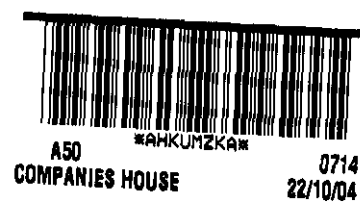


ARCHANT REGIONAL LIMITED

Registered Number: 19300

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2003



ARCHANT REGIONAL LIMITED

DIRECTORS

J A Fry
A D Jeakings
N G F Websper
I A Davies
B R Dennis
W H Fulton
S J Gulliford
B G McCarthy
S A McCreery
R Nicholls
P W Swallow
E Testa

SECRETARY

J O Ellison

AUDITORS

Ernst & Young LLP
Compass House
80 Newmarket Road
Cambridge
CB5 8DZ

BANKERS

Barclays Bank PLC
St Stephens Branch
Red Lion Street
Norwich
NR1 3QH

SOLICITORS

Eversheds
Holland Court
The Close
Norwich
NR1 4DX

REGISTERED OFFICE

Prospect House
Rouen Road
Norwich
NR1 1RE

ARCHANT REGIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The Directors present their report together with the audited financial statements of the Company for the year ended 31 December 2003.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £19,354,797 (2002: £16,282,546). Interim dividends of £60,000,000 (2002 : £5,550,408) were paid in the year. The directors do not recommend the payment of a final dividend (2002: £nil).

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company's principal activity is the publishing of all newspapers (and associated magazines) owned by the Archant group.

During the year, the Company was granted twenty year trademark licences from subsidiary companies allowing the Company to publish newspaper and magazine titles.

In two separate transactions in December 2003, the Company acquired 27 titles in London and Kent from Independent News & Media. The acquisitions were referred by the Office of Fair Trading to the Competition Commission, who cleared the acquisitions on 22 September 2004. The Company is now able to proceed with the integration of these titles with the Company's other London titles and business units.

The directors will continue to seek improvement and development of the company's publications in 2004.

SHARE CAPITAL

On 19 May 2004, the Company increased its authorised share capital by the creation of 5,872,446 cumulative preference shares of £10 each.

ARCHANT REGIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

DIRECTORS

The names of the Directors who served during the year are set out below.

N G F Websper
I A Davies
B R Dennis
W H Fulton
S J Gulliford
A J Halsey retired 30 January 2004
R Nicholls
P W Swallow
E Testa
J A Fry
A D Jeakings

In addition, Mr B G McCarthy and Mr S A McCreery were appointed to the board on 5 January 2004 and 5 May 2004 respectively.

None of the directors at 31 December 2003 had an interest in the share capital of the company at any time during the year.

Mr J A Fry, Mr A D Jeakings and Mr N G F Websper are all directors of the holding company and have declared their interests in the shares of the holding company in that company's financial statements.

The other directors at 31 December 2003 had the following interests in the shares of the holding company:

	December 31, 2002	December 31, 2003
<i>Ordinary shares of 20p each</i>		
A J Halsey - beneficial	18,861	21,210
A J Halsey - non beneficial	4,456	4,456
I A Davies	29,936	33,712
B R Dennis	-	3,049
W H Fulton	3,000	3,000
S J Gulliford	-	-
R Nicholls	7,773	10,664
P W Swallow	2,618	4,167
E Testa	11,331	13,586

ARCHANT REGIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of 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; and

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

The directors confirm that the financial statements comply with the above requirements.

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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the company made charitable contributions totalling £18,696 (2002: £20,414).

EMPLOYEE INVOLVEMENT

During 2003 the Company continued to provide employees with information about the Group and encourage staff involvement. In addition to local initiatives, methods of communication have included the Group's award-winning bi-monthly in-house magazine, Network, which is supported by an on-line news service which is updated weekly.

During the course of 2003 John Fry and Nigel Websper undertook a series of presentations to which all employees were invited. Those attending were briefed on the Group's performance, new developments, the Group's plans and other matters of relevance to employees.

During 2003 the Group made the first invitation to eligible employees under the Archant Share Incentive Plan (SIP). Under the SIP, eligible employees are invited from time to time to apply to purchase a number of shares in the holding company determined by the board of Archant Limited and further shares may be appropriated to them, either conditionally on them agreeing to acquire shares and/or unconditionally as free shares.

ARCHANT REGIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

EMPLOYEE INVOLVEMENT (continued)

In compliance with the relevant legislation, the Company has granted recognition to the National Union of Journalists in respect of relevant staff employed by the Company in its Archant Norfolk division.

Such recognition provides for an annual joint review by management and the relevant union of pay, hours and holidays in the relevant bargaining unit.

Schemes exist to enable employees to present and benefit from suggestions. There is a network of employee consultative forums and staff-elected representatives are provided with information and consulted on, and encouraged to raise issues concerning, such matters as the performance of the business, employment practices and other matters likely to affect employees.

Consultation also takes place on matters such as health and safety and pensions. Certain trustees of the Archant Group's pension schemes are employees of the Group nominated and elected by members of the relevant schemes.

The Group holds an annual awards evening to recognise the achievements and successes of its employees.

A human resources forum, comprising local human resources managers and other staff with HR responsibilities, meets regularly and has as one of its goals the promotion of best HR practice around the Group.

