

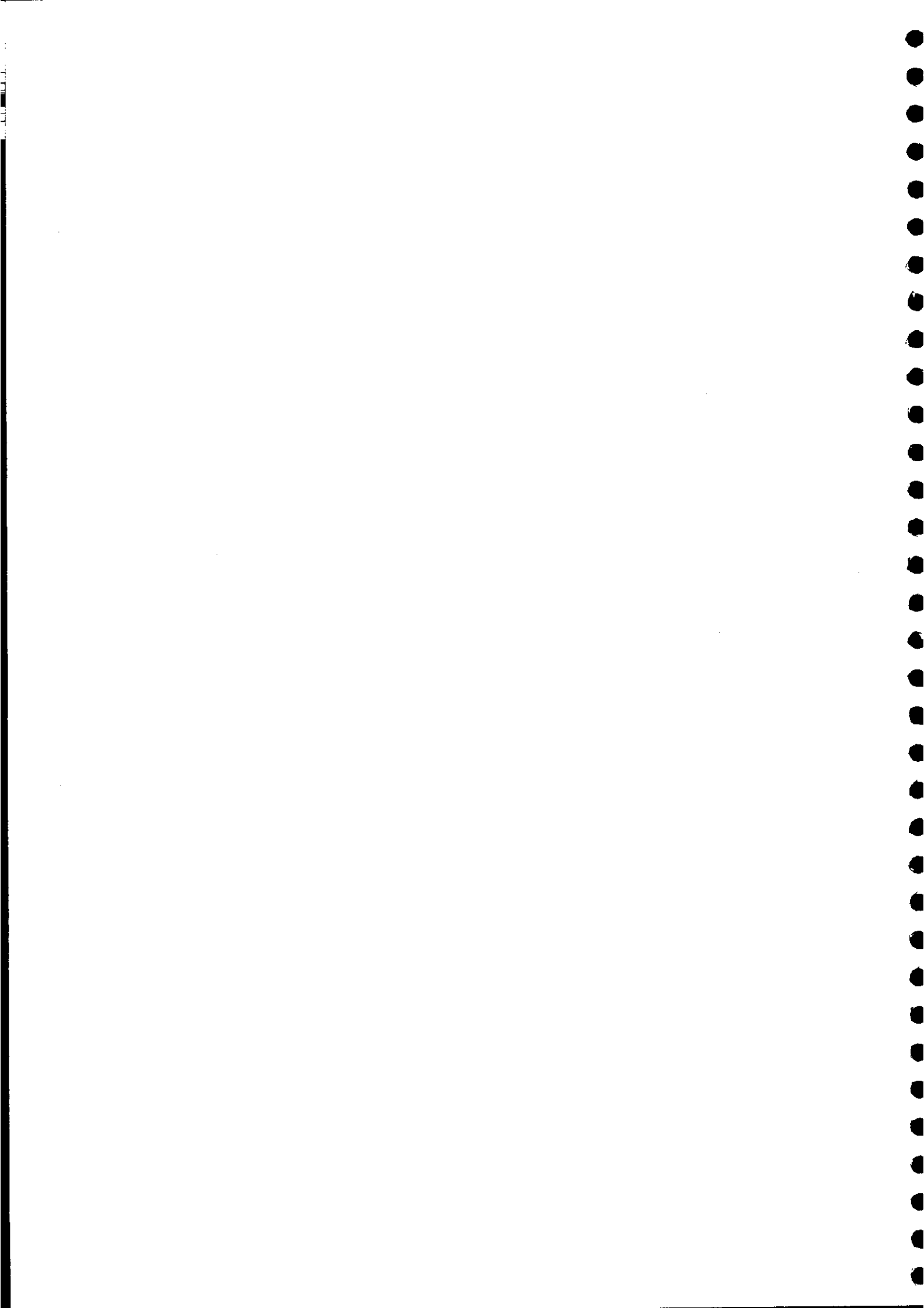
North Wales Newspapers Limited

Annual Report

For the year ended 31 March 2000

Registered no: 00167825





North Wales Newspapers Limited

Annual report for the year ended 31 March 2000

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North Wales Newspapers Limited

Directors and advisors

Executive Directors

**TR Morris
PS Hinchliffe
L Lommano**

Registered Auditors

**PricewaterhouseCoopers
8 Princes Parade
St Nicholas Place
Liverpool
L3 1QL**

Non-Executive Directors

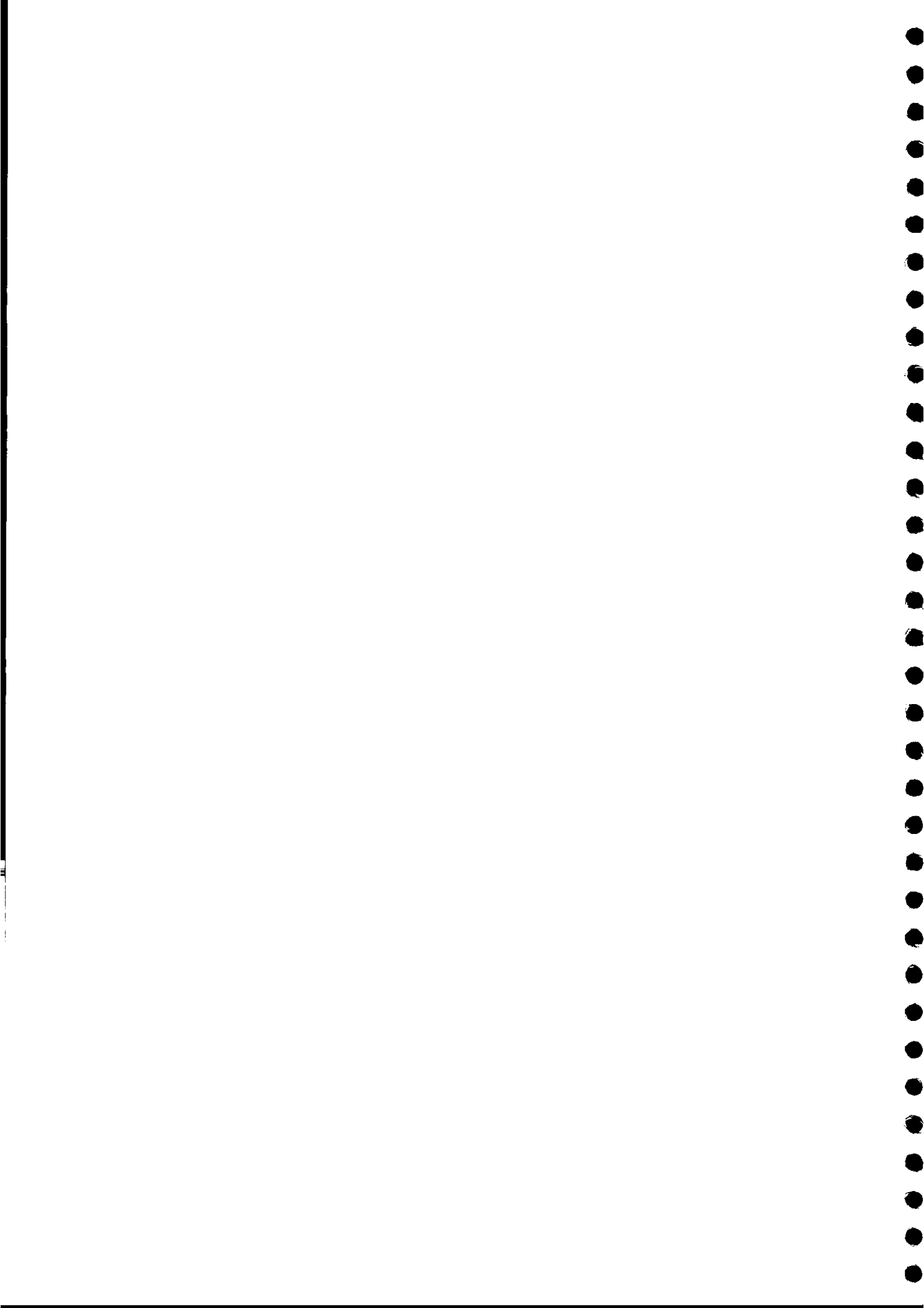
**RWG Whitehair (Chairman)
NP Woodward
EW Moss
HR Jones**

Bankers

**Allied Irish plc
31 Newport Road
Cardiff
CF24 0AB**

Secretary and registered office

**PS Hinchliffe
Mold Business Park
Wrexham Road
Mold
Flintshire
CH7 1XY**



North Wales Newspapers Limited

Directors' Report for the year ended 31 March 2000

The directors present their report and the audited group financial statements for the year ended 31 March 2000.

Principal activities

The principal activity of the group during the year continued to be the printing and publishing of newspapers with developing interests in other medias.

Review of the business

The consolidated profit and loss account for the year is set out on page 5, and note 8 shows the effect of income from investments on these results.

North Wales Newspapers Limited acquired 100% of the share capital of Chester & District Standard Limited on the 31 March 1999. Therefore, this is the first financial year where a full year of Chester & District Standard's results are consolidated into the group accounts.

Both the level of business and the year end financial position were satisfactory. The directors expect that the present level of trading activity will be sustained for the foreseeable future.

Dividends and transfers to reserves

The first interim dividend of £2.81 per ordinary share with associated tax credit of £0.70 was paid on 22 October 1999.

The final dividend of £1.92 per ordinary share with associated tax credit of £0.48 was paid on 25 May 2000.

The 3.5% cumulative preference and 5.6% cumulative preference dividends were paid during the year.

Directors

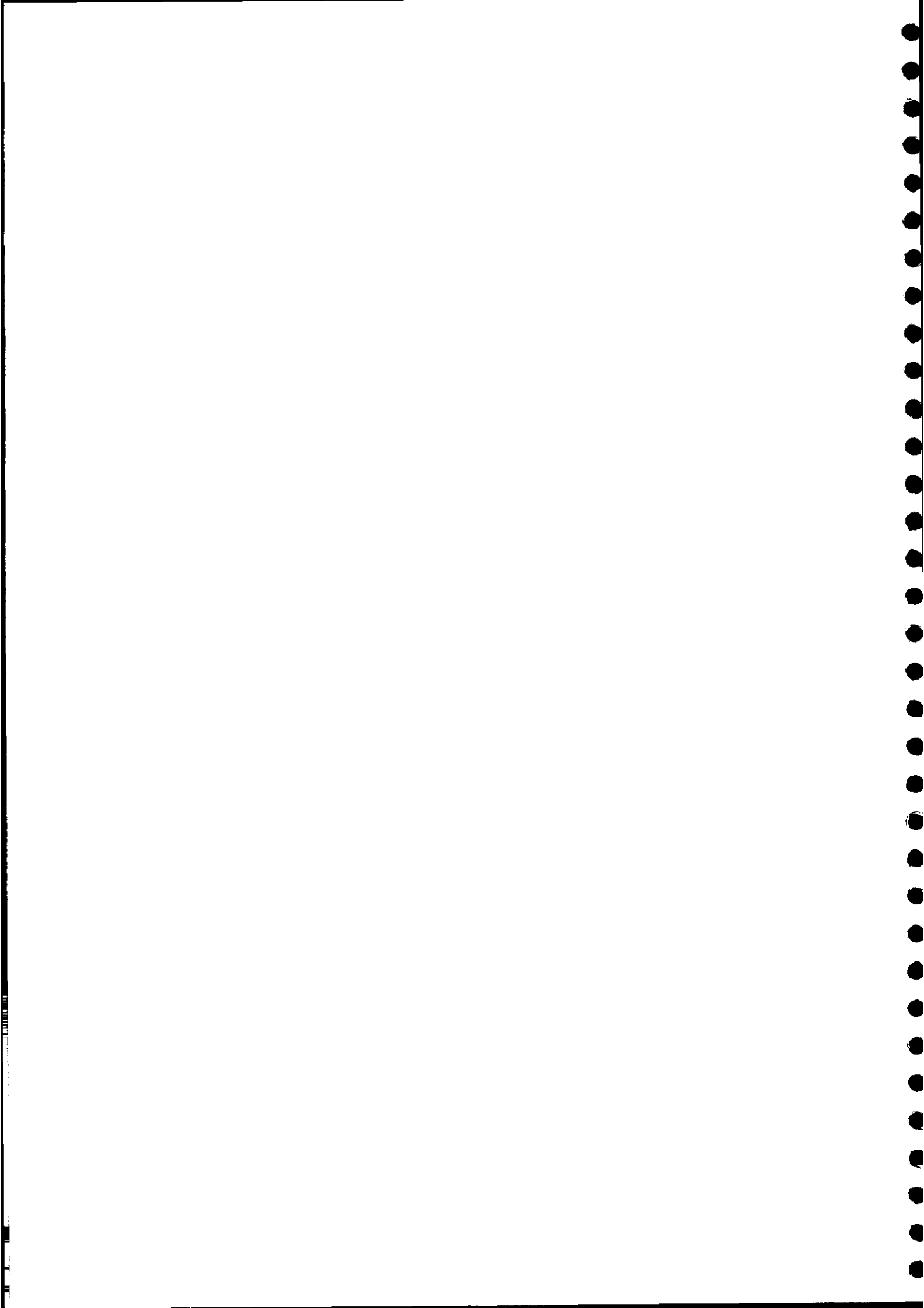
The directors of the company at 31 March 2000 and for the whole of the year then ended were Mr RWG Whitehair, Mrs NP Woodward, Mrs E Moss, Mr HR Jones, Mr TR Morris, Mr PS Hinchliffe and Mr L Lommano.

