

## AUDITORS' REPORT

TO THE METHODIST NEWSPAPER COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1995

We have examined the abbreviated accounts on pages 2 to 4 together with the financial statements of the Methodist Newspaper Company Limited for the year ended 31 December 2001 prepared under Section 226 of the Companies Act 1985.

### Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246 (5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

### Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.

*Jacob Cavenagh & Skeet*

Jacob Cavenagh & Skeet  
Chartered Accountants  
and Registered Auditor  
6-8 Tudor Court  
Brighton Road  
Sutton SM2 5AE



14 February 2002

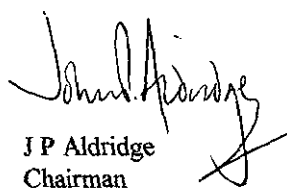
**ABBREVIATED BALANCE SHEET**

31 December 2001

	Note	2001 £	2001 £	2000 £	2000 £
<b>FIXED ASSETS</b>					
Tangible assets	2	232,328		261,463	
Investments	3	<u>0</u>		<u>183,457</u>	
			232,328		444,920
<b>CURRENT ASSETS</b>					
Stocks	1(c)	2,456		2,548	
Debtors		211,145		130,581	
Investments		161,376		257,986	
Cash at bank & in hand		<u>40,506</u>		<u>7,635</u>	
		<u>415,483</u>		<u>398,750</u>	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		<u>(127,576)</u>		<u>(120,588)</u>	
<b>NET CURRENT ASSETS</b>			<u>287,907</u>		<u>278,162</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			520,235		723,082
<b>PROVISION FOR LIABILITIES AND CHARGES</b>					(176,700)
			<u>520,235</u>		<u>546,382</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	4		2,500		2,500
Revaluation reserve			0		117,152
Profit and loss account			<u>517,735</u>		<u>426,730</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>			<u>520,235</u>		<u>546,382</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 14 February 2002.

  
J P Aldridge  
Chairman

## NOTES TO THE ACCOUNTS

Year ended 31 December 2001

### 1. ACCOUNTING POLICIES

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

#### (b) Depreciation

Depreciation is provided by equal annual instalments over the effective lives of the following assets:

Freehold buildings	-	2% on cost
Fixtures and fittings	-	10% on cost
Computer equipment	-	20% on cost
Motor vehicles	-	20% on cost
Photocopiers	-	33.3% on cost

No depreciation is provided on land.

#### (c) Stocks

Stocks are valued at the lower of cost and net realisable value.

#### (d) Listed investments and authorised unit trusts

Listed investments and units in authorised unit trusts held as fixed assets are valued annually at the middle market value or bid price as appropriate at the balance sheet date. Any appreciation or diminution in value is transferred to a non-distributable revaluation reserve account except when any such diminution in value exceeds the balance of the reserve account, when the net diminution is transferred to the profit and loss account. No provision is made for taxation which would arise on the disposal of the investments at book value.

#### (e) Turnover

Turnover comprises net sales and advertising revenue (exclusive of VAT).

#### (f) Foreign currencies

Foreign currencies are translated into sterling at the rates of exchange ruling on the date of the balance sheet. Adjustments due to currency fluctuations arising in the normal course of business are included in profit before taxation.

#### (g) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

#### (h) Retirement benefits

The regular cost of providing benefits is charged to operating profit over the employees' service lives on the basis of a constant percentage of earnings. Variations from regular cost, arising from periodic actuarial valuations, are allocated to operating profit over the expected remaining service lives of current employees on the basis of a constant percentage of current and estimated future earnings.

## 2. TANGIBLE FIXED ASSETS

	Freehold buildings £	Freehold land £	Equipment, fixtures & fittings £	Motor vehicles £	TOTAL £
COST					
At 1 January 2001	244,787	40,000	186,515	11,350	482,652
Additions			1,495		1,495
Disposals			(73)		(73)
At 31 December 2001	<u>244,787</u>	<u>40,000</u>	<u>187,937</u>	<u>11,350</u>	<u>484,074</u>
DEPRECIATION					
At 1 January 2001	84,037		131,099	6,053	221,189
Charge for the year	4,895		23,465	2,270	30,630
Disposals			(73)		(73)
At 31 December 2001	<u>88,932</u>		<u>154,491</u>	<u>8,323</u>	<u>251,746</u>
NET BOOK VALUE					
At 31 December 2001	<u>155,855</u>	<u>40,000</u>	<u>33,446</u>	<u>3,027</u>	<u>232,328</u>
At 31 December 2000	<u>160,750</u>	<u>40,000</u>	<u>55,416</u>	<u>5,297</u>	<u>261,463</u>

## 3. INVESTMENTS HELD AS FIXED ASSETS

Throughout the year investments have been represented by holdings in listed investments and units in authorised unit trusts.

	£
Valuation at 1 January 2001	183,457
Disposals	(183,457)
Valuation at 31 December 2001	<u>£ 0</u>

## 4. CALLED UP SHARE CAPITAL

	2000	1999
Authorised: 110 shares of £25 each	<u>£2,750</u>	<u>£2,750</u>
Allotted and fully paid: 100 shares of £25 each	<u>£2,500</u>	<u>£2,500</u>