

THE SWANSEA PRESS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 1982

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1 The directors present herewith the audited accounts for the year ended 30 September 1982.

Results

2 The profit for the year and the appropriation thereof are set out in the profit and loss account on page 4.

Dividend

3 The directors recommend the payment of a dividend of £479,800 in respect of the year ended 30 September 1982.

Principal Activity of the Company

4 The principal activity of the company is the printing and publishing of newspapers. There has been no significant change in the activity during the year and the company has continued to trade satisfactorily.

Fixed Assets

5 The movements in fixed assets during the year are set out in note 6 to the accounts. Certain of the company's freehold and leasehold properties were valued at 30 September 1979 and this valuation has been incorporated in the accounts. The directors are of the opinion that there has been no significant change in the open market value, on an existing use basis, of these properties.

Directors

6 The directors of the company at 30 September 1982, all of whom have been directors for the whole of the year ended on that date, were:-

A N Dyer (Chairman)
R J Harris
J Gibb
F A Kempton
I J Lewis

7 Mr J S Wallwork, who was director and chairman at 1 October 1981, retired 31 March 1982. The directors wish to place on record their appreciation of the valuable services rendered to the company by Mr Wallwork throughout his association with the company as chairman and director.

8 Mr J P Aldridge, who was a director on 1 October 1981, resigned on 29 March 1982 to take up an appointment with another group company. The directors wish to place on record their appreciation of the valuable services rendered to the company by Mr Aldridge throughout his association with the company as director and general manager.



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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 1982 (Continued)

9 In accordance with the Articles of Association, Mr J Gibb and Mr I J Lewis retire by rotation and, being eligible, offer themselves for re-election.

10 Since the year end, Mr L Park was appointed director on 1 October 1982 and Mr M D Greatbanks was appointed director on 19 November 1982. In accordance with the Articles of Association they retire and, being eligible, offer themselves for re-election.

Directors' Interests in Shares of Group Companies

11 The interests of those directors at 30 September 1982, who were not also directors of a holding company, in shares or loan stock of the ultimate holding company are shown below:-

<u>Director</u>	<u>Associated Newspapers</u> <u>Group PLC</u> <u>25p Ordinary Shares</u>	
	<u>At 30 September</u>	<u>At 30 September</u>
	<u>1982</u>	<u>1981</u>
A N Dyer	NIL	NIL
R J Harris	NIL	NIL
J Gibb	NIL	NIL
F A Kempton	NIL	NIL
I J Lewis	NIL	NIL

Disabled Person

11 It is the company's policy to comply with the regulations for the employment of disabled persons. Disabled persons are fairly considered when applying for vacancies or promotions and, whether new or existing employees, they are given all necessary assistance with training.

Political and Charitable Contributions

13 Charitable contribution of £137 were made during the year. No political contributions were made in the year.

Auditors

14 During the year Owen A Parry & Co, resigned as auditors and, in accordance with Section 14 (5) of the Companies Act 1976, Coopers & Lybrand were appointed auditors by the directors. A resolution to re-appoint Coopers & Lybrand will be proposed at the general meeting.

BY ORDER OF THE BOARD


Secretary

Carmelite House
London EC4 YOJA

THE SWANSEA PRESS LIMITED

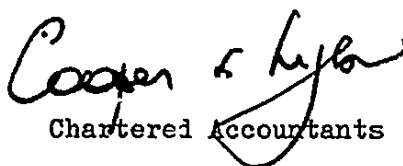
REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accounts on pages 4 to 12 in accordance with approved Auditing Standards. The accounts have been prepared under the historical cost convention as modified by the revaluation of land and buildings.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 30 September 1982 and of its profit for the year then ended and comply with the Companies Acts 1948 to 1981.

As explained in note 16, the accounts do not specify the manner in which the operations of the company have been financed or in which its financial resources have been used during the year, as required by Statement of Standard Accounting Practice No. 10.