Directors' interests in share capital

	3.5% Cumulative Preference Shares	4.2% Cumulative Preference Shares	Ordinary Shares Beneficial	Ordinary Shares Non Beneficial
31 March 1999				
Mr RWG Whitehair	2400			27035
Mrs NP Woodward	5225	168	11840	5650
Mrs E Moss	252		6744	3049
Mr PS Hinchliffe	100			
Mr TR Morris	100			
Mr L Lommano	100			
Mr HR Jones	5698	174	5503	
31 March 2000				
Mr RWG Whitehair	2400			27035
Mrs NP Woodward	5225	168	11840	5650
Mrs E Moss	252		6744	3049
Mr PS Hinchliffe	100			
Mr TR Morris	100			
Mr L Lommano	100			
Mr HR Jones	5698	174	5503	

Changes in fixed assets

The movement in fixed assets during the year are as set out in note 13 to the financial statements. The directors are of the opinion that the market value of the group's freehold property is not significantly different from the book value as at 31 March 2000.



North Wales Newspapers Limited

Directors' Report (continued)

Charitable donations

During the year donations of £7,689 (1999: £6,369) were made to registered charities.

Employee involvement

Within the limitations of commercial confidentiality and security, it is the policy of the group to take the employees' views into account in making decisions.

Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group performance.

It is the policy of the group that, within the limitations of the trading activities, disabled persons are employed on equal terms. When employees become disabled, every effort is made to continue employment with retraining for alternative work, if necessary. Opportunities for career development are available for disabled persons.

Taxation status

The company is a close company within the provisions of the Income and Corporation Taxes Act 1999.

Year 2000

No problems have been encountered by the group in relation to the year 2000, and the directors are not aware of any such problems encountered by major suppliers or customers.

Euro

The group has assessed the likely impact of the Euro. No major changes to systems or arrangements with customers are envisaged.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period.

The directors confirm that suitable accounting policies have been used and applied consistently with reasonable and prudent judgements having been made in the preparation of the financial statements for the year ended 31 March 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

Auditors

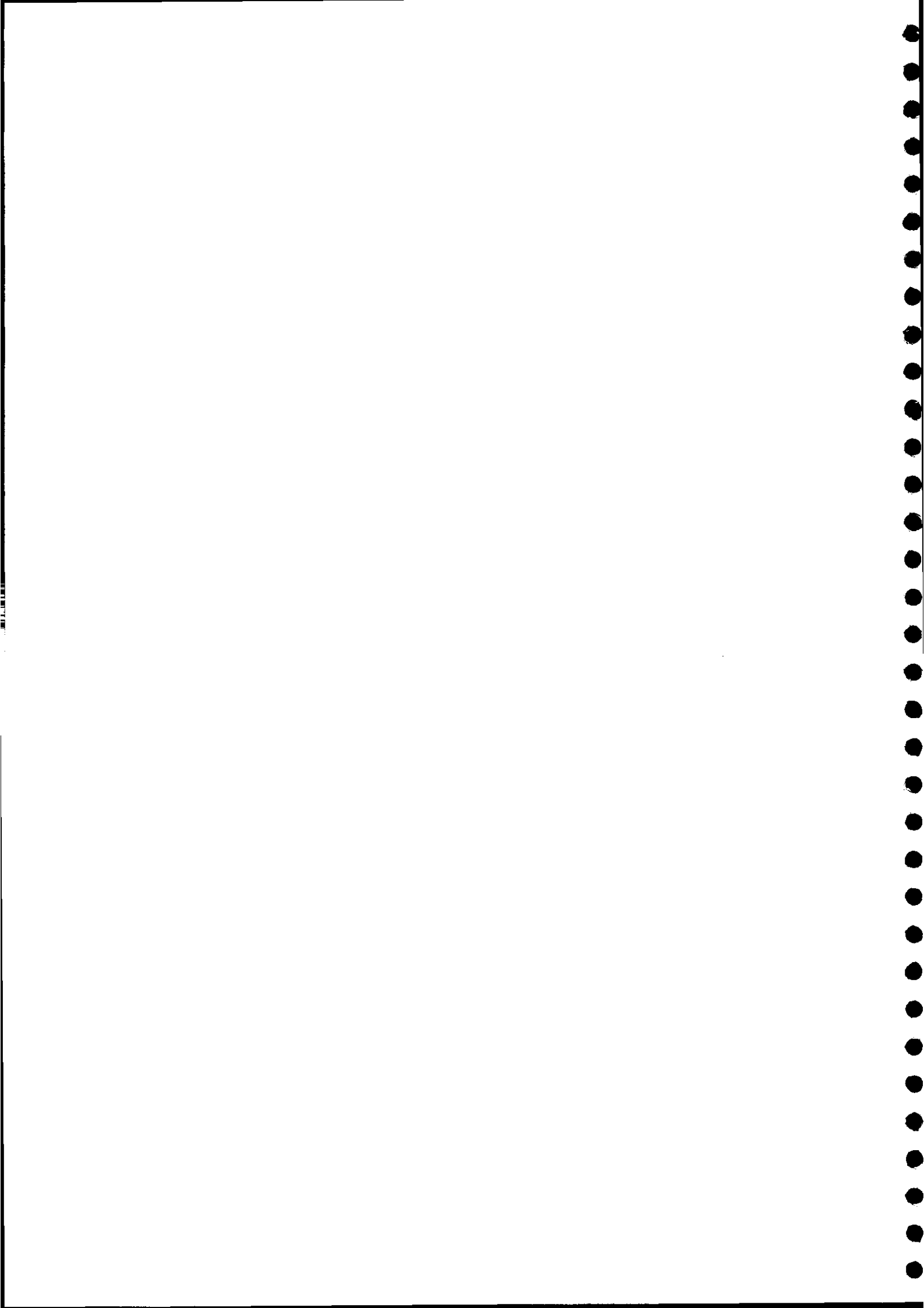
A resolution to re-appoint PricewaterhouseCoopers as auditors to the company will be proposed at the Annual General Meeting.

By order of the board



P S Hinchliffe
Company Secretary

Date: 27 October 2000



Report of the auditors to the members of North Wales Newspapers Limited

We have audited the financial statements on pages 5 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

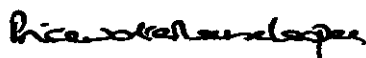
Basis of opinion

We conducted our audit in accordance with 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 presentation of information in the financial statements.

Opinion

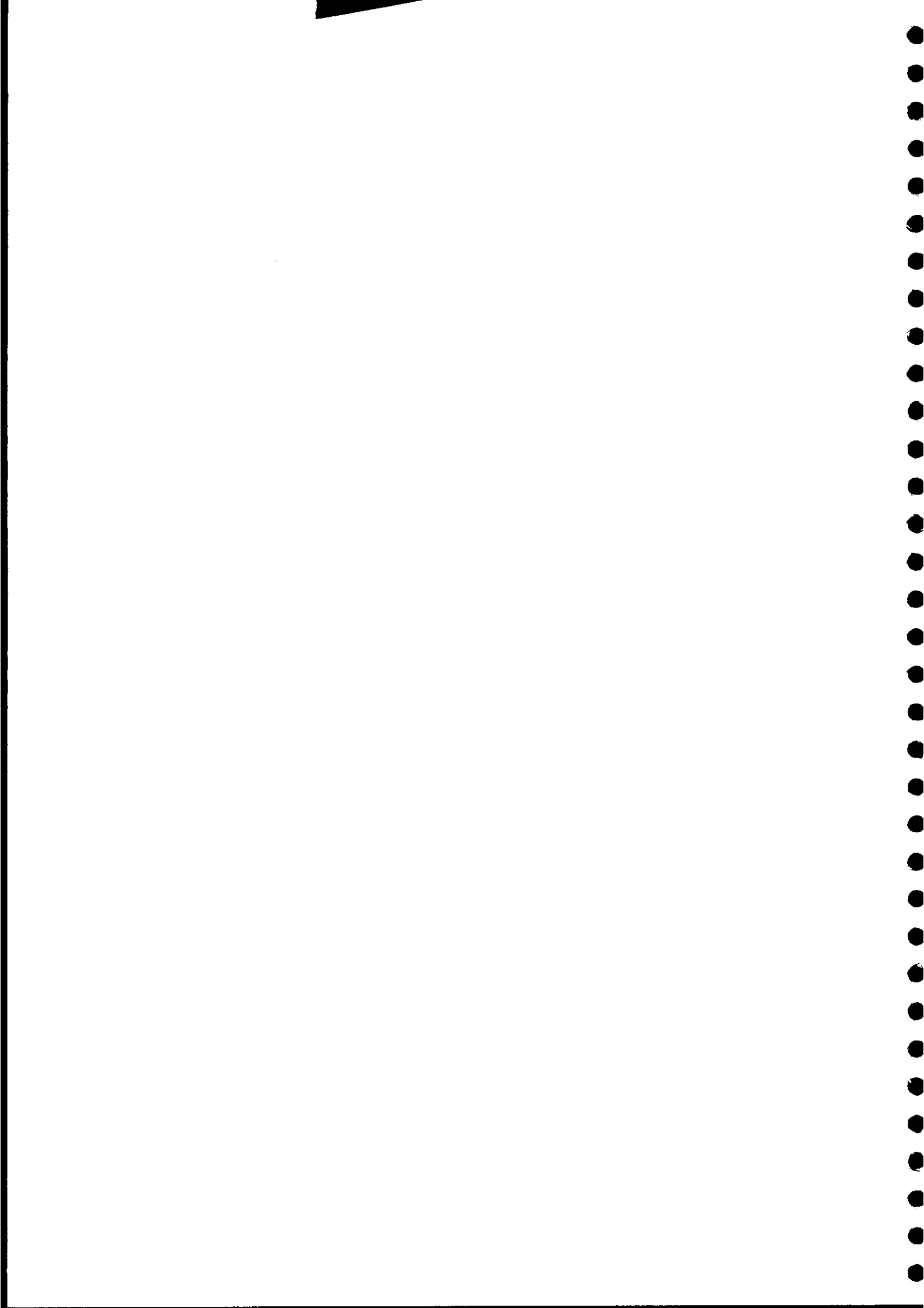
In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 2000 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers

Chartered Accountants and Registered Auditors
Liverpool

27 October 2000



North Wales Newspapers Limited

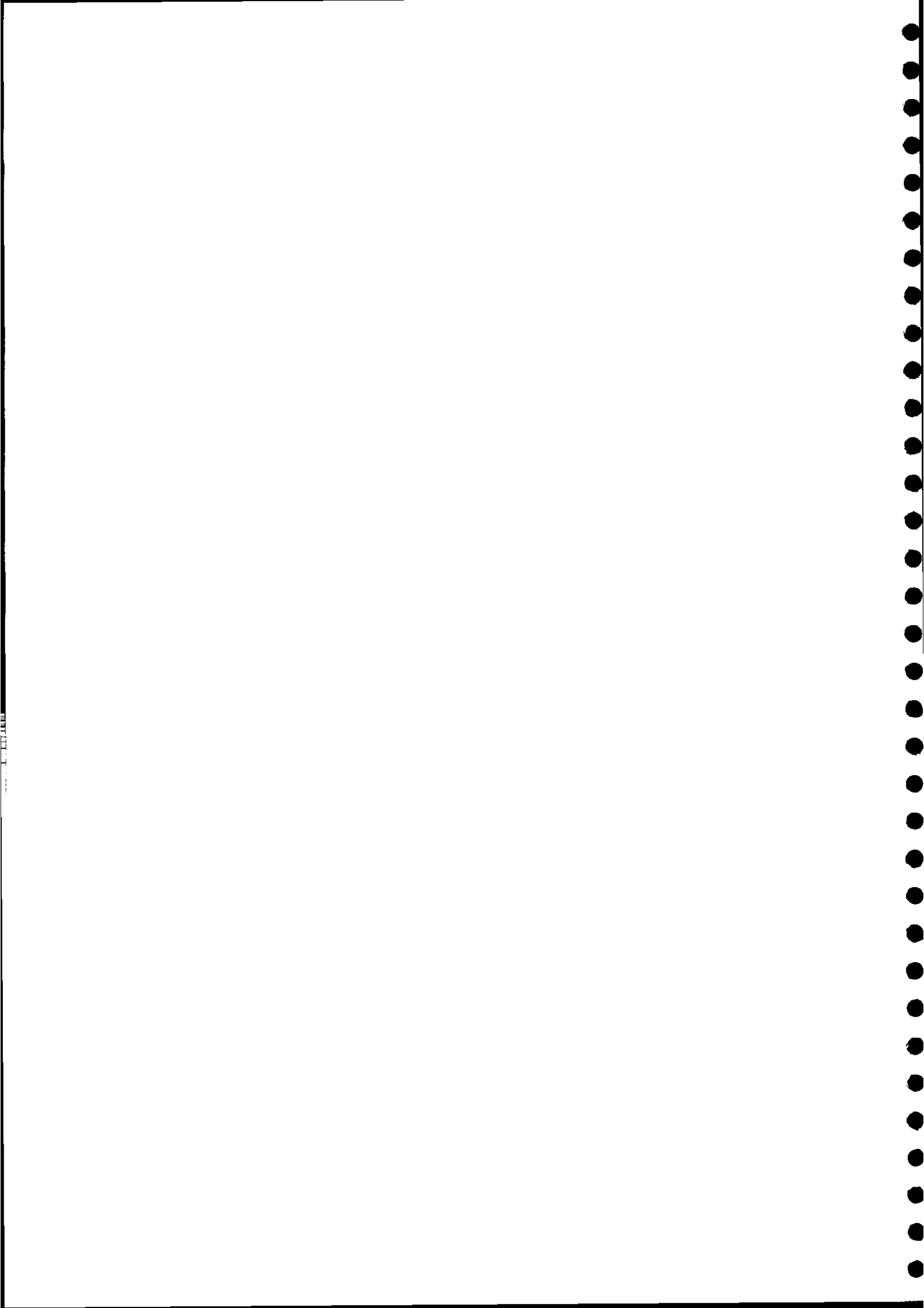
Consolidated profit and loss account for the year ended 31 March 2000

	Notes	2000 £	1999 £
Turnover	3	12,242,170	10,872,759
Cost of sales		(3,363,101)	(3,053,878)
Gross profit		8,879,069	7,818,881
Net operating expenses	4	(8,243,453)	(7,249,928)
Operating profit before goodwill amortisation		812,589	568,953
Goodwill amortisation		(176,973)	-
Operating profit		635,616	568,953
Exceptional item	7	(153,115)	-
Investment income/realised gains	8	726,387	669,810
Interest payable and similar charges	9	(205,058)	(26,935)
Profit on ordinary activities before taxation	10	1,003,830	1,211,828
Tax on profit on ordinary activities	11	(356,505)	(389,564)
Profit on ordinary activities after taxation		647,325	822,264
Dividends (Including amounts in respect of non-equity shares)	12	(186,259)	(170,247)
Retained Profit for year	23	461,066	652,017

All activities are continuing operations.

The group has no recognised gains and losses other than the profits above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents.

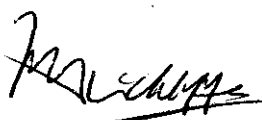


North Wales Newspapers Limited

Balance sheet at 31 March 2000

	Notes	Group		Company	
		2000 £	1999 £	2000 £	1999 £
Fixed assets					
Intangible assets	13a	3,362,490	3,549,131	-	-
Tangible assets	13b	2,799,191	2,876,661	2,719,517	2,793,020
Investments	14	357,422	249,889	3,955,733	3,857,868
		<u>6,519,103</u>	<u>6,675,681</u>	<u>6,675,250</u>	<u>6,650,888</u>
Current assets					
Stocks	15	69,400	83,906	69,400	83,906
Debtors	16	1,869,208	2,038,959	1,509,037	1,677,080
Cash at bank and in hand		141,627	40,993	141,428	40,268
		<u>2,080,235</u>	<u>2,163,858</u>	<u>1,719,865</u>	<u>1,801,254</u>
Creditors : amounts falling due within one year	17	(1,872,288)	(2,510,429)	(1,567,436)	(2,138,843)
Net current assets/(liabilities)		<u>207,947</u>	<u>(346,571)</u>	<u>152,429</u>	<u>(337,589)</u>
Total assets less current liabilities		<u>6,727,050</u>	<u>6,329,110</u>	<u>6,827,679</u>	<u>6,313,299</u>
Creditors : amounts falling due after more than one year	18	(2,401,482)	(2,663,811)	(2,397,130)	(2,648,000)
Provisions for liabilities and charges	19	(66,434)	(70,346)	(66,434)	(70,346)
		<u>(2,467,916)</u>	<u>(2,734,157)</u>	<u>(2,463,564)</u>	<u>(2,718,346)</u>
Net assets		<u>4,259,134</u>	<u>3,594,953</u>	<u>4,364,115</u>	<u>3,594,953</u>
Capital and reserves					
Called up share capital	21	77,353	77,353	77,353	77,353
Share premium account	23	6,264	6,264	6,264	6,264
Capital reserve	23	68,779	68,779	68,779	68,779
Profit and loss account	23	4,106,738	3,442,557	4,211,719	3,442,557
Total shareholders' funds	24	<u>4,259,134</u>	<u>3,594,953</u>	<u>4,364,115</u>	<u>3,594,953</u>
Non equity shareholders' funds		<u>38,288</u>	<u>38,288</u>	<u>38,288</u>	<u>38,288</u>
Equity shareholders' funds		<u>4,220,846</u>	<u>3,556,665</u>	<u>4,325,827</u>	<u>3,556,665</u>
Total shareholders' funds		<u>4,259,134</u>	<u>3,594,953</u>	<u>4,364,115</u>	<u>3,594,953</u>

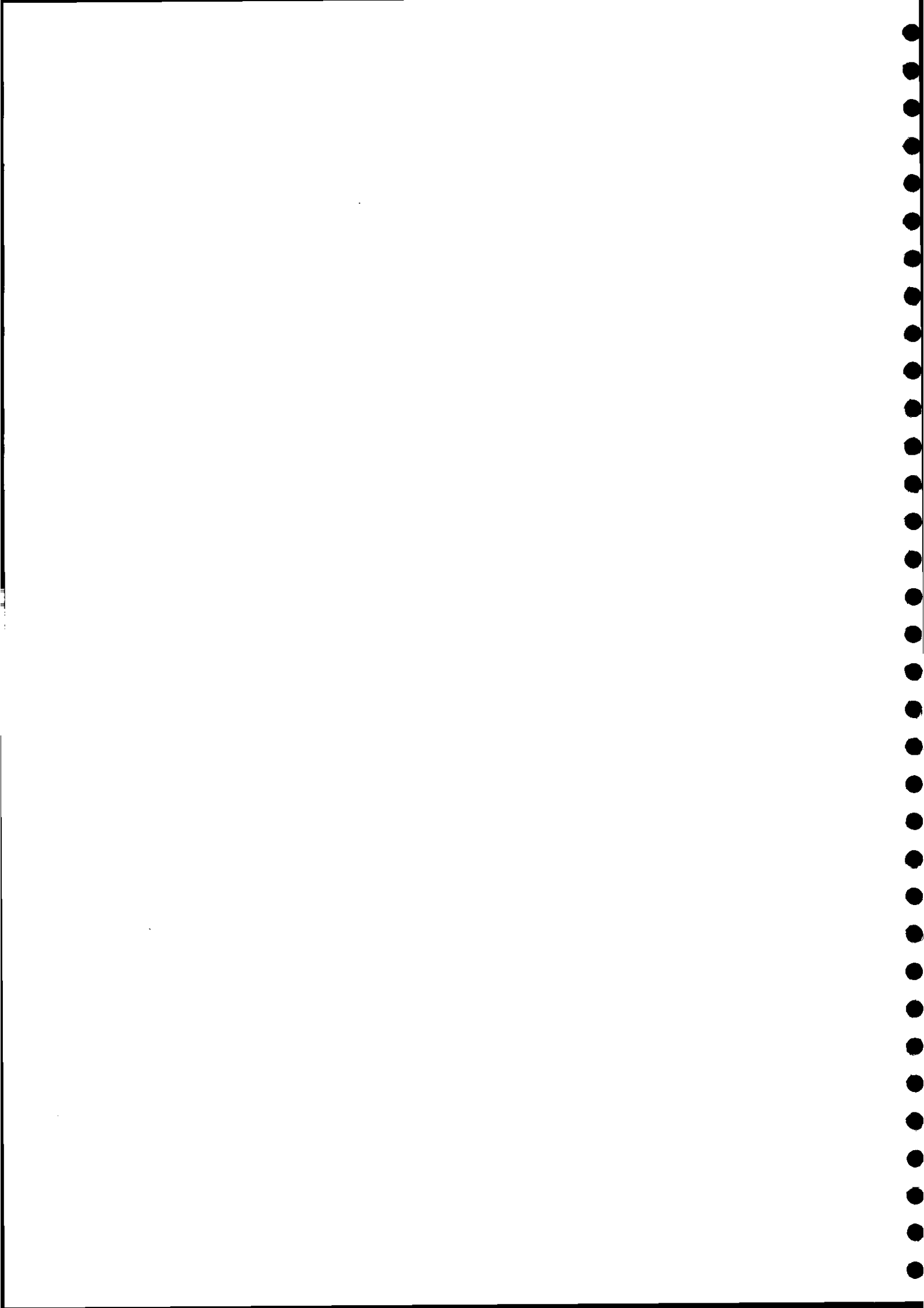
The financial statements on pages 5 to 19 were approved by the board of directors on 27 October 2000 and were signed on its behalf by:



P S Hinchliffe



TR Morris



North Wales Newspapers Limited

Consolidated cash flow statement for the year ended 31 March 2000

		2000 £	1999 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		635,616	568,953
Depreciation on tangible fixed assets		645,493	519,293
Loss/(Profit) on sale of tangible fixed assets		378	(570)
Decrease/(increase) in stocks		14,506	(20,382)
Decrease/(increase) in debtors		169,751	(82,882)
(Increase)/decrease in creditors		(161,549)	258,131
Amortisation of goodwill		176,973	-
		<hr/>	<hr/>
Net cash inflow from operating activities		1,481,168	1,242,543
		<hr/>	<hr/>
Net cash inflow from operating activities		1,481,168	1,242,543
Net cash outflow from Returns on investments and servicing of finance	(Note 1)	(190,954)	(18,298)
Taxation		(479,089)	(136,675)
Capital expenditure and financial investment	(Note 1)	84,864	(39,019)
Acquisitions & Disposals	(Note 1)	5,156	(3,738,239)
		<hr/>	<hr/>
		901,145	(2,689,688)
Equity dividends paid		(189,075)	(121,953)
Net cash (outflow)/inflow from Financing	(Note 1)	(215,870)	2,787,500
		<hr/>	<hr/>
Increase/(decrease) in cash in period		496,200	(24,141)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net debt	(Note 2)		
Increase/(decrease) in cash in period		496,200	(24,141)
Cash outflow from financing		215,870	(2,787,500)
		<hr/>	<hr/>
Change in net debt resulting from cashflows		712,070	(2,811,641)
Net debt at 1 April 1999		(3,345,745)	(534,104)
		<hr/>	<hr/>
Net Debt at 31 March 2000		(2,633,675)	(3,345,745)
		<hr/>	<hr/>

