of the company during the year was the production of quality customer magazines and bespoke web solutions.

#### **Review of the business**

The company has ceased trading activities, effective from 31 March 2003. It is the future intention of the directors to have the company and its immediate parent company, Citrus Holding Limited, wound up.

#### **Results and dividends**

The profit for the year after taxation was £406,713 (2002: £245,135). The company paid an interim dividend of 30p (2002: 48p) per ordinary share. The directors recommend a final dividend of 12.9p (2002: 50p) per ordinary share making a total dividend for the year of 42.9p (2002: 98p) per ordinary share.

#### **Directors**

The directors who served during the year were:

JDW Brown  
AM Hirsch  
RC Baker

None of the directors or their families had any interest in the shares of the company as required to be disclosed by the Companies Act 1985.

#### **Auditors**

A resolution to re-appoint Nexia Audit Limited will be proposed at the next Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

  
CJ Campkin  
Secretary

## **CITRUS PUBLISHING LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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 of the company 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;
- 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 requirements of 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.

# Nexia Audit

— · Limited · —

## Independent auditors' report to the shareholders of Citrus Publishing Limited

We have audited the accounts of Citrus Publishing Limited for the year ended 31 March 2003 on pages 6 to 15. As described on page 8, the company has ceased trading and accordingly the accounts have been prepared on a break up basis.

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.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 the 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 United Kingdom Auditing Standards 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 of the state of the company's affairs as at 31 March 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Nexia Audit Limited*

Nexia Audit Limited  
Chartered Accountants  
Registered Auditors

1 Riding House Street  
London  
W1A 3AS

Date *8 September 2003*

**CITRUS PUBLISHING LIMITED**

**PROFIT AND LOSS ACCOUNT for the year ended 31 MARCH 2003**

	Notes	2003 £	2002 £
<b>Turnover</b>	1	4,847,404	9,980,328
Cost of sales		(3,218,820)	(6,739,489)
<b>Gross profit</b>		1,628,584	3,240,839
Administrative expenses		(1,069,519)	(2,400,701)
Exceptional administrative expenses	2	-	(209,993)
<b>Operating profit</b>		559,065	630,145
Profit/(loss) on sale of fixed assets		6,246	(172,725)
Reorganisation costs		-	(102,010)
		565,311	355,410
Interest receivable		4,010	18,957
<b>Profit on ordinary activities before taxation</b>	2	569,321	374,367
Taxation	4	(162,608)	(129,232)
<b>Profit for the financial year</b>		406,713	245,135
Dividends	5	(429,069)	(980,000)
<b>Retained loss for the financial year</b>	11	(22,356)	(734,865)

All of the company's activities are now discontinued. There were no other gains or losses in either year other than those included in the above profit and loss account.

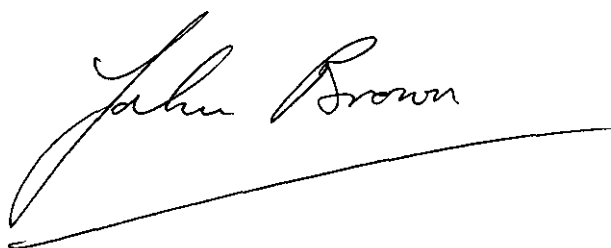
**CITRUS PUBLISHING LIMITED**

**BALANCE SHEET as at 31 MARCH 2003**

	Notes	2003 £	2002 £
<b>Fixed assets</b>			
Tangible fixed assets	6	-	128,797
		<hr/>	<hr/>
<b>Current assets</b>			
Stocks	7	-	50,072
Debtors	8	257,008	2,746,584
Cash at bank		2,958	273,980
		<hr/>	<hr/>
		259,966	3,070,636
<b>Creditors: amounts falling due within one year</b>	9	(209,966)	(3,127,077)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		50,000	(56,441)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		50,000	72,356
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	50,000	50,000
Profit and loss account	11	-	22,356
		<hr/>	<hr/>
<b>Shareholders' funds</b>	12	50,000	72,356
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on ~~8 SEPTEMBER 03~~ <sup>8 SEPTEMBER 03</sup> and were signed on its behalf by:

JDW Brown  
Director





## **CITRUS PUBLISHING LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)**

#### **1 Accounting policies**

The accounts have been prepared in accordance with applicable accounting standards. The more important accounting policies are described below.

##### **Basis of accounting**

As described on page 3, it is the future intention of the directors to have the company wound up and accordingly the accounts have been prepared on a break up basis. Accordingly, fixed assets have been reclassified as current assets and all relevant liabilities have been provided.