Cardiff, 17 December 1982


Chartered Accountants

THE SWANSEA PRESS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1982

	<u>Notes</u>	<u>1982</u> £	<u>1981</u> £
TURNOVER	1(a)	4,783,842	4,295,726
PROFIT BEFORE TAXATION	2	937,074	768,569
TAXATION	4	457,247	326,727
PROFIT AFTER TAXATION		479,827	441,842
TRANSFER TO RESERVE FOR REPLACEMENT OF FIXED ASSETS		-	1,210
		479,827	440,632
DIVIDENDS	5	479,800	440,600
RETAINED PROFIT FOR THE YEAR		£27	£32

STATEMENT OF RESERVES

	£	£
RESERVES AT 1 OCTOBER 1981	309,231	307,989
RETAINED PROFIT FOR THE YEAR	27	32
TRANSFER TO RESERVE FOR REPLACEMENT OF FIXED ASSETS	-	1,210
RESERVES AT 30 SEPTEMBER 1982	£309,258	£309,231

The notes on pages 6 to 12 form part of these accounts

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THE SWANSEA PRESS LIMITED

BALANCE SHEET - 30 SEPTEMBER 1982

	<u>Notes</u>	<u>1982</u>		<u>1981</u>	
		£	£	£	£
EMPLOYMENT OF CAPITAL					
FIXED ASSETS	6		965,722		1,084,899
SHARES IN SUBSIDIARY COMPANIES	7		260,621		260,621
LOAN TO PARENT COMPANY			527,305		-
CURRENT ASSETS					
Stocks	8	183,668		338,251	
Debtors		574,086		552,470	
Amounts due from fellow subsidiaries		8,402		-	
Dividend receivable from subsidiary companies		45,579		46,981	
Cash at bank and in hand		106,379		18,803	
		<u>918,114</u>		<u>956,505</u>	
CURRENT LIABILITIES					
Creditors		155,863		116,224	
Amount due to holding company		85,673		71,168	
Amount due to subsidiary company		-		230	
Proposed dividend		479,800		440,600	
Taxation	9	1,165,996		814,771	
		<u>1,887,332</u>		<u>1,442,993</u>	
NET CURRENT LIABILITIES			(969,218)		(486,488)
Less:-					
PROVISIONS	10		784,430		859,032
			70,593		61,593
CAPITAL EMPLOYED			<u>£713,837</u>		<u>£797,439</u>
SHARE CAPITAL	11		36,500		36,500
SHARE PREMIUM ACCOUNT			22,135		22,135
RESERVES	12		309,258		309,231
SHAREHOLDERS' INTERESTS			367,893		367,866
LOAN DUE TO PARENT COMPANY AND FELLOW SUBSIDIARIES			-		28,095
LOANS DUE TO SUBSIDIARY COMPANIES	13		98,640		96,506
DEFERRED TAXATION	14		247,304		304,972
			<u>£713,837</u>		<u>£797,439</u>

The accounts were approved by the Board on 17 December 1982

(Signature)
) Directors
(Signature)

The notes on pages 6 to 12 form part of these accounts

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THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982

Principal Accounting Policies and Statutory Requirements

1 These accounts have been prepared in accordance with Section 149A and Schedule 8A of the Companies Act 1948. In addition a summary of the more important accounting policies used in the preparation of these accounts is set out below:-

(a) Turnover

Turnover is the total amount receivable by the company for its goods and services, excluding trade discounts and commission.

(b) Fixed Assets

Land and buildings are included at a valuation. The cost of other fixed assets is their purchase cost, together with any costs of acquisition and installation. Regional development grants received or receivable on qualifying expenditure are applied in reduction of the costs of acquisition of the fixed assets, to which the grants relate. As a result grants are effectively credited to revenue over the expected useful lives of the related assets.

Depreciation is calculated so as to write off the cost of fixed assets on a straight line basis over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:-

	%
Freehold buildings	5
Plant and equipment	8½ - 25 (average 12½%)

Leasehold land and buildings are amortised over their remaining economic useful lives or the period of the lease whichever is the less. Freehold land is not depreciated.

(c) Stocks

Stocks are valued at the lower of cost and net realisable value. In general cost is determined on a "first in, first out" basis. Net realisable value is the price at which the stocks can be sold in the normal course of business allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition. Provision is made, where necessary, for obsolescent, slow moving and defective stock.

(d) Deferred Taxation

Provision is made for deferred tax at the rate of corporation tax ruling at the year end (the liability method), except in respect of any tax reduction which can reasonably be expected to continue for the foreseeable future.

THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Profit before taxation

2 Profit before taxation is stated after charging:-

	<u>1982</u> £	<u>1981</u> £
Depreciation	146,363	151,517
Loss on sale of fixed assets	1,784	-
Emoluments of directors (note 3)		
For management	32,455	31,963
Pensions for past directors	333	242
Auditors' remuneration	6,150	2,150
Provision for deferred repairs	4,500	7,204
Provision for legal and insurance costs	4,500	4,500

and after crediting:-

Income from investments		
Interest on short term loans	-	3,837
Dividends from subsidiary companies	45,579	47,076
Profit on sale of fixed assets	-	1,210

Directors' Emoluments

3 Particulars of emoluments of the directors (excluding pension fund contributions), disclosed in accordance with Sections 6 and 7, as amended, of the Companies Act 1967, are as follows:-

	<u>1982</u> NIL	<u>1981</u> NIL
Emoluments of the Chairman	NIL	NIL
Emoluments of the highest paid director	£15,805	£13,905
Number of other directors whose emoluments were within the range:-		
Nil to £5,000	4	4
£5,001 to £10,000	1	-
£10,001 to £15,000	-	1

Taxation

4 The charge for taxation is made up as follows:-

	<u>1982</u> £	<u>1981</u> £
On the profits of the year:-		
United Kingdom corporation tax at 52% (1981 52%)	514,950	415,250
Transfer (from) deferred taxation	(57,668)	(77,812)
	<u>457,282</u>	<u>337,438</u>
Prior year items:-		
United Kingdom corporation tax	(35)	(10,975)
Deferred taxation	-	264
	<u>£457,247</u>	<u>£326,727</u>

THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Dividends

	<u>1982</u>	<u>1981</u>
	£	£
5		
Proposed interim dividend	-	440,600
Ordinary final dividend proposed	479,800	-
	<u>£479,800</u>	<u>£440,600</u>

Fixed Assets

6	<u>Freehold Land and Buildings</u>	<u>Long Leasehold Land and Buildings</u>	<u>Plant and Equipment</u>	<u>Total</u>
	£	£	£	£
Cost or Valuation				
At 1 October 1981	17,844	482,625	1,384,930	1,885,399
Expenditure	-	-	28,802	28,802
Group transfers	-	-	7,301	7,301
	<u>17,844</u>	<u>482,625</u>	<u>1,421,033</u>	<u>1,921,502</u>
Less:	17,844	482,625	1,421,033	1,921,502
Disposals	-	(3,629)	(16,109)	(19,738)
	<u>17,844</u>	<u>478,996</u>	<u>1,404,924</u>	<u>1,901,764</u>
At 30 September 1982				
Cost	-	-	1,404,924	1,404,924
Valuation	17,844	478,996	-	496,840
	<u>17,844</u>	<u>478,996</u>	<u>1,404,924</u>	<u>1,901,764</u>
Depreciation				
At 1 October 1981	1,782	18,696	780,022	800,500
Charge for year	891	9,273	136,199	146,363
Group transfers	-	-	5,010	5,010
	<u>2,673</u>	<u>27,969</u>	<u>921,231</u>	<u>951,873</u>
Less:	2,673	27,969	921,231	951,873
Disposals	-	(150)	(15,681)	(15,831)
	<u>2,673</u>	<u>27,819</u>	<u>905,550</u>	<u>936,042</u>
At 30 September 1982				
Net Book Value				
At 30 September 1982	<u>£15,171</u>	<u>£451,177</u>	<u>£499,374</u>	<u>£965,722</u>
At 30 September 1981	<u>£16,062</u>	<u>£463,929</u>	<u>£604,908</u>	<u>£1,084,899</u>

Details of valuations made of freehold and leasehold properties owned at 30 September 1982 are as follows:-

<u>Year of Valuation</u>	<u>Description</u>	<u>Amount</u>
		£
1979	Freehold Land and Buildings	17,844
1979	Long Leasehold Land and Buildings	478,996

THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Included in the plant and equipment are fully depreciated assets whose cost amounts to £452,000 (1981 £388,000). An additional depreciation charge of £55,000 (1981 £48,000) would have arisen if these assets had not been fully depreciated.

Subsidiary Companies

7 (a) Shares in subsidiary companies comprise shares at cost, less amounts written off.