North Wales Newspapers Limited

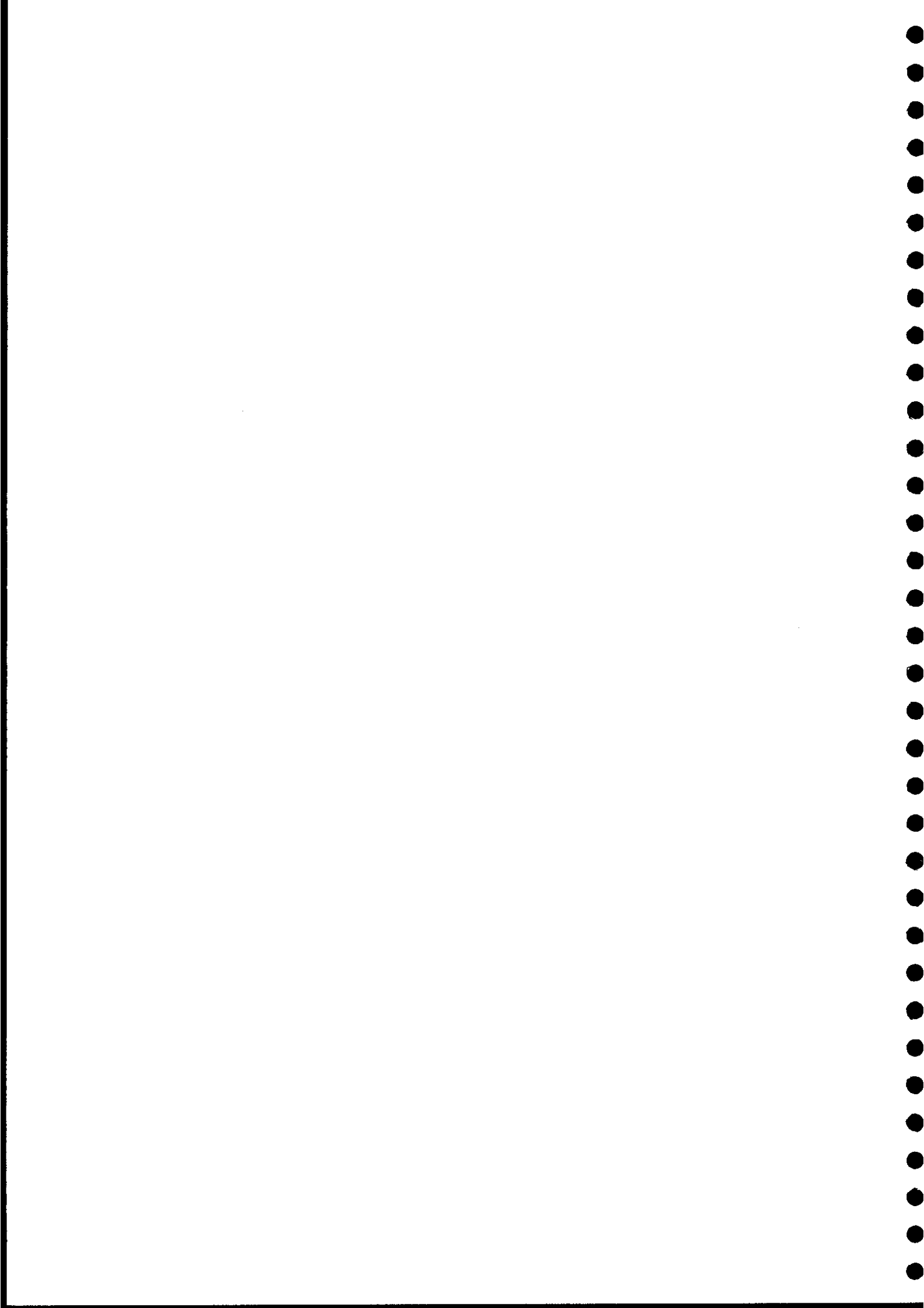
Notes to the Consolidated Cash Flow Statement

Note 1 - Analysis of cash flows for headings netted in the cash flow statement

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	(205,058)	(26,935)
Issue Costs of Bank loan	-	(20,000)
Dividends received	15,590	30,123
Non - equity dividends paid	(1,486)	(1,486)
	<u>(190,954)</u>	<u>(18,298)</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(568,426)	(733,347)
Payments to acquire fixed asset investments	(153,502)	(78,424)
Receipts from sales of tangible fixed assets	25	571
Receipts from sales of fixed asset investments	756,767	772,181
Receipts on sale of title	50,000	-
	<u>84,864</u>	<u>(39,019)</u>
Acquisitions and disposals		
Purchase of subsidiary	-	(3,607,979)
Net Overdraft acquired	-	(130,260)
Additional cost of investment	(8,382)	-
Cash repaid on investment	13,538	-
	<u>5,156</u>	<u>(3,738,239)</u>
Financing		
Repayment of loans	(215,870)	(62,500)
AIB Loan Acquired	-	2,850,000
	<u>(215,870)</u>	<u>2,787,500</u>

Note 2 - Analysis of changes in net debt

	At 1 April 1999 £	Cash Flows £	Non-Cash Changes £	At 31 March 2000 £
Cash in hand , at bank	40,993	100,633		141,626
Overdrafts	(536,738)	395,567		(141,171)
	<u>(495,745)</u>	<u>496,200</u>	<u>0</u>	<u>455</u>
Debt due within 1 year	(202,000)	215,870	(250,870)	(237,000)
Debt due after 1 year	(2,648,000)		250,870	(2,397,130)
	<u>(2,850,000)</u>	<u>215,870</u>	<u>0</u>	<u>(2,634,130)</u>
	<u>(3,345,745)</u>	<u>712,070</u>	<u>0</u>	<u>(2,633,675)</u>



North Wales Newspapers Limited

Notes to the financial statements for the year ended 31 March 2000

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements have been prepared under the historical cost accounting convention.

Accounting date

The company prepares trading accounts to the last Saturday of the month. In this financial year the year end date for the preparation of accounts was 1 April 2000 (3 April 1999).

Principles of consolidation

The consolidated profit and loss account and balance sheet, include the accounts of the company and its subsidiary undertakings made up to 31st March 2000. The results of the subsidiaries sold or acquired are included in the consolidated profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

Turnover

Turnover represents the invoiced value for sale of advertising space and newspapers, amounts received from direct delivery of newspapers, contract printing and promotional activities.

Fixed asset investments

Fixed asset investments are stated at cost, less any provision necessary for permanent diminution in value.

Tangible fixed assets

Depreciation of freehold property has been charged at 2.5 % of original cost on a straight line basis. No depreciation is charged on land. Plant, equipment and motor cars are depreciated at the following rates on a straight line basis:

Plant	between 10% and 20%
Equipment	between 20% and 25%
Motor cars	25%
Motor vans	40%

Related party transactions

The company has taken advantage of the exemption provided under FRS8 not to disclose inter company transactions with its wholly-owned subsidiaries.

Stocks

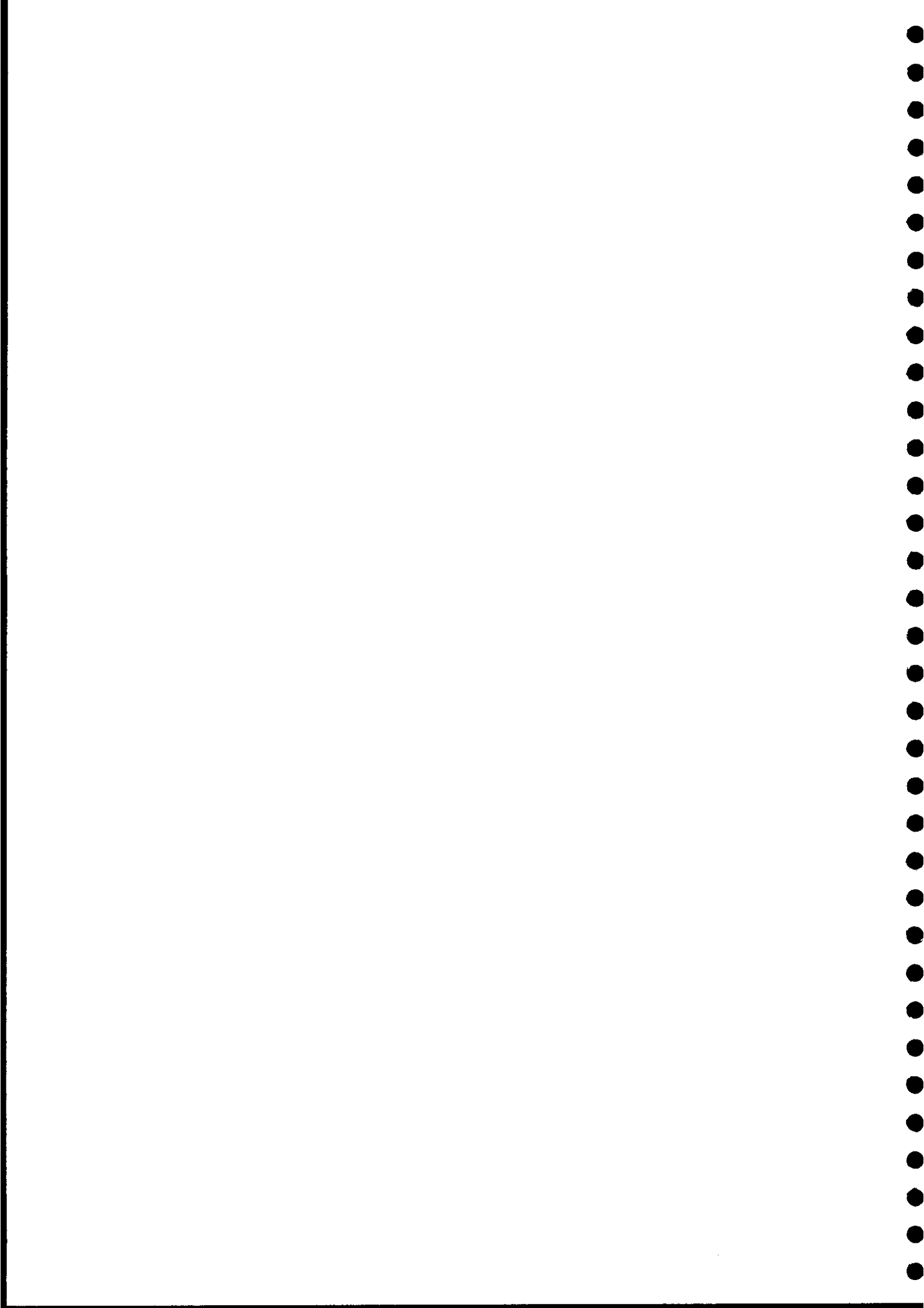
Stocks are valued at the lower of cost and net realisable value. Cost is calculated on a first in, first out basis.

Hire purchase and finance lease agreements

Assets acquired under hire purchase and finance lease agreements are capitalised and depreciated as "tangible fixed assets". Interest is charged to the profit and loss account over the period of the agreement on a straight line basis for hire purchase agreements and a sum of the digits basis for finance lease agreements.

Operating leases

Operating lease payments are charged to the profit and loss account as incurred.



North Wales Newspapers Limited

Pension plan

The Company operates a Money Purchase Pension Plan with both the company and the employee contributing into a personal fund for each individual employee. Contributions paid in the year are charged to the profit and loss account.

The company also has a final salary scheme, the North Wales Newspapers Limited Pension and Life Assurance Scheme. All contributions have ceased and benefits were frozen when the money purchase plan was evolved.