##### **Tangible fixed assets**

Tangible fixed assets are stated at 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:-

Fixtures, fittings and equipment	20% and 33.3% straight line
----------------------------------	-----------------------------

##### **Stocks and work in progress**

Stocks include paper stock valued at the lower of cost and net realisable value.

Short-term work in progress comprises all costs of jobs which were incomplete at the balance sheet date.

##### **Deferred taxation**

Deferred tax is provided for on a full provision basis on all timing differences, which have arisen but not reversed at the balance sheet date. No timing differences are recognised in respect of gains on sale of assets where those gains have been rolled over into replacement assets. Deferred tax assets are recognised to the extent that they are recoverable, that is, on the basis of all available evidence, it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Any assets and liabilities recognised have not been discounted.

##### **Leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

##### **Foreign currencies**

Items arising from transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction.

All monetary assets and liabilities denominated in foreign currencies are translated at the closing rate or at the rate of exchange at which the transaction is contracted to be settled in the future. All exchange differences are dealt with in the profit and loss account.

# CITRUS PUBLISHING LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)

### 1 Accounting policies (continued)

#### Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from reporting related party transactions with its parent and fellow subsidiary undertakings.

#### Turnover

Turnover represents the invoiced value, net of Value Added Tax, of sales and fees receivable for the year. Sales of individual issues of customer magazines are included on the date final copy is despatched to printers. Sales of services related to web work are included on the dates on which the work is undertaken.

2	Profit on ordinary activities before taxation	2003 £	2002 £
	Profit on ordinary activities before taxation is stated after charging:		
	Depreciation	39,251	141,483
	Exchange losses	6,950	397
	Operating lease rentals:		
	Land and buildings	22,751	48,488
	Exceptional administrative expenses	-	209,993
	Auditors' remuneration	4,500	16,500

Exceptional administrative expenses include costs incurred in moving business premises and redundancy costs.

Auditors' remuneration includes amounts borne by the company in respect of the parent company, Citrus Holdings Limited.

# CITRUS PUBLISHING LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)

3	Employees	2003 No	2002 No
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Management and administration	3	10
	Publishing	-	58
		<hr/>	<hr/>
		3	68
		<hr/>	<hr/>
	Staff costs for above persons (including directors):	£	£
	Wages and salaries	-	2,781,874
	Social security costs	-	257,540
	Other pension costs	-	55,187
		<hr/>	<hr/>
		-	3,094,601
		<hr/>	<hr/>
	Directors' emoluments	£	£
	Emoluments for management services	-	760,101
	Pension contributions	-	17,467
		<hr/>	<hr/>
	Total emoluments	-	777,568
		<hr/>	<hr/>
	The number of directors to whom relevant benefits are accruing under money purchase pension schemes was nil (2002: four).		
	The emoluments of the highest paid director (excluding pension contributions) in the year were:		
		£	£
	Aggregate emoluments	-	245,626
		<hr/>	<hr/>

**CITRUS PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)**

<b>4 Taxation</b>	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
UK corporation tax based on profits for the year at 30% (2002: 30%)	136,916	165,000
Adjustments in respect of prior year	(18,059)	7,983
	<hr/>	<hr/>
Total current tax	118,857	172,983
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 13)	43,751	(43,751)
	<hr/>	<hr/>
Tax on profit of ordinary activities	162,608	129,232
	<hr/>	<hr/>
Profit on ordinary activities before tax	569,321	374,367
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 30% (2002: 30%)	170,796	112,310
<i>Tax effects of:</i>		
Expenses not deductible for tax purposes	5,140	11,747
Capital allowances (in excess)/deficit of depreciation	(8,609)	40,943
Group relief	(30,411)	-
Adjustment in respect of prior year	(18,059)	7,983
	<hr/>	<hr/>
Total current tax charge for the year	118,857	172,983
	<hr/>	<hr/>

**CITRUS PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)**

<b>5</b>	<b>Dividends</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Ordinary:		
	Interim paid – 30p per share (2002: per share)	300,000	480,000
	Final paid – 12.9p per share (2002: 50p per share)	129,069	500,000
		<hr/>	<hr/>
		429,069	980,000
		<hr/>	<hr/>
<b>6</b>	<b>Tangible fixed assets</b>		<b>Fixtures, fittings and equipment £</b>
	<b>Cost</b>		
	At 1 April 2002		191,748
	Transfer to other group company		(191,748)
			<hr/>
	At 31 March 2003		-
			<hr/>
	<b>Depreciation</b>		
	At 1 April 2002		62,951
	Charge for the year		39,251
	Transfer to other group company		(102,202)
			<hr/>
	At 31 March 2003		-
			<hr/>
	<b>Net book value</b>		
	At 31 March 2003		-
			<hr/>
	At 31 March 2002		128,797
			<hr/>
<b>7</b>	<b>Stocks</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Paper stock	-	7,382
	Work in progress	-	42,690
		<hr/>	<hr/>
		-	50,072
		<hr/>	<hr/>

