

CITRUS PUBLISHING LIMITED

REPORT AND
FINANCIAL STATEMENTS

for the year ended
31 MARCH 1999

Company No: 1049793



CITRUS PUBLISHING LIMITED

DIRECTORS

C C T Reed (Chairman)
S J Chappell
R C Baker
N W Reed

SECRETARY AND REGISTERED OFFICE

N W Reed
Broadfield Park, Crawley, West Sussex, RH11 9RT

AUDITORS

Moore Stephens
Chartered Accountants
St Paul's House, Warwick Lane, London, EC4P 4BN

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1999.

REVIEW OF ACTIVITIES

The company continued to produce quality customer magazines for a number of blue chip clients across a wide range of business sectors. The company changed its name from The BLA Group Limited on 17 June 1999.

RESULTS AND DIVIDEND

The results for the year are set out in the attached financial statements. No final dividend is recommended.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTORS' INTERESTS

None of the directors held any shares in the company at 31 March 1999.

The interests of Mr C C T Reed and Mr N W Reed in the holding company are shown in the financial statements of the holding company.

BOARD CHANGES

Mr S.J.Chappell was appointed a Director on 1 September 1998.

YEAR 2000

The directors believe that the company has taken all reasonable steps to eliminate any potential risks which may arise from the Year 2000 problem with regard to internal use of computer systems and embedded chips and are obtaining similar assurances in connection with its principal relationships with third parties. The total costs of ensuring Year 2000 compliance have not yet been quantified, but are not considered to be significant.

AUDITORS

Moore Stephens have indicated their willingness to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted at the Annual General Meeting.

A handwritten signature in black ink, appearing to read 'N W Reed', with a long horizontal flourish underneath.

By Order of the Board

N W Reed
Secretary

CITRUS PUBLISHING LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

CITRUS PUBLISHING LIMITED

**AUDITORS' REPORT TO THE SHAREHOLDERS
OF CITRUS PUBLISHING LIMITED**

We have audited the financial statements on pages 5-12 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described on the previous page the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

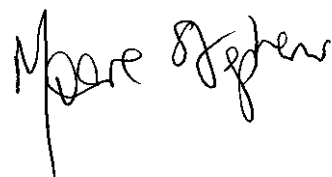
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinions, we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

St Paul's House
Warwick Lane
LONDON EC4P 4BN

19th October 1999



MOORE STEPHENS
Chartered Accountants
Registered Auditor

CITRUS PUBLISHING LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	<i>Notes</i>	1999 £	1998 £
TURNOVER	1	8,733,995	7,549,823
Cost of Sales		(5,715,168)	(5,331,946)
		-----	-----
GROSS PROFIT		3,018,827	2,217,877
Net operating expenses		(2,147,199)	(1,619,031)
		-----	-----
OPERATING PROFIT	2	871,628	598,846
(Loss)/profit on sale of fixed assets		5,131	(19,370)
Interest receivable	3	21,878	17,916
Interest payable	4	(618)	(51)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		898,019	597,341
Tax on profit on ordinary activities	7	(276,465)	(194,864)
		-----	-----
PROFIT FOR THE FINANCIAL YEAR	13	<u>621,554</u>	<u>402,477</u>

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 7-12 form part of these financial statements.

CITRUS PUBLISHING LIMITED

BALANCE SHEET AT 31 MARCH 1999

		1999		1998
	Notes	£	£	£
FIXED ASSETS				
Tangible Assets	8		539,414	462,976
CURRENT ASSETS				
Stocks	9	82,660		66,589
Debtors	10	3,457,527		2,052,692
Cash at Bank		120,066		189,737
		-----		-----
		3,660,253		2,309,018
CREDITORS				
Amounts falling due within one year	11	(2,964,411)		(2,158,292)
		-----		-----
NET CURRENT ASSETS/(LIABILITIES)			695,842	150,726
			-----	-----
TOTAL ASSETS			<u>1,235,256</u>	<u>613,702</u>
CAPITAL AND RESERVES				
Called up Share Capital	12	50,000		50,000
Profit & Loss Account	13	1,185,256		563,702
		-----		-----
SHAREHOLDERS FUNDS	14		<u>1,235,256</u>	<u>613,702</u>

The financial statements were approved by the Board on 17th October 1999 and signed on its behalf by

S.J.Chappell

R.C. Baker



} Directors

The notes on pages 7-12 form part of these financial statements.

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention, and in accordance with applicable Accounting Standards.

1.2 TURNOVER

Turnover comprises sales and fees receivable for the year excluding VAT. Sales of individual issues of customer magazines are included on the date final copy is despatched to printers.

Income and costs are recognised in the profit and loss account in respect of issues of customer magazines which are more than 50% complete at the balance sheet date.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value of the tangible assets over their estimated useful lives:-

Fixtures fittings and equipment	20% & 25% Straight Line
Motor vehicles	25% Straight Line

1.4 STOCKS

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.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 LEASING AND HIRE PURCHASE

Rentals payable under operating leases are taken to the profit and loss account in the period to which they relate.