Although it is recognised that such policy can only be implemented within the constraints imposed by relevant legislation, it is the Company's policy that discrimination on such grounds as the sex, race, ethnic or national origin, sexual orientation, disability, nationality, marital status, or religious belief of employees and applicants for employment is not acceptable. As a result, the Company seeks to ensure that decisions on employment, including recruitment, training, development, promotion and pay, are based on the individual's ability to do the job and on his or her experience and skills. Accordingly, disabled people are dealt with in such respects on the same basis as able-bodied employees. If a person becomes disabled whilst an employee every practical effort is made to take the steps, including the provision of appropriate training, necessary to enable the individual concerned to continue in employment with the Company.

AUDITORS

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 Companies Act 1985.

By order of the Board,



JO Ellison
Secretary
28 September 2004

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ARCHANT REGIONAL LIMITED

We have audited the company's financial statements for the year ended 31 December 2003 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 28. These financial statements have been prepared on the basis of 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 financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements 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 financial statements, 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 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 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 opinion 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 December 2003 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Cambridge
28 September 2004

ARCHANT REGIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Note	2003 £	2002 £
TURNOVER			
Continuing operations		129,110,781	114,235,257
Acquisitions		439,914	-
Discontinued operations		-	1,243,780
TOTAL TURNOVER	2	129,550,695	115,479,037
Other operating income		1,904,452	1,438,971
Operating costs	3	(107,308,016)	(92,090,207)
OPERATING PROFIT/(LOSS)			
Continuing operations		24,256,412	24,468,837
Acquisitions		(109,281)	-
Discontinued operations		-	358,964
TOTAL OPERATING PROFIT	3,4	24,147,131	24,827,801
Other income	7	6,397,455	706,810
Amounts written off investments	13	(14,952)	-
Interest payable	8	(6,285,074)	(2,218,428)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		24,244,560	23,316,183
Tax on profit on ordinary activities	9	(4,889,763)	(7,033,637)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		19,354,797	16,282,546
DIVIDENDS	10	(60,000,000)	(5,550,408)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR	21	(40,645,203)	10,732,138

The profit for the financial year and the corresponding year includes all recognised gains and losses in the year.

There is no difference between the profits calculated on an historical cost basis and those presented above.

The notes on pages 10 to 27 form part of these financial statements.

ARCHANT REGIONAL LIMITED

BALANCE SHEET - 31 DECEMBER 2003

	Note	£	2003	£	£	2002	£
FIXED ASSETS							
Intangible fixed assets	11		301,979,782			1,941,000	
Tangible assets	12		4,718,484			4,629,014	
Investments	13		73,678,948			73,682,080	
			<u>380,377,214</u>			<u>80,252,094</u>	
CURRENT ASSETS							
Stocks	14	177,979			163,677		
Debtors							
Amounts falling due in less than one year	15	17,633,267			15,357,339		
Amounts falling due in more than one year	15	6,186,996			163,890,405		
Cash at bank and in hand		9,368,843			408,857		
		<u>33,367,085</u>			<u>179,820,278</u>		
CREDITORS:							
Amounts falling due within one year	16	22,328,111			16,657,809		
NET CURRENT ASSETS							
			11,038,974			163,162,469	
TOTAL ASSETS LESS CURRENT LIABILITIES							
			<u>391,416,188</u>			<u>243,414,563</u>	
CREDITORS :							
Amounts falling due in more than one year	17		311,312,095			120,964,810	
Provisions for liabilities and charges	18		1,449,817			3,150,274	
NET ASSETS							
			<u>78,654,276</u>			<u>119,299,479</u>	
CAPITAL AND RESERVES							
Called up share capital	20		3,320,126			3,320,126	
Share premium account	21		5,368,804			5,368,804	
Special reserve	21		2,349,800			2,349,800	
Profit and loss account	21		67,615,546			108,260,749	
EQUITY SHAREHOLDERS' FUNDS							
	21		<u>78,654,276</u>			<u>119,299,479</u>	

Approved by the Board on 28 September 2004.

A D Jeakings

The notes on pages 10 to 27 form part of these financial statements.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and are drawn up in accordance with applicable Accounting Standards.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the costs or valuation, less estimated residual value, of each asset evenly over its expected useful life as follows:

Motor vehicles, equipment, furniture and fittings	-	3 to 6 years
Leasehold improvements	-	term of lease

Intangible fixed assets

(a) Newspaper titles

On the acquisition of a business, the cost of investment is allocated between net tangible assets, goodwill and newspaper titles on a fair value basis. The fair value of newspaper titles is assessed by the directors at the date of acquisition, supported by a comparative view of similar transactions within the newspaper industry.

In the opinion of the directors, newspaper titles have an indefinite economic life and are not, therefore, subject to annual amortisation. The carrying values of these assets are reviewed annually and provision made for any impairment in the carrying value if required.

Newspaper titles acquired prior to 31 December 1997 were classified as goodwill and written off directly to reserves. Goodwill previously eliminated against reserves has not been re-instated on implementation of FRS 10.

(b) Magazine titles

Magazine titles acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Magazine titles are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years.

The carrying values of magazine titles are reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying values may not be recoverable.

Magazine titles created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred.

(c) Trademark licences

The company has been granted twenty year trademark licences by subsidiary undertakings. The trademark licences commenced in September 2003, and are being amortised over twenty years on a straight line basis.