**CITRUS PUBLISHING LIMITED**

**NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)**

<b>8</b>	<b>Debtors</b>	<b>2003 £</b>	<b>2002 £</b>
	Trade debtors	38,421	1,610,863
	Amounts owed by group company	199,956	-
	Deferred tax asset (note 13)	-	43,751
	Other debtors	13,097	141,250
	Prepayments and accrued income	5,534	949,288
	Loans to directors	-	1,432
		<hr/>	<hr/>
		257,008	2,746,584
		<hr/>	<hr/>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>£</b>	<b>£</b>
	Trade creditors	17,997	799,575
	Amounts owed to group company	129,069	530,852
	Corporation tax	51,821	9,458
	Other creditors including other tax and social security	11,079	481,957
	Accruals and deferred income	-	1,305,235
		<hr/>	<hr/>
		209,966	3,127,077
		<hr/>	<hr/>
<b>10</b>	<b>Share capital</b>	<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,500,000 ordinary shares of 5p each	75,000	75,000
		<hr/>	<hr/>
	<b>Allotted, issued and fully paid</b>		
	1,000,000 ordinary shares of 5p each	50,000	50,000
		<hr/>	<hr/>
<b>11</b>	<b>Profit and loss account</b>	<b>£</b>	<b>£</b>
	At 1 April 2002	22,356	757,221
	Retained loss for the financial year	(22,356)	(734,865)
		<hr/>	<hr/>
	At 31 March 2003	-	22,356
		<hr/>	<hr/>

# CITRUS PUBLISHING LIMITED

## NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)

12	<b>Reconciliation of movement in shareholders' funds</b>	<b>2003</b>	<b>2002</b>
		<b>£</b>	<b>£</b>
	Profit on ordinary activities after taxation	406,713	245,135
	Dividends	(429,069)	(980,000)
		<hr/>	<hr/>
	Net reduction in shareholders' funds	(22,356)	(734,865)
	Opening shareholders' funds	72,356	807,221
		<hr/>	<hr/>
	Closing shareholders' funds	50,000	72,356
		<hr/>	<hr/>
13	<b>Deferred taxation</b>	<b>£</b>	<b>£</b>
	Deferred tax asset	-	43,751
		<hr/>	<hr/>
	<i>Deferred tax</i>		
	Balance at 1 April 2002		43,751
	Profit and loss account (note 4)		(43,751)
			<hr/>
	At 31 March 2003		-
			<hr/>
	The deferred tax asset arises due to excess depreciation over capital allowances.		
14	<b>Commitments under operating leases</b>	<b>£</b>	<b>£</b>
	At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:		
	Land and buildings		
	Expiring within one year	-	22,751
		<hr/>	<hr/>

## **CITRUS PUBLISHING LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 MARCH 2003 (continued)**

#### **15 Related party disclosures**

During the year the company paid £nil (2002: £94,000) to William Reed Management Services, a former group company, as a settlement for any dilapidations with regard to the former premises. In addition, the company paid £nil (2002: £347,408) by way of management charges. The amount outstanding at year end was £nil (2002: £nil).

During the year the company provided interest free season ticket loans of £nil (2002: £3,931) to two of the directors, RC Baker and SJ Chappell. At the year end £nil (2002: £1,432) was outstanding.

The company sold cars with a total net book value of £nil (2002: £46,841) to RC Baker and SJ Chappell, for a total of £nil (2002: £4,500). The benefit in kind is included within directors' emoluments.

#### **16 Contingent liabilities**

At the year end there were cross guarantees in existence between John Brown Publishing Limited, John Brown Contract Publishing Limited, Citrus Holdings Limited and the company, which guaranteed the bank borrowings of the group, which amounted to £nil at 31 March 2003 (2002: £141,531).

#### **17 Ultimate parent company and controlling party**

The immediate parent company is Citrus Holdings Limited and the ultimate parent company is John Brown Publishing Limited, both incorporated in the United Kingdom. Copies of their accounts are available from Companies House, Crown Way, Cardiff, CF4 3UZ.

In the opinion of the directors, there is no ultimate controlling party.