Deferred taxation

Provision for deferred taxation is made on the liability method on all timing differences which are expected to reverse in the foreseeable future, calculated at the rate at which it is expected the tax will become payable.

Goodwill

Goodwill arising on consolidation represents the excess of the fair value of consolidation given over the fair value of the identifiable net assets acquired. In accordance with the transitional arrangements for FRS10 "Goodwill and Intangible Assets", goodwill previously written off immediately against reserves is retained within the reserves. Goodwill arising on future acquisitions will be amortised over the shorter of 20 years, or the anticipated life of the goodwill.

2 Profit and Loss account

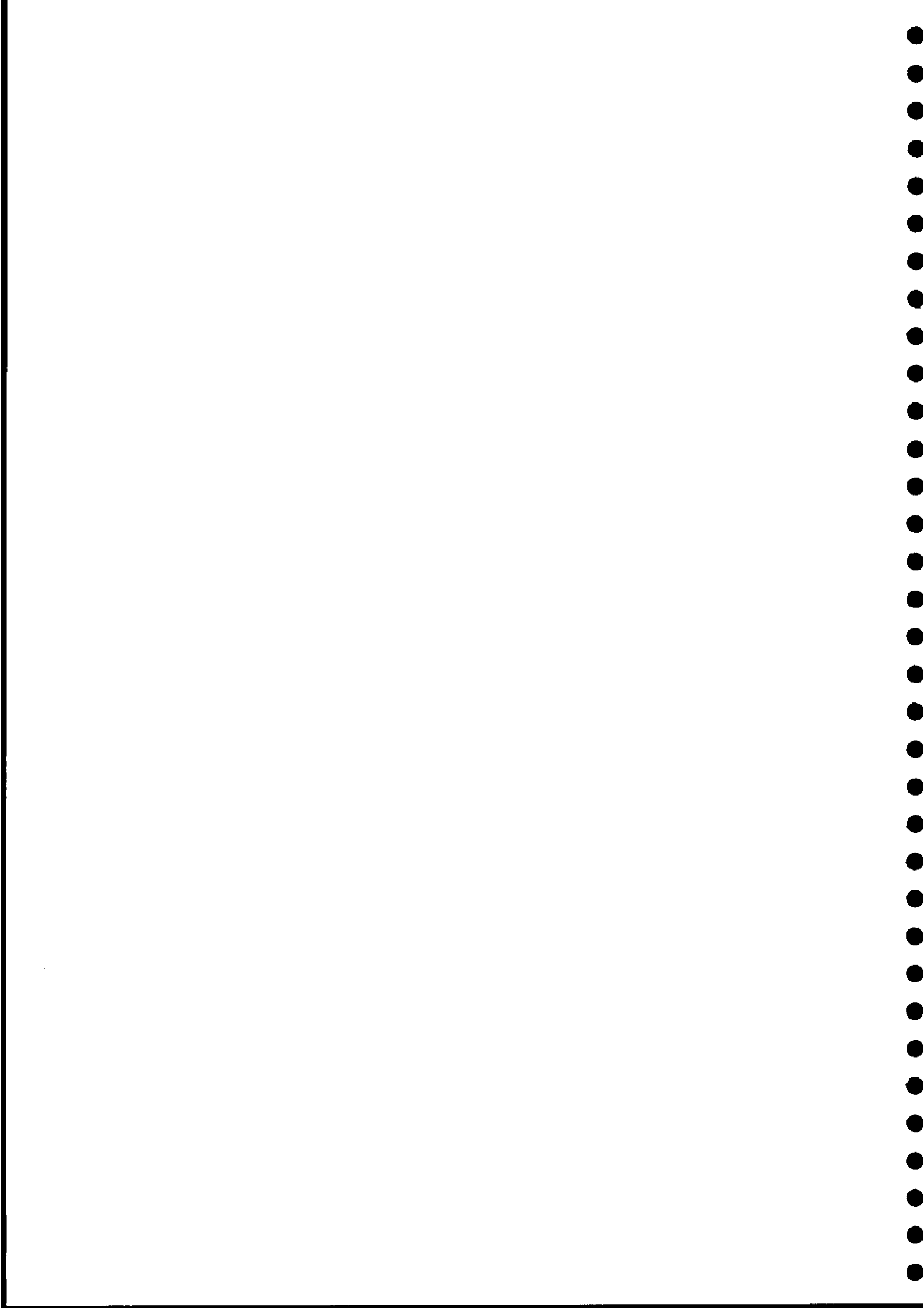
As permitted by Section 230 of the Companies Act 1985 the holding Company's profit and loss account has not been included in these financial statements. The amount of group results attributable to North Wales Newspapers Limited (the parent company) is a profit of £566,047 (1999 £652,017).

3 Turnover and profit on ordinary activities before taxation

The turnover and profit on ordinary activities before taxation are attributable to the principal activity of the Group and relate to the United Kingdom.

4 Net operating expenses

	Group	
	2000 £	1999 £
Net operating expenses		
Distribution costs	374,510	728,880
Administrative expenses	7,929,385	6,530,075
	<hr/>	<hr/>
	8,303,895	7,258,955
	<hr/>	<hr/>
Other operating income	(60,442)	(9,027)
	<hr/>	<hr/>
	8,243,453	7,249,928
	<hr/>	<hr/>



North Wales Newspapers Limited

5 Directors' emoluments

	2000	1999
Aggregate emoluments	325,790	201,952
Company pension contributions to money purchase schemes	19,263	12,172
Sums paid to third parties	31,000	20,000
	<u>376,053</u>	<u>234,124</u>
Emoluments paid to highest paid director	<u>64,569</u>	<u>59,494</u>
Company pension contributions to money purchase scheme in respect of highest paid director	<u>14,052</u>	<u>7,200</u>

The group has made contributions to a money purchase pension plan in respect of 3 directors (1999: 3) during the year.

6 Employee information

The average weekly number of persons (including executive directors) employed by the group during the year was:

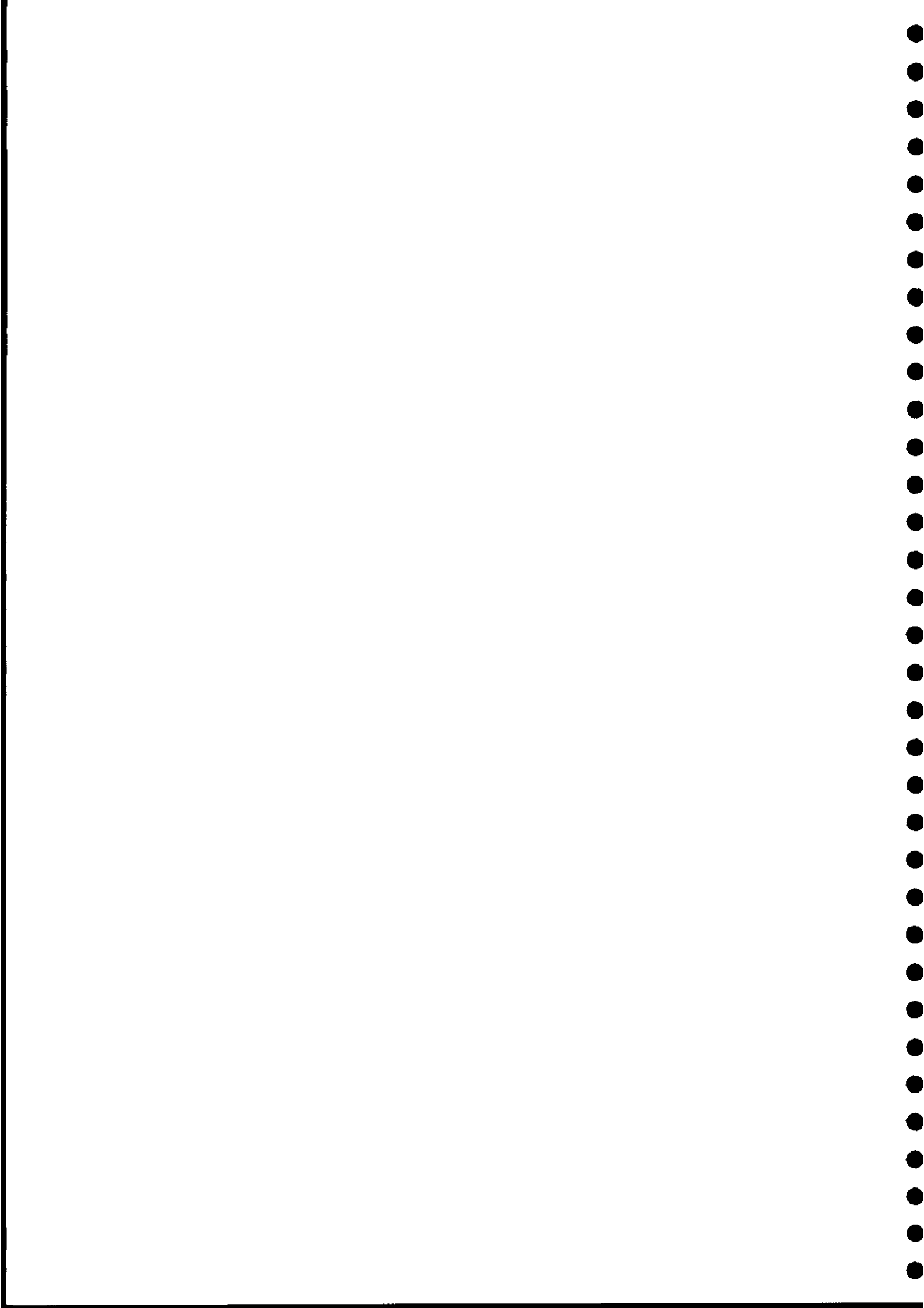
	Group	
	2000 Number	1999 Number
By product group		
Production staff	63	56
Distribution and sales staff	178	120
Editorial Staff	99	105
Administrative staff	34	27
	<u>374</u>	<u>308</u>
	2000 £	1999 £
Staff costs		
Wages and salaries	4,551,500	4,099,824
Social security costs	357,635	348,003
Other pension costs	222,778	87,948
	<u>5,131,913</u>	<u>4,535,775</u>

7 Exceptional item

Group and Company	2000 £	1999 £
Net proceeds received for disposal of newspaper title	50,000	-
Goodwill previously written off to reserves	(203,115)	-
	<u>(153,115)</u>	<u>-</u>

In July 1999 a title was sold for net proceeds of £50,000. Upon acquisition of this title in 1997, goodwill of £203,114 was written off immediately to reserves. Thus, upon subsequent disposal of the title, this goodwill has been written back from reserves for inclusion the loss on disposal calculation.

The loss on disposal has been offset against other capital gains, and has had the effect of reducing the taxation charge for the year by £45,935.



