

Registered number  
04454028

Grove Magazine Ltd

Report and Accounts

30 June 2006



**Grove Magazine Ltd**  
**Report and accounts**  
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**Grove Magazine Ltd  
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**

04454028

## Grove Magazine Ltd 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 profit for the year, after taxation, amounted to £461,068. The directors propose that an ordinary dividend of £331,988 be paid on 23 October 2006.

### 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:

	20p 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

  
J O Ellison  
Company Secretary  
23 October 2006

## **Grove Magazine Ltd**

### **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.

## Grove Magazine Ltd

### Independent auditors' report to the shareholder of Grove Magazine Ltd

We have audited the accounts of Grove Magazine Ltd 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 profit 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 October 2006

2-4 Great Eastern Street  
London  
EC2A 3NT

**Grove Magazine Ltd**  
**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	588,381	147,131
Cost of sales		(276,594)	(66,521)
<b>Gross profit</b>		<u>311,787</u>	<u>80,610</u>
Distribution costs		(37,052)	(7,169)
Administrative expenses		(373,561)	(136,337)
Other operating income		1,823	-
<b>Operating loss</b>	3	<u>(97,003)</u>	<u>(62,896)</u>
Exceptional items: profit on disposal of business		557,000	-
		<u>459,997</u>	<u>(62,896)</u>
Interest receivable		1,081	222
Interest payable	5	(10)	(692)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>461,068</u>	<u>(63,366)</u>
Tax on profit/(loss) on ordinary activities	6	-	-
<b>Profit/(loss) for the period</b>		<u>461,068</u>	<u>(63,366)</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 profit/(loss) for the above two periods.

**Grove Magazine Ltd**  
**Balance Sheet**  
**as at 30 June 2006**

	Notes	30/06/06 £	31/12/04 £
<b>Current assets</b>			
Debtors	7	331,989	75,511
Cash at bank and in hand		-	47,406
		<u>331,989</u>	<u>122,917</u>
<b>Creditors: amounts falling due within one year</b>	8	-	(251,996)
<b>Net current assets/(liabilities)</b>		<u>331,989</u>	<u>(129,079)</u>
<b>Net assets/(liabilities)</b>		<u>331,989</u>	<u>(129,079)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	331,988	(129,080)
<b>Shareholder's funds</b>	12	<u>331,989</u>	<u>(129,079)</u>

  
A D Jeakings  
Director

Approved by the board on 23 October 2006



**Grove Magazine Ltd**  
**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 £
<b>Reconciliation of operating loss to net cash (outflow)/inflow from operating activities</b>			
Operating loss		(97,003)	(62,896)
Decrease/(increase) in debtors		(256,478)	(70,703)
(Decrease)/increase in creditors		(251,996)	204,947
<b>Net cash (outflow)/inflow from operating activities</b>		<u>(605,477)</u>	<u>71,348</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash (outflow)/inflow from operating activities</b>		(605,477)	71,348
<b>Returns on investments and servicing of finance</b>	13	1,071	(470)
<b>Capital expenditure</b>	13	<u>557,000</u> <u>(47,406)</u>	<u>-</u> <u>70,878</u>
<b>Equity dividends paid</b>		<u>-</u> <u>(47,406)</u>	<u>-</u> <u>70,878</u>
<b>(Decrease)/increase in cash</b>		<u>(47,406)</u>	<u>70,878</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>(Decrease)/increase in cash in the period</b>		(47,406)	70,878
<b>Change in net debt</b>	14	<u>(47,406)</u>	<u>70,878</u>
<b>Net funds/(net debt) at 1 January</b>		<u>47,406</u>	<u>(23,472)</u>
<b>Net funds at 30 June / 31 December</b>		<u>-</u>	<u>47,406</u>

**Grove Magazine Ltd**  
**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.

***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 activity.

**3 Operating loss**

This is stated after charging:

Operating lease rentals - land buildings

<b>2006</b>	<b>2004</b>
<b>£</b>	<b>£</b>

<u>7,578</u>	<u>3,177</u>
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**Grove Magazine Ltd**  
**Notes to the Accounts**  
**for the period from 1 January 2005 to 30 June 2006**

<b>4 Staff costs</b>	<b>2006 £</b>	<b>2004 £</b>
Wages and salaries	214,788	71,202
Social security costs	22,302	4,822
Other pension costs	100	-
	<u>237,190</u>	<u>76,024</u>

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	1	1
Editorial	1	1
Sales	1	1
	<u>3</u>	<u>3</u>

<b>5 Interest payable</b>	<b>2006 £</b>	<b>2004 £</b>
Bank loans and overdrafts	<u>10</u>	<u>692</u>

<b>6 Taxation</b>	<b>2006 £</b>	<b>2004 £</b>
<b>Analysis of charge in period</b>		
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

**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:

	<b>2006 £</b>	<b>2004 £</b>
Profit/(loss) on ordinary activities before tax	<u>461,068</u>	<u>(63,366)</u>
Standard rate of corporation tax in the UK	30%	30%
	<b>£</b>	<b>£</b>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax	138,320	(19,010)
Effects of:		
Expenses not deductible for tax purposes	452	2,388
Group relief not paid over	20,540	-
Deferred tax loss asset not provided	7,788	16,622
Intra-group sale of business not taxable	(167,100)	-
	<u>-</u>	<u>-</u>
Current tax charge for period		

**Factors affecting future tax charges**

The company's tax losses of £81,366 were transferred to its parent undertaking on acquisition.

**Grove Magazine Ltd**  
**Notes to the Accounts**  
**for the period from 1 January 2005 to 30 June 2006**

<b>7 Debtors</b>			<b>2006</b> £	<b>2004</b> £
Trade debtors			-	56,497
Amounts owed by group undertakings and undertakings in which the company has a participating interest			331,989	-
Other debtors			-	3,340
Prepayments and accrued income			-	15,674
			<u>331,989</u>	<u>75,511</u>
<b>8 Creditors: amounts falling due within one year</b>			<b>2006</b> £	<b>2004</b> £
Trade creditors			-	75,256
Amounts owed to group undertakings and undertakings in which the company has a participating interest			-	173,837
Other taxes and social security costs			-	2,903
			<u>-</u>	<u>251,996</u>
<b>9 Share capital</b>			<b>2006</b> £	<b>2004</b> £
Authorised: Ordinary shares of £1 each			<u>1,000</u>	<u>1,000</u>
	<b>2006</b> <b>No</b>	<b>2004</b> <b>No</b>	<b>2006</b> £	<b>2004</b> £
Allotted, called up and fully paid: Ordinary shares of £1 each	1	1	<u>1</u>	<u>1</u>
<b>10 Profit and loss account</b>			<b>2006</b> £	<b>2004</b> £
At 1 January			(129,080)	(65,714)
Profit/(loss) for the period			461,068	(63,366)
Dividends			-	-
			<u>331,988</u>	<u>(129,080)</u>
At 30 June / 31 December				
<b>11 Dividends</b>			<b>2006</b> £	<b>2004</b> £
Dividends for which the company became liable during the period:				
Dividends paid			<u>-</u>	<u>-</u>

**Grove Magazine Ltd**  
**Notes to the Accounts**  
**for the period from 1 January 2005 to 30 June 2006**

<b>12 Reconciliation of movement in shareholder's funds</b>	<b>2006 £</b>	<b>2004 £</b>
At 1 January	(129,079)	(65,713)
Profit/(loss) for the financial period	461,068	(63,366)
Dividends	-	-
At 30 June / 31 December	<u>331,989</u>	<u>(129,079)</u>

<b>13 Gross cash flows</b>	<b>2006 £</b>	<b>2004 £</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	1,081	222
Interest paid	(10)	(692)
	<u>1,071</u>	<u>(470)</u>
<b>Capital expenditure</b>		
Receipts from sale of business	<u>557,000</u>	<u>-</u>

<b>14 Analysis of changes in net debt</b>	<b>At 1 Jan 2005 £</b>	<b>Cash flows £</b>	<b>Non-cash changes £</b>	<b>At 30 Jun 2006 £</b>
Cash at bank and in hand	47,406	(47,406)		-
Total	<u>47,406</u>	<u>(47,406)</u>	<u>-</u>	<u>-</u>

**15 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.