(b) Details of the subsidiary companies are shown below:-

<u>Name of Company</u>	<u>Description of Shares held</u>	<u>Proportion of Nominal Value of Issued Shares held</u>
The Journal Company Limited	Ordinary shares of £1	99.94
	Preference shares of £1	100.00
Llanelli Star Limited	Ordinary shares of £1	100.00
Swansea Circular Limited	Ordinary shares of £1	100.00
Auto Garages (Northern) Limited	Ordinary shares of £1	50.00

(c) The principal activity of both The Journal Company Limited and Llanelli Star Limited is the printing and publishing of newspapers. The other companies did not trade during the year.

(d) Group accounts are not required to be submitted under Section 150(2) of the Companies Act 1948, as this company is the wholly owned subsidiary of another company.

(e) In the opinion of the directors the aggregate value of the investments of the company in its subsidiaries, consisting of shares in and amounts owing from those companies, is not less than the aggregate amounts at which they are stated in the balance sheet.

Stocks

8 The amounts attributable to the different categories are as follows:-

	<u>1982</u> <u>£</u>	<u>1981</u> <u>£</u>
Raw materials	173,131	326,187
Fuel and other stocks	10,537	12,064
	<u>£183,668</u>	<u>£338,251</u>

THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Taxation

9 United Kingdom corporation tax is payable within one year.

<u>Provisions</u>	<u>Deferred Repairs £</u>	<u>Legal Costs Insurance and Other £</u>	<u>Total £</u>
10			
At 1 October 1981	25,943	35,650	61,593
Charged against profits	4,500	4,500	9,000
At 30 September 1982	<u>£30,443</u>	<u>£40,150</u>	<u>£70,593</u>

Share Capital

	<u>1982 £</u>	<u>1981 £</u>
11		
Authorised 40,000 Ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>
Issued and Fully Paid 36,500 Ordinary shares of £1 each	<u>36,500</u>	<u>36,500</u>

Reserves

12	<u>Revaluation Reserve £</u>	<u>Reserve for Replacement of Fixed Assets £</u>	<u>Surplus on Realisation of Securities £</u>	<u>General Reserve £</u>	<u>Retained Profits £</u>	<u>Total £</u>
At 1 October 1981	139,002	19,541	52,031	54,749	43,908	309,231
Profit for the year	-	-	-	-	27	27
Reclassification	(6,901)	(19,541)	(52,031)	(54,749)	133,222	-
At 30 September 1982	<u>£132,101</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£177,157</u>	<u>£309,258</u>

This is made up as follows:-

Distributable	7,335	-	-	-	177,157	184,492
Non distributable	124,766	-	-	-	-	124,766
	<u>£132,101</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£177,157</u>	<u>£309,258</u>

SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Loans due to Subsidiary Companies

13 The loans due to subsidiary companies are interest-free and there are no fixed terms for repayment.

Deferred Taxation

14 The accounting policy for deferred taxation is set out in note 1(d). The directors do not consider there is sufficient certainty that timing difference will continue without reversal. Accordingly, provision has been made for the full potential liability which is made up as follows:-

	Potential Liability and Amounts Provided	
	<u>1982</u> £	<u>1981</u> £
Capital allowances	297,758	350,958
Other timing differences	(50,454)	(45,986)
	<u>£247,304</u>	<u>£304,972</u>

The movements on the deferred taxation account are set out below:-

	<u>1982</u> £	<u>1981</u> £
At 1 October 1981	304,972	382,520
Transfer (to) profit and loss account	(57,668)	(77,548)
At 30 September 1982	<u>£247,304</u>	<u>£304,972</u>

No liability has been included in the accounts for the maximum potential corporation tax liability, of approximately £42,000, that would arise if the properties were to be sold at their revalued amounts. In the opinion of the directors all properties are expected to be subject to roll-over relief or to be disposed of at net book value to fellow group companies, consequently no liability to tax is expected to arise.

Capital Commitments

	<u>1982</u> £	<u>1981</u> £
15 Contracted for but not provided in the accounts	-	-
Authorised by the directors but not contracted	250,200	281,800
	<u>£250,200</u>	<u>£281,800</u>

THE SWANSEA PRESS LIMITED

NOTES TO THE ACCOUNTS - 30 SEPTEMBER 1982 (CONTINUED)

Ultimate Holding Company

16 The Swansea Press Limited is a wholly owned subsidiary of Associated Newspapers Group PLC, which is incorporated in the United Kingdom. Associated Newspapers Group PLC controls the group cash funds, and therefore the directors do not consider it appropriate to include a separate statement of source and application of funds with the accounts of this subsidiary.