North Wales Newspapers Group

8 Investment income/realised gains

	Group	
	2000	1999
	£	£
Profit on sale of fixed asset investments	710,797	639,687
Dividends receivable from listed investments	15,590	30,123
	<u>726,387</u>	<u>669,810</u>

9 Interest payable and similar charges

	2000	1999
	£	£
On bank loans and overdrafts	202,662	26,935
On hire purchase agreements	2,396	-
	<u>205,058</u>	<u>26,935</u>

10 Profit on ordinary activities before taxation

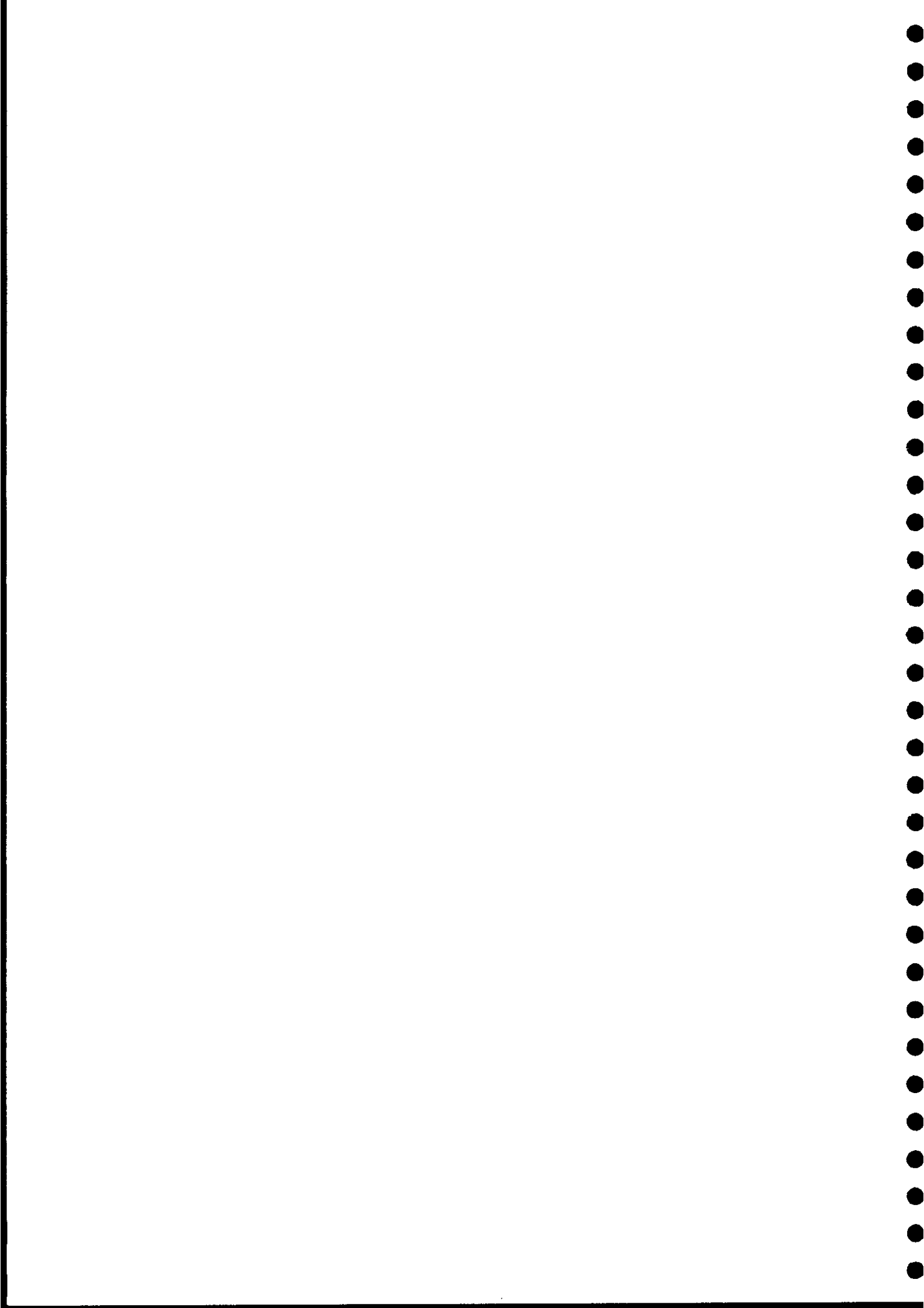
	Group	
	2000	1999
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Loss/(Profit) on disposal of tangible fixed assets	378	(570)
Depreciation charge for the year:		
Tangible owned fixed assets	628,845	504,718
Tangible fixed assets held under finance leases	16,648	14,575
Auditors' remuneration (parent company: £11,000), (1999£12,000)	15,000	12,000
Fees payable to the auditors in respect of other services	12,175	18,400
Hire of plant and machinery - operating leases	205,431	196,233
	<u>205,431</u>	<u>196,233</u>

11 Tax on profit on ordinary activities

	Group	
	2000	1999
	£	£
United Kingdom corporation tax at 30%(1999 30%)	355,647	349,095
Deferred tax	(3,386)	30,817
Tax credits on franked investment income	1,168	4,781
Under provision in respect of prior years	3,076	4,871
	<u>356,505</u>	<u>389,564</u>

12 Dividends

	2000	1999
	£	£
Preference 3.5%	1,096	1,096
5.6% (See note 21)	390	390
	<u>1,486</u>	<u>1,486</u>
Ordinary:		
Interim paid (£2.81 per share)	109,773	89,459
Final proposed (£1.92 per share)	75,000	79,302
	<u>186,259</u>	<u>170,247</u>



North Wales Newspapers Limited

13a Intangible fixed Assets

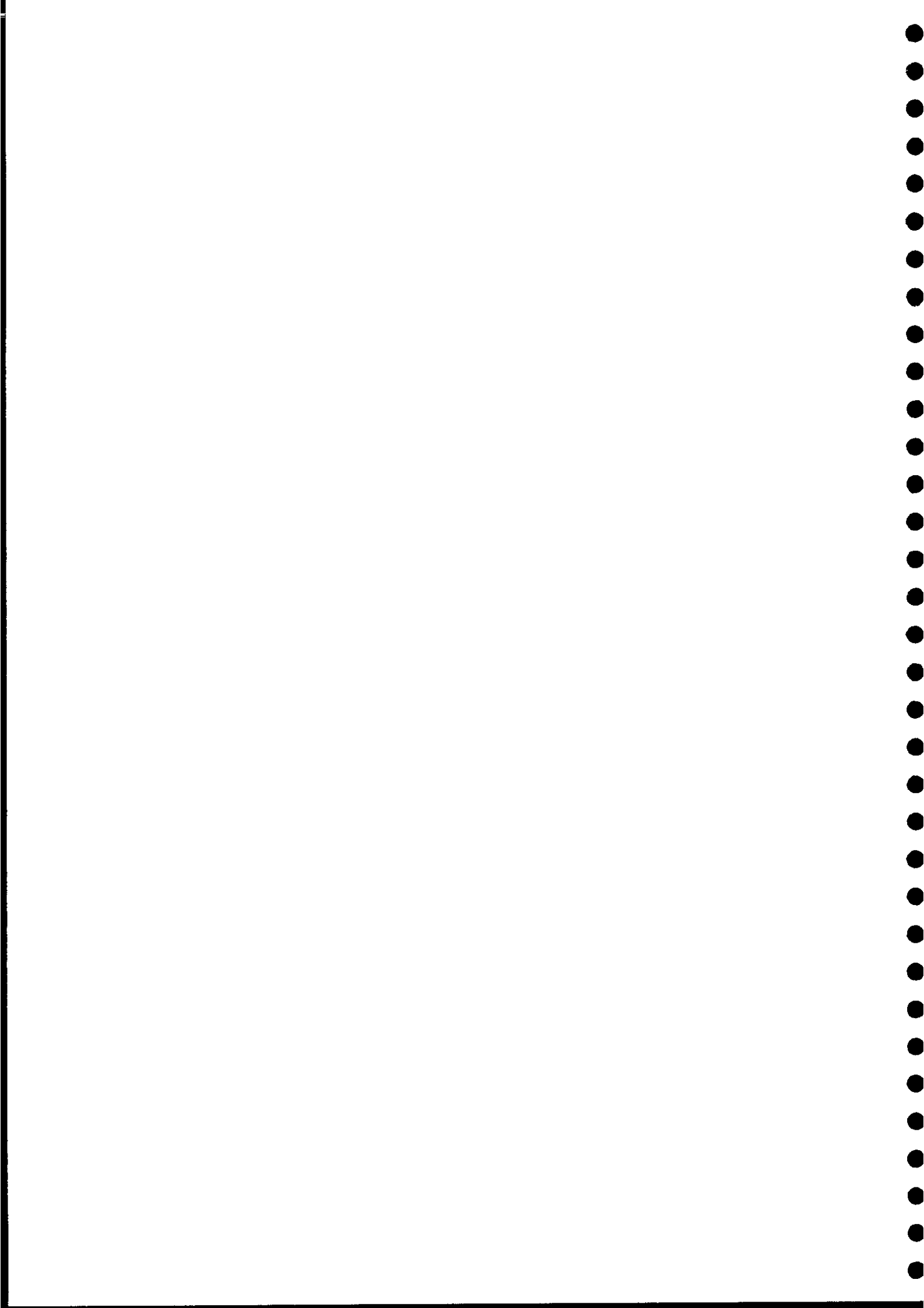
Group	Goodwill £
Cost	
At 1st April 1999	3,549,131
Additions	8,382
Repayments	(18,050)
	<hr/>
At 31 March 2000	3,539,463
	<hr/>
Aggregate Amortisation	
At 1st April 1999	-
Charge for year	176,973
	<hr/>
At 31 March 2000	176,973
	<hr/>
Net Book value at 31 March 2000	3,362,490
	<hr/>
Net Book value at 1 April 1999	3,549,131
	<hr/>

The goodwill is being amortised over a 20 year period.

Repayment of goodwill of £18,050 shown above represents amounts reimbursed to the company by the former shareholders of Chester & District Standard Limited. On acquisition of the company by North Wales Newspapers Limited, various assets were sold and where their balance sheet value exceeded the disposal price the difference was repaid to North Wales Newspapers Limited.

13b Tangible fixed assets

	Group			
	Freehold Land and Buildings £	Plant and machinery £	Fixtures & Fittings £	Total £
Cost				
At 1st April 1999	1,152,818	6,660,912	19,853	7,833,583
Additions	6,028	559,734	2,664	568,426
Disposals	-	(2,774,178)	-	(2,774,178)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	1,158,846	4,446,468	22,517	5,627,831
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st April 1999	233,240	4,709,410	14,272	4,956,922
Charge for year	31,438	608,667	5,388	645,493
Eliminated on disposals	-	(2,773,775)	-	(2,773,775)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2000	264,678	2,544,302	19,660	2,828,640
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2000	894,168	1,902,166	2,857	2,799,191
	<hr/>	<hr/>	<hr/>	<hr/>
At 1st April 1999	919,578	1,951,502	5,581	2,876,661
	<hr/>	<hr/>	<hr/>	<hr/>
Assets held under finance leases, capitalised and included in plant and machinery:				
			2000 £	1999 £
Cost			129,569	129,569
Aggregate Depreciation			(95,905)	(79,257)
			<hr/>	<hr/>
			33,664	50,312
			<hr/>	<hr/>