The carrying values of trademark licences are reviewed for impairment at the end of the first full year following acquisition, and in other periods if events or changes in circumstances indicate that the carrying values may not be recoverable.

(d) Film copyright

The company owns the copyright and physical material of two films. The carrying value is matched by interest free loans, secured on the films and repayable out of film receipts up to 14 December 2013.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Pensions

The company is a member of two defined-benefit pension schemes operated by the parent undertaking.

In addition it operates the W B Frampton & Sons Limited Retirement Benefits Scheme, which is also a defined-benefits scheme. The three schemes require contributions to be made to separately administered funds. Contributions to these funds are charged to the profit and loss account so as to spread the cost of pensions over the participants' working lives. The pension cost is assessed in accordance with the advice of qualified actuaries.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 ACCOUNTING POLICIES (continued)

Pensions (continued)

The Group operates a defined-contribution scheme, which is open to eligible employees of the company. The company's contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Additionally, the company contributes to a number of individual personal pension plans for certain managers who are not participants in one of the Group's pension schemes.

The company also makes provision for the capital value of unfunded pensions to certain current and former employees in accordance with independent actuarial advice.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchases contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Full provision for deferred taxation is made in respect of all timing differences between the treatment of certain items in the financial statements and their treatment for taxation purposes at the balance sheet date. The provision is calculated without discounting. Deferred taxation assets are recognised to the extent that, based on available evidence, it is more likely than not that suitable taxable profits will arise from which the asset may be recovered.

Provision is made for tax on gains arising from the revaluation of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned.

Group accounts

The company is not required to prepare group financial statements, as at 31 December 2003 it was a wholly owned subsidiary of Archant Limited who prepared group financial statements.

The financial statements present information about the company as an individual undertaking and not about its group.

2 TURNOVER

Turnover which is stated net of VAT, represents amounts invoiced to third parties, and is attributable to the continuing activity of the publishing of newspapers. All sales arose within the United Kingdom.

The company acquired 27 titles from Independent News & Media in two separate transactions in December 2003. All other segments of the business have continued throughout 2003.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

3 OPERATING PROFIT/(LOSS)

	2003		2002
	£		£
	Continuing operations	Acquisitions	
Turnover			
Newspaper publishing	129,110,781	439,914	129,550,695
Contract printing	-	-	-
	129,110,781	439,914	129,550,695
Other operating income	1,904,452	-	1,904,452
Operating costs			
Change in stocks of finished goods and work in progress	-	-	-
Raw materials and consumables	154,334	-	154,334
Other external charges	26,737,055	82,449	26,819,504
Staff costs (Note 5)	45,847,041	341,234	46,188,275
Depreciation of owned assets	2,038,893	-	2,038,893
Depreciation of leased assets	74,962	-	74,962
Amortisation of intangible assets	4,004,603	-	4,004,603
Other operating charges	27,901,933	125,512	28,027,445
	106,758,821	549,195	107,308,016
Operating profit/(loss)	24,256,412	(109,281)	24,147,131

4 OPERATING PROFIT

	2003	2002
	£	£
Operating profit is stated after charging:		
Auditors' remuneration in respect of audit services	67,000	71,303
non-audit services	43,320	23,202
Operating lease rentals:		
plant and machinery	1,561,784	1,357,862
land and buildings	1,631,742	1,485,674

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

5 EMPLOYEES	2003	2002
	£	£
<i>Staff costs during the year:</i>		
Wages and salaries	38,742,897	34,303,619
Social security costs	3,258,609	2,496,658
Other pension costs	3,459,708	2,834,637
Parent company staff share scheme	727,061	620,019
	<hr/>	<hr/>
	46,188,275	40,254,933
	<hr/>	<hr/>
	Number	Number
The average number of employees during the year was:		
Production and distribution	354	307
Sales and editorial	1,255	1,104
Management and administration	297	302
	<hr/>	<hr/>
	1,906	1,713
	<hr/>	<hr/>
6 DIRECTORS' REMUNERATION	2003	2002
	£	£
Salaries	433,937	413,411
Fees	24,817	52,437
Performance related bonuses	109,557	123,996
Other benefits	55,042	49,752
Pension contributions to parent company defined benefit scheme	95,990	83,279
Company contributions to personal pension schemes	19,200	14,205
Contributions to Funded Unapproved Retirement Benefit Scheme	-	8,325
	<hr/>	<hr/>
	738,543	745,405
	<hr/>	<hr/>
Number of directors in defined benefit scheme	4	9
	<hr/>	<hr/>
Number of directors in personal pension scheme	1	1
	<hr/>	<hr/>
<i>The emoluments of the highest paid director were:</i>		
aggregate emoluments	137,956	111,386
	<hr/>	<hr/>
contributions to parent company defined benefit scheme	28,920	19,647
	<hr/>	<hr/>
7 OTHER INCOME	2003	2002
	£	£
Intra group dividends	6,393,181	701,545
Bank interest	574	-
Other interest received	3,700	4,770
Profit on transfer of titles to fellow subsidiaries	-	495
	<hr/>	<hr/>
	6,397,455	706,810
	<hr/>	<hr/>
8 INTEREST PAYABLE AND SIMILAR CHARGES	2003	2002
	£	£
Interest paid to group undertakings	6,279,509	2,204,977
Bank loans and overdrafts	55	-
Finance charges payable under finance leases	5,439	13,252
Other interest paid	71	199
	<hr/>	<hr/>
	6,285,074	2,218,428
	<hr/>	<hr/>