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

2. OPERATING PROFIT

	1999	1998
	£	£
The Operating Profit is stated after charging:-		
Depreciation	151,504	109,395
Auditors' Remuneration		
- Audit	7,500	7,000
- Other	1,280	2,882
Hire of Equipment	-	-
Operating Lease Rentals		
- Land & Buildings	<u>48,488</u>	<u>19,786</u>

3. INTEREST RECEIVABLE

	1999	1998
	£	£
Bank and other interest receivable	<u>21,878</u>	<u>17,916</u>

4. INTEREST PAYABLE

	1999	1998
	£	£
Bank interest payable	<u>618</u>	<u>51</u>

5. DIRECTORS AND EMPLOYEES

	1999	1998
	£	£
Staff Costs:-		
Wages and Salaries	1,341,293	1,015,654
Social Security Costs	124,602	89,000
Other Pension Costs	36,002	28,456
	<u>1,501,897</u>	<u>1,133,110</u>

The average weekly number of employees during the year was made up as follows:-

	Number	Number
Management and Administration	9	8
Publishing	<u>32</u>	<u>22</u>
	<u>41</u>	<u>30</u>

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

	1999 £	1998 £
Directors' Emoluments:-		
Remuneration for Management Services	150,698	152,755
Pension Contributions	9,367	11,063
Amount paid to third parties	-	30,000
	<u>160,065</u>	<u>193,818</u>

Pension contributions were paid on behalf of three directors during the year.

6. PENSION COSTS

The parent company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company and parent company in independently administered funds. Contributions payable by the company amounted to £36,002. (1998: £28,456). All contributions were paid in the year.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
The taxation charge based on the profit before tax comprises:-		
UK Corporation Tax	277,257	194,285
Prior year (over)/under provision	(792)	579
	<u>276,465</u>	<u>194,864</u>

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

8. TANGIBLE ASSETS

	Fixtures, Fittings & Equipment £	Motor Vehicles £	Total £
<u>Cost</u>			
At 1 April 1998	540,460	183,379	723,839
Additions	145,218	110,799	256,017
Disposals	-	(60,228)	(60,228)
At 31 March 1999	685,678	233,950	919,628
<u>Depreciation</u>			
At 1 April 1998	199,511	61,352	260,863
Charge for period	101,192	50,312	151,504
Disposals	-	(32,153)	(32,153)
At 31 March 1999	300,703	79,511	380,214
<u>Net Book Value</u>			
At 31 March 1999	<u>384,975</u>	<u>154,439</u>	<u>539,414</u>
At 1 April 1998	<u>340,949</u>	<u>122,027</u>	<u>462,976</u>

9. STOCKS

	1999 £	1998 £
Short-term work in progress	34,881	47,273
Paper Stock	47,779	19,316
	<u>82,660</u>	<u>66,589</u>

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

10. DEBTORS

	1999	1998
	£	£
Trade debtors	3,158,597	1,711,778
Loans to directors	939	912
Other debtors	260,944	144,518
Corporation tax recoverable	2,507	75,899
Prepayments and accrued income	34,540	28,795
Amounts due from group companies	-	90,790
	<u>3,457,527</u>	<u>2,052,692</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Trade creditors	1,596,206	1,570,160
Amount owed to group company	181,261	-
Corporation tax	277,257	194,285
Other taxes and social security costs	40,988	-
Other creditors	162,541	341,450
Accruals and deferred income	706,158	52,397
	<u>2,964,411</u>	<u>2,158,292</u>

12. SHARE CAPITAL

	1999	1998
	£	£
<u>Authorised</u>		
Equity interests:		
1,500,000 Ordinary Shares of 5p each	<u>75,000</u>	<u>75,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
1,000,000 Ordinary Shares of 5p each	<u>50,000</u>	<u>50,000</u>

13. PROFIT AND LOSS ACCOUNT

	1999	1998
	£	£
Retained profits at 1 April 1998	563,702	161,225
Retained profit for the year	621,554	402,477
Retained profits at 31 March 1999	<u>1,185,256</u>	<u>563,702</u>

CITRUS PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Profit for the financial year	621,554	402,477
Shareholders' funds at 1 April 1998	613,702	211,225
Shareholders' funds at 31 March 1999	<u>1,235,256</u>	<u>613,702</u>
Represented by:		
Equity interests	<u>1,235,256</u>	<u>613,702</u>

15. REVENUE COMMITMENTS

The amounts payable in the next year in respect of operating leases are shown below, analysed according to the expiry date of the leases.

	1999	1998
	£	£
<u>Land and Buildings</u>		
Expiry date:		
Less than one year	-	-
Between one and five years	-	-
After five years	48,487	48,487
	<u>48,487</u>	<u>48,487</u>

16. RELATED PARTY TRANSACTIONS

In the opinion of the directors, the company qualifies for, and has therefore taken advantage of, the exemption afforded by paragraph 3 (c) of Financial Reporting Standard No. 8 in respect of related party disclosures.

17. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The ultimate holding company is William Reed Holdings Limited, a company incorporated in England. The ultimate controlling party are the Trustees of the Reed family trusts.