North Wales Newspapers Limited

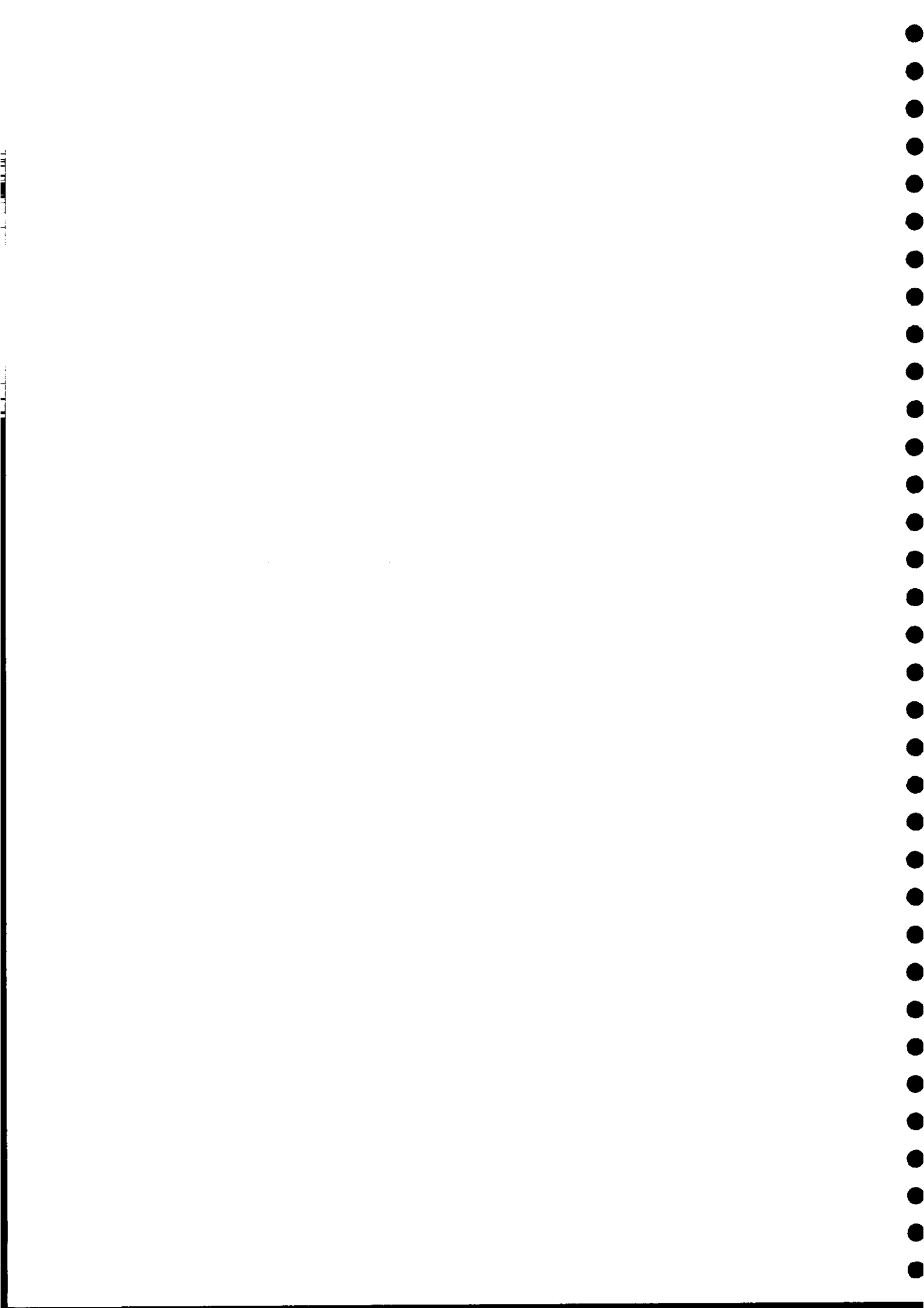
13b continued

	Freehold Land and Buildings £	Company Plant and machinery £	Total £
Cost			
At 1st April 1999	1,152,818	6,461,460	7,614,278
Additions	6,028	519,406	525,434
Disposals	-	(2,774,178)	(2,774,178)
At 31 March 2000	1,158,846	4,206,688	5,365,534
Depreciation			
At 1st April 1999	233,240	4,588,018	4,821,258
Charge for year	31,438	567,096	598,534
Eliminated on disposals	-	(2,773,775)	(2,773,775)
At 31 March 2000	264,678	2,381,339	2,646,017
Net book value			
At 31 March 2000	894,168	1,825,349	2,719,517
At 1st April 1999	919,578	1,873,442	2,793,020
Assets held under finance leases, capitalised and included in plant and machinery:			
		2000 £	1999 £
Cost		65,620	65,620
Aggregate Depreciation		(36,930)	(23,806)
		28,690	41,814

14 Fixed asset investments

Group	Subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 April 1999	-	249,889	249,889
Additions	-	153,503	153,503
Disposals	-	(45,970)	(45,970)
At 31 March 2000	-	357,422	357,422
Company	Subsidiary undertakings £	Other investments £	Total £
Cost			
At 1 April 1999	3,607,983	249,885	3,857,868
Additions	8,382	153,503	161,885
Disposals	(18,050)	(45,970)	(64,020)
At 31 March 2000	3,598,315	357,418	3,955,733

Other investments with a cost of £357,418 (1999 £249,885) include a holding of ordinary shares and cash deposits with a combined market value of £812,526 (1999 £656,320). These securities are listed on the International Stock Exchange.



North Wales Newspapers Limited

14 Continued

Interest in group undertakings

The following information relates to the principal subsidiary undertakings.

Name of undertaking	Country of incorporation or registration	Description of shares held	Proportion of nominal value of issued shares held
Chester & District Standard Limited	England and Wales	Ordinary	100%
Radio NAGC Limited	England and Wales	Ordinary	100%
Celtic Sportsman Limited	England and Wales	Ordinary	100%
Leader News Shops Limited	England and Wales	Ordinary	87%
Radio WFM Limited	England and Wales	Ordinary	100%

All of the above subsidiaries are non trading except Chester & District Standard Limited, which publishes and distributes free weekly newspapers.

15 Stocks

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Raw materials and consumables	<u>69,400</u>	<u>83,906</u>	<u>69,400</u>	<u>83,906</u>

16 Debtors

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Amounts falling due within one year:				
Trade debtors	1,745,105	1,839,080	1,394,487	1,490,495
ACT recoverable	-	930	-	930
Other debtors	45,427	118,323	45,427	115,571
Prepayments and accrued income	78,676	80,626	69,123	70,084
	<u>1,869,208</u>	<u>2,038,959</u>	<u>1,509,037</u>	<u>1,677,080</u>

17 Creditors : amounts falling due within one year

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Bank loans and overdrafts (note 18)	358,171	718,738	217,000	587,753
Trade creditors	262,188	629,317	225,263	381,527
Amounts owed to group undertakings	-	-	8,516	39,000
Corporation tax	275,022	396,458	248,766	383,420
Other taxation and social security	372,557	228,235	305,455	209,102
Other creditors	189,538	120,558	176,374	152,329
Accruals	327,140	325,149	311,062	306,410
HP Creditors	12,672	12,672	-	-
Proposed dividend (ordinary shares)	75,000	79,302	75,000	79,302
	<u>1,872,288</u>	<u>2,510,429</u>	<u>1,567,436</u>	<u>2,138,843</u>

North Wales Newspapers Limited

18 Creditors : amounts falling due after more than one year

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Allied Irish Bank	2,397,130	2,648,000	2,397,130	2,648,000
HP Contracts	4,352	15,811	-	-
	<u>2,401,482</u>	<u>2,663,811</u>	<u>2,397,130</u>	<u>2,648,000</u>
	2000 £	1999 £	2000 £	1999 £
HP Contracts :				
Due within 1 - 2 years	2,783	12,672	-	-
Due within 2 - 5 years	1,569	3,139	-	-
	<u>4,352</u>	<u>15,811</u>	<u>-</u>	<u>-</u>

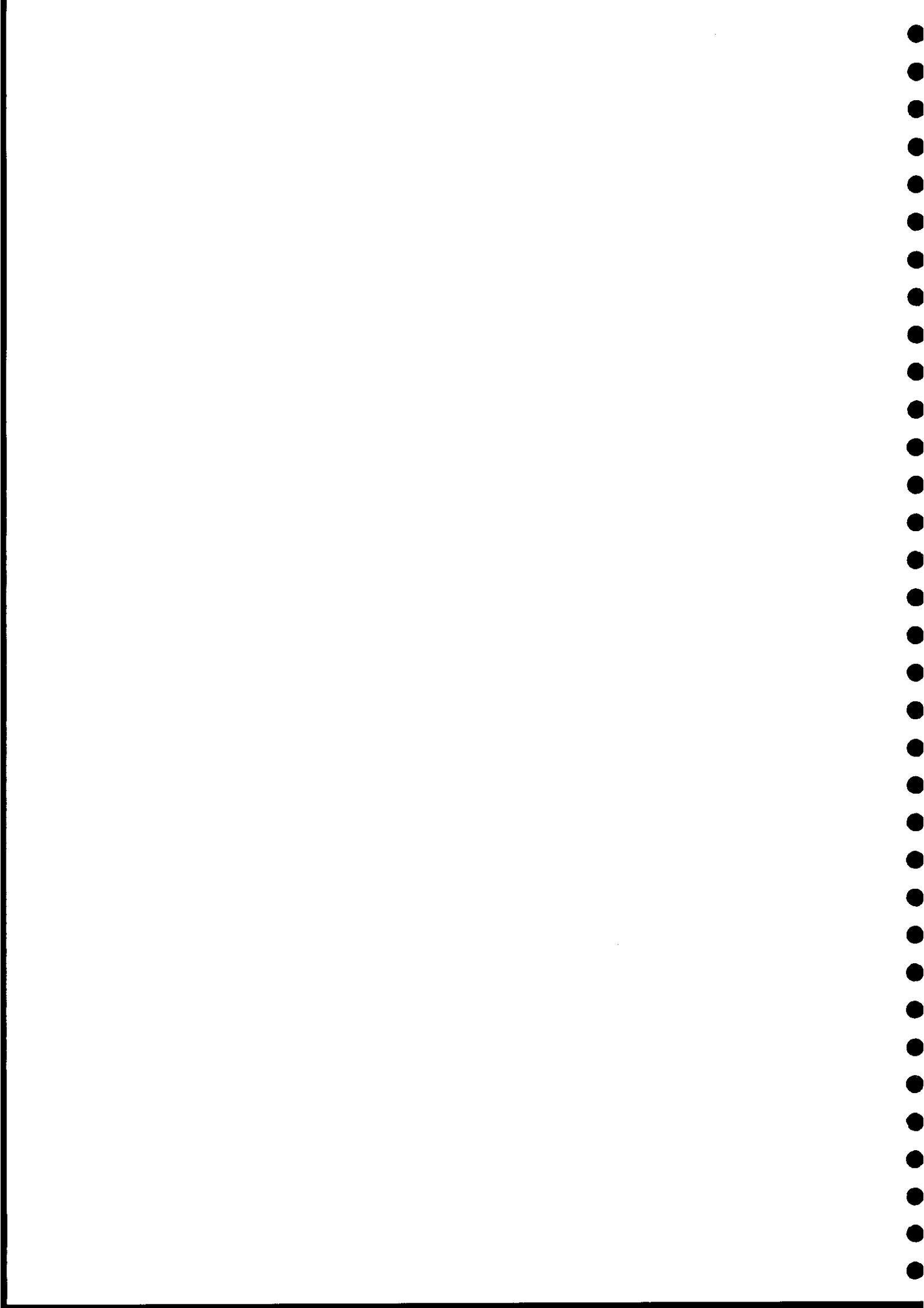
Bank loans and overdrafts

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Bank loans and overdrafts are repayable as follows :				
In one year or less	358,171	718,738	217,000	587,753
Between one and two years	233,000	217,000	233,000	217,000
Between two and five years	809,000	753,000	809,000	753,000
More than five years	1,355,130	1,678,000	1,355,130	1,678,000
	<u>2,755,301</u>	<u>3,366,738</u>	<u>2,614,130</u>	<u>3,235,753</u>

The Allied Irish Bank loan and overdraft are secured by a legal mortgage over all the fixed and current assets of the North Wales Newspapers Group. The bank loan is for a ten year term at a variable commercial interest rate of 1.5% over base. The overdraft is repayable on demand.

19 Provision for liabilities and charges

Group and Company	Deferred taxation £
At 1 April 1999	70,346
Profit and loss account	(3,912)
	<u>66,434</u>
At 31 March 2000	



North Wales Newspapers Limited

19 Continued

Deferred taxation

Deferred taxation provided in the financial statements, and the total potential liability including the amounts for which provision has been made, is as follows:

Group and Company

	Amount provided		Total potential liability	
	2000 £	1999 £	2000 £	1999 £
Tax effect of timing differences due to :				
Excess of tax allowances over depreciation	89,812	93,159	89,812	93,159
Other differences	(23,378)	(22,813)	-	-
	<u>66,434</u>	<u>70,346</u>	<u>89,812</u>	<u>93,159</u>

20 Pension and similar obligations

The company operates a defined contribution pension scheme. The assets of the fund are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £222,778 (1999 £87,948). At 31 March 2000 pension contributions of £61,668 (1999: £15,332) were accrued.

In addition, the company operated a defined benefit pension scheme which was closed in June 1992. These employees have a guarantee from the company that their total benefits from the defined contribution and defined benefit schemes will be at least equal to a certain individually defined benefit. From time to time an independent actuary assesses if the current rate of contributions to the defined contribution scheme, together with the accumulated funds held in the defined benefit scheme, is expected to be adequate to provide this benefit guarantee.

21 Called up share capital

	2000 £	1999 £
Authorised		
102,500 ordinary shares of £1 each	102,500	102,500
37,000 3.5% cumulative preference shares of £1 each	37,000	37,000
7,500 4.2% cumulative preference shares of £1 each	7,500	7,500
	<u>147,000</u>	<u>147,000</u>
Allotted, called up and fully paid		
39,065 ordinary shares of £1 each	39,065	39,065
31,329 3.5% cumulative preference shares of £1 each	31,329	31,329
6,959 4.2% cumulative preference shares of £1 each	6,959	6,959
	<u>77,353</u>	<u>77,353</u>

The 4.2% preference shares become 5.6% when the ordinary dividend in the financial year exceeds 10% of the nominal value.