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2003 £	2002 £
UK corporation tax		
Current	7,454,572	7,204,437
Prior year	53,422	-
	<hr/>	<hr/>
	7,507,994	7,204,437
	<hr/>	<hr/>
Deferred taxation		
Origination and reversal of timing differences	(186,891)	(219,804)
Crystallised chargeable gain	(2,483,512)	-
Adjustments in respect of prior years	52,172	49,004
	<hr/>	<hr/>
	(2,618,231)	(170,800)
	<hr/>	<hr/>
Tax on profit on ordinary activities	<hr/>	<hr/>
	4,889,763	7,033,637

Factors affecting current tax charge

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax of 30% (2002: 30%) to the profit before tax are as follows:

Profit on ordinary activities before tax	24,244,560	23,316,183
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK	7,273,368	6,994,855
	<hr/>	<hr/>
Expenses not deductible for tax purposes	118,922	200,390
Non taxable income	(1,917,954)	(210,612)
Tax deduction in respect of intangible assets	(688,800)	-
Decelerated capital allowances	96,896	22,653
Other short term timing differences	88,628	197,151
Crystallised chargeable gain	2,483,512	-
Tax overprovided in prior years	53,422	-
	<hr/>	<hr/>
Total current tax above	7,507,994	7,204,437

The provision for deferred taxation, the amounts unprovided, and the movements in the provision are detailed in Note 18.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

10 DIVIDENDS

	2003 £	2002 £
Equity dividends on ordinary shares		
First interim	10,000,000	550,408
Second interim	50,000,000	5,000,000
	<hr/>	<hr/>
	60,000,000	5,550,408

11 INTANGIBLE FIXED ASSETS

	Film copyright £	Trademark licences £	Newspaper titles £	Magazine titles £	Total £
Cost					
At 1 January 2003	4,099,897	-	-	359,589	4,459,486
Intra group transfer	-	-	-	(359,589)	(359,589)
Additions	-	241,600,000	-	-	241,600,000
Acquisitions	-	-	62,771,510	-	62,771,510
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	4,099,897	241,600,000	62,771,510	-	308,471,407
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation					
At 1 January 2003	2,487,022	-	-	31,464	2,518,486
Intra group transfer	-	-	-	(31,464)	(31,464)
Amortisation in the year	-	4,004,603	-	-	4,004,603
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2003	2,487,022	4,004,603	-	-	6,491,625
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2003	1,612,875	237,595,397	62,771,510	-	301,979,782
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2002	1,612,875	-	-	328,125	1,941,000

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

12 TANGIBLE FIXED ASSETS

	Assets in course of construction £	Leasehold improvements £	Motor vehicles £	Plant, machinery and equipment £	Total £
Cost					
At 1 January 2003	-	234,428	790,843	23,970,872	24,996,143
Additions	599,766	163,085	-	1,131,558	1,894,409
Acquisitions	-	-	-	171,000	171,000
Intra group transfers	-	-	-	258,810	258,810
Disposals	-	(85,611)	(375,031)	(10,173)	(470,815)
At 31 December 2003	599,766	311,902	415,812	25,522,067	26,849,547
Depreciation					
At 1 January 2003	-	161,874	543,839	19,661,416	20,367,129
Charge for year	-	82,311	76,201	1,955,343	2,113,855
Intra group transfers	-	-	-	4,559	4,559
Disposals	-	(44,426)	(304,684)	(5,370)	(354,480)
At 31 December 2003	-	199,759	315,356	21,615,948	22,131,063
Net book amount					
At 31 December 2003	599,766	112,143	100,456	3,906,119	4,718,484
At 31 December 2002	-	72,554	247,004	4,309,456	4,629,014
Assets acquired under finance leases included above comprise:				2003 £	2002 £
Cost				219,832	594,863
Depreciation				(121,865)	(351,575)
Net book amount				97,967	243,288

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

13 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £	Unlisted investments £	Total £
Cost:			
At 1 January 2003	73,678,948	3,132	73,682,080
Additions	-	11,820	11,820
Written off	-	(14,952)	(14,952)
At 31 December 2003	73,678,948	-	73,678,948
Amounts provided:			
At 1 January 2003 and 31 December 2003	-	-	-
Net book value:			
At 31 December 2003	73,678,948	-	73,678,948
At 31 December 2002	73,678,948	3,132	73,682,080

The company's principal subsidiary undertakings, all of which are wholly owned and incorporated in England are:

<i>Company</i>	<i>Activity</i>	<i>Holding</i>
<i>Subsidiary undertakings</i>		
Archant Norfolk Limited	Title holding company	100% ord. shares
Archant Suffolk Limited	Title holding company	100% ord. shares
Archant Anglia (East) Limited	Title holding company	100% ord. shares
Archant Anglia (West) Limited	Title holding company	100% ord. shares
Archant Hertfordshire Limited	Title holding company	100% ord. shares
Archant East London and Essex Limited	Title holding company	100% ord. shares
Archant North London Limited	Title holding company	100% ord. shares
Archant Devon Limited	Title holding company	100% ord. shares
Archant Somerset Limited	Title holding company	100% ord. shares
Archant Central Scotland Limited	Title holding company	100% ord. shares
Archant North East Scotland Limited	Title holding company	100% ord. shares

Acquisitions of 27 newspaper titles from Independent News & Media in December 2003

Net assets at dates of acquisitions:

	Book value £	Revaluation adjustments £	Fair value to company £
Intangible fixed assets	-	62,771,510	62,771,510
Tangible fixed assets	518,603	(347,603)	171,000
Stocks	53,549	-	53,549
Provisions	-	(555,000)	(555,000)
Net assets	572,152	61,868,907	62,441,059
Discharged by:			
Cash consideration			57,000,000
Contingent consideration			5,000,000
Costs associated with the acquisitions			441,059
			62,441,059

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

14 STOCKS	2003	2002
	£	£
Goods for resale	99,211	106,048
Raw materials and consumables	78,768	57,629
	<hr/>	<hr/>
	177,979	163,677
	<hr/>	<hr/>
15 DEBTORS	2003	2002
	£	£
Trade debtors	11,906,667	12,359,599
Amounts due from fellow subsidiary undertakings	2,873,938	1,082,494
Other debtors	582,238	346,393
Prepayments and accrued income	1,765,165	1,563,547
Corporation tax recoverable	-	5,306
Deferred tax asset (Note 18)	505,259	-
	<hr/>	<hr/>
	17,633,267	15,357,339
	<hr/>	<hr/>
Due in over one year:		
Amounts owed by subsidiary undertakings	6,183,331	163,886,740
Other debtors	3,665	3,665
	<hr/>	<hr/>
	6,186,996	163,890,405
	<hr/>	<hr/>
Total debtors	<hr/>	<hr/>
	23,820,263	179,247,744
	<hr/>	<hr/>
16 CREDITORS: Amounts falling due within one year	2003	2002
	£	£
Trade creditors	3,390,922	2,329,568
Corporation tax	5,096,206	3,146,982
Other taxation and social security payable	3,807,017	3,805,647
Other creditors	749,157	633,041
Accruals and deferred income	4,062,718	3,602,331
Contingent consideration on acquisition	5,000,000	-
Obligations under finance leases and hire purchase contracts (note 19)	57,210	101,113
Amounts due to group companies	50,582	2,687,373
Payments on account	114,299	351,754
	<hr/>	<hr/>
	22,328,111	16,657,809
	<hr/>	<hr/>

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

17 CREDITORS: Amounts falling due in more than one year	2003 £	2002 £
Loans due to group companies	303,600,000	-
Other amounts due to group companies	6,038,572	119,195,420
Obligations under finance leases and hire purchase contracts (note 19)	60,648	156,515
Loans for film finance	1,612,875	1,612,875
	<u>311,312,095</u>	<u>120,964,810</u>

The loans due to group companies comprise two unsecured loans, carrying interest at 1.5% above the base rate of Barclays Bank Plc, and repayable, in one case, at one month's notice, and in the second case, at three months' notice. The parent undertaking has given assurance to the company that they will not request repayment of these loans within 12 months.

The loans for film finance are interest free and repayable out of film receipts prior to 14 December 2013. They are secured by charges on the copyright and physical material relating to two films owned by the company and shown under that heading in intangible fixed assets.

18 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £	Unfunded pensions £	Dilapidations provisions £	Total £
Balance at 1 January 2003	2,144,947	577,457	427,870	3,150,274
Inter group transfers	(31,975)	106,583	-	74,608
Acquisitions	-	-	555,000	555,000
Provided/(released) during the year	(2,618,231)	-	(87,107)	(2,705,338)
Utilised during the year	-	(40,804)	(89,182)	(129,986)
Transferred to debtors (Note 15)	505,259	-	-	505,259
Balance at 31 December 2003	<u>-</u>	<u>643,236</u>	<u>806,581</u>	<u>1,449,817</u>

The timing of the settlement of the unfunded pension liabilities is uncertain.

The timing of the settlement of the obligations for dilapidations is dependent on the termination of the various leases. If the leases run to expiry, and are not renewed, these obligations will be settled up to 2016.

Deferred taxation

Deferred tax provided in the financial statements and the amounts not provided are as follows:

	Provided 2003 £	2002 £	Not provided 2003 £	2002 £
Accelerated capital allowances	(95,567)	198,816	-	-
Short term timing differences	(409,692)	(537,381)	-	-
Capital gains rolled over	-	2,483,512	-	-
	<u>(505,259)</u>	<u>2,144,947</u>	<u>-</u>	<u>-</u>

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

19 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

	2003 £	2002 £
The maturity of these amounts is as follows:		
Amounts payable:		
Within one year	64,301	125,458
In two to five years	68,165	193,337
	<hr/>	<hr/>
	132,466	318,795
Less finance charges allocated to future periods	(14,608)	(61,167)
	<hr/>	<hr/>
	117,858	257,628
Finance leases and hire purchase contracts are analysed as follows:		
Current obligations (note 16)	57,210	101,113
Non current obligations (note 17)	60,648	156,515
	<hr/>	<hr/>
	117,858	257,628

20 CALLED UP SHARE CAPITAL

	2003 £	2002 £
Authorised		
18,251,000 ordinary shares of 20p each	3,650,200	3,650,200
Allotted, called up and fully paid		
16,600,630 ordinary shares of 20p each	3,320,126	3,320,126

On 19 May 2004, the company increased its authorised share capital by the creation of 5,872,446 cumulative preference shares of £10 each.

21 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share capital £	Share premium £	Special reserve £	Profit & loss account £	Shareholders' funds £
At 1 January 2002	3,320,126	5,368,804	2,349,800	97,528,611	108,567,341
Profit for the year	-	-	-	10,732,138	10,732,138
At 1 January 2003	3,320,126	5,368,804	2,349,800	108,260,749	119,299,479
(Loss) for the year	-	-	-	(40,645,203)	(40,645,203)
At 31 December 2003	3,320,126	5,368,804	2,349,800	67,615,546	78,654,276

The special reserve was created on the cancellation of the preference shares in 2001, to protect the creditors of the company at the date of cancellation. The reserve can be released to distributable reserves when all of the creditors of the company at the date of cancellation have been satisfied.

The cumulative amount of goodwill written off at 31 December 2003, net of goodwill relating to newspaper titles disposed of, is £13,759,163 (2002: £13,759,163).

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

22 OPERATING LEASE RENTALS

The Company has annual commitments under operating leases as at 31 December 2003. These are analysed by the date of the termination of the lease as follows:

	<i>Land and buildings</i>		<i>Other</i>	
	2003	2002	2003	2002
	£	£	£	£
Within one year	75,462	91,856	315,103	97,644
Between two and five years	375,254	216,899	1,350,621	1,172,757
After five years - external	516,633	405,253	-	-
After five years - intra group	867,900	866,550	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,835,249	1,580,558	1,665,724	1,270,401

23 CAPITAL COMMITMENTS

	2003	2002
	£	£
Capital expenditure that has been contracted for but has not been provided for in the financial statements	1,619,458	45,719

24 PENSION COMMITMENTS

The Archant Group operates both defined-benefit and defined-contribution pension schemes, the assets of which are held separately from those of the Group. The Company participates in each of the pension schemes operated by the Group. The total cost for the Company charged in the profit and loss account, excluding ex gratia pensions, was £3,459,708 (2002: £2,834,637).

The W B Frampton Limited Retirement Benefit Scheme is funded and of the defined benefit type - the principal asset of the scheme is a Deposit Administration insurance contract underwritten by Sun Life. The total pension cost of the company in the profit and loss account was £nil (2002: £nil).

The Company pays ex gratia pensions on an unfunded basis to certain former employees and, accordingly, provides for this in the financial statements.

The contributions to the defined-benefit pension schemes are determined with the advice of independent actuaries, using the projected unit method. The pension costs were determined on the basis of the most recent actuarial valuations. The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions relative to price inflation.

The contributions to the scheme are determined with the advice of an independent qualified actuary, using the projected unit method. Contributions to the fund are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. The last actuarial valuation was completed as at 6 April 2001 and valued the assets at £861,380. This represents a level of funding of 134% on an on-going basis.

The assumptions used were:

- Average yield on the investment of all scheme monies of 8.5% per annum compound.
- Salary increases of 6.5% per annum.
- No allowance in the valuation for possible discretionary increases being awarded to pensions in payment beyond those prescribed in the scheme rules.

The employer's regular pension cost is 13.9% of total pensionable salaries. However, given the very substantial overfunding, the employer's contribution will remain at 0% of total pensionable salaries. This will be kept under regular review. Members' contributions remain at 5% of pensionable salary.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24 PENSION COMMITMENTS (continued)

Following a strategic review of its pension arrangements conducted in 2003, the Group made a number of changes to these arrangements which are summarised below. The measures, full details of which were explained to members during the year, were implemented after taking appropriate legal and actuarial advice. The measures included the merger of the Archant Senior Management Pension Scheme ("SMPS") with the Archant Pension & Life Assurance Scheme ("PLAS") with effect from 1 August 2003 (the merged schemes being referred hereinafter to as the "Combined Scheme"). The assets and liabilities of the SMPS were merged into the PLAS with a view to simplifying the administration of the Group's pension provision.

For the PLAS defined-benefit section, at the most recent valuation (as at 1 January 2002) it was assumed for the purpose of valuing liabilities that the rate of return on investments pre-retirement would be 4.50%, and for investments post-retirement 2.75%, above price inflation. It was also assumed that salaries would increase by 1.50% above price inflation and that pensions would increase in line with price inflation.

As at 1 January 2002, the market value of the assets of the PLAS defined-benefit section was £78,259,000 (an actuarial deficit of £2,992,000) and the value of the assets represented 96.3% of the liability for benefits that had accrued to the members for service to the valuation date, based on salaries projected to retirement. The employer's regular contribution rate in respect of the PLAS final salary section, ignoring the shortfall, was actuarially determined to be 17.1%. The Company's contributions were increased to that level (from 11.0%) in March 2003, and were reduced to 16.1% from July 2003, when member contributions increased to 6.0%. The PLAS final salary section was closed to new members with effect from 26 February 1998.

For the defined-contribution section of the PLAS, the pension cost represents contributions payable by the Group to this section, with the Group matching members' contributions in the following as a percentage of pensionable salary:

	Range up to 30-Jun-03 ("contracted-out")	Range from 01-Jul-03 ("contracted-in")
• Under 40 years of age	3% to 6%	2% to 7%
• 40 years of age and over	5% to 8%	2% to 7%

During 2003 the Group contributed an additional 3.0% (3.1% prior to March 2003) to the defined-contribution section of the PLAS to cover the cost of insured death benefits, expenses and benefit guarantees.

For the SMPS, at the most recent actuarial valuation (as at 1 January 2002) it was assumed for the purpose of valuing liabilities that, relative to price inflation, the rate of return on investments pre-retirement would be 4.50% and for investments post-retirement 2.75%. It was also assumed that salaries would increase by 2.0% above, and that pensions would increase in line with, price inflation.

As at 1 January 2002, the market value of the assets of the SMPS was £15,183,000 (an actuarial deficit of £2,614,000) and the actuarial value of the assets represented 85.3% of the liability for benefits that had accrued to the members for service to the valuation date, based on salaries projected to retirement. The employer's regular contribution rate, ignoring the shortfall, was actuarially determined to be 30.7%. The Company's contributions were increased to that rate (from 24.4%) from September 2002, and were reduced to 29.7% from July 2003, when member contributions increased to 6.0%.

No new members were admitted to the SMPS defined-benefit scheme during 2003 and, with effect from 1 July 2003, any senior employees that would have been invited to join that scheme have been offered membership of a new defined-contribution section within the Combined Scheme with an enhanced level of Company contribution.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24 PENSION COMMITMENTS (continued)

The actuarial pension deficits at 1 January 2002 are being amortised over the remaining service lives of the Combined Scheme's current members in accordance with SSAP 24. As a result, the profit and loss account includes a charge of £499,458 (2002: £499,458).

Strategic review

(i) Defined-benefit section

At 31 December 2002, as part of a strategic review of its pension arrangements, an actuarial funding review undertaken on a basis consistent with the 1 January 2002 actuarial valuation indicated that the combined deficit of the PLAS and the SMPS had increased to an estimated £35,000,000 (a funding level of 68.5%) from that revealed at the 2002 formal valuation of £5,606,000 (a funding level of 94.3%), reflecting generally deteriorating investment returns since that earlier valuation.

As part of the merger, and to equalise the funding position of the PLAS and the SMPS, the Group paid an additional £1,000,000 of cash into the Combined Scheme in 2003 with a further £1,000,000 committed to be contributed in 2004. Additionally, it was decided that future increases to pensions in payment for pre-April 1997 service would no longer be provided for within the valuation, thereby removing a liability of £13,000,000 from the Combined Scheme. Also, enhanced discretionary early retirement terms were altered to give active members the right to take early retirement, but with reduction factors applied from normal retirement date to make the retirement cost-neutral to the Combined Scheme. This change resulted in a reduction in liabilities of the Combined Scheme of £5,000,000.

In consequence, the funding assumptions are now that all members will retire at their normal retirement age and that discretionary increases granted will be funded either from surplus or will be directly funded by the Group by way of special contributions.

In light of the funding position at 31 March 2003, no discretionary increase was made to pensions in payment in 2003.

Members of the PLAS and the SMPS were asked to increase their contributions from 5.0% to 7.0% of pensionable salary over two years, as part of the measures to address the issues concerning the funding of the defined benefit pension provision.

Company contributions for the PLAS and the SMPS have risen to 16.1% (from 11.1%) and 29.7% (from 24.4%) respectively, and will reduce to 15.1% and 28.7% respectively on 1 July 2004, when employee contributions for the defined-benefit section of the Combined Scheme increase to 7.0%. Including the special contribution of £1,000,000 (2002: £706,000) paid into the Combined Scheme in 2003, Group contributions into what is now the Combined Scheme increased from £3,856,000 in 2002 to £4,776,000 in 2003.

Other benefit changes were made as follows:

- The definition of "incapacity" was altered to introduce a more structured approach to the assessment of eligibility for ill-health early retirement.
- The offset to benefits from previous employment for SMPS members was removed, thereby aligning the benefit calculations with those of the PLAS.
- A reduction in the pension ultimately payable to a spouse more than 10 years younger than the member who marries the member after 1 July 2003 was introduced for service from that date.

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24 PENSION COMMITMENTS (continued)

(ii) Defined-contribution section

The defined-contribution section of the PLAS was contracted back into the Second State Pension Scheme, enabling members to accrue additional benefits going forward in the State Scheme and resulting in the Company and members paying an additional 3.5% and 1.6% respectively of members' salaries between the lower and upper earnings' limits for National Insurance (NI) by way of increased NI contributions (NICs). *Recognising the increased cost of Company and member NICs, the upper limit for member contributions to be matched by the Company was reduced to 7.0%, the lowest contribution rate was reduced to 2.0% and the contribution rates for all ages were harmonised.*

Revised investment choices were made available to members within this section.

(iii) Investment strategy

As part of the triennial process, following the actuarial valuations and the merger of the PLAS and the SMPS, the trustees, in consultation with the Group, undertook a review of the investment strategy of the Combined Scheme. As a consequence, it was decided to move to a more conservative allocation between equity and fixed interest investments, thereby reducing the risk of investment volatility and providing a closer match of investments to the liability profile of the Combined Scheme. The switches are being carried out over a period of time to spread and mitigate the risk of adverse market movements.

Pension disclosure under FRS 17

The pension cost figures used in these financial statements comply with the current pension cost accounting standard, SSAP 24. A new pension cost accounting standard, FRS 17, came into effect for accounting years ending on or after 22 June 2001. Under transitional arrangements for the implementation of FRS 17, the Group is required to disclose by way of a schedule the following information about the schemes and the figures that would have been shown under FRS 17 in the current balance sheet, as if the new accounting standard had been in force.

The schedule shows the combined results of the three main pension schemes in the UK. A full actuarial valuation was carried out for both of the principal schemes as at 1 January 2002, and of the other scheme as at 6 April 2001. These actuarial valuations have been updated to 31 December 2003 by an independent actuary.

It is not practicable to apportion the FRS 17 disclosures across the various subsidiary companies of the Group, and the disclosures given below are for the Group rather than the Company.

Assumptions

The major assumptions used by the actuary in updating valuations to 31 December were:

	2003	2002	2001
Rate of increase in salaries	4.31%	3.85%	4.00%
Rate of increase in deferred pensions	2.81%	2.35%	2.50%
Rate of increase of pensions in payment	2.81%	2.35%	2.50%
Discount rate	5.36%	5.47%	5.83%
Inflation	2.81%	2.35%	2.50%

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24 PENSION COMMITMENTS (continued)

Assets/liabilities

The assets in the schemes and the expected rates of return at 31 December were:

	Expected long term rate of return 2003	Value 2003 £'000	Expected long term rate of return 2002	Value 2002 £'000	Expected long term rate of return 2001	Value 2001 £'000
Equities	7.0%	61,425	7.0%	58,860	7.0%	72,693
Bonds and gilts	5.0%	28,725	5.0%	15,189	5.5%	18,054
Other	5.0%	2,687	5.0%	3,544	5.0%	1,466
Total market value of assets		92,837		77,593		92,213
Present value of scheme liabilities		107,925		107,653		98,532
Shortfall in the schemes		(15,088)		(30,060)		(6,319)
Related deferred tax asset		4,526		9,018		1,896
		(10,562)		(21,042)		(4,423)

If the above pension shortfall was recognised in the financial statements, the Group's net assets and profit and loss reserve would be as follows:

	2003 £'000	2002 £'000
Balance sheet		
Net assets excluding pensions shortfall	137,340	121,729
Less pension prepayment	(593)	(399)
Pensions shortfall	(10,562)	(21,042)
Net assets including pensions shortfall	126,185	100,288

Reserves note

Profit and loss reserve excluding pensions shortfall	124,767	109,593
Less pension prepayment	(593)	(399)
Pensions shortfall	(10,562)	(21,042)
Profit and loss reserve including pensions shortfall	113,612	88,152

Analysis of the amount charged to operating profit

	2003 £'000	2002 £'000
Service cost	2,924	2,450
Money Purchase contribution	1,602	948
Past service cost	11	-
Total operating charge	4,537	3,398

Analysis of net return on pension scheme

	2003 £'000	2002 £'000
Expected return on pension scheme assets	4,625	5,766
Interest on pension liabilities	(5,599)	(5,397)
Net return	(974)	369

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

24 PENSION COMMITMENTS (continued)

Analysis of amount recognised in statement of total recognised gains and losses (STRGL)

	2003 £'000	2002 £'000
Actual return less expected return on assets	6,147	(19,457)
Experience gains and losses on liabilities	(259)	(161)
Changes in assumptions	9,847	(4,426)
Actuarial (loss) recognised in STRGL	15,735	(24,044)
Adjustment due to surplus cap	-	-
Net loss recognised	15,735	(24,044)

Movement in shortfall during the year

	2003 £'000	2002 £'000
Shortfall in scheme at beginning of year	(30,060)	(6,319)
Movement in year:		
current service cost	(4,526)	(3,398)
contributions	4,748	3,332
past service cost	(11)	-
net return on assets/(interest cost)	(974)	369
Actuarial (loss)	15,735	(24,044)
	(15,088)	(30,060)

History of experience gains and losses

	Percentage of scheme assets or liabilities %	2003 £'000	Percentage of scheme assets or liabilities %	Year to 2002 £'000
Difference between expected and actual return on scheme assets	7	6,147	-27%	(19,457)
Experience gains and losses on scheme liabilities	0	(259)	0%	(161)
Total amount recognised in statement of total recognised gains and losses	15	15,735	-24%	(24,044)

ARCHANT REGIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

25 CONTINGENT LIABILITY

All companies in the Group have provided a cross guarantee, by way of a debenture, in relation to the overdraft facility with Barclays Bank Plc. Details of the overdraft facility are contained in the Archant Limited group financial statements.

In addition, certain of the companies in the Group have provided a cross guarantee *in relation to the overdraft facility with The Royal Bank of Scotland plc. Details of the overdraft facility* are also contained in the Archant Limited group financial statements.

26 ULTIMATE PARENT UNDERTAKING

At 31 December 2003, the parent undertaking for which group accounts are drawn up and of which the company was a member was Archant Limited, registered in England and Wales. Copies of that company's accounts can be obtained from The Registrar, Companies House, Crown Way, Maindy, Cardiff.

27 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions in FRS 8 from disclosing transactions with related parties that are part of the Archant Limited group.

28 CASH FLOW STATEMENT

The Company has taken advantage of the dispensation under FRS1 Section 8 (c) not to publish a cash flow statement. The cash flow statement of the Group is published in the financial statements of Archant Limited.