

CITIPAGES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST AUGUST 2003

Company no. 3424199



CITIPAGES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the financial statements for the year ended 31 August 2003.

Principal activities

The company is principally engaged in the provision of internet sites to advertise local services in England. During the year the company has continued to invest in new products and services.

The shareholders continue to support the company and have demonstrated their confidence by an equity investment of £200,000 in November 2003.

In addition shareholders have advanced long term loans to the company of £60,000 since the balance sheet date.

Directors

The present membership of the board is as set out below.

Michael O'Regan and Dr. Zenon Gray were appointed to the board on 24 November 2003.

The interests of the directors and their families in the shares of the company as at 31 August 2003 and 1 September 2002, or the date of their appointment if later, were as follows:

	Ordinary shares	
	31st August 2003	1st September 2002
Mr J R S Moore	1138	910
Mr M O'Regan	6550	2492
Dr Z Gray	0	0

Directors responsibilities for the financial statements

Company law in the United Kingdom requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and 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

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

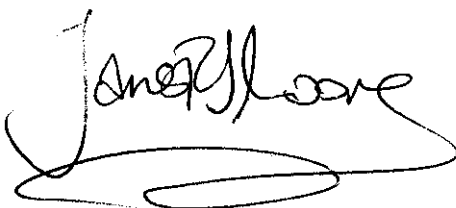
The directors are responsible for maintaining proper accounting records, safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company exemption

This report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD

J R S Moore
Director
28th June 2004



CITIPAGES LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended August 2003

	Notes	2003 £	2002 £
Turnover	1	<u>62,318</u>	<u>18,667</u>
Gross profit		62,318	18667
Administrative expenses		(600,373)	(888,310)
Operating Loss		<u>(538,055)</u>	<u>(869,643)</u>
Other interest receivable and similar income		299	9,057
Interest payable and similar charges		<u>(4,427)</u>	<u>(7,628)</u>
Loss on ordinary activities before taxation	2	(542,183)	(868,214)
Tax on loss on ordinary activities	3	0	0
Loss transferred from reserves	10	<u>(542,183)</u>	<u>(868,214)</u>

CITIPAGES LIMITED

BALANCE SHEET AS AT 31 AUGUST 2003

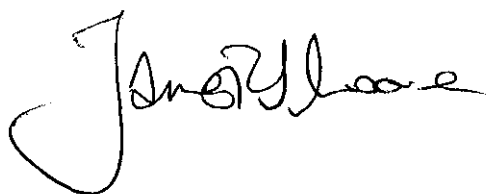
	Note	2003 £	2003 £	2002 £	2002 £
Fixed Assets					
Intangible assets	4		1		96,000
Tangible assets	5		1		41,001
			2		137,001
Current assets					
Debtors	6	10,101		29,801	
Cash at bank and in hand		0		55,919	
		10,101		85,720	
Creditors: amounts falling due within one year	7	-118,409		(113,343)	
Net current liabilities			(108,308)		(27,623)
Total assets less current liabilities			(108,306)		109,378
Creditors: amounts falling due after more than one year	8		(102,189)		(34,163)
Net assets			(210,495)		75,215
Capital and reserves					
Called up share capital	9		1,044		637
Share premium account	10		4,780,649		4,524,583
Profit and Loss account	10		(4,992,188)		(4,450,005)
Shareholders funds			(210,495)		75,215

The directors are satisfied that the company is entitled to exemption under Section 249A(1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- 1 ensuring that the company keeps proper accounting records which comply with Section 221 of the Companies Act 1985; and
- 2 preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part V11 of the Companies Act 1985.



James RS Moore
Director

Approved by the board on 28th June 2004

CITIPAGES LIMITED

NOTES TO THE ACCOUNTS

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

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

Tangible Fixed Asset Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	30% - 50%
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Intangible Fixed Assets

These comprise:

Domain registrations on the internet, under licence for the company's use for a period of two years, renewable on payment of further licence fees.

Intellectual property, which represents a five year licence for the company to use data supplied by Thomson Directories Limited, within its local website portals.

Deferred Taxation

Deferred taxation is recognised on all the timing differences where the transaction or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantially enacted by the balance sheet date.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

2 Operating profit

This is stated after charging:

	2003	2002
	£	£
Depreciation and amortisation	<u>136,999</u>	<u>197,722</u>

CITIPAGES LIMITED

NOTES TO THE ACCOUNTS

3 Taxation

Unrelieved tax losses of approximately £4,200,000 remain available for offset against future taxable trading profits.

4 INTANGIBLE FIXED ASSETS

	Other intangible assets £
Cost or valuation	
At 1 September 2002 and 31 August 2003	<u>335,628</u>
Amortisation	
At September 2002	239,628
Charge for the year	<u>95,999</u>
At 31 August 2003	<u>335,627</u>
Net book value at 31 August 2003	<u>1</u>
Net book value at 31 August 2002	<u>96,000</u>

5 TANGIBLE FIXED ASSETS

Cost	
At 1 September 2002	273,611
Disposals	<u>40,000</u>
At 31 August 2003	<u>233,611</u>
Depreciation	
At 1 September 2002	232,610
Charged for the year	<u>41,000</u>
	273,610
Eliminated on disposals	<u>40,000</u>
At 31 August 2003	<u>233,610</u>
Net book value at 31 August 2003	<u>1</u>
Net book value at 31 August 2002	<u>41,001</u>

The net book value of plant and machinery includes £1 (2002 £9,036) in respect of assets held under finance leases and similar hire purchase contracts. The amount of depreciation in respect of such assets amounted to £9,035 (2002 £15,533).

CITIPAGES LIMITED

NOTES TO THE ACCOUNTS

6 DEBTORS

	2003	2002
	£	£
Trade debtors	3,983	9,720
Other debtors	6,118	20,081
	<u>10,101</u>	<u>29,801</u>

7 CREDITORS AND AMOUNTS FALLING DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loans and overdrafts	33,506	47,500
Trade creditors	19,056	23,323
Social security and other taxes	10,511	18,216
Other creditors	40,568	19,884
Amounts due under finance leases	14,768	4,420
	<u>118,409</u>	<u>113,343</u>

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003	2002
	£	£
Bank loans	0	19,167
Amounts due under finance leases	0	14,996
Other creditors	102,189	0
	<u>102,189</u>	<u>34,163</u>

9 SHARE CAPITAL

	2003	2002
	£	£
Authorised 20,500 ordinary shares of 10p each	<u>2,050</u>	<u>1,000</u>
Allotted, called up and fully paid 10,440 (August 2002 - 6,369 shares) ordinary shares of 10p each	<u>1,044</u>	<u>637</u>

10 SHARE PREMIUM ACCOUNT AND REVENUE RESERVES

	Share premium account £	Profit and loss account £
At 1 September 2002	4,524,583	(4,450,005)
Retained loss for the year		(542,183)
Premium on allotments during the year	256,066	
	<u>4,780,649</u>	<u>(4,992,188)</u>

11 CAPITAL COMMITMENTS

The company had no capital commitments at 31 August 2003 or August 2002.

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 August 2003 or August 2002.