The net profits of the company, after due provision of all proper reserves, shall be applied first in paying the holders of the preference shares and the balance, if any, shall be distributed by way of a dividend determined by the company in general meeting.

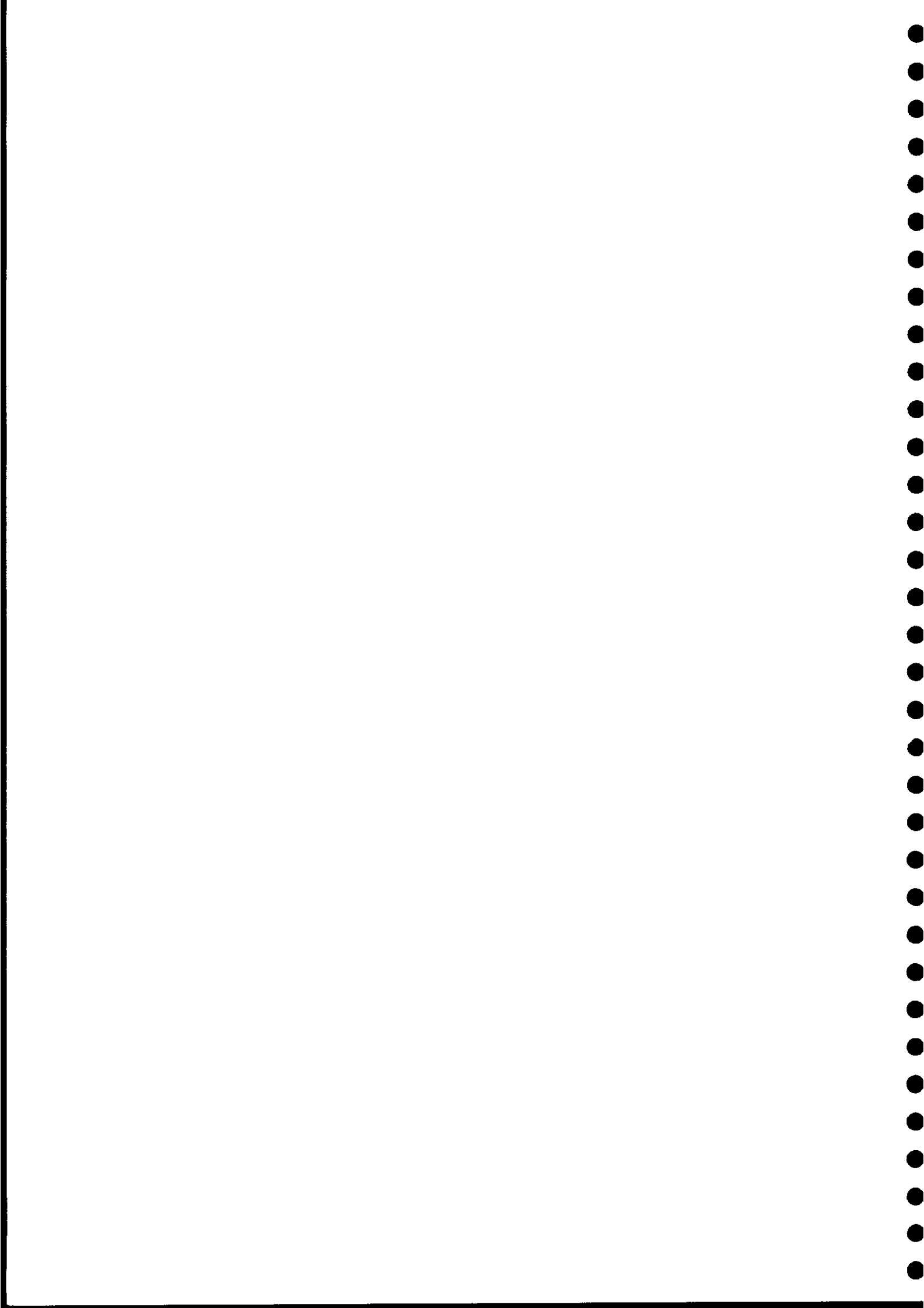
All ordinary shares carry one vote per £1 of nominal value.

The preference shares carry voting rights only in the following circumstances;

- (i) The issue of debentures or debenture stock or debenture bonds having a priority of capital and interest above the said preference shares;
- (ii) Any question directly affecting the rights of the holders of preference shares;
- (iii) The winding up of the Company or any question arising in such winding up.

If the company shall be wound up the assets available for distribution shall be applied;

- (i) Firstly in repaying the holders of the preference shares the amounts paid up or credited as paid up on such preference shares;
 - (ii) Secondly in repaying the holders of ordinary shares the amounts paid up or credited as paid up on such ordinary shares;
- The balance shall be distributed amongst the holders of the ordinary shares in proportion to the number of shares held.



North Wales Newspapers Limited

22 Acquisitions

Chester & District Standard Limited was acquired on 31 March 1999, and hence was consolidated within the 1999 financial statements.

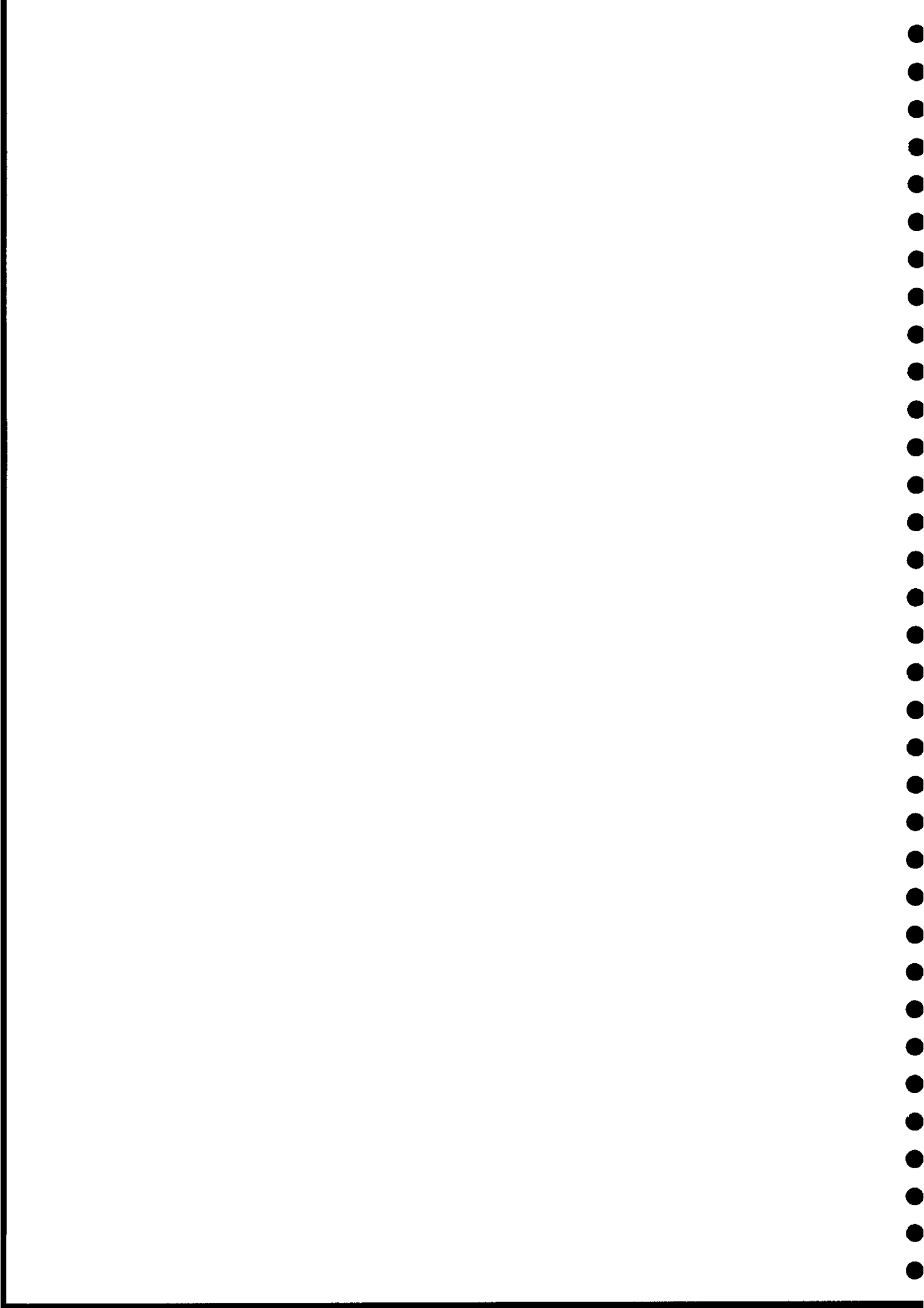
Given the acquisition coincided with the group's financial year end, no trading results of Chester & District Standard Limited were consolidated within the 1999 financial statements. The results of the company for the year ended 31 March 2000 have been consolidated for the first time and can be summarised as follows:

	£
Turnover	2,149,965
Cost of sales	(961,366)
	<hr/>
	1,188,599
Net operating expenses	(1,053,506)
	<hr/>
Operating profit	135,093
	<hr/>

At 31 March 2000 the company had net current assets of £52,118 and total assets less current liabilities of £127,440.

23 Share premium account and reserves

Group	Share premium account £	Capital reserve £	Profit and loss account £
At 1 April 1999	6,264	68,779	3,442,557
Retained profit for year	-	-	461,066
Goodwill written back in the year	-	-	203,115
	<hr/>	<hr/>	<hr/>
At 31 March 2000	6,264	68,779	4,106,738
	<hr/>	<hr/>	<hr/>
Company	Share premium account £	Capital reserve £	Profit and loss account £
At 1 April 1999	6,264	68,779	3,442,557
Retained profit for year	-	-	566,047
Goodwill written back in the year	-	-	203,115
	<hr/>	<hr/>	<hr/>
At 31 March 2000	6,264	68,779	4,211,719
	<hr/>	<hr/>	<hr/>



North Wales Newspapers Limited

24 Reconciliation of movements in shareholders funds

	Group		Company	
	2000 £	1999 £	2000 £	1999 £
Opening shareholders funds	3,594,953	2,942,936	3,594,953	2,942,936
Retained profit for year	461,066	652,017	566,047	652,017
Goodwill written back in the Year	203,115	-	203,115	-
Closing shareholders funds	4,259,134	3,594,953	4,364,115	3,594,953
	2000 £	1999 £	2000 £	1999 £
Equity Shareholders Funds	4,220,846	3,556,665	4,325,827	3,556,665
Non-equity Shareholders Funds:				
3.5% preference shares	31,329	31,329	31,329	31,329
4.2% preference shares	6,959	6,959	6,959	6,959
	4,259,134	3,594,953	4,364,115	3,594,953

25 Financial commitments

At 31 March 2000 the group had annual commitments under non-cancellable operating leases as follows :

	2000 Land and buildings £	2000 Other £	1999 Land and buildings £	1999 Other £
Expiring within one year	13,676	26,222	5,250	13,020
Expiring between two and five years inclusive	28,480	169,080	43,406	163,532
Expiring in over five years	17,300	-	4,600	-
	59,456	195,302	53,256	176,552

In addition to the above there were £44,482 (1999: £134,000) of capital commitments which had been contracted for at the year end.

26 Contingent Liabilities

The directors are not aware of any contingent liabilities in relation to the company at 31 March 2000.

27 Related Party Transactions

The Chairman of North Wales Newspapers Limited, Mr RWG Whitehair, was also Deputy Chairman of Mediaforce (London) Limited which acted as North Wales Newspapers' agents for national advertising business during the year to 31 March 2000 on a commission basis.

During the year Mediaforce (London) Limited rendered services to North Wales Newspapers Limited amounting to £53,706 (1999 £46,633), of which £11,005 (1999 £11,005) was accrued for at the year end.

All the transactions were carried out on an arms length basis .

