

Registered number
04454028

Grove Magazine Limited
(formerly Metropolis Direct Limited)

Report and Accounts

31 December 2004



Grove Magazine Limited
Report and accounts
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Grove Magazine Limited
Company Information

Director

J D G Isaac

Secretary

G Newey

Auditors

Linn Maggs Goldwin
Suite 32-35, London Fruit Exchange
Brushfield Street
London
E1 6EU

Bankers

Bank of Scotland
PO Box 208
21 Prince Street
Bristol
BS99 7JG

Solicitors

Osborne Clarke
Hillgate House
26 Old Bailey
London
EC4M 7HW

Registered office

19 Heathmans Road
London
SW6 4TJ

Registered number

04454028

Grove Magazine Limited

Director's Report

The director presents his report and accounts for the year ended 31 December 2004.

Change of name

The company changed its name on 19 July 2004 from Metropolis Direct Limited.

Principal activities and review of the business

The company's principal activity during the year was that of magazine publishing. Trading commenced on 1 October 2004.

12 issues will be published in 2005 and management would expect to see a significant increase in revenue and profits in 2005.

Results and dividends

The loss for the year, after taxation, amounted to £63,366. The director does not recommend the payment of a dividend for the year under review.

Director

The director who served during the year was as follows:

J D G Isaac

The director has no interests in the shares of the company. The interests of the director in the shares of the ultimate parent undertaking are shown in that company's accounts.

Director's responsibilities

Company law requires the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the accounts comply with the Companies Act 1985. He is 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.

Auditors

A resolution to reappoint Linn Maggs Goldwin as auditors will be put to the member at the Annual General Meeting.

This report was approved by the board on 4.10.2005



J D G Isaac
Director

Grove Magazine Limited

Independent auditors' report to the shareholder of Grove Magazine Limited

We have audited the accounts of Grove Magazine Limited for the year ended 31 December 2004 which comprise pages 5 to 9. These accounts have been prepared under the historical cost convention and 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 auditor's 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 Director's 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 Director's 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 Director's 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 December 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Linn Maggs Goldwin
Registered auditors

Suite 32-35, London Fruit Exchange
Brushfield Street
London
E1 6EU

17th October 2005

Grove Magazine Limited
Profit and Loss Account
for the year ended 31 December 2004

	Notes	2004 Continuing activities £	2003 Discontinued activities £
Turnover	2	147,131	44,519
Cost of sales		(66,521)	(33,374)
Gross profit		<u>80,610</u>	<u>11,145</u>
Distribution costs		(7,169)	-
Administrative expenses		(136,337)	(64,367)
Operating loss	3	<u>(62,896)</u>	<u>(53,222)</u>
Interest receivable		222	43
Interest payable	5	(692)	(365)
Loss on ordinary activities before taxation		<u>(63,366)</u>	<u>(53,544)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(63,366)</u>	<u>(53,544)</u>
Retained loss for the financial year	10	<u>(63,366)</u>	<u>(53,544)</u>

Continuing activities

The company's original activities were discontinued during 2003.

Statement of total recognised gains and losses

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

Grove Magazine Limited
Balance Sheet
as at 31 December 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	7	75,511	4,808
Cash at bank and in hand		47,406	-
		<u>122,917</u>	<u>4,808</u>
Creditors: amounts falling due within one year	8	(251,996)	(70,521)
Net current liabilities		<u>(129,079)</u>	<u>(65,713)</u>
		<u>(129,079)</u>	<u>(65,713)</u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(129,080)	(65,714)
Shareholder's funds:			
Equity		<u>(129,079)</u>	<u>(65,713)</u>
	11	<u>(129,079)</u>	<u>(65,713)</u>

J D G Isaac

J D G Isaac
 Director

Approved by the board on 4.10.2005

Grove Magazine Limited
Notes to the Accounts
for the year ended 31 December 2004

1 Accounting policies

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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.

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.

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 publishing.

3 Operating loss	2004	2003
	£	£

This is stated after charging:

Operating lease rentals - land buildings	3,177	5,700
Auditors' remuneration (borne by the parent undertaking)	-	500
	<hr/>	<hr/>

4 Staff costs	2004	2003
	£	£

Wages and salaries	71,202	49,457
Social security costs	4,822	5,183
	<hr/>	<hr/>
	76,024	54,640

Average number of employees during the year	Number	Number
Administration	1	1
Editorial	1	-
Sales	1	1
	<hr/>	<hr/>
	3	2

Grove Magazine Limited
Notes to the Accounts
for the year ended 31 December 2004

5 Interest payable	2004	2003
	£	£
Bank loans and overdrafts	<u>692</u>	<u>365</u>

6 Taxation	2004	2003
	£	£
Analysis of charge in year		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for year

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

	2004	2003
	£	£
Loss on ordinary activities before tax	<u>(63,366)</u>	<u>(53,544)</u>
Standard rate of corporation tax in the UK	30%	30%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(19,010)	(16,063)
Effects of:		
Expenses not deductible for tax purposes	2,388	122
Deferred tax loss asset not provided	16,622	15,941
Current tax charge for year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The company has £55,407 of tax losses to carry forward, which can only be offset against future trading profits.

7 Debtors	2004	2003
	£	£
Trade debtors	56,497	2,108
Other debtors	3,340	2,700
Prepayments and accrued income	15,674	-
	<u>75,511</u>	<u>4,808</u>

Grove Magazine Limited
Notes to the Accounts
for the year ended 31 December 2004

8 Creditors: amounts falling due within one year	2004 £	2003 £
Bank loans and overdrafts	-	23,472
Trade creditors	75,256	852
Amounts owed to group undertakings and undertakings in which the company has a participating interest	173,837	45,697
Other taxes and social security costs	2,903	-
Accruals and deferred income	-	500
	<u>251,996</u>	<u>70,521</u>

9 Share capital	2004 £	2003 £
Authorised:		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

	2004 No	2003 No	2004 £	2003 £
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

10 Profit and loss account	2004 £	2003 £
At 1 January 2004	(65,714)	(12,170)
Retained loss	(63,366)	(53,544)
	<u>(129,080)</u>	<u>(65,714)</u>

11 Reconciliation of movement in shareholder's funds	2004 £	2003 £
At 1 January 2004	(65,713)	(12,169)
Loss for the financial year	(63,366)	(53,544)
	<u>(129,079)</u>	<u>(65,713)</u>

12 Ultimate parent undertaking and controlling party

The ultimate parent undertaking is Metropolis Publishing Limited.

J D G Isaac has a controlling interest in Metropolis Publishing Limited by virtue of owning 55.71% of the issued share capital with voting